Huayang

YOUR DREAMS MADE AFFORDABLE

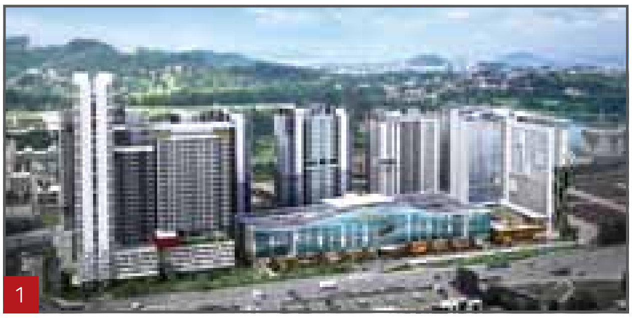
ANNUAL REPORT 2014

Building first homes for Malaysians has always been our first priority.

Owning a home is a universal and time-honoured dream. But today, in these challenging times, the idea of owning a first home can be daunting.

At Huayang, we've been building affordable homes in Ipoh, Johor Bahru, and the Klang Valley for 35 years. Over the years, we've helped over 100,000 people own their first home, with the confidence of knowing that their investment is safe and will grow over the years.

Our focus on affordable home remains unwavering. To us it's a commitment, not a business strategy.



1. One South @ Seri Kembangan, Selangor 2. Citywoods @ Johor Bahru, Johor 3. D'ecolake @ BUSI, Seri Iskandar, Perak
4. Sentrio Suites @ Desa Pandan, Kuala Lumpur 5. Docynia @ Taman Pulai Hijauan, Johor Bahru, Johor
6. Metia Residence @ Seksyen 13, Shah Alam, Selangor 7. The Gardens @ Polo Park, Johor Bahru, Johor
8. Ridgewood @ Taman Bercham Permai, Ipoh, Perak 9. Pedestrian Mall @ BUSI, Seri Iskandar, Perak

Remark : All images above are artist's impression

Your Dreams, Made Affordable

For 35 years, Huayang has been in the business of "*empowering Malaysians to own their own homes*". And for the next 35 years, and beyond, it will remain so for us.

That's because we believe that owning a home is a universal aspiration. This belief is at the very heart of everything we do.

As such, the advertising/communications tagline "Your Dreams, Made Affordable" is a public declaration of our vision and our ambition.

"Your Dreams" represents much more than just a roof over your head. It is about aspiring to own homes that one can be proud of, safe and secure homes, happy environments to raise a family in.

"Made Affordable" is about honouring the dreams of our customers by delivering value and quality every time. It is a great responsibility, and one that we do not take lightly.

By unifying all our communication behind this brand promise "Your Dreams, Made Affordable", it enables us to take a leadership role in a highly competitive space. By clearly differentiating ourselves from the competition, it creates a powerful relevance, connection and preference among our customers and stakeholders.

It is not a fancy slogan but a state-of-mind. It is, simply, the truth about who we really are, what connects us with the people who believe in us...our customers.

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Proxy Form – Enclosed

Hua Yang is ready to sustain longer term development activities, with its available landbank of 602 acres which has a potential GDV of RM3.3 billion.

YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh
Chairman


Buying a first home is your dream.
Making it possible is our mission.

Cube @ One South,
Seri Kembangan, Selangor

CORPORATE INFORMATION

BOARD OF DIRECTORS

YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh
Chairman /
Independent Non-Executive Director

Ho Wen Yan
Chief Executive Officer /
Executive Director

Dato' Tan Bing Hua
Senior Independent Non-Executive Director

Ho Mook Leong
Non-Independent Non-Executive Director

Chew Po Sim
Non-Independent Non-Executive Director

Chew Hoe Soon
Non-Independent Non-Executive Director

Dato' Wan Azahari Bin Yom Ahmad
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh
Independent Non-Executive Director

Members
Dato' Tan Bing Hua
Senior Independent Non-Executive Director

Chew Hoe Soon
Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairman
Dato' Tan Bing Hua
Senior Independent Non-Executive Director

Members
YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh
Independent Non-Executive Director

Chew Hoe Soon
Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman
YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh
Independent Non-Executive Director

Members
Dato' Tan Bing Hua
Senior Independent Non-Executive Director

Chew Hoe Soon
Non-Independent Non-Executive Director

COMPANY SECRETARIES

Leong Oi Wah (MAICSA 7023802)
Tan Hwai Lun (MIA 24085)

REGISTERED OFFICE

123A, Jalan Raja Permaisuri Bainun
(Jalan Kampar) 30250 Ipoh
Perak Darul Ridzuan
Tel : 05-254 3812
Fax : 05-254 2625
E-mail : ipoh@huayang.com.my

OFFICES IN MALAYSIA

Head Office
C-21, Jalan Medan Selayang 1
Medan Selayang
68100 Batu Caves
Selangor Darul Ehsan
Tel : 03-6188 4488
Fax : 03-6188 4487
E-mail : kl@huayang.com.my
Website : www.huayang.com.my

Ipoh Office
123A, Jalan Raja Permaisuri Bainun
(Jalan Kampar) 30250 Ipoh
Perak Darul Ridzuan
Tel : 05-254 3812
Fax : 05-254 2625
E-mail : ipoh@huayang.com.my

Johor Office
53 & 55, Jalan Besi
Taman Sri Putri
81300 Skudai
Johor Darul Takzim
Tel : 07-559 1388
Fax : 07-556 0388
E-mail : jb@huayang.com.my

AUDITORS

Ernst & Young (AF 0039)
Chartered Accountants
21 & 23, Jalan Hussein
(1st Floor), 30250 Ipoh
Perak Darul Ridzuan

PRINCIPAL BANKERS

AMBank Berhad
Hong Leong Bank Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad

SHARE REGISTRARS

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7841 8000
Fax : 03-7841 8008

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Listed on : 29th November 2002
Stock name : HuaYang
Stock code : 5062

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting of Hua Yang Berhad will be held at the Head Office of the Company at 4th Floor, C-21 Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor on Wednesday, 27 August 2014 at 10.30 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2014 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of a single-tier dividend of 7% per Ordinary Share of RM1.00 each in respect of the financial year ended 31 March 2014. **(Resolution 1)**

3. To approve the payment of Directors' fees amounting to RM478,800 for the financial year ended 31 March 2014. **(Resolution 2)**

4. To re-elect Dato' Wan Azahari Bin Yom Ahmad who is retiring pursuant to Article 93(1) of the Company's Articles of Association. **(Resolution 3)**

5. To pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965:-

   5.1 "That YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh, who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting" **(Resolution 4)**

   5.2 "That Dato' Tan Bing Hua, who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting" **(Resolution 5)**

   5.3 "That Madam Chew Po Sim, who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting" **(Resolution 6)**

6. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. **(Resolution 7)**

As Special Business

7. **Authority to issue shares pursuant to Section 132D of the Companies Act, 1965** **(Resolution 8)**

   "THAT, pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

8. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING *(CONT'D)*

NOTICE OF FINAL DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS HEREBY GIVEN that a single-tier dividend of 7% per Ordinary Share of RM1.00 each in respect of the financial year ended 31 March 2014, if approved at the forthcoming Annual General Meeting, will be payable on 15 October 2014 to Depositors registered in the Record of Depositors at the close of business on 1 October 2014.

A Depositor shall qualify for entitlement only in respect of:-

a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 1 October 2014, in respect of ordinary transfers; and

b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
LEONG OI WAH (MAICSA 7023802)
TAN HWAI LUN (MIA 24085)
Company Secretaries

Ipoh
31 July 2014

Notes:

1. Only members whose name appear in the Record of Depositors as at 20 August 2014 will be entitled to attend the Annual General Meeting or appoint proxy/proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and vote on his/her stead.

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/ members of the Company to attend and vote in his/her stead and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. When a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a Corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it may holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 123A, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for the Meeting or any adjournment thereof.

Explanatory Note on Special Business:

Resolution 8

The proposed Resolution 8 will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The Company did not utilise the mandate sought for issue of new shares that was approved by the shareholders on 23 August 2013 which will lapse at the conclusion of the forthcoming Annual General Meeting.

The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

CHAIRMAN'S STATEMENT

The Gardens @ Polo Park, Johor Bahru

I am honored to have helmed the Board of Directors of Hua Yang Berhad ("Hua Yang" or the "Group") as its Chairman for the past year. I firmly believe that given the right impetus, the management team will be able to steer the businesses of the Group to success and deliver long term growth which is sustainable and rewarding. It is therefore with confidence that I present the Annual Report and the Audited Financial Statements for the financial year ended 31 March 2014 ("FY2014"). Hua Yang continues to be committed to providing affordable housing for the public; delivered with quality and the passion for the built environment.

FINANCIAL RESULTS

Hua Yang experienced excellent growth in FY2014 and has achieved a significant milestone, recording RM500 million in revenue. The resilient demand for affordable homes propelled a strong take-up rate for new projects this year such as GREENZ @ One South, Metia Residences and Sentrio Suites. Consequently, Hua Yang recorded a revenue of RM509.9 million for FY2014, which is an increase of 24.8% compared to RM408.7 million for FY2013.

Concurrently, pre-tax profit for the Group grew 17.9%, from RM95.3 million the previous financial year to RM112.4 for FY2014. The net profit for FY2014 grew by 16.6% to RM82.17 million compared to RM70.5 million in FY2013, due to the contribution from steady construction progress from all the on-going projects. As a result of the increase in net profit, earnings per share for the Group rose to 31.1 sen from 27.4 sen for FY2013.

CHAIRMAN'S STATEMENT *(CONT'D)*

YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh
Chairman

"The Group's strategy moving forward will be to ensure that ongoing projects are of the highest standard and meet the expectations of home buyers, thus enabling young Malaysians to have the opportunity to purchase their own homes."

For FY2014, the shareholders' funds stood at RM386.99 million as compared to RM334.48 million for FY2013. However, the Group's net asset per share decreased from RM1.69 to RM1.47 due to the enlarged issued and paid up capital via bonus issues in FY2014.

Total sales for FY2014 amounted to RM734.8 million, of which more than 80% were attributable to new launches across the Klang Valley, Johor and Perak. Unbilled sales for FY2014 stands at RM808.1 million, which will sustain results and provide earnings stability moving forward.

DIVIDENDS

The Group recorded an excellent profit in FY2014, and distributed an interim single tier dividend of 5.0 sen per ordinary share, which was paid on 7 April 2014. The Board further proposes an additional year-end dividend of 7.0 sen for shareholder's approval at the forthcoming Annual General Meeting ("AGM"). This brings the total dividend to 12.0 sen per share for FY2014, and translates into a total dividend yield of 6.7%.

OUTLOOK FOR 2014

According to the Statistics Department of Malaysia, the gross domestic product ("GDP") for Malaysia grew 5.1% in the fourth quarter ended 31 December 2013, with a slower growth of 9.7% in the construction sector compared to 18.1% in the previous year. Growth for the coming year is expected to be moderate, following the Government's move to consolidate spending in accordance with its target of trimming the fiscal deficit. The global economy is seen to be on a path of moderate recovery, which bodes well for the local economy as sustained improvements in developed

CHAIRMAN'S STATEMENT *(CONT'D)*


D'ecolake @ BUSI, Seri Iskandar, Perak

economies are expected to be a positive impetus for increased international trade.

Initiatives announced in Budget 2014 indicate the Government's commitment towards affordable housing, and the improvement of infrastructure and logistic mobility through the upgrading of existing roads as well as mega-projects such as the KL-Singapore High Speed Rail bullet train.

We have noted recent credit-tightening measures by Bank Negara Malaysia and cooling-measures proposed by the government to curb rising property prices. Hua Yang's focus however, is primarily in the affordable housing market. Net margins may see some marginal decline in the short term, as labour shortages continue to affect the sector. However, this risk will be mitigated by locking in construction costs for some projects.

With all this in mind, Hua Yang is ready to sustain longer term development activities, with its available landbank of 602 acres which has a potential GDV of RM3.3 billion. The Group's strategy moving forward will be to ensure that ongoing projects are of the highest standard and meet the expectations of home buyers, thus enabling young Malaysians the opportunity to purchase their own homes. Based on the performance of the Group's ongoing and upcoming projects, Hua Yang is optimistic of achieving positive results for the coming financial year.

APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere gratitude to both the management team and employees of Hua Yang for their dedication, commitment, and diligent efforts towards the success of all the Group's endeavours.

To all our shareholders, customers, business associates and bankers, I offer my appreciation for your continued contribution to, support of, and confidence in the Group. In conclusion, I would further like to submit my special thanks to all relevant regulatory authorities for all assistance and support provided over the last year.

YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh
Chairman


We have been building affordable homes
long before they became fashionable.

CEO'S STATEMENT

As we conclude the 35th year of operations at Hua Yang, I am pleased that the Team has worked with passion and delivered a significant milestone in our Corporate history; that of achieving another year of double digit growth, but more significantly of achieving RM500 million revenue. A significant step towards growing the Group to be a leading participant in the industry.

On behalf of the Management of Hua Yang Berhad ("Hua Yang" or the "Group"), it is my pleasure to present the operational review of the Group for the financial year ended 31 March 2014 ("FY2014").

REVIEW OF OPERATIONS

The Group has achieved another year of strong solid growth. All projects across the 4 locations we operate in have performed according to our plans this FY2014.

Development projects in the Klang Valley continue to be the largest contributor to the Group's revenue in FY2014, contributing 48% to the total revenue. Johor operations were the second largest contributor with 29% and the remaining revenue was drawn from projects in Perak and Negeri Sembilan which collectively amounted to 23% of the total revenue.

Our flagship integrated project, One South in Selangor, continues to perform well. Phase 2, Parc @ One South has achieved statutory completion (Certificate of Completion and Compliance ("CCC") while steady construction progress is being achieved for on-going phases 3, 4 & 5.

Sentrio Suites @ Desa Pandan, Kuala Lumpur

CEO'S STATEMENT *(CONT'D)*

Ho Wen Yan
Chief Executive Officer

"With innovative packages planned for the future, we intend to maintain focus on the affordable housing segment, consolidating our position as one of the leading property brands in the market, particularly in the Klang Valley, Johor, and Perak."

Other projects in the Klang Valley, i.e. Metia Residences in Shah Alam and Sentrio Suites in KL have also received solid sales responses and construction works are on-site.

Johor operations are focused on our 2 key townships in the South, namely Taman Pulai Indah and Taman Pulai Hijauan. Concurrently, the team is preparing for upcoming launches which will drive greater awareness of the Group with new projects in Johor Bahru town centre; such as The Gardens @ Polo Park and Citywoods at Jalan Abdul Samad.

With our established reputation and land-bank in Perak, we continue to perform well in our State of origin. Bandar Universiti Seri Iskandar continues to drive double-digit sales growth. In line with our ambition of being the leading housing developer in Perak, we are rapidly expanding our presence in Ipoh with new projects in Ipoh town area, Greenview Residences and Ridgewood in the upcoming FY2015.

UPCOMING DEVELOPMENTS

A number of new projects with a total GDV of RM1.09 billion, are planned for the financial year ending 31 March 2015 ("FY2015"). These projects will contribute to improve the earnings visibility of the Group as well as assist in realising Hua Yang's revenue target for FY2015.

Plans are in place for a three-pronged focus on 3 main areas for future developments mainly, the Klang Valley, Johor Bahru and Ipoh and the surrounding areas in the region. Within the Klang Valley we will be launching a new project in Puchong with an estimated GDV of RM1.35 billion.

CEO'S STATEMENT *(CONT'D)*

In Johor Bahru, we have Citywoods, a project with a Gross Development Value ("GDV") of RM216 million, and The Gardens @ Polo Park in Johor Bahru with a GDV of RM64 million.

Taman Pulai Hijauan is a mixed development township with 10 phases of development. The Group has launched RM193 million worth of products for this project so far, planning the launch of new phases for FY2015, comprising terrace and cluster houses, semi-D units and shops with a total estimated GDV of RM127 million.

In Perak, we have two new projects. Ridgewood at Taman Bercham Permai is a gated and guarded residential development with total GDV of RM90 million, while Greenview Residences in Anjung Bercham Megah consists of 42 double-storey terrace houses with a GDV of RM12 million.

BUSINESS DIRECTION

Hua Yang has an established track record of more than 35 years in the property development industry. With innovative packages planned for the future, we intend to maintain focus on the affordable housing segment, consolidating our position as one of the leading property brands in the market, particularly in the Klang Valley, Johor, and Perak. Young Malaysians looking to own their first property will continue to be our main focus, as statistics affirm that this is the largest growing population segment in Malaysia.

CEO'S STATEMENT *(CONT'D)*

One South @ Seri Kembangan, Selangor

The Group's total undeveloped landbank currently stands at 602.6 acres with a potential GDV of RM3.3 billion. We are constantly looking to expand our landbank whenever suitable opportunities present themselves, and will continue to do so in the future. The focus areas for these acquisitions will still be in the Klang Valley, Johor and Perak, as they have a high growth potential, in line with our investment strategies.

To meet our future challenges, we have embarked on a Brand Development Programme which will unify all our communication behind a single brand platform. In line with this, our logo has been refreshed and has undergone a design refinement, intended to present a warmer, friendlier and more approachable personality to our customers. The Group is working towards becoming the preferred partner for first time property buyers.

APPRECIATION

In conclusion, I would like to extend my thanks to the Board of Directors, the management team and staff, as well as the shareholders, business associates and relevant government authorities for their support of Hua Yang. It is through your continued commitment and hard work that we have come this far, and I look forward to reach even greater heights with your cooperation and help in the future.

Ho Wen Yan
Chief Executive Officer

GROUP CORPORATE STRUCTURE

Huayang

100%
Agro-Mod Industries Sdn Bhd

100%
Bison Holdings Sdn Bhd

100%
Daya Niaga Sdn Bhd

100%
Grandeur Park Sdn Bhd

100%
Johanjana Corporation Sdn Bhd

100%
Pembinaan Hua Yang Sdn Bhd

100%
Prisma Pelangi Sdn Bhd

100%
Prop Park Sdn Bhd

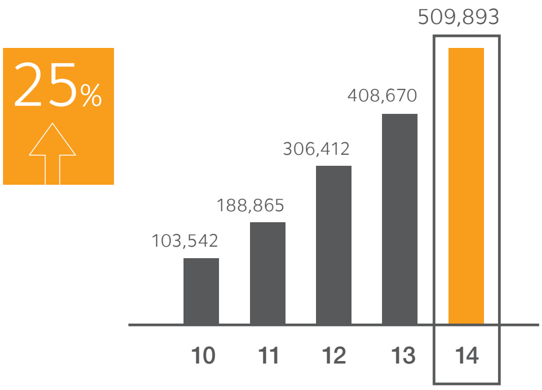
100%
Sunny Mode Sdn Bhd

100%
Tinggian Development Sdn Bhd

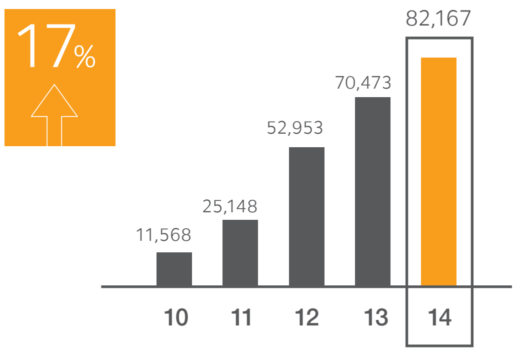
100%
Yoon Lian Realty Sdn Bhd

FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

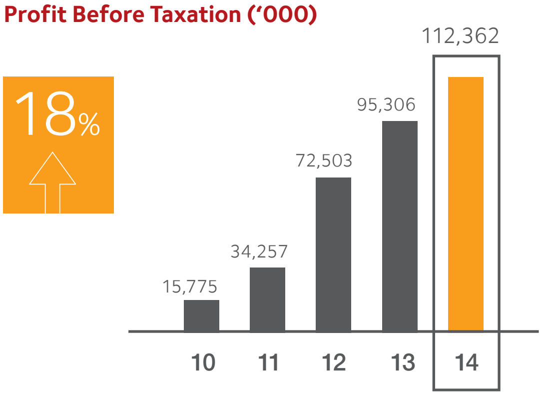
Revenue ('000)



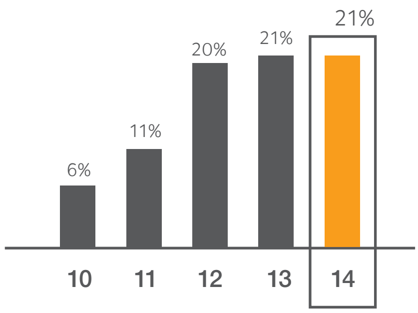
Profit Attributable To Equity Holders of the Company ('000)



Profit Before Taxation ('000)



Return on Equity (%)



	Audited				
Financial Year Ended 31 March	**2014 RM' 000**	**2013 RM' 000**	**2012 RM' 000**	**2011 RM' 000**	**2010 RM' 000**
(A) Key data of Operating Results:					
Revenue	509,893	408,670	306,412	188,865	103,542
Profit Before Taxation	112,362	95,306	72,503	34,257	15,775
Profit After Taxation	82,167	70,473	53,435	25,087	11,559
Profit Attributable To Equity Holders of the Company	82,167	70,473	52,953	25,148	11,568
(B) Key data of Financial Position:					
Total Assets	832,765	633,898	447,124	357,029	311,113
Total Borrowings	249,280	115,153	97,280	73,044	56,801
Shareholders' Equity	386,982	334,477	266,075	219,277	195,824
(C) Financial Indicators:					
Return on Equity (%)	21%	21%	20%	11%	6%
Return on Total Assets (%)	10%	11%	12%	7%	4%
Earnings Per Share (Sen)	31.12	27.43@	21.22#	10.08#	4.63#
Gross Dividend Per Share (sen)	12.00	13.25	16.50	7.50	3.00
Net Dividend Per Share (sen)	12.00	12.00	12.38	5.63	2.25
Net Assets Per Share (RM)	1.47	1.69	1.86	2.05	2.20
Net Gearing Ratio	0.55	0.26	0.27	0.30	0.27
Net Assets (RM)	386,982	334,477	268,257	220,977	197,584

@ The comparative figures for earnings per share have been restated to reflect the adjustment arising from the bonus issue and private placement completed during the financial year 2014 and 2013 respectively.

The comparative figures for earnings per share have been restated to reflect the adjustment arising from the bonus issue completed during the financial year 2014.

PROFILE OF DIRECTORS

YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh

Aged 71, Malaysian.
Chairman / Independent Non-Executive Director
- Chairman of Audit Committee and Nomination Committee
- Member of Remuneration Committee

YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh was appointed to the Board of Hua Yang Berhad ("Hua Yang") on 1 June 2000 and was made the Chairman of the Board. He has a Bachelor of Arts Degree from University of Malaya and a Master of Science Degree from University of London. He also holds a Doctorate in Philosophy, which he obtained from University of Warwick.

YBhg Tan Sri Dato' Seri Dr. Ting started his career as a lecturer in the Faculty of Social Sciences and Humanities at Universiti Kebangsaan Malaysia in 1974 until 1980. He was then appointed as an Associate Professor at the Faculty until 1987.

In 1987, YBhg Tan Sri Dato' Seri Dr. Ting ventured into politics with his election as a Member of Parliament for the Gopeng constituency, which he held until the 2008 general elections. He previously served as a Parliamentary Secretary of the Ministry of Health (1988 – 1989), Deputy Minister in the Prime Minister's Department (1989 – 1990), Minister of Housing and Local Government (1990 – 1999) and Secretary-General of Malaysian Chinese Association (MCA) (1990 – 2005).

He currently sits on the Boards of Puncak Niaga Holdings Berhad, Johan Holdings Berhad, UTAR Education Foundation and Sycal Ventures Berhad. He also serves as a Director of several private companies.

PROFILE OF DIRECTORS *(CONT'D)*

Standing from left to right:

- **Chew Po Sim**
- **Ho Wen Yan**
- **Dato' Tan Bing Hua**
- **YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh**
- **Chew Hoe Soon**
- **Ho Mook Leong**
- **Dato' Wan Azahari Bin Yom Ahmad**

Ho Wen Yan

Aged 40, Malaysian.
Chief Executive Officer / Executive Director

Ho Wen Yan was appointed to the Board of Hua Yang on 1 June 2007. He received his architectural training in the United Kingdom at the University of Bath and the Architectural Association. He also holds a Masters of Science (Construction Economics and Management) Degree from University College London.

He joined Hua Yang on 20 October 2003 as a Project Coordinator at its Johor Branch. He has been an Executive Director of the Group since 1 June 2007 and was appointed Chief Executive Officer on 20 August 2010.

Chew Po Sim

Aged 71, Malaysian.
Non-Independent Non-Executive Director

Mdm Chew Po Sim was appointed to the Board of Hua Yang on 27 January 2003. She holds a teaching certificate and on her early retirement from the teaching profession, she ventured into horticulture trading business for more than 20 years.

Mdm. Chew Po Sim is also currently overseeing her investment holding company, namely Heng Holdings Sdn Bhd, the substantial shareholder of the Company.

PROFILE OF DIRECTORS *(CONT'D)*

Ho Mook Leong

Aged 54, Malaysian.
Non-Independent Non-Executive Director

Mr. Ho Mook Leong was appointed to the Board of Hua Yang on 31 January 2002. He has a Degree in Civil Engineering from Ohio State University, United States of America.

Mr. Ho Mook Leong started his career as a Site Engineer with IOI Properties Berhad in 1984 and subsequently left to join Hua Yang as Project Manager in 1988 to oversee the property development projects in Ipoh. From 1991 to 1997, Mr. Ho Mook Leong was on secondment to one of the associate company to manage another mixed property development project in Ipoh. Having acquired extensive experience and expertise in project management and construction related fields over the years, he became General Manager of Hua Yang in 1997 to oversee all the development projects of Hua Yang Group.

Mr. Ho Mook Leong left Hua Yang in year 2000 to pursue his own consultancy business. In the preparation for the initial public listing of Hua Yang in 2001/2002, Mr. Ho Mook Leong re-joined the Company as Executive Director on 2 January 2002. He was promoted to Chief Operating Officer and Chief Executive Officer of Hua Yang on 1 September 2003 and 1 June 2007 respectively. He resigned as Chief Executive Officer of Hua Yang on 19 August 2010 to pursue his own business interest and remains as Non-Executive Director on the Board of Hua Yang.

Chew Hoe Soon

Aged 62, Malaysian.
Non-Independent Non-Executive Director
- Member of Audit Committee, Remuneration Committee and Nomination Committee

Mr. Chew Hoe Soon was appointed to the Board of Hua Yang on 2 June 2003. He holds a Bachelor of Economics (Accounting) Degree (Honours) and a Diploma in Accounting, both from University Malaya. He is a member of the Malaysian Institute of Accountants (MIA).

Mr. Chew Hoe Soon has extensive working experiences in the field of finance and sales & marketing of consumer products, having held the position of Managing Director in a large multinational company for a number of years.

Dato' Tan Bing Hua

Aged 70, Malaysian.
Senior Independent Non-Executive Director
- Chairman of Remuneration Committee
- Member of Audit Committee and Nomination Committee

Dato' Tan Bing Hua was appointed to the Board of Hua Yang on 16 January 2006. He graduated from University of Malaya with a B.A (Hons) degree in year 1967. In 1982, he decided to further his studies in law, graduating with L.L.B. (Honours) degree from the University of London in 1985 and a Barrister-at-Law of the Lincoln's Inn, England in 1986.

Dato' Tan Bing Hua started his career in public service in Bank Negara Malaysia upon his graduation in 1967 where he served for a period of 15 years until 1982. He then practised law in the firm of Amin-Tan & Co in Kuala Lumpur from 1987 to 2012 upon his call to the Malayan Bar in 1987. He is now an advocate and solicitor in the firm of Choong & Partners.

He currently sits on the Board of Far East Holdings Berhad as an Independent Non-Executive Director.

Dato' Wan Azahari Bin Yom Ahmad

Aged 51, Malaysian.
Independent Non-Executive Director

Dato' Wan Azahari Bin Yom Ahmad was appointed to the Board of Hua Yang on 19 August 2010. He holds a certificate in Business Studies.

Dato' Wan Azahari has 20 years of experience in the building and electrical construction industry. He is currently the Group Director to Yom Ahmad Ngah Holdings Sdn Bhd Group of Companies.

OTHER INFORMATION OF DIRECTORS

FAMILY RELATIONSHIP

None of the Directors have any relationship with each other and major shareholders of Hua Yang except that Ho Wen Yan is the son of Chew Po Sim and the nephew of Ho Mook Leong and Chew Hoe Soon. Chew Po Sim and Chew Hoe Soon are siblings and Chew Po Sim is the sister-in-law of Ho Mook Leong.

Chew Po Sim is the mother of Ho Min Yi, Ho Wen Yan, Ho Wen Han and Ho Wen Fan, the major shareholders of Hua Yang.

CONFLICT OF INTEREST

None of the Directors have any conflict of interest with the Company.

LIST OF CONVICTIONS OF OFFENCE

None of the Directors have been convicted for offence within the past 10 years other than traffic offences, if any.

ATTENDANCE OF THE BOARD

All the Directors have complied with the minimum 50% attendance in respect of Board Meeting as stipulated by the Listing Requirements. There were six (6) Board Meetings held during the financial year ended 31 March 2014 and the attendance of each Director is as follows:-

	Name of Director	Attendance
1.	YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh	6/6
2.	Ho Wen Yan	6/6
3.	Dato' Tan Bing Hua	6/6
4.	Ho Mook Leong	6/6
5.	Chew Po Sim	5/6
6.	Chew Hoe Soon	5/6
7.	Dato' Wan Azahari Bin Yom Ahmad	6/6

We have also embarked on a Brand Development Programme which will unify all our communication behind a single brand platform. In line with this, our logo has been refreshed and has undergone a design refinement, intended to present a warmer, friendlier and more approachable personality to our customers.

Ho Wen Yan
Chief Executive Officer

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") of Hua Yang Berhad ("Hua Yang" or "the Company") is committed in ensuring that the highest standards of corporate governance are implemented and maintained throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value. Therefore, the Board supports the principles laid out in the Malaysian Code on Corporate Governance 2012 ("the Code"). These principles and practices supported by existing internal controls processes, are regularly audited and reviewed to ensure transparency, integrity and accountability has been in place for the financial year ended 31 March 2014.

BOARD OF DIRECTORS

Composition of the Board

The Company has seven (7) members on the Board of whom three (3) are Independent Non-Executive Directors (including the Chairman), one (1) Executive Director and three (3) Non-Independent Non-Executive Directors. A brief profile of each Director is presented on page 18 to 20 of this Annual Report.

The Company is led and managed by an experienced Board comprising members with a wide range of experience in relevant fields such as entrepreneurship, economics, legal, accounting, finance, administration, project development, management, marketing and public service. Together, the Directors bring a broad range of skills, experiences and knowledge to successfully direct and supervise the Group's business activities.

Recommendation of the Code states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, the Nomination Committee and Board have assessed, reviewed and determined that the length of the service of Director does not affect the Director in exercising their objective and independent judgment to discharge their duties and responsibilities.

Furthermore, the Board is satisfied that YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh who has served the Board as Independent Non-Executive Director for more than nine (9) years still remain objective and has actively participated in Board's and Board Committee's discussion and provided an independent view to the Board. From time to time, he has ensured effective check and balance in the Board's and Board Committee's proceedings. His vast experiences in public service enable him to provide the Board with a diverse set of experience and expertise.

Board Responsibilities

The Executive Director is generally responsible for making and implementing operational decisions whilst the Non-Executive Directors support the skills and experiences of the Executive Director, contributing to the formulation of policy and decision-making through their knowledge and experience of other business sectors.

The Independent Non-Executive Directors, who are independent of management and free from any business relationship which could materially interfere with the exercise of their judgement, play an important role in ensuring that the strategies proposed by the Management are fully deliberated and examined, taking into consideration the long term interests of shareholders, employees, customers and other stakeholders.

The roles of the Chairman and Chief Executive Officer ("CEO") are separate with clear division of responsibilities between them to ensure balance of power and authority. The Chairman's main responsibility is to lead and manage the Board in order to ensure its effectiveness. Together with other Non-Executive Directors, he leads the discussion on the strategies and policies recommended by the Management.

The CEO is responsible in leading the management team, implementation of the policies/decision approved by the Board, and acts as the Group's official spokesperson. The CEO is also responsible for planning the future direction of the Group for the Board's consideration and approval.

CORPORATE GOVERNANCE STATEMENT *(CONT'D)*

Directors' Training

All directors have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad ("Bursa Securities"). In addition, seminars and conferences organised by Bursa Securities, relevant regulatory bodies and professional bodies on areas pertinent to the Directors are communicated to the Board for their participation. The Board will also identify training needs amongst the Directors and enroll the directors for training programme, as and when required.

During the financial year, the Directors have attended training programmes, the details of which are set out as follows:

Director	Training Programme	Mode of Training	Duration of Training
YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh	1. Nominating Committee Program 2. Managing Effective Boardroom Dynamics & Board Evaluation Mechanism In Making A Difference 3. Advocacy Sessions on Corporate Disclosures for Directors of Listed Issues 4. Business Ethics - Insider Trading	Seminar Seminar Seminar Seminar	½ day ½ day ½ day ½ day
Ho Wen Yan	1. Business Ethics - Insider Trading	Seminar	½ day
Dato' Tan Bing Hua	1. Business Ethics - Insider Trading	Seminar	½ day
Dato' Wan Azahari Bin Yom Ahmad	1. Advocacy Sessions on Corporate Disclosures for Directors of Listed Issues 2. Business Ethics - Insider Trading	Seminar Seminar	½ day ½ day
Ho Mook Leong	1. Business Ethics - Insider Trading	Seminar	½ day
Chew Po Sim	1. Advocacy Sessions on Corporate Disclosures for Directors of Listed Issues 2. Business Ethics - Insider Trading	Seminar Seminar	½ day ½ day
Chew Hoe Soon	1. Advocacy Sessions on Corporate Disclosures for Directors of Listed Issues 2. Business Ethics - Insider Trading	Seminar Seminar	½ day ½ day

Senior Independent Non-Executive Director

The Board has appointed Dato' Tan Bing Hua as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed. The Senior Independent Non-Executive Director provides a secure and confidential channel to address any concerns conveyed to him directly on matters relating to the Company. Dato' Tan Bing Hua is authorised to seek information as required, from any employee of the company and all employees are directed to co-operate on any request made by the Senior Independent Non-Executive Director. During the year, there was no issue raised to the Senior Independent Non-Executive Director.

Board Meetings and Supply of Information

Board meetings are held at regular intervals with additional meetings convened when necessary. During the financial year, the Board met six (6) times to review the Group's operations, quarterly and annual financial statements and any other matters that required the Board's approval. Details of each Director's attendance are set out on page 21 of this annual report.

The Company has adopted a policy of sending Board papers to the Directors ahead of the pre-scheduled meetings to ensure that the Directors are given sufficient time to review any matters to be discussed at the meetings later and also to enable the Directors to obtain further information and explanation, whenever necessary.

The Board papers encompass all aspects of the matters to be considered with quantitative and qualitative information thus enabling the Board to make informed decisions. Detailed reports on various issues like operational performance and profitability, human resources, business plans and various financial indicators are made available in advance to members of the Board for information and deliberation wherever applicable.

The Board papers also encompass a summary listing of the changes in the relevant laws and regulations applicable to the Company such as Bursa Securities's Listing Requirements. The Board have the right to access all information within the Company, whether as a full board or in their individual capacity, in furtherance of their duties.

The appointment of the Company Secretaries is based on the capability and proficiency determined by the Board. All Directors have access to the advice and services of the Company Secretaries who are responsible for ensuring the proper Board procedures are followed through and that all applicable rules and regulations are complied with. The Company Secretaries attended the Board meetings and recorded the deliberations, in terms of the issues discussed and the conclusion made by the Board in discharging their duties and responsibilities. The Articles of Association of the Company permits the removal of the Company Secretary by the Board of Directors. Besides this, the Directors are also empowered to seek external independent professional advice at the Company's expense, to enable them to make well-informed decisions.

Retirement of Directors

In accordance with the Company's Articles of Association, one-third (1/3) or nearest to one-third (1/3) of the Directors shall retire from office and be eligible for re-election at each annual general meeting provided that all Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election. Directors appointed during the year are subject to retirement and re-election by shareholders in the Annual General Meeting immediately after his/her appointment. A retiring Director shall retain office until the close of the meeting at which he retires.

Directors who are over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129(2) of the Companies Act, 1965.

Board Committees

(i) Audit Committee

The Board is assisted by the Audit Committee, which operates within clearly defined key functions. The composition, terms of reference and activities of the Audit Committee are set out on pages 36 to 38 of this annual report.

(ii) Nomination Committee

The Nomination Committee met one (1) time during the financial year and the activities which had been carried out were as follows:

i. Assessed the effectiveness of the Board as a whole and the contribution of each individual director;
ii. Reviewed the size, composition and the required mix of skills of the Board; and
iii. Recommended the re-election of retiring Directors to the Board.

In line with the Code, Nomination Committee carries out documented annual evaluation on the effectiveness of the Board as a whole, the various Committees and each Directors, including Independent Non-Executive Directors' contribution to the effectiveness of the Board's decision making process.

The Nomination Committee ensures that all assessments and evaluations carried out are properly documented.

CORPORATE GOVERNANCE STATEMENT *(CONT'D)*

(iii) Remuneration Committee

The Remuneration Committee met two (2) times during the financial year and the activities which had been carried out were as follows:

i. Reviewed and recommended the bonus, increment and benefits of the staff, senior management and Executive Directors to the Board by linking their rewards to corporate and individual performance; and
ii. Reviewed the Directors' Fees.

DIRECTORS' REMUNERATION

Other than the Executive Director, all Non-Executive Directors are paid a fixed fee besides receiving meeting allowance for each Board and Committee meeting they attended. Directors' fees are subject to the approval of shareholders. The Chairman of the Board and Board Committee is paid a higher fee compared to other Board members and Board Committee members in recognition of his additional responsibilities.

The Executive Director's remuneration is contractual and reflects the Board's recognition of his skills and experiences in the industry, job responsibilities and the Group's performance against financial objectives. The Executive Director does not participate in discussion on his own remuneration. It is the ultimate responsibility of the entire Board to approve the remuneration of the Executive Directors. The Executive Director concerned would abstain from discussion and decision on his own remuneration.

The Board as a whole determines the remuneration package of Non-Executive Directors including the Independent Chairman by linking the remuneration to their experiences and level of responsibilities undertaken.

The details of the remuneration of the Directors in respect of the financial year ended 31 March 2014 are as follows:

Category of Remuneration	Executive Director (RM)	Non-Executive Directors (RM)
Salaries	559,000	-
Directors' fees	-	430,800
Audit Committee fees	-	31,500
Remuneration & Nomination Committee fees	-	26,400
Bonuses	480,000	-
Employees' Provident Fund & SOCSO	135,693	-
Allowance	-	34,000
Total	1,174,693	522,700

The number of Directors whose total remuneration fell within the following bands during the financial year is as follows:

	Number of Directors	
	Executive	Non-Executive
RM50,001 to RM100,000	-	5
RM100,001 to RM150,000	-	1
RM1,150,001 to RM1,200,000	1	-

CORPORATE GOVERNANCE STATEMENT *(CONT'D)*

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS RELATIONS

An Investor Relations and Shareholder Communication Policy has been adopted by the Board to enable the Company to communicate effectively with its shareholders, potential investors, other stakeholders and public generally. The Board recognises and values the importance of informing shareholders of all major developments of the Group on a timely basis.

Apart from the mandatory announcements on the Group's financial results and corporate developments to Bursa Securities, the Group disseminates information to the public via press releases which provide up-to-date information on the Group's key corporate initiatives, new products and services launches.

The Board values the importance of effective, clear and timely releases of financial information and updates on other developments are important to enable shareholders and the general public to receive information on the performance and prospects of the Group on a regular basis. Shareholders, investors and members of the public are able to access such announcements on Bursa Securities' website at www.bursamalaysia.com and other information via the Company's website at www.huayang.com.my.

Shareholders, investors and members of the public may also forward their queries to the Company by contacting its Corporate Communication team at Tel: 603-6188 4488, Fax: 603-6188 4487 and Email: kl@huayang.com.my.

The Board recognises the use of the Annual General Meeting as a principal forum for dialogue and communication with shareholders. Extraordinary General Meeting are held as and when required.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors are required by the Companies Act, 1965 to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Company and the Group. The Directors are satisfied with the presentation of the financial statements of which has been prepared in accordance with the applicable accounting standards, consistently applied and supported by reasonable and prudent judgments and estimates. The Audit Committee assists the Board by scrutinising the information to be disclosed, to ensure accuracy and adequacy. The Group's financial statements are presented on pages 40 to 114 of this annual report.

Risk Management Framework and Internal Control

The Board acknowledges its responsibility for the Group's system of risk management and internal control and for reviewing its effectiveness regularly by setting up an internal audit and risk management audit function which provides support to Audit Committee in discharging its duties with respect to the adequacy and integrity of the system of risk management and internal control within the Group.

The Statement on Risk Management and Internal Control which has been reviewed by the External Auditors is set out on pages 33 to 35 of this annual report.

Relationship with the Auditors

Through the Audit Committee of the Board, the Group has established a transparent and appropriate relationship with the Group's auditors, both internal and external. The external auditors are invited to attend meetings on special matters when necessary.

Compliance Statement

The Board is satisfied that during the financial year under review the Company has applied most of the Principles and Recommendations of the Code.

The Board, will moving forward, continues to make considerable efforts in working towards aligning the Company's governance framework as far as practicable to the Principles and Recommendations of the Code.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

" The Group constantly endeavours to ensure that **environmental, ethical and social responsibility** issues and standards are taken into consideration in every aspect of our business strategy. "

HUA YANG BERHAD ("Hua Yang" or the "Group") is committed to conduct its business and operations as a socially responsible corporate organisation, contributing to the communities in which we operate, and respecting the needs of employees, investors, customers, suppliers, regulators and other stakeholders. We recognise the importance of approaching Corporate Social Responsibility ("CSR") in a coordinated and responsible manner and have aligned our initiatives in this area with best practices in CSR and three core values which are employee welfare, community engagement, and environmental protection.

EMPLOYEE WELFARE AND HUMAN CAPITAL DEVELOPMENT

Behind every successful company, is a team of dedicated, loyal and skilled personnel. We believe that our employees are our most valuable asset and an integral part of growing both the Group and our business. Hua Yang actively creates opportunities to develop their skills and potential through both formal and informal training programmes. We strive to maintain a positive work environment and ensure that employees are treated fairly with dignity and consideration for their goals and aspirations, and that diversity in the workplace is embraced.

Throughout the year, the Group actively implements various activities to educate and enrich the lives of our staff, including company trips, team building programmes, annual festive lunches and dinners. These initiatives help to promote team building, and healthy social interaction among our employees which leads to improve work performance and contributes to their well-being.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT *(CONT'D)*

EDUCATIONAL DEVELOPMENT AND COMMUNITY ENGAGEMENT

Equal access for all to quality education is a principle we firmly ascribe to at Hua Yang. It is a driving factor of all our initiatives to improve the standard of education nationwide. This is achieved through regular donations and contributions to different educational organisations and schools empowering them to carry out their various educational programmes.

ENVIRONMENTAL PROTECTION

Environmental protection and stewardship is a key component of Hua Yang's CSR policy. This principle is applied to all levels of our operations, from using environmentally friendly building materials and construction methods in our development projects, to practice resource conservation, and pollution prevention in our day to day office administration operations. The Group carries out recycling campaigns at our offices, as well as actively encourages our staff towards going paperless. Energy saving habits and methods are also implemented and regularly reviewed to help reduce our carbon footprint.

OUR COMMITMENT

Hua Yang's commitment to implement our CSR policy effectively throughout our operations remains strong. The Group constantly endeavours to ensure that environmental, ethical and social responsibility issues and standards are taken into consideration in every aspect of our business strategy. We strive to contribute to sustainable development and be worthy of the trust given by the public and to surpass expectations by creating better value products.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act, 1965 to prepare financial statements which have been made out in accordance with the applicable Financial Reporting Standards in Malaysia and to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- ensured that applicable Financial Reporting Accounting Standards in Malaysia have been followed; and
- considered the going concern basis used as being appropriate.

The Directors are responsible for ensuring that proper accounting records are kept in compliance with the Companies Act, 1965 and disclose with reasonable accuracy of the financial position of the Group and of the Company.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

One nation, one vision:
making dreams affordable.

ADDITIONAL COMPLIANCE INFORMATION

1. Share Buyback

The Company did not buy back any shares during the financial year.

2. Options, Warrants or Convertible Securities

No options, warrants or convertible securities were issued during the financial year.

3. American Depository Receipt (“ADR”) or Global Depository Receipt (“GDR”) Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

4. Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company, and/or its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year.

5. Non-Audit Fees

The Company paid non-audit fees of RM61,000 to the external auditors for the financial year ended 31 March 2014 for reviewing the Statement on Risk Management and Internal Control, Discounted Cash Flows and Information Technology, assessment of Malaysian Financial Reporting Standards and to confirm the adequacy of reserves for the bonus issue.

6. Variation in Results

There were no variations of 10% or more between the audited results for the financial year ended 31 March 2014 and the unaudited results for the quarter ended 31 March 2014 of the Group.

7. Profit Guarantee

During the financial year, there was no profit guarantee received by the Company.

8. Material Contracts

Other than those related party transactions disclosed in note 32 to the financial statements, there were no material contracts outside the ordinary course of business, including contract relating to loan entered into by the Company and/or its subsidiaries involving Directors and major shareholders that are still subsisting at the end of the financial year or which were entered into since the end of the previous financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR FINANCIAL YEAR ENDED 31 MARCH 2014

Introduction

The Board of Directors ("the Board") of Hua Yang Berhad ("HYB" or "the Company") remains committed towards maintaining high standards of governance, accountability and transparency as well as to govern itself in accordance with the relevant regulations and laws with the objectives of safeguarding shareholders' interest as well as protecting the Company's assets. In line with this, the Board of Directors ("the Board") of HYB is pleased to provide the following statement prepared in accordance with Para 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Statement on Risk Management and Internal Control: Guidelines for Directors' of Listed Issuers ("the Guidance"), which outlines the nature and scope of internal control of HYB Group ("the Group") for the financial year ended 31 March 2014.

Board Responsibilities

The Board acknowledges its responsibilities of maintaining a sound risk management framework and internal control for reviewing the adequacy and integrity of the system. The system of risk management and internal control covers, inter alia, financial, operational, management information systems, organisational and compliance controls. In view of the inherent limitations in any system of risk management and internal control, such system is designed to manage rather than eliminate the risks that may impede the achievement of HYB's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

Risk Management

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by HYB Group, and this process has been in place throughout the year and up to the date of approval of this annual report and financial statements. The Board continually reviews the adequacy and effectiveness of the risk management process across the various operating subsidiaries within HYB Group. Periodic reviews were also conducted to determine the existence of new risk and whether the risks previously identified remained relevant.

Whilst the Board maintains ultimate control over risk and control issues, it has outsourced to a professional service firm to provide risk management and internal control system within an established framework.

Internal Control Mechanism

The Group's internal audit function is outsourced to a professional service firm to provide independent assessments on the adequacy, efficiency and effectiveness of the Group's internal control system. During the financial year ended 31 March 2014, the outsourced internal audit service provider carried out audits in accordance with the internal audit plan approved by the Audit Committee and other areas recommended by Senior Management of HYB Group. The results of the internal audit reviews and the recommendations for improvement were presented to the Audit Committee at its quarterly meetings.

Since the appointment of the outsourced internal audit service provider, periodic internal audit visits have been carried out to monitor compliance with the Group's procedures and to review on the adequacy and effectiveness of the Group's system of internal control. Areas of improvement in internal controls have been identified and the implementation of action plans based on proposed recommendations have subsequently been initiated. During the financial year under review, internal audit visits which were scheduled in the internal audit plan have been conducted accordingly. In addition, follow up visits were also conducted to ensure that corrective actions have been implemented in a timely manner.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
FOR FINANCIAL YEAR ENDED 31 MARCH 2014 *(CONT'D)*

Other Key Elements of Internal Control

Organisation Structure & Authorisation Procedures

The Group maintains a formal line of reporting, that includes the division of responsibilities and delegation of authority. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures within the various operational segments. This includes establishing various Committees with well-defined terms of reference.

Periodical and/or Annual Budget

The Group has a comprehensive budgeting and forecasting system. The annual business plan and budget are approved by the Board. Budgetary control is in place for every operational facet of the Group. Actual performances are closely monitored against budget so as to identify significant variances arising. On a quarterly basis, significant variances found are highlighted to the Board for the appropriate corrective action.

Scheduled Operational and Management Committee Meetings

Regular Operational and Management Committee Meetings are held to discuss and monitor business and operational performances of the Group. Proceedings of the Operational and Management Committee Meetings are properly minuted.

Periodic Reporting

Quarterly executive summaries are submitted by the Chief Executive Officer to the Board so as to provide a brief overview on financial and operational performance of the Group.

Site Visits

Regular site visits on on-going projects are performed by members of the Senior Management team and executive director to ensure that contractual obligations of the Group are met.

Human Resource Policies & Procedures

Comprehensive human resource policies and procedures on recruitment, performance appraisals and promotion are in place to ensure that the Group has a team of employees who are well trained and equipped with the necessary knowledge, skills and abilities to carry out their responsibilities and tasks effectively.

Discretionary Authority Limits

The Board had taken proactive steps to formally define levels of authority through Discretionary Authority Limits. The formalised Discretionary Authority Limits not only set out the limits of authority for various transactions but also ensure that there is a clear and common understanding of these limits.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in the annual report for the year ended 31 March 2014 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
FOR FINANCIAL YEAR ENDED 31 MARCH 2014 *(CONT'D)*

SUMMARY

The Board has received assurance from Hua Yang's Chief Executive Officer that the risk management and internal control system is operating adequately and effectively.

In accordance with the assessment of the Group's system of risk management and internal controls, the Board is of the view that the risks undertaken by the Group were within tolerable level in the context of the business environment the Group operates in. The system of internal control that existed throughout the year comprising the internal control framework, management processes, monitoring and review process, provided a level of confidence on which the Board is able to rely upon for assurance. During the year under review, nothing has come to the attention of the Board which would result in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report. Notwithstanding this, the Board will continue to ensure that the Group's system of internal control will continuously evolve in tandem with the current changing and challenging business environment. This statement is made in accordance with the minutes of the Board of Directors Meeting held on 16 July 2014.

AUDIT COMMITTEE REPORT

The Audit Committee currently comprises of the following members:-

Chairman
YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh *(Independent Non-Executive Director)*

Members
Dato' Tan Bing Hua *(Senior Independent Non-Executive Director)*
Mr Chew Hoe Soon *(Non-Independent Non-Executive Director)*

KEY FUNCTIONS OF AUDIT COMMITTEE

The key functions of the Committee are as follows:

- To consider any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

- To review the quarterly unaudited financial results announcements, the audited financial statements of the Group before recommending for the Board of Directors approval, focusing on:
  - compliance with accounting standards and regulatory requirements
  - any changes in accounting policies and practices
  - compliance with Bursa Malaysia and other statutory requirements
  - going concern issues of any activities
  - significant and unusual issues arising from the audit

- To discuss with the external auditor, the evaluation of the system of internal controls;

- To consider and recommend the appointment of the external auditors, their remuneration and any questions of resignation or dismissal;

- To recommend the nomination of a person or persons as external auditors;

- To assist the Board in the review of adequacy and effectiveness of the internal control system;

- To review the risk management policies and practices of the Group to ensure their effectiveness;

- To assist the Board in the preparation of the Audit Committee Report for inclusion in the Annual Report;

- To discuss with the external auditors, their audit plan and the scope of audit and ensure co-ordination where more than one audit firm is involved;

- To review the assistance given by the employees of the Group to the external auditors;

- To carry out such other responsibilities, functions or assignments as may be directed by the Board of Directors from time to time.

- To review the external auditor's management letter and management's response;

- To do the following, in relation to the internal audit function:-

  - to review the internal audit programme and consider the findings arising from internal audit report or other internal investigations and management's response and to determine appropriate corrective actions required by management;

AUDIT COMMITTEE REPORT *(CONT'D)*

- review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of senior staff members of the internal audit function; and
- take cognisance of resignations of internal audit staff members and provide the resignation staff member an opportunity to submit his reasons for resignation.

• To consider other topics as defined by the board.

MEETINGS

Five (5) meetings were held during the financial year ended 31 March 2014 and the attendance of the Audit Committee is as follows:

No.	Name of Committee	Attendance
1.	YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh	5/5
2.	Dato' Tan Bing Hua	5/5
3.	Mr Chew Hoe Soon	4/5

The External Auditors were invited to present the Audit Plan for the financial year 2014 and their report on the examination of the financial statements. The Audit Committee met with the External Auditors twice during the year without the presence of the Executive board members. The Financial Controller attends the Audit Committee meeting to present the financial results whilst other Board members only attend upon invitation.

The Chairman of the Audit Committee engages on a continuous basis with senior management of the Company in order to be kept informed of matters affecting the Company.

HIGHLIGHTS OF ACTIVITIES

In accordance with the terms of reference of the Audit Committee, the following activities were undertaken by the Audit Committee during the financial year ended 31 March 2014:

(a) Reviewed the unaudited consolidated quarterly results and audited financial statements of the Company and of the Group before recommending them to the Board for approval and prior to the announcement/submission to Bursa Securities.

(b) Reviewed the audit plan, scope of audit and the results of the external audit with the external auditors.

(c) Reviewed and approved the internal audit plan and internal audit reports and considered the major findings of internal audit review and Management's response.

(d) Reviewed and approved the risk management audit plan and risk assessment reports.

(e) Reviewed and assessed the competency and performance of internal auditor.

(f) Reviewed the Statement on Risk Management and Internal Control and the Audit Committee Report for inclusion into the Annual Report.

(g) Reviewed the re-appointment of external auditors and the proposed audit fees prior to recommending the same to the Board for approval.

AUDIT COMMITTEE REPORT *(CONT'D)*

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an external consultant; who reports to the Audit Committee, to undertake independent, objective, regular and systematic reviews of the risk management, internal controls and corporate governance system of the Group.

Periodic visits and reviews were carried out in accordance with the approved internal audit plan on business processes of various business units. The results of their reviews, recommendations as well as management's response and action plan were brought to the attention of the Audit Committee at scheduled meetings. Follow-up reviews were also conducted in ensuring that the recommendations of the internal auditors have been adopted and implemented by the Management. The total cost incurred for the Group's internal audit function during the financial year was RM29,670.

For the financial year 2014, the main activity of the internal audit function were focused on assessing the adequacy and effectiveness of One South's project management and compliance with the Group's policies and procedures on project tender cycle and project monitoring.

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2014.

Principal Activities

The principal activities of the Company consist of investment holding, property development and provision of management services.

The principal activities of the subsidiary companies are stated in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the year, attributable to owners of the Company	82,166,907	67,864,850

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amounts of dividends paid by the Company since 31 March 2013 were as follows:

	RM
In respect of the financial year ended 31 March 2013 as reported in the Directors' Report of that year:	
Final single tier dividend of 8.25% on 198,000,000 ordinary shares, approved on 23 August 2013 and paid on 18 September 2013	16,334,998
In respect of the financial year ended 31 March 2014:	
Interim single tier dividend of 5% on 264,000,000 ordinary shares, paid on 7 April 2014	13,200,000
	29,534,998

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the current financial year ended 31 March 2014, of 7% on 264,000,000 ordinary shares, amounting to a total dividend of RM18,480,000 (7 sen per ordinary share) will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2015.

DIRECTORS' REPORT *(CONT'D)*

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh
Ho Wen Yan
Ho Mook Leong
Dato' Tan Bing Hua
Chew Po Sim
Chew Hoe Soon
Dato' Wan Azahari Bin Yom Ahmad

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 32 to the financial statements.

Directors' Interests

The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, an interest in shares of the Company and its subsidiary companies as stated below:

	Number of ordinary shares of RM1 each				
	Balance as at 1.4.2013	Bonus issue	Bought	Sold	Balance as at 31.3.2014
Hua Yang Berhad					
Direct interest					
YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh	220,000	73,333	-	-	293,333
Ho Wen Yan	879,998	293,332	-	-	1,173,330
Ho Mook Leong	2,004,526	1,024,842	1,070,000	-	4,099,368
Dato' Tan Bing Hua	2,000	666	50,000	-	52,666
Chew Hoe Soon	204,500	68,166	-	-	272,666
Dato' Wan Azahari Bin Yom Ahmad	397,260	132,420	-	-	529,680
Deemed interest					
YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh**	189,155	63,051	-	-	252,206
Ho Wen Yan*	58,250,998	19,585,993	3,153,600	-	80,990,591
Ho Mook Leong**	61,400	20,466	-	-	81,866
Chew Po Sim*	58,250,998	19,585,993	3,153,600	-	80,990,591
Chew Hoe Soon***	411,500	137,166	20,000	-	568,666

* Ho Wen Yan and Chew Po Sim by virtue of their interest in the Company are also deemed interested in shares of all the Company's subsidiary companies to the extent that the Company has an interest

** Deemed interested through spouse

*** Deemed interested through spouse and children

DIRECTORS' REPORT *(CONT'D)*

Issue Of Shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM198,000,000 to RM264,000,000 by way of bonus issue through capitalisation of retained earnings on the basis of one bonus share for every three existing ordinary shares held.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Other Statutory Information

(a) Before the income statements and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

   (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

   (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT *(CONT'D)*

Subsequent Events

Details of subsequent events are disclosed in Note 39 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed for and on behalf of the Board in accordance with a resolution of the directors dated on 16 July 2014.

Ho Mook Leong

Ho Wen Yan

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Ho Mook Leong and Ho Wen Yan, being two of the directors of Hua Yang Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 47 to 113 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2014 and of their financial performance and cash flows for the year then ended.

The information set out in Note 41 on page 114 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed for and on behalf of the Board in accordance with a resolution of the directors dated on 16 July 2014.

Ho Mook Leong

Ho Wen Yan

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Tan Hwai Lun, being the officer primarily responsible for the financial management of Hua Yang Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 47 to 114 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Tan Hwai Lun
at Ipoh in the State of Perak Darul Ridzuan
on 16 July 2014

Tan Hwai Lun

Before me,

Wilson Arumai Dhas
Pesuruhjaya Sumpah
No. A182
No.4 Medan Istana 3,
Bandar Ipoh Raya,
30000 Ipoh, Perak.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HUA YANG BERHAD

Report on The Financial Statements

We have audited the financial statements of Hua Yang Berhad, which comprise the statements of financial position as at 31 March 2014 of the Group and of the Company, and the income statements, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 47 to 113.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HUA YANG BERHAD *(CONT'D)*

Other Reporting Responsibilities

The supplementary information set out in Note 41 on page 114 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Leong Chooi May
No. 1231/03/15 (J)
Chartered Accountant

Ipoh, Perak Darul Ridzuan, Malaysia
Date: 16 July 2014

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Revenue	4	509,892,614	408,670,468	65,250,598	126,088,448
Cost of sales	5	(343,008,649)	(257,440,985)	(3,705,286)	(11,937,256)
Gross profit		166,883,965	151,229,483	61,545,312	114,151,192
Other items of income					
Other income	6	2,549,366	7,032,338	15,939,187	2,917,277
Other items of expense					
Administrative and general expenses		(22,959,144)	(18,707,622)	(8,309,980)	(7,197,821)
Selling and marketing expenses		(33,005,710)	(43,744,897)	(290,223)	(77,511)
Finance costs	7	(1,106,636)	(503,235)	(517,174)	(15,573,880)
Profit before taxation	8	112,361,841	95,306,067	68,367,122	94,219,257
Income tax expense	10	(30,194,934)	(24,832,829)	(502,272)	(5,683,587)
Profit for the year, representing total comprehensive income attributable to owners of the Company		82,166,907	70,473,238	67,864,850	88,535,670
Earnings per share attributable to owners of the Company:					
Basic earnings per share (sen)	11	31.12	27.24		
Diluted earnings per share (sen)	11	31.12	27.24		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	12	7,658,845	6,909,627	5,001,853	4,860,631
Investment in subsidiary companies	13	–	–	55,875,282	55,878,283
Investment properties	14	1,557,791	1,595,622	1,888,989	1,930,119
Land held for property development	15(a)	365,367,394	374,287,482	14,368,075	14,517,071
Intangible assets	16	21,683,009	22,297,359	–	–
Other receivables	20	3,983,973	3,304,872	17,050	50,017,936
Fixed deposits with licensed banks	17	1,057,734	701,367	350,000	–
Deferred tax assets	18	2,585,012	2,108,265	538,943	–
		403,893,758	411,204,594	78,040,192	127,204,040
Current assets					
Inventories	19	6,481,657	6,528,877	1,144,734	2,766,077
Property development costs	15(b)	141,890,990	41,385,114	–	784,317
Trade and other receivables	20	82,644,145	38,166,678	239,220,083	110,617,386
Other current assets	21	162,724,951	107,068,180	–	3,816
Cash and bank balances	17	35,129,960	29,544,897	3,804,303	15,645,229
		428,871,703	222,693,746	244,169,120	129,816,825
Total assets		832,765,461	633,898,340	322,209,312	257,020,865

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 *(CONT'D)*

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Equity and liabilities					
Current liabilities					
Trade and other payables	22	174,485,092	156,527,240	17,579,783	3,049,643
Other current liabilities	23	–	2,256,614	–	–
Loans and borrowings	26	60,671,089	6,686,038	13,342,091	341,225
Tax payable		8,551,435	8,498,166	233,556	397,152
		243,707,616	173,968,058	31,155,430	3,788,020
Net current assets		185,164,087	48,725,688	213,013,690	126,028,805
Non-current liabilities					
Trade and other payables	22	10,954,059	14,187,812	–	–
Deferred tax liabilities	18	2,512,546	2,798,452	–	40,297
Loans and borrowings	26	188,608,761	108,467,021	115,449	457,540
		202,075,366	125,453,285	115,449	497,837
Total liabilities		445,782,982	299,421,343	31,270,879	4,285,857
Net assets		386,982,479	334,476,997	290,938,433	252,735,008
Equity attributable to owners of the Company					
Share capital	27	264,000,000	198,000,000	264,000,000	198,000,000
Retained earnings	29	122,982,479	136,476,997	26,938,433	54,735,008
Total equity		386,982,479	334,476,997	290,938,433	252,735,008
Total equity and liabilities		832,765,461	633,898,340	322,209,312	257,020,865

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Group	Note	Share capital RM	Share premium RM (Note 28)	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
		← Attributable to owners of the Company			→		
			Non-distributable	Distributable			
Balance at 1 April 2012		144,000,000	-	122,075,397	266,075,397	2,181,839	268,257,236
Total comprehensive income		-	-	70,473,238	70,473,238	-	70,473,238
Transactions with owners							
Acquisition of non-controlling interests		-	-	(2,392,530)	(2,392,530)	(2,181,839)	(4,574,369)
Private placement		14,400,000	11,808,000	-	26,208,000	-	26,208,000
Capitalisation for bonus issue		39,600,000	(11,808,000)	(27,792,000)	-	-	-
Expenses incurred for bonus issue		-	-	(95,542)	(95,542)	-	(95,542)
Expenses incurred for private placement		-	-	(546,568)	(546,568)	-	(546,568)
Dividends	30	-	-	(25,244,998)	(25,244,998)	-	(25,244,998)
Total transactions with owners		54,000,000	-	(56,071,638)	(2,071,638)	(2,181,839)	(4,253,477)
Balance at 31 March 2013		198,000,000	-	136,476,997	334,476,997	-	334,476,997
Total comprehensive income		-	-	82,166,907	82,166,907	-	82,166,907
Transactions with owners							
Capitalisation for bonus issue		66,000,000	-	(66,000,000)	-	-	-
Expenses incurred for bonus issue		-	-	(126,427)	(126,427)	-	(126,427)
Dividends	30	-	-	(29,534,998)	(29,534,998)	-	(29,534,998)
Total transactions with owners		66,000,000	-	(95,661,425)	(29,661,425)	-	(29,661,425)
Balance at 31 March 2014		264,000,000	-	122,982,479	386,982,479	-	386,982,479

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 *(CONT'D)*

Company	Note	Share capital RM	Non-distributable Share premium RM (Note 28)	Distributable Retained earnings RM	Total equity RM
Balance at 1 April 2012		144,000,000	–	19,878,446	163,878,446
Total comprehensive income		–	–	88,535,670	88,535,670
Transactions with owners					
Private placement		14,400,000	11,808,000	–	26,208,000
Capitalisation for bonus issue		39,600,000	(11,808,000)	(27,792,000)	–
Expenses incurred for bonus issue		–	–	(95,542)	(95,542)
Expenses incurred for private placement		–	–	(546,568)	(546,568)
Dividends	30	–	–	(25,244,998)	(25,244,998)
Total transactions with owners		54,000,000	–	(53,679,108)	320,892
Balance at 31 March 2013		198,000,000	–	54,735,008	252,735,008
Total comprehensive income		–	–	67,864,850	67,864,850
Transactions with owners					
Capitalisation for bonus issue		66,000,000	–	(66,000,000)	–
Expenses incurred for bonus issue		–	–	(126,427)	(126,427)
Dividends	30	–	–	(29,534,998)	(29,534,998)
Total transactions with owners		66,000,000	–	(95,661,425)	(29,661,425)
Balance at 31 March 2014		264,000,000	–	26,938,433	290,938,433

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Operating activities				
Profit before taxation	112,361,841	95,306,067	68,367,122	94,219,257
Adjustments for:				
Amortisation of intangible assets	614,350	614,421	–	–
Bad debts written off	15,905	23,981	–	3,500
Depreciation of property, plant and equipment	498,766	379,376	378,567	277,288
Depreciation of investment properties	37,831	37,827	41,130	41,130
Deposit written off	11,843	–	3,000	–
Dividend income	–	–	(57,500,000)	(108,820,000)
Gain due to modification on terms of loans and receivables	–	–	(15,435,943)	(565,908)
Gain on disposal of investment property	–	(1,348,960)	–	–
Gain on disposal of short term fund	(95)	(24,331)	–	–
Impairment loss on investment in subsidiary companies	–	–	3,001	2,577
Impairment loss on land held for property development	–	156,926	–	156,926
Interest income	(971,792)	(2,984,403)	(111,016)	(934,389)
Interest expenses	1,106,636	503,235	517,174	15,573,880
Loss/(Gain) on disposal of property, plant and equipment	22,606	155,200	(44)	20,999
Loss on disposal of investment in a subsidiary company	–	43,389	–	43,728
Property, plant and equipment written off	83,972	8,839	24,745	6,313
Reversal of impairment loss on receivables	(67,111)	(92,392)	–	–
Reversal of impairment loss on investment in a subsidiary company	–	–	–	(1,227,767)
Total adjustments	1,352,911	(2,526,892)	(72,079,386)	(95,421,723)
Operating cash flows before changes in working capital	113,714,752	92,779,175	(3,712,264)	(1,202,466)
Changes in working capital				
Receivables	(100,703,332)	(20,857,908)	1,129,976	(1,293,578)
Inventories	47,220	(1,584,279)	1,621,343	–
Property development costs	20,610,372	42,579,782	784,317	4,368,836
Payables	(1,198,737)	100,116,857	449,396	(128,203)
Total changes in working capital	(81,244,477)	120,254,452	3,985,032	2,947,055
Cash flows from operations	32,470,275	213,033,627	272,768	1,744,589
Dividend received	–	–	56,750,000	103,290,000
Interest received	844,025	2,257,722	111,016	934,389
Interest paid	(583,291)	(4,927,443)	(517,174)	(137,937)
Tax paid	(30,904,318)	(23,403,120)	(495,108)	(153,463)
Net cash flows from operating activities	1,826,691	186,960,786	56,121,502	105,677,578

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 *(CONT'D)*

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Investing activities				
Adjustment on intangible assets	–	1,304	–	–
Gain on disposal of short term fund	95	24,331	–	–
Land held for property development	(112,196,160)	(197,612,069)	148,996	7,568,420
Proceeds from disposal of investment property	–	1,851,349	–	–
Proceeds from disposal of property, plant and equipment	81,478	145,464	73,000	43,000
Purchase of additional shares in subsidiary companies (Note 13(a))	–	(4,100,000)	–	(4,100,000)
Proceeds from disposal of a subsidiary company (Note 13(c))	–	235,000	–	450,000
Purchase of investment properties	–	(48,155)	–	(48,155)
Purchase of property, plant and equipment	(1,436,040)	(288,729)	(617,490)	(129,774)
Subscription of additional shares in subsidiary companies (Note 13(b))	–	–	–	(4,950,000)
Net cash flows used in investing activities	(113,550,627)	(199,791,505)	(395,494)	(1,166,509)
Financing activities				
Proceeds from private placement	–	26,208,000	–	26,208,000
Proceeds from loans and borrowings	189,117,677	85,673,445	13,000,000	–
Repayment of loans and borrowings	(59,567,082)	(68,454,573)	–	–
Repayment of hire purchase	(16,505)	(81,080)	(16,505)	(43,473)
Repayment of lease	(324,720)	(238,485)	(324,720)	(238,485)
Placement of fixed deposits pledged	(356,367)	(6,305)	(350,000)	–
Payment of share issue expenses	(126,427)	(642,110)	(126,427)	(642,110)
Subsidiary companies' accounts	–	–	(63,414,284)	(89,332,618)
Dividend paid	(16,334,998)	(25,244,998)	(16,334,998)	(25,244,998)
Net cash flows from/(used in) financing activities	112,391,578	17,213,894	(67,566,934)	(89,293,684)
Net increase/(decrease) in cash and cash equivalents	667,642	4,383,175	(11,840,926)	15,217,385
Cash and cash equivalents as at 1 April	29,544,897	25,161,722	15,645,229	427,844
Cash and cash equivalents as at 31 March (Note 17)	30,212,539	29,544,897	3,804,303	15,645,229
(a) Cash and cash equivalents as at 31 March comprise the following:				
Cash and bank balances	35,129,960	29,544,897	3,804,303	15,645,229
Less: Bank overdraft	(4,917,421)	–	–	–
	30,212,539	29,544,897	3,804,303	15,645,229
(b) During the financial year, the Group and the Company acquired property, plant and equipment by:				
Cash	1,436,040	288,729	617,490	129,774
Lease arrangement	–	974,150	–	974,150
	1,436,040	1,262,879	617,490	1,103,924

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014

1. CORPORATE INFORMATION

Hua Yang Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company consist of investment holding, property development and provision of management services. The principal activities of the subsidiary companies are stated in Note 13. There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at 123A, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan whilst the principal place of business is located at C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after the dates as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis, unless otherwise indicated in this summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2013, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after the dates stated below :

Description	Effective for annual periods beginning on or after
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 3: Business Combinations	1 January 2013
FRS 10: Consolidated Financial Statements	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of Interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurement	1 January 2013
FRS 119: Employee Benefits	1 January 2013
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Annual Improvements 2009-2011 Cycle	1 January 2013
Amendments to FRS 1: Government Loans	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in Accounting Policies (Cont'd)

Adoption of the above standards and interpretations did not have any significant effect on the financial performance or position of the Group and the Company, except as discussed below :

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time (eg. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (eg. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's and the Company's financial position or performance.

FRS 10: Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor that owns less than 50 per cent of the voting shares in an investee has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

The above changes have not affected the amounts reported in the Group's consolidated financial statements.

FRS 12: Disclosure of Interest in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13: Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

FRS 127: Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards Issued But Not Yet Effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	1 July 2014
FRS 9: Financial Instruments (IFRS 9 issued by IASB* in November 2009)	To be announced
FRS 9: Financial Instruments (IFRS 9 issued by IASB* in October 2010)	To be announced
FRS 9: Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139	To be announced

* International Accounting Standards Board

The Group and the Company plan to adopt these standards, if applicable, when they become effective in the respective financial periods. The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application, except as disclosed below:

FRS 9: Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurement of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities') which will be allowed to defer adoption of the new MFRS Framework for one year. On 30 June 2012, MASB has given an option to Transitioning Entities to defer the adoption of the MFRS Framework for another year.

In light of the development and the revisions of the project timelines by the IASB, the MASB has decided to extend the transitions period for yet another year, ie. the adoption of the MFRS Framework by all Transitioning Entities will be effective from annual periods beginning on or after 1 January 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards Issued But Not Yet Effective (Cont'd)

Malaysian Financial Reporting Standards (Cont'd)

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2016. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

At the date of these financial statements, the Group and the Company have not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2014 could be different if prepared under the MFRS Framework.

The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2016.

2.4 Subsidiary Companies and Basis of Consolidation

(a) Subsidiary Companies

A subsidiary company is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Subsidiary Companies and Basis of Consolidation (Cont'd)

(b) Basis of Consolidation (Cont'd)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiary companies are consolidated when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary company are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiary companies are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary company, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary company and any non-controlling interest, is recognised in profit or loss. The subsidiary company's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary company at the date control is lost is regarded as the cost on initial recognition of the investment.

Business Combinations

Acquisitions of subsidiary companies are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Subsidiary Companies and Basis Of Consolidation (Cont'd)

(b) Basis of Consolidation (Cont'd)

Business Combinations (Cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary company acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.8(a).

2.5 Transactions with Non-Controlling Interests

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated.

Leasehold land is depreciated over its remaining lease period of 95 years as at date of acquisition.

Depreciation is computed on a straight-line basis over the estimated useful lives of the other assets, at the following rates:

	%
Buildings	2
Machinery, cabin, signboards and electrical installation	10 - 20
Furniture, fittings, office equipment and renovation	10 - 20
Motor vehicles	20

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Property, Plant and Equipment (Cont'd)

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 Investment Properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided for on a straight line basis over the estimated useful life.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at cost.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.6 up to the date of change in use.

Freehold land is not amortised. The depreciation rate used for building is 2% per annum.

2.8 Intangible Assets

a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Intangible Assets (Cont'd)

a) Goodwill (Cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

b) Concession Assets

Concession assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of concession assets are assessed to be finite. Concession assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the concession assets may be impaired.

The concession assets are amortised over their concession periods of between 20 and 30 years.

The amortisation period and the amortisation method for concession assets with a finite useful life are reviewed at least at each reporting date.

2.9 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

b) Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

c) Held-To-Maturity Investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

d) Available-For-Sale Financial Assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial Assets (Cont'd)

d) Available-For-Sale Financial Assets (Cont'd)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.11 Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of Financial Assets (Cont'd)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and the Company's cash management.

2.13 Land Held for Property Development and Property Development Costs

a) Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

b) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

b) Other Financial Liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Financial Liabilities (Cont'd)

b) Other Financial Liabilities (Cont'd)

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.18 Employee Benefits

a) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

b) Defined Contribution Plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.19 Leases

a) As Lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases (Cont'd)

a) As Lessee (Cont'd)

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

b) As Lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.20(c).

2.20 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received and receivable.

a) Sale of Properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.13(b).

b) Sale of Land Held for Property Development and Completed Property Units

Revenue is recognised when the risks and rewards associated with ownership has transferred to the purchaser with no further substantial contractual acts to complete.

c) Rental Income

Rental income is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

d) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

e) Management Fees

Management fees are recognised when services are rendered.

f) Dividend Income

Dividend income is recognised when the Group's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Income Taxes

a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Income Taxes (Cont'd)

b) Deferred Tax (Cont'd)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.22 Share Capital and Share Issuance Expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.24 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Fair Value Measurement (Cont'd)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements Made in Applying Accounting Policies

There were no critical judgements made by management in the process of applying the accounting policies of the Group and of the Company on the amounts recognised in the financial statements.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Impairment of Goodwill and Concession Assets

The Group determines whether goodwill and concession assets are impaired at least on an annual basis. These require an estimation of the fair value less cost to sell or value-in-use of the CGU whichever is higher to which goodwill and concession assets are allocated. The carrying amounts of goodwill as at 31 March 2014 was RM9,074,112 (2013 - RM9,074,112), as disclosed in Note 16.

b) Property Development

The Group recognises property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key Sources of Estimation Uncertainty (Cont'd)

b) Property Development (Cont'd)

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of assets and liabilities of the Group arising from property development activities are disclosed in Note 15.

It is impractical to ascertain the sensitivity analysis for the estimated total property development revenue or cost against the actual Group revenue and cost of sales due to material price fluctuation.

c) Deferred Tax Assets

Deferred tax assets are recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing of future taxable profits together with future tax planning strategies. The total carrying value of recognised losses and capital allowances of the Group and of the Company as at 31 March 2014 were RM9,440,728 and RM3,773,848 (2013 - RM7,183,060 and RMNil) respectively.

4. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Sales of properties	502,631,293	401,707,882	1,726,873	7,642,492
Sales of inventories of completed property units	3,170,776	2,362,655	3,918,346	-
Sale of land held for property development	1,907,476	2,617,781	157,476	7,917,781
Dividend income	-	-	57,500,000	108,820,000
Management fees	-	-	1,947,903	1,708,175
Rental income	2,183,069	1,982,150	-	-
	509,892,614	408,670,468	65,250,598	126,088,448

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

5. COST OF SALES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Property development costs (Note 15(b))	341,490,517	253,342,567	784,317	4,368,836
Cost of inventories of completed property units sold (Note 19)	1,926,815	1,530,876	2,405,012	–
Cost of land held for property development sold	835,727	3,268,419	157,476	7,568,420
(Over)/Under provision of development expenditure on projects completed in prior years	(1,244,410)	(700,877)	358,481	–
	343,008,649	257,440,985	3,705,286	11,937,256

6. OTHER INCOME

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Deposit forfeited	220,703	88,680	11,131	–
Gain due to modification on terms of loans and receivables	–	–	15,435,943	565,908
Gain on disposal of investment property	–	1,348,960	–	–
Gain on disposal of property, plant and equipment	44	–	44	–
Gain on disposal of short term funds	95	24,331	–	–
Interest income	844,025	2,257,722	111,016	934,389
Interest income on financial liabilities carried at amortised cost	44,556	726,681	–	–
Interest income on loans and receivables	83,211	–	–	–
Liquidated damages recovered from contractor	8,400	1,987,713	–	–
Rental income	743,012	329,238	253,172	150,700
Reversal of impairment loss on investment in subsidiary company	–	–	–	1,227,767
Reversal of impairment loss on receivables	67,111	92,392	–	–
Sundry income	538,209	176,621	127,881	38,513
	2,549,366	7,032,338	15,939,187	2,917,277

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

7. FINANCE COSTS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Interest expenses on:				
- bank overdrafts	188,592	11,393	122,475	6,991
- bridging loans	816,548	593,308	-	-
- revolving loans	2,300,766	89,378	348,875	89,377
- term loans	8,206,481	4,190,986	-	-
- hire purchase	2,744	5,013	2,744	4,204
- leases	43,080	37,365	43,080	37,365
- loans and receivables	12,567	-	-	15,435,943
- financial liabilities carried at amortised cost	510,778	360,086	-	-
	12,081,556	5,287,529	517,174	15,573,880
Less: Amount capitalised in land held for property development and property development costs (Note 15)	(10,974,920)	(4,784,294)	-	-
Total finance costs	1,106,636	503,235	517,174	15,573,880

8. PROFIT BEFORE TAXATION

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
(a) The following items have been included in arriving at profit before taxation:				
Amortisation of intangible assets	614,350	614,421	-	-
Auditors' remuneration				
- Statutory audit				
- Current year	170,000	145,000	47,000	47,000
- Under provision in prior year	-	20,000	-	5,000
- Housing Development Accounts audit	25,000	23,500	-	-
- Other non-audit services*	6,000	6,000	6,000	6,000
Bad debts written off	15,905	23,981	-	3,500
Deposit written off	11,843	-	3,000	-
Depreciation of property, plant and equipment	498,766	379,376	378,567	277,288
Depreciation of investment properties	37,831	37,827	41,130	41,130
Employee benefits expenses (Note 8(b))	10,104,825	8,768,221	3,907,943	3,481,407
Impairment loss on investment in subsidiary companies	-	-	3,001	2,577
Impairment loss on land held for property development	-	156,926	-	156,926
Lease rental	180,000	180,000	-	-
Loss on disposal of investment in a subsidiary company	-	43,389	-	43,728

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

8. PROFIT BEFORE TAXATION (CONT'D)

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
(a) The following items have been included in arriving at profit before taxation: (Cont'd)				
Loss on disposal of property, plant and equipment	22,650	155,200	-	20,999
Non-executive directors' remuneration (Note 9)	522,700	479,600	512,800	470,600
Property, plant and equipment written off	83,972	8,839	24,745	6,313
Rental of office equipment	247,455	193,509	181,609	129,685
Rental of premises	702,650	215,200	-	-

* Auditors' remuneration amounting to RM28,000 (2013 - RM30,000) for the bonus issue has been included in expenses incurred for bonus issue recognised in retained earnings.

(b) Employees' benefits expenses

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Salaries and bonus	8,774,223	7,667,143	3,448,149	3,071,766
EPF contributions	1,270,332	1,047,552	444,645	396,087
SOCSO contributions	60,270	53,526	15,149	13,554
	10,104,825	8,768,221	3,907,943	3,481,407

Included in employees' benefits expenses of the Group and the Company are executive directors' remuneration, excluding benefits-in-kind, amounting to RM1,174,693 (2013 - RM982,852).

9. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Company during the year are as follows:

Directors of the Company	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Executive:				
Salaries and other emoluments	559,000	470,700	559,000	470,700
EPF contributions	135,073	113,057	135,073	113,057
Bonus	480,000	398,475	480,000	398,475
SOCSO contributions	620	620	620	620
Total executive director's remuneration (excluding benefits-in-kind) (Note 8(b))	1,174,693	982,852	1,174,693	982,852
Estimated money value of benefits-in-kind	7,200	34,200	7,200	34,200
Total executive director's remuneration (including benefits-in-kind)	1,181,893	1,017,052	1,181,893	1,017,052

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

9. DIRECTORS' REMUNERATION (CONT'D)

	Group		Company	
	2014	2013	2014	2013
Directors of the Company (Cont'd)	RM	RM	RM	RM
Non-executive:				
Fees	488,700	444,600	478,800	435,600
Other emoluments	34,000	35,000	34,000	35,000
	522,700	479,600	512,800	470,600
Estimated money value of benefits-in-kind	7,200	7,200	7,200	7,200
Total non-executive directors' remuneration	529,900	486,800	520,000	477,800
Total directors' remuneration	1,711,793	1,503,852	1,701,893	1,494,852

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2014	2013
Executive Director:		
RM1,000,001 - RM1,050,000	-	1
RM1,150,001 - RM1,200,000	1	-
Non-Executive Directors:		
RM50,001 - RM100,000	5	5
RM100,001 - RM150,000	1	1

10. INCOME TAX EXPENSE

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Current income tax				
- Malaysian income tax	30,641,986	26,105,471	748,844	5,758,944
- Under/(Over) provision in prior year	315,601	(4,645)	332,668	(18,809)
	30,957,587	26,100,826	1,081,512	5,740,135
Deferred income tax (Note 18)				
- Relating to origination and reversal of temporary differences	(772,051)	(1,250,634)	(582,963)	(36,363)
- Under/(Over) provision in prior year	9,398	(17,363)	3,723	(20,185)
	(762,653)	(1,267,997)	(579,240)	(56,548)
	30,194,934	24,832,829	502,272	5,683,587

Current income tax is calculated at the statutory tax rate of 25% of the assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

10. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rates to income tax expense at the effective income tax rates of the Group and of the Company is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Profit before taxation	112,361,841	95,306,067	68,367,122	94,219,257
Taxation at Malaysian statutory tax rate of 25%	28,090,460	23,826,517	17,091,781	23,554,815
Income not subject to tax	(3,898,138)	(4,505,249)	(17,488,005)	(22,032,405)
Expenses not deductible for tax purposes	5,677,613	5,533,569	562,105	4,200,171
Under/(Over) provision in prior year				
- current tax	315,601	(4,645)	332,668	(18,809)
- deferred tax	9,398	(17,363)	3,723	(20,185)
Income tax expense	30,194,934	24,832,829	502,272	5,683,587

Deferred tax assets have not been recognised in respect of the following item:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Unutilised tax losses	37,477	37,477	-	-
Deferred tax benefit at 25%	9,370	9,370	-	-

Deferred tax assets have not been recognised in respect of this item as it may not be probable that future taxable profits will be available against which the asset can be utilised.

11. EARNINGS PER SHARE

The basic earnings per share for the year has been calculated based on the consolidated profit for the year, net of tax, attributable to owners of the Company of RM82,166,907 (2013 - RM70,473,238) and on the total weighted average number of ordinary shares in issue during the year of 264,000,000 (2013 - 258,673,973).

The Group has no potential ordinary shares in issue as at 31 March 2014 and 31 March 2013. Accordingly, diluted earnings per share is equal to basic earnings per share.

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Long term leasehold land RM	Buildings RM	Machinery, cabin, signboards and electrical installation RM	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Cost								
As at 1 April 2012	782,830	1,255,787	2,423,178	20,921	3,076,230	640,747	358,034	8,557,727
Additions	-	-	79,931	-	1,180,114	-	2,834	1,262,879
Disposals	(184,813)	-	-	(2,040)	-	(211,443)	-	(398,296)
Disposal of subsidiary company	-	-	-	-	-	-	(302,846)	(302,846)
Write-off	-	-	-	-	(51,049)	-	-	(51,049)
As at 31 March 2013	598,017	1,255,787	2,503,109	18,881	4,205,295	429,304	58,022	9,068,415
Additions	-	-	-	-	1,436,040	-	-	1,436,040
Disposals	-	-	-	-	(52,850)	(136,632)	-	(189,482)
Write-off	-	-	-	(14,488)	(221,786)	-	-	(236,274)
As at 31 March 2014	598,017	1,255,787	2,503,109	4,393	5,366,699	292,672	58,022	10,078,699
Accumulated depreciation and impairment loss								
As at 1 April 2012	-	84,038	332,937	8,839	1,214,413	221,005	58,022	1,919,254
Charge during the year	-	13,197	50,713	1,216	291,154	23,096	-	379,376
Disposals	-	-	-	(1,276)	-	(96,356)	-	(97,632)
Write-off	-	-	-	-	(42,210)	-	-	(42,210)
As at 31 March 2013	-	97,235	383,650	8,779	1,463,357	147,745	58,022	2,158,788
Charge during the year	-	13,197	50,713	691	423,436	10,729	-	498,766
Disposals	-	-	-	-	(21,722)	(63,676)	-	(85,398)
Write-off	-	-	-	(8,750)	(143,552)	-	-	(152,302)
As at 31 March 2014	-	110,432	434,363	720	1,721,519	94,798	58,022	2,419,854
Net carrying amount								
At 31 March 2013	598,017	1,158,552	2,119,459	10,102	2,741,938	281,559	-	6,909,627
At 31 March 2014	598,017	1,145,355	2,068,746	3,673	3,645,180	197,874	-	7,658,845

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Long term leasehold land RM	Buildings RM	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Total RM
Cost					
As at 1 April 2012	1,000,000	1,912,268	2,204,441	378,229	5,494,938
Additions	-	79,931	1,023,993	-	1,103,924
Disposals	-	-	-	(140,865)	(140,865)
Write-off	-	-	(47,569)	-	(47,569)
As at 31 March 2013	1,000,000	1,992,199	3,180,865	237,364	6,410,428
Additions	-	-	617,490	-	617,490
Disposals	-	-	-	(136,632)	(136,632)
Write-off	-	-	(40,209)	-	(40,209)
As at 31 March 2014	1,000,000	1,992,199	3,758,146	100,732	6,851,077
Accumulated depreciation					
As at 1 April 2012	72,917	267,716	917,519	132,479	1,390,631
Charge during the year	10,417	39,844	209,299	17,728	277,288
Disposals	-	-	-	(76,866)	(76,866)
Write-off	-	-	(41,256)	-	(41,256)
As at 31 March 2013	83,334	307,560	1,085,562	73,341	1,549,797
Charge during the year	10,416	39,845	321,777	6,529	378,567
Disposals	-	-	-	(63,676)	(63,676)
Write-off	-	-	(15,464)	-	(15,464)
As at 31 March 2014	93,750	347,405	1,391,875	16,194	1,849,224
Net carrying amount					
At 31 March 2013	916,666	1,684,639	2,095,303	164,023	4,860,631
At 31 March 2014	906,250	1,644,794	2,366,271	84,538	5,001,853

Group and Company

(a) Motor vehicles of the Group and of the Company with an aggregate carrying amount of RM131,747 (2013 - RM212,066) and RM82,947 (2013 - RM162,431) respectively are acquired under hire purchase arrangements.

(b) Office equipment of the Group and of the Company with an aggregate carrying amount of RM869,881 (2013 - RM969,296) are acquired under leasing arrangement.

(c) Freehold land and buildings of the Group with a carrying amount of RM690,771 (2013 - RM698,340) were charged as securities for banking facilities granted to a subsidiary company.

(d) A subsidiary company has entered into "build, operate and transfer" ("BOT") agreements in financial years ended 31 March 2005 and 2006 respectively. Under these agreements, the subsidiary company has the right to collect rental income using the respective properties over the period of 20 or 30 years' concession terms. However, upon expiration of the concession terms, the assets held under BOT will be transferred to the local authorities, unless extensions are granted to the subsidiary company by the local authorities.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group and Company (Cont'd)

(d) In the event that the local authorities intend to re-develop, privatise or sell the property upon expiration of the concession terms, the subsidiary company has the first right of refusal to participate.

Construction in progress of BOT properties are recorded in property, plant and equipment account until they have been completed. Upon completion, the cost of these properties will be reclassified to concession assets.

13. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2014	2013
	RM	RM
Unquoted shares		
At cost	56,443,701	56,443,701
Accumulated impairment losses		
As at 1 April	565,418	1,806,879
Impairment loss for the year	3,001	2,577
Reversal of impairment loss	–	(1,227,767)
Disposal of a subsidiary company	–	(16,271)
As at 31 March	568,419	565,418
Carrying amount		
As at 31 March	55,875,282	55,878,283

The details of the subsidiary companies, all of which are incorporated in Malaysia, are as follows:

Name of company	Equity interest held (%) 2014	2013	Principal activities
Yoon Lian Realty Sendirian Berhad	100	100	Property development, acting as construction contractor and provision of management services
Daya Niaga Sdn Bhd	100	100	Property development
Grandeur Park Sdn Bhd	100	100	Property development
Prisma Pelangi Sdn Bhd	100	100	Property development
Agro-Mod Industries Sdn Bhd	100	100	Property development and provision of management services
Bison Holdings Sdn Bhd	100	100	Property holding and property development
Tinggian Development Sendirian Berhad	100	100	Provision of management services

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

13. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name of company	Equity interest held (%) 2014	2013	Principal activities
Pembinaan Hua Yang Sdn Bhd	100	100	Building contractor
Prop Park Sdn Bhd	100	100	Property development
Johanjana Corporation Sdn Bhd	100	100	Operation of commercial properties under the "build, operate and transfer" agreements with local authorities
Sunny Mode Sdn Bhd	100	100	Property development

(a) Acquisition of Shares from Non-Controlling Interests

(i) On 17 April 2012, the Company acquired an additional 40% equity interest in Sunny Mode Sdn Bhd ("SMSB") from its non-controlling interests for a cash consideration of RM3,000,000. As a result of this acquisition, SMSB became a wholly-owned subsidiary company of the Company. On the date of acquisition, the carrying value of the additional interest acquired was RM1,700,470. The difference between the consideration and the book value of the interest acquired of RM1,299,530 was reflected in equity as premium paid on acquisition of non-controlling interests.

(ii) On 1 October 2012, the Company acquired an additional 36.5% equity interest in Johanjana Corporation Sdn Bhd ("JCSB") from its non-controlling interests for a cash consideration of RM1,100,000. As a result of this acquisition, JCSB became a wholly-owned subsidiary company of the Company. On the date of acquisition, the carrying value of the additional interest acquired was RM7,000. The difference between the consideration and the book value of the interest acquired of RM1,093,000 was reflected in equity as premium paid on acquisition of non-controlling interests.

(b) Subscription of Shares Issued by an Existing Subsidiary Company

During the last financial year, the Company subscribed for an additional 4,950,000 ordinary shares of RM1 each in Bison Holdings Sdn Bhd for a cash consideration of RM4,950,000.

(c) Disposal of a Subsidiary Company

On 7 September 2012, the Company disposed of its entire equity interest of 51% comprising of 510,000 ordinary shares of RM1 each in HYB Management Services Sdn Bhd for a cash consideration of RM450,000.

(i) The disposal had the following effects on the Group's financial results for the financial year:

	Group 2013 RM
Loss for the year	(338)

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

13. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Disposal of a Subsidiary Company (Cont'd)

(ii) The disposal had the following effects on the financial position of the Group:

	2013 RM
Property, plant and equipment	302,846
Other receivables	450,000
Bank balance	215,000
Other payable	(417)
Minority interest	(474,040)
Net assets disposed	493,389
Total disposal proceeds	(450,000)
Loss on disposal to the Group	43,389
Cash inflow arising on disposal:	
Cash consideration	450,000
Cash and cash equivalents of subsidiary company disposed	(215,000)
Net cash inflow on disposal	235,000

14. INVESTMENT PROPERTIES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cost				
As at 1 April	1,891,528	1,843,373	2,292,019	2,243,864
Additions	–	48,155	–	48,155
As at 31 March	1,891,528	1,891,528	2,292,019	2,292,019
Accumulated depreciation				
As at 1 April	295,906	258,079	361,900	320,770
Charge during the year	37,831	37,827	41,130	41,130
As at 31 March	333,737	295,906	403,030	361,900
Net carrying amount	1,557,791	1,595,622	1,888,989	1,930,119
Fair value of investment properties	5,000,000	4,500,000	6,360,000	5,270,000

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

14. INVESTMENT PROPERTIES (CONT'D)

The following carrying amount of investment properties are held under lease terms:

	Group and Company	
	2014	2013
	RM	RM
Buildings	1,557,794	1,595,622

Freehold land and building of the Company with a carrying amount of RM331,195 (2013 – RM334,495) are held in trust by a subsidiary company.

The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Rental income	123,472	36,000	147,472	60,000
Direct operating expenses:				
– income generating investment properties	–	–	3,249	3,720

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

Group	Freehold land RM	Long term leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2014				
Cost				
As at 1 April 2013	81,379,866	225,152,092	68,048,284	374,580,242
Additions	22,000	62,279,337	50,730,550	113,031,887
Disposals	(141,859)	(171,029)	(815,599)	(1,128,487)
Transfer to property development costs (Note 15(b))	(25,037,417)	(51,606,901)	(44,471,930)	(121,116,248)
As at 31 March 2014	56,222,590	235,653,499	73,491,305	365,367,394
Accumulated impairment losses				
As at 1 April 2013	–	–	292,760	292,760
Disposals	–	–	(292,760)	(292,760)
As at 31 March 2014	–	–	–	–
Carrying amount as at 31 March 2014	56,222,590	235,653,499	73,491,305	365,367,394

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(a) Land Held for Property Development (Cont'd)

Group	Freehold land RM	Long term leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2013				
Cost				
As at 1 April 2012	68,113,369	76,217,783	63,037,545	207,368,697
Additions	22,429,770	158,000,000	26,039,293	206,469,063
Disposals	(1,474,718)	–	(3,205,792)	(4,680,510)
Transfer to profit or loss	–	–	(1,397,589)	(1,397,589)
Transfer to property development costs (Note 15(b))	(7,688,555)	(9,065,691)	(16,425,173)	(33,179,419)
As at 31 March 2013	81,379,866	225,152,092	68,048,284	374,580,242
Accumulated impairment losses				
As at 1 April 2012	–	–	1,547,926	1,547,926
Additions	–	–	156,926	156,926
Disposals	–	–	(1,412,092)	(1,412,092)
As at 31 March 2013	–	–	292,760	292,760
Carrying amount as at 31 March 2013	81,379,866	225,152,092	67,755,524	374,287,482
Company				
As at 31 March 2014				
Cost				
As at 1 April 2013	5,249,562	–	9,560,269	14,809,831
Additions	–	–	8,480	8,480
Disposals	(141,859)	–	(308,377)	(450,236)
As at 31 March 2014	5,107,703	–	9,260,372	14,368,075
Accumulated impairment losses				
As at 1 April 2013	–	–	292,760	292,760
Disposals	–	–	(292,760)	(292,760)
As at 31 March 2014	–	–	–	–
Carrying amount as at 31 March 2014	5,107,703	–	9,260,372	14,368,075

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(a) Land Held for Property Development (Cont'd)

Company	Freehold land RM	Long term leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2013				
Cost				
As at 1 April 2012	6,724,280	4,300,000	12,766,063	23,790,343
Disposals	(1,474,718)	(4,300,000)	(3,205,794)	(8,980,512)
As at 31 March 2013	5,249,562	–	9,560,269	14,809,831
Accumulated impairment losses				
As at 1 April 2012	–	–	1,547,926	1,547,926
Additions	–	–	156,926	156,926
Disposals	–	–	(1,412,092)	(1,412,092)
As at 31 March 2013	–	–	292,760	292,760
Carrying amount as at 31 March 2013	5,249,562	–	9,267,509	14,517,071

Additions during the year include the following expenditure:

	Group 2014 RM	Group 2013 RM
Interest expenses	8,908,171	4,190,986

Certain freehold and leasehold land and development expenditure belonging to subsidiary companies with carrying amount of RM281,949,503 (2013 - RM285,642,958) are charged as securities for banking facilities granted to the Company and certain subsidiary companies.

Certain of the Company's freehold land with an aggregate carrying amount of RM4,171,392 (2013 - RM4,171,392) are pledged as security for banking facilities granted to the Company.

Certain freehold land belonging to a subsidiary company with carrying amount of RM686,837 (2013 - RM681,337) are held in trust by the Company.

The Group's and the Company's leasehold land have unexpired lease periods of more than 50 years and are classified as long term leasehold land.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property Development Costs

Group	Freehold land RM	Long term leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2014				
Cumulative property development costs				
As at 1 April 2013	18,504,229	27,870,453	138,454,304	184,828,986
Costs incurred during the year	–	–	322,360,711	322,360,711
Transfer from land held for property development (Note 15(a))	25,037,417	51,606,901	44,471,930	121,116,248
Reversal of completed projects	(3,214,436)	(9,156,519)	(180,638,192)	(193,009,147)
Unsold units transferred to inventories	–	(272,862)	(1,207,704)	(1,480,566)
As at 31 March 2014	40,327,210	70,047,973	323,441,049	433,816,232
Cumulative costs recognised in profit or loss				
As at 1 April 2013	(12,032,460)	(11,685,462)	(119,725,950)	(143,443,872)
Recognised during the year (Note 5)	(10,144,784)	(16,642,334)	(314,703,399)	(341,490,517)
Reversal of completed projects	3,214,436	9,156,519	180,638,192	193,009,147
As at 31 March 2014	(18,962,808)	(19,171,277)	(253,791,157)	(291,925,242)
Property development costs as at 31 March 2014	21,364,402	50,876,696	69,649,892	141,890,990
As at 31 March 2013				
Cumulative property development costs				
As at 1 April 2012	16,174,913	29,140,162	148,850,156	194,165,231
Costs incurred during the year	–	–	214,465,960	214,465,960
Transfer from land held for property development (Note 15(a))	7,688,555	9,065,691	16,425,173	33,179,419
Reversal of completed projects	(5,359,239)	(10,031,524)	(238,480,994)	(253,871,757)
Unsold units transferred to inventories	–	(303,876)	(2,805,991)	(3,109,867)
As at 31 March 2013	18,504,229	27,870,453	138,454,304	184,828,986
Cumulative costs recognised in profit or loss				
As at 1 April 2012	(8,347,750)	(9,500,087)	(126,125,225)	(143,973,062)
Recognised during the year (Note 5)	(9,043,949)	(12,216,899)	(232,081,719)	(253,342,567)
Reversal of completed projects	5,359,239	10,031,524	238,480,994	253,871,757
As at 31 March 2013	(12,032,460)	(11,685,462)	(119,725,950)	(143,443,872)
Property development costs as at 31 March 2013	6,471,769	16,184,991	18,728,354	41,385,114

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property Development Costs (Cont'd)

Company	Freehold land RM	Development expenditure RM	Total RM
As at 31 March 2014			
Cumulative property development costs			
As at 1 April 2013	1,809,926	114,141	1,924,067
Reversal of completed projects	(1,809,926)	(114,141)	(1,924,067)
As at 31 March 2014	–	–	–
Cumulative costs recognised in profit or loss			
As at 1 April 2013	(1,072,135)	(67,615)	(1,139,750)
Recognised during the year (Note 5)	(737,791)	(46,526)	(784,317)
Reversal of completed projects	1,809,926	114,141	1,924,067
As at 31 March 2014	–	–	–
Property development costs as at 31 March 2014	–	–	–
As at 31 March 2013			
Cumulative property development costs			
As at 1 April 2012	6,405,473	403,952	6,809,425
Reversal of completed projects	(4,595,547)	(289,811)	(4,885,358)
As at 31 March 2013	1,809,926	114,141	1,924,067
Cumulative costs recognised in profit or loss			
As at 1 April 2012	(1,558,016)	(98,256)	(1,656,272)
Recognised during the year (Note 5)	(4,109,666)	(259,170)	(4,368,836)
Reversal of completed projects	4,595,547	289,811	4,885,358
As at 31 March 2013	(1,072,135)	(67,615)	(1,139,750)
Property development costs as at 31 March 2013	737,791	46,526	784,317

Certain freehold and leasehold land and development expenditure of the Group with aggregate carrying amount of RM92,470,511 (2013 - RM21,913,866) are charged as securities for banking facilities granted to the Company and its subsidiary companies.

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property Development Costs (Cont'd)

Additions during the year include the following expenditure:

	Group	
	2014	2013
	RM	RM
Interest expense	2,066,749	593,308

The Group's leasehold land have unexpired lease periods of more than 50 years and are classified as long term leasehold land.

16. INTANGIBLE ASSETS

Group	Goodwill on consolidation RM	Concession assets RM	Total RM
As at 31 March 2014			
Cost			
As at 1 April 2013 and 31 March 2014	9,167,040	15,039,843	24,206,883
Accumulated amortisation and impairment losses			
As at 1 April 2013	(92,928)	(1,816,596)	(1,909,524)
Charge during the year	–	(614,350)	(614,350)
As at 31 March 2014	(92,928)	(2,430,946)	(2,523,874)
Carrying amount			
As at 31 March 2014	9,074,112	12,608,897	21,683,009
As at 31 March 2013			
Cost			
As at 1 April 2012	9,167,040	15,041,147	24,208,187
Adjustment	–	(1,304)	(1,304)
As at 31 March 2013	9,167,040	15,039,843	24,206,883
Accumulated amortisation and impairment losses			
As at 1 April 2012	(92,928)	(1,202,175)	(1,295,103)
Charge during the year	–	(614,421)	(614,421)
As at 31 March 2013	(92,928)	(1,816,596)	(1,909,524)
Carrying amount			
As at 31 March 2013	9,074,112	13,223,247	22,297,359

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

16. INTANGIBLE ASSETS (CONT'D)

Goodwill on Consolidation

(a) Impairment Tests for Goodwill

Allocation of Goodwill

Goodwill has been allocated to the Group's CGUs identified according to business segment as follows:

	2014 RM	2013 RM
As at 31 March		
Goodwill - business segment		
Property development	4,640,367	4,640,367
Concession assets	4,433,745	4,433,745
	9,074,112	9,074,112

(b) Key Assumptions Used to Derive Recoverable Amount

Property Development

The recoverable amount of a CGU is determined based on fair value less costs to sell of the CGU. Fair value less costs to sell are estimated based on valuations performed by a registered valuer.

Concession Assets

The recoverable amount of the CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering the concession period. The key assumptions used for value-in-use calculations are based on current year's performance and the following criteria set by the management:

	2014	2013
Rental rates (RM/sq.ft)	4.28 - 4.75	4.11 - 4.68
Tenancy take-up rate	90% - 100%	90% - 100%
Growth rate (every 2 to 3 years)	5%	5% - 10%
Discount rate	13% - 15%	13% - 15%

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Rental Rates

The rental rates used reflect the average rental rates of the surrounding completed commercial properties.

(ii) Tenancy Take-Up Rate

The tenancy take-up rate used reflect the management's best estimate after considering the take up rate of the surrounding completed properties.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

16. INTANGIBLE ASSETS (CONT'D)

Goodwill on Consolidation (Cont'd)

(b) Key Assumptions Used to Derive Recoverable Amount (Cont'd)

(iii) Growth Rate

The weighted average growth rate used is consistent with historical average growth rate of the subsidiary company.

(iv) Discount Rate

The discount rate used is based on the weighted average cost of capital of the subsidiary company.

The details of the carrying amount of concession assets, representing the right to collect rental income over the concession periods from assets held under "build, operate and transfer" agreements are disclosed in Note 12(d).

The subsidiary company has the right to use the buildings to generate rental income within the concession periods.

(c) Sensitivity to Changes in Assumptions

With regard to the assessment of recoverable amount for goodwill related to each of the business segments, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values of goodwill and concession assets to materially exceed their recoverable amounts.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Current				
Short term funds	56	16,217,267	56	15,412,037
Cash in hand and at bank	13,146,001	7,420,516	3,804,247	233,192
Housing Development Accounts	21,983,903	5,907,114	–	–
Cash and bank balances	35,129,960	29,544,897	3,804,303	15,645,229
Bank overdrafts (Note 26)	(4,917,421)	–	–	–
Cash and cash equivalents	30,212,539	29,544,897	3,804,303	15,645,229
Non-current				
Fixed deposits pledged with licensed banks	1,057,734	701,367	350,000	–

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

17. CASH AND CASH EQUIVALENTS (CONT'D)

As at 31 March 2014, the non-current fixed deposits amounting to RM707,734 (2013 - RM701,367) are pledged to a financial institution to secure credit facility for a subsidiary company for a tenure of 9 years. The weighted average effective interest rate which is on a fixed rate basis is 0.91% (2013 - 0.91%) per annum and the maturities of the fixed deposits is 6 years.

During the financial year, a non-current fixed deposit amounting to RM350,000 (2013 - RMNil) is pledged to a financial institution to secure credit facility for the Company.

The short term funds represent investments in fixed income trust funds which can be redeemed within a period of less than 30 days with tax exempt interest rate ranging from 2.45% to 3.81% (2013 - 2.60% to 3.96%) per annum.

The Housing Development Accounts ("HDA") are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use for other operations.

18. DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
As at 1 April	690,187	1,958,184	40,297	96,845
Recognised in profit or loss (Note 10)	(762,653)	(1,267,997)	(579,240)	(56,548)
As at 31 March	(72,466)	690,187	(538,943)	40,297
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	2,512,546	2,798,452	404,519	147,535
Deferred tax assets	(2,585,012)	(2,108,265)	(943,462)	(107,238)
	(72,466)	690,187	(538,943)	40,297

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of The Group

	Land held for property development and property development costs	Property, plant and equipment	Others	Total
	RM	RM	RM	RM
As at 1 April 2012	2,386,030	174,700	936,746	3,497,476
Recognised in profit or loss	(812,745)	48,141	65,580	(699,024)
As at 31 March 2013	1,573,285	222,841	1,002,326	2,798,452
Recognised in profit or loss	(623,929)	266,493	71,530	(285,906)
As at 31 March 2014	949,356	489,334	1,073,856	2,512,546

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

18. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

Deferred Tax Assets of The Group

	Unrealised profits on inter-company transactions	Unutilised business losses	Unabsorbed capital allowances	Total
	RM	RM	RM	RM
As at 1 April 2012	(80,370)	(429,810)	(1,029,112)	(1,539,292)
Recognised in profit or loss	(232,130)	(186,105)	(150,738)	(568,973)
As at 31 March 2013	(312,500)	(615,915)	(1,179,850)	(2,108,265)
Recognised in profit or loss	87,670	(375,796)	(188,621)	(476,747)
As at 31 March 2014	(224,830)	(991,711)	(1,368,471)	(2,585,012)

Deferred Tax (Assets)/Liabilities of The Company

	Property, plant and equipment	Unutilised business losses	Unabsorbed capital allowances	Total
	RM	RM	RM	RM
As at 1 April 2012	96,845	-	-	96,845
Recognised in profit or loss	50,690	(107,238)	-	(56,548)
As at 31 March 2013	147,535	(107,238)	-	40,297
Recognised in profit or loss	256,984	(526,757)	(309,467)	(579,240)
As at 31 March 2014	404,519	(633,995)	(309,467)	(538,943)

19. INVENTORIES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
At cost				
Completed commercial units	6,481,657	6,528,877	1,144,734	2,766,077

During the year, the amount of inventories recognised as an expense in cost of sales of the Group and the Company was RM1,926,815 (2013 - RM1,530,876) and RM2,405,012 (2013 - RMNil) respectively (Note 5).

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Current				
Trade receivables				
Third parties	79,726,137	36,674,989	61,528	1,278,647
Less: Allowance for impairment	(30,064)	(137,629)	(18,947)	(18,947)
Trade receivables, net	79,696,073	36,537,360	42,581	1,259,700
Other receivables				
Other receivables	1,114,608	518,330	404,991	368,505
Refundable deposits	1,833,464	1,110,988	332,042	280,569
Amount owing by subsidiary companies	–	–	238,440,469	108,708,612
	2,948,072	1,629,318	239,177,502	109,357,686
	82,644,145	38,166,678	239,220,083	110,617,386
Non-current				
Other receivables				
Other receivables	2,227,421	2,160,633	–	–
Refundable deposits	1,773,840	1,161,527	17,050	17,050
Amount owing by subsidiary companies	–	–	–	50,000,886
	4,001,261	3,322,160	17,050	50,017,936
Less: Allowance for impairment	(17,288)	(17,288)	–	–
	3,983,973	3,304,872	17,050	50,017,936
Total trade and other receivables	86,628,118	41,471,550	239,237,133	160,635,322
Add: Cash and bank balances	35,129,960	29,544,897	3,804,303	15,645,229
Deposits with licensed banks (non-current)	1,057,734	701,367	350,000	–
Total loans and receivables	122,815,812	71,717,814	243,391,436	176,280,551

Group and Company

(a) Trade Receivables

The trade receivables are non-interest bearing and are generally on 7 to 21 days (2013 - 7 to 21 days) terms. Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

They are recognised at their original invoice amounts which represent their fair values on initial recognition.

20. TRADE AND OTHER RECEIVABLES (CONT'D)

Group and Company (Cont'd)

(a) Trade Receivables (Cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables is as follows:

	Group	
	2014 RM	2013 RM
Neither past due nor impaired	44,663,236	10,395,984
1 to 30 days past due not impaired	15,387,403	12,083,139
31 to 60 days past due not impaired	7,442,949	4,031,223
61 to 90 days past due not impaired	4,387,156	3,266,469
91 to 120 days past due not impaired	4,166,749	2,864,009
121 to 335 days past due not impaired	3,648,580	3,896,536
	35,032,837	26,141,376
Impaired	30,064	137,629
	79,726,137	36,674,989

	Company	
	2014 RM	2013 RM
Neither past due nor impaired	–	–
1 to 30 days past due not impaired	–	–
31 to 60 days past due not impaired	–	574,350
61 to 90 days past due not impaired	–	–
91 to 120 days past due not impaired	–	–
121 to 335 days past due not impaired	42,581	685,350
	42,581	1,259,700
Impaired	18,947	18,947
	61,528	1,278,647

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM35,032,837 (2013 - RM26,141,376) and RM42,581 (2013 - RM1,259,700) respectively that are past due at the reporting date but not impaired. The directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business. These trade receivables that are past due but not impaired are unsecured in nature.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

20. TRADE AND OTHER RECEIVABLES (CONT'D)

Group and Company (Cont'd)

(a) Trade Receivables (Cont'd)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired		Company Individually impaired	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade receivables				
– nominal amounts	30,064	137,629	18,947	18,947
Less: Allowance for impairment	(30,064)	(137,629)	(18,947)	(18,947)
	–	–	–	–

Movement in allowance accounts:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
As at 1 April	137,629	246,873	18,947	18,947
Reversal of impairment losses	(67,111)	(92,392)	–	–
As at 31 March	30,064	137,629	18,947	18,947

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amount Owing by Subsidiary Companies

The amount owing is non-interest bearing, unsecured and without fixed terms of repayment.

During the year, the Company revised the repayment terms of amount owing by subsidiary companies. The difference between the fair value and the carrying amount has been recognised as gain due to modification on terms of loans and receivables.

(c) Other Receivable

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors except for a subsidiary company which concentration exists to the extent of other receivables owing by Sanjung Sempurna Sdn Bhd (previous joint development partner of a subsidiary company), which represents 66% (2013 - 81%) of total other receivables of the Group as at reporting date.

The amount owing is non-interest bearing, unsecured and without fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

21. OTHER CURRENT ASSETS

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Prepaid operating expenses	10,000	146,034	–	3,816
Accrued billings in respect of property development costs	162,714,951	106,922,146	–	–
	162,724,951	107,068,180	–	3,816

22. TRADE AND OTHER PAYABLES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Current				
Trade payables				
Third parties	140,581,164	64,724,333	–	–
Other payables				
Other payables	2,644,301	79,743,493	143,815	21,037
Refundable deposits	350,659	539,775	20,628	65,948
Accrued operating expenses	17,708,968	11,519,639	2,217,244	1,845,306
Dividend payable	13,200,000	–	13,200,000	–
	33,903,928	91,802,907	15,581,687	1,932,291
Amount owing to subsidiary companies	–	–	1,998,096	1,117,352
	174,485,092	156,527,240	17,579,783	3,049,643
Non-current				
Trade payables				
Third parties	10,608,238	14,037,290	–	–
Other payables				
Deposits	345,821	150,522	–	–
	10,954,059	14,187,812	–	–
Total trade and other payables	185,439,151	170,715,052	17,579,783	3,049,643
Loans and borrowings (Note 26)	249,279,850	115,153,059	13,457,540	798,765
Total financial liabilities carried at amortised cost	434,719,001	285,868,111	31,037,323	3,848,408

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

22. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade Payables

Current

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 days (2013 - 30 to 60 days) terms.

Non-current

These amounts represent retention sums which are payable upon the expiry of the defect liability period.

(b) Other Payables

Current

These amounts are non-interest bearing. Other payables are normally settled on an average term of two months.

Non-current

These amounts represent deposits which are payable upon the expiry of the tenancy agreement.

(c) Amounts Owing To Subsidiary Companies

The amounts owing are non-interest bearing, unsecured and without fixed terms of repayment.

23. OTHER CURRENT LIABILITIES

	Group	
	2014 RM	2013 RM
Progress billings in respect of property development cost	-	2,256,614

24. HIRE PURCHASE PAYABLES

	Group and Company	
	2014 RM	2013 RM
Future minimum hire purchase payments:		
Not later than 1 year	19,212	19,212
Later than 1 year and not later than 2 years	19,212	19,212
Later than 2 years and not later than 5 years	11,154	30,366
Total future minimum hire purchase payments	49,578	68,790
Finance charges	(2,983)	(5,690)
Present value of hire purchase facilities	46,595	63,100
Analysis of present value of hire purchase liabilities:		
Not later than 1 year	17,371	16,505
Later than 1 year and not later than 2 years	18,238	17,371
Later than 2 years and not later than 5 years	10,986	29,224
	46,595	63,100
Amount due within 12 months (Note 26)	(17,371)	(16,505)
Amount due after 12 months (Note 26)	29,224	46,595

The interest rates of hire purchase, which is fixed at agreement date is 2.59% (2013 - 2.25% to 2.59%) per annum. The hire purchase agreements are on a fixed payment basis.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

25. LEASE PAYABLE

	Group and Company	
	2014 RM	2013 RM
Future minimum lease payments:		
Not later than 1 year	367,800	367,800
Later than 1 year and not later than 2 years	91,950	367,800
Later than 2 years and not later than 5 years	–	91,950
Total future minimum lease payments	459,750	827,550
Finance charges	(48,805)	(91,885)
Present value of lease liabilities	410,945	735,665
Analysis of present value of lease liabilities:		
Not later than 1 year	324,720	324,720
Later than 1 year and not later than 2 years	86,225	324,720
Later than 2 years and not later than 5 years	–	86,225
	410,945	735,665
Amount due within 12 months (Note 26)	(324,720)	(324,720)
Amount due after 12 months (Note 26)	86,225	410,945

The interest rates of lease, which is fixed at agreement date is 4.42% (2013 - 4.42%) per annum. The lease agreement is on a fixed payment basis.

26. LOANS AND BORROWINGS

		Group		Company	
	Maturity	2014 RM	2013 RM	2014 RM	2013 RM
Current					
Secured:					
Hire purchases (Note 24)	2015	17,371	16,505	17,371	16,505
Lease (Note 25)	2015	324,720	324,720	324,720	324,720
Bank overdrafts		4,917,421	–	–	–
Term loans:					
- loan at cost of fund + 1.75%	2015	–	274,139	–	–
- loan at BLR - 1.35%	2015	920,000	700,000	–	–
- loan at effective cost of fund + 1.75%	2015	1,159,493	1,250,004	–	–
- loan at BLR - 1.70%	2015	–	3,204,000	–	–
- loan at BLR - 1.75%	2015	332,084	916,670	–	–
Revolving loans:					
- loan at cost of fund + 1.50%	2015	40,000,000	–	–	–
- loan at effective cost of fund + 1.50%	2015	10,000,000	–	10,000,000	–
- loan at cost of fund + 1.75%	2015	3,000,000	–	3,000,000	–
		60,671,089	6,686,038	13,342,091	341,225

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

26. LOANS AND BORROWINGS (CONT'D)

	Maturity	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Non-current					
Secured:					
Hire purchases (Note 24)	2016 - 2017	29,224	46,595	29,224	46,595
Lease (Note 25)	2016	86,225	410,945	86,225	410,945
Term loans:					
- loan at BLR - 1%	2016 - 2020	12,187,000	13,787,000	-	-
- loan at BLR - 1.35%	2016 - 2019	3,680,000	4,600,000	-	-
- loan at effective cost of fund + 1.75%	2016 - 2019	4,904,879	5,902,536	-	-
- loan at BLR - 1.70%	2016 - 2019	25,600,000	22,396,000	-	-
- loan at BLR - 1.75%	2016 - 2019	-	10,083,330	-	-
- loan at cost of fund + 1.50%	2016 - 2021	78,500,000	40,249,323	-	-
- loan at cost of fund + 1.50%	2016 - 2023	47,600,000	-	-	-
Bridging loans:					
- loan at cost of fund + 1.75%	2016 - 2017	16,021,433	10,991,292	-	-
		188,608,761	108,467,021	115,449	457,540
Total loans and borrowings		249,279,850	115,153,059	13,457,540	798,765

The remaining maturities of the loans and borrowings as at 31 March 2014 are as follows:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
On demand or within 1 year	60,671,089	6,686,038	13,342,091	341,225
More than 1 year and less than 2 years	33,182,864	12,578,444	104,463	342,091
More than 2 years and less than 5 years	102,853,588	86,908,444	10,986	115,449
5 years or more	52,572,309	8,980,133	-	-
	249,279,850	115,153,059	13,457,540	798,765

Group

Details of the term loans and bridging loans are as follows:

Loan	Repayment term
Term loan at BLR - 1.0%	83 monthly instalments commencing November 2012
Term loan at BLR - 1.35%	65 monthly instalments commencing December 2012
Term loan at effective cost of fund + 1.75%	72 monthly instalments commencing December 2012
Term loan at BLR - 1.75%	60 monthly instalments commencing November 2013
Term loan at BLR - 1.70%	48 monthly instalments commencing April 2015
Term loan at cost of fund + 1.50%	72 monthly instalments commencing April 2015
Bridging loans at cost of fund + 1.75%	24 monthly instalments commencing May 2015 and June 2016 respectively
Term loan at cost of fund + 1.50%	84 monthly instalments commencing November 2015

26. LOANS AND BORROWINGS (CONT'D)

Term loan at BLR - 1.0% (2013 - BLR - 0.5%)

The term loan is secured by the following:

(i) First legal charge over 2 parcels of freehold land held for property development of a subsidiary company;

(ii) Specific debenture incorporating fixed and floating charge for all monies owing or payable under facility over all present and future assets of a subsidiary company pertaining to the development of the project to be undertaken by the subsidiary company; and

(iii) Corporate guarantee by the Company.

Term loan at BLR - 1.35% and revolving loan at cost of fund + 1.65%

The term loan and revolving loan are secured by:

(i) First legal charge over a piece of freehold land held for property development of a subsidiary company;

(ii) Specific debenture incorporating fixed and floating charge for all monies owing or payable under facility over all present and future assets of a subsidiary company pertaining to the development of the project to be undertaken by the subsidiary company; and

(iii) Corporate guarantee by the Company.

The revolving loan facility was not utilised as at end of the reporting date.

Term loan at effective cost of fund + 1.75% (2013 - Effective cost of fund + 2.00%)

The term loan is secured by:

(i) First legal charge over 2 parcels of freehold land held for property development of a subsidiary company; and

(ii) Corporate guarantee by the Company.

Term loans at cost of fund + 1.50%, term loan at BLR - 1.70%, term loan at BLR - 1.75% and bridging loans at cost of fund + 1.75%

The term loans and bridging loans are secured by the following:

(i) First party legal charge stamped nominally over 4 pieces of leasehold property development land held by a subsidiary company;

(ii) Debenture creating fixed and floating charge over the assets, both present and future of a subsidiary company whatsoever and wheresoever situated; and

(iii) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

26. LOANS AND BORROWINGS (CONT'D)

Term loan and revolving loan at cost of fund + 1.50%

The term loan and revolving loan are secured by:

(i) First legal charge over 5 parcels of leasehold land held for property development of a subsidiary company; and

(ii) Corporate guarantee by the Company.

The weighted average floating interest rates per annum as at the reporting date for borrowings were as follows:

	Group	
	2014	2013
	%	%
Revolving loans	4.88 - 5.32	5.25 - 6.60
Term loans	4.85 - 5.68	4.85 - 7.07
Bridging loans	5.15	5.08 - 5.12

Bank overdrafts

The overdraft facilities extended to subsidiary companies were secured by the following:

(i) First legal charge over certain lands under land held for property development belonging to certain subsidiary companies;

(ii) Specific debenture incorporating fixed and floating charge for all monies owing or payable under facility over all present and future assets of certain subsidiary companies pertaining to the development of the project to be undertaken by the subsidiary companies; and

(iii) First party fixed charge over 2 units double storey shop office held under property, plant and equipment of a subsidiary company; and

(iv) Corporate guarantee by the Company.

The bank overdraft facilities bear interest at rates which are on floating rate basis of 6.60% (2013 - 6.60% to 6.85%) per annum.

Company

Bank overdrafts

The Company's overdraft facilities are secured by the following:

(i) Third party first legal charge over certain land held for development and development properties belonging to certain of its subsidiary companies; and

(ii) Fixed charge over certain freehold land held for property development of the Company.

The bank overdrafts bear interest at a rate which is on floating rate basis of 6.60% (2013 - 6.60% to 6.85%) per annum. The bank overdraft facilities are not utilised as at end of reporting date.

26. LOANS AND BORROWINGS (CONT'D)

Revolving loan at effective cost of fund + 1.50% (2013 - Effective cost of fund + 2.00%)

The revolving loan facilities are secured by a third party first legal charge over a piece of vacant agricultural land belonging to a subsidiary company.

Revolving loan at cost of fund + 1.75%

The revolving loan facilities are secured by a negative pledge.

27. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares of RM1 each		Amount	
	2014	2013	2014 RM	2013 RM
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid				
As at 1 April	198,000,000	144,000,000	198,000,000	144,000,000
Private placement	-	14,400,000	-	14,400,000
Bonus issue	66,000,000	39,600,000	66,000,000	39,600,000
As at 31 March	264,000,000	198,000,000	264,000,000	198,000,000

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM198,000,000 to RM264,000,000 by way of bonus issue through capitalisation of retained earnings on the basis of one bonus share for every three existing ordinary shares held.

There is no movement in the authorised share capital during the year.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

28. SHARE PREMIUM

	Group and Company	
	2014 RM	2013 RM
As at 1 April	-	-
Due to private placement	-	11,808,000
Capitalisation for bonus issue	-	(11,808,000)
As at 31 March	-	-

The share premium arose from a private placement of 14,400,000 new shares at a premium of RM0.82 per share.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

29. RETAINED EARNINGS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. As at 31 December 2013, the 108 balance of the Company is RMNil. The Company may distribute dividends out of its entire retained earnings as at 31 March 2014 and 31 March 2013 under the single tier system.

As at 31 March 2014, the Company has a tax exempt account balance available for distribution of tax exempt dividends of RM227,737 (2013 - RM227,737), subject to the agreement of the Inland Revenue Board.

30. DIVIDENDS

	Group and Company	
	2014 RM	2013 RM
Recognised during the financial year:		
Final single tier dividend of 8.25% for 2013 - 8.25 sen per share	16,334,998	-
Interim single tier dividend of 5% for 2014 - 5 sen per share	13,200,000	-
Final dividend of 15% less 25% tax for 2012 - 11.25 sen per share	-	17,820,000
Interim dividend of 5% less 25% tax for 2013 - 3.75 sen per share	-	7,424,998
	29,534,998	25,244,998
Proposed for approval at AGM, not recognised as at 31 March:		
Final single tier dividend of 7% for 2014 - 7 sen per share	18,480,000	-
Final single tier dividend of 8.25% for 2013 - 8.25 sen per share	-	16,334,998

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the current financial year ended 31 March 2014, of 7% on 264,000,000 ordinary shares, amounting to a total dividend of RM18,480,000 (7 sen per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 March 2015.

31. OPERATING LEASE ARRANGEMENTS

(a) The Group as Lessee

The Group has entered into non-cancellable operating lease agreements for the use of land and building. These leases have a life of 20 to 30 years with renewal option included in the contracts. The contracts include fixed rentals for 20 to 30 years. There are no restrictions placed upon the Group by entering into these leases.

31. OPERATING LEASE ARRANGEMENTS (CONT'D)

(a) The Group as Lessee (Cont'd)

The future aggregate minimum lease payments under the operating lease contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group	
	2014 RM	2013 RM
Not later than 1 year	180,000	180,000
Later than 1 year and not later than 5 years	720,000	720,000
Later than 5 years	2,523,000	2,703,000
	3,423,000	3,603,000

The Group has also entered into cancellable operating lease agreements for the use of office equipment and building. The Group is required to give not less than 7 days to 1 month of notice for the termination of these agreements.

The lease payment recognised in profit or loss during the financial year is disclosed in Note 8(a).

(b) The Group as Lessor

The Group has entered into non-cancellable operating lease agreements on its concession assets. These leases have remaining non-cancellable lease terms of between 1 and 3 years.

The future minimum lease payments receivable under the operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	Group	
	2014 RM	2013 RM
Not later than 1 year	1,987,067	895,382
Later than 1 year and not later than 5 years	379,110	661,499
	2,366,177	1,556,881

The Group has also entered into cancellable operating lease agreements on certain completed residential properties held as inventories and land held for property development. The lessees are required to give a range of 1 to 3 months notice for the termination of these agreements.

Rental income from concession assets recognised in profit or loss during the financial year is disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

32. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Significant Related Party Transactions

Company	With subsidiary companies							
	Grandeur Park Sdn Bhd RM	Agro-Mod Industries Sdn Bhd RM	Yoon Lian Realty Sendirian Berhad RM	Daya Niaga Sdn Bhd RM	Sunny Mode Sdn Bhd RM	Prop Park Sdn Bhd RM	Johanjana Corporation Sdn Bhd RM	Total RM
2014								
Management fees received and receivable	384,000	336,000	60,000	-	279,903	840,000	48,000	1,947,903
Rental received and receivable	-	12,000	12,000	-	-	-	-	24,000
Dividend received and receivable	15,000,000	12,500,000	-	-	-	30,000,000	-	57,500,000
Landowner entitlement received and receivable	1,726,873	-	-	-	-	-	-	1,726,873
Landowner entitlement paid	-	-	-	783,669	-	-	-	783,669
2013								
Management fees received and receivable	324,000	162,000	54,000	72,000	328,175	720,000	48,000	1,708,175
Rental received and receivable	-	12,000	12,000	-	-	-	-	24,000
Dividend received and receivable	21,600,000	20,000,000	-	26,700,000	-	40,520,000	-	108,820,000
Landowner entitlement received and receivable	7,642,492	-	-	-	-	-	-	7,642,492
Interest receivable	-	-	-	-	-	-	707,627	707,627
Sale of land	-	5,300,000	-	-	-	-	-	5,300,000

Information regarding outstanding balance arising from related party transactions as at 31 March 2014 are disclosed in the notes to the financial statements.

32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of Key Management Personnel

The remuneration of the executive director, being the key management personnel of the Group and the Company during the year are as follows:

	Group and Company	
	2014 RM	2013 RM
Short-term employee benefits (Note 9)	1,174,693	982,852
Benefits-in-kind (Note 9)	7,200	34,200

33. COMMITMENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Approved but not contracted for				
- Property, plant and equipment	-	1,317,548	-	517,548

34. CONTINGENT LIABILITIES

	Company	
	2014 RM	2013 RM
Unsecured:		
- Corporate guarantees given to banks for credit facilities granted to certain subsidiary companies	239,970,536	116,463,433
- Bank guarantee facilities utilised by certain subsidiary companies	2,847,853	3,011,053
	242,818,389	119,474,486

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on two reportable operating segments as follows:

I. The property development segment

The property development segment is in the business of constructing and developing residential and commercial properties. This reportable segment has been formed by aggregating the property construction/development operating segment and the investment properties operating segment, which are regarded by management to exhibit similar economic characteristics.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

35. SEGMENT INFORMATION (CONT'D)

II. Rental from concession assets segment

Rental from concession assets segment is the business of collection of rental over the concession periods from assets held under "build, operate and transfer" agreements.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

35. SEGMENT INFORMATION (CONT'D)

	Property development		Rental concession		Adjustments and eliminations		Notes	Per consolidated financial statements	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM		2014 RM	2013 RM
Revenue:									
External customers	507,709,545	406,688,318	2,183,069	1,982,150	-	-		509,892,614	408,670,468
Inter-segment	4,590,445	16,719,800	-	-	(4,590,445)	(16,719,800)	A	-	-
	512,299,990	423,408,118	2,183,069	1,982,150	(4,590,445)	(16,719,800)		509,892,614	408,670,468
Results:									
Interest income	16,394,156	14,949,303	13,579	4,377,983	(15,435,943)	(17,069,564)		971,792	2,984,403
Dividend income	57,500,000	108,820,000	-	-	(57,500,000)	(108,820,000)		-	-
Depreciation and amortisation	(539,301)	(419,906)	(614,426)	(614,498)	2,780	2,780		(1,150,947)	(1,031,624)
Other non-cash income/(expenses)	(134,231)	16,431,449	67,111	81,842	-	(15,435,943)	B	(67,120)	1,077,348
Interest expenses	(12,161,911)	(16,865,172)	(4,380,668)	(707,627)	15,435,943	17,069,564		(1,106,636)	(503,235)
Segment profit/(loss)	120,277,715	91,891,109	(3,535,206)	4,122,585	(4,380,668)	(707,627)	C	112,361,841	95,306,067
Assets:									
Additions to non-current assets	114,467,927	213,031,942	-	-	-	(5,300,000)	D	114,467,927	207,731,942
Segment assets	1,121,845,784	833,368,929	13,729,323	14,530,453	(302,809,646)	(214,001,042)	E	832,765,461	633,898,340
Segment liabilities	689,094,503	467,045,256	15,431,597	12,505,995	(258,743,118)	(180,129,908)	F	445,782,982	299,421,343

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

35. SEGMENT INFORMATION (CONT'D)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2014 RM	2013 RM
Bad debts written off	15,905	23,981
Deposits written off	11,843	-
Gain on disposal of short term fund	(95)	(24,331)
Gain on disposal of investment property	-	(1,348,960)
Loss on disposal of property, plant and equipment	22,606	155,200
Property, plant and equipment written off	83,972	8,839
Impairment loss on land held for property development	-	156,926
Loss on disposal of investment in subsidiary companies	-	43,389
Reversal of impairment loss on receivables	(67,111)	(92,392)
	67,120	(1,077,348)

C The following items are deducted from segment profit to arrive at "Profit before tax" presented in the consolidated income statement:

	2014 RM	2013 RM
Finance costs	1,106,636	503,235

D Additions to non-current assets consist of:

	2014 RM	2013 RM
Property, plant and equipment	1,436,040	1,262,879
Land held for property development	113,031,887	206,469,063
	114,467,927	207,731,942

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

35. SEGMENT INFORMATION (CONT'D)

E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2014 RM	2013 RM
Deferred tax assets	2,585,012	2,108,265
Inter-segment assets	(305,394,658)	(216,109,307)
	(302,809,646)	(214,001,042)

F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2014 RM	2013 RM
Deferred tax liabilities	2,512,546	2,798,452
Income tax payable	8,551,435	8,498,166
Inter-segment liabilities	(269,807,099)	(191,426,526)
	(258,743,118)	(180,129,908)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risk include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Financial Controller. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following provides details regarding the Group's and the Company's exposure to the above-mentioned financial risk and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group and Company management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have a major concentration of credit risk related to any financial instruments, except as disclosed in Note 20.

(b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company raise committed funding from financial institutions and balances their portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2014 RM			
	On demand or within one year	One to five years	Over five years	Total
Group				
Financial liabilities				
Trade and other payables	174,485,092	11,800,909	–	186,286,001
Loans and borrowings	73,181,154	160,581,365	56,341,329	290,103,848
	247,666,246	172,382,274	56,341,329	476,389,849
Company				
Financial liabilities				
Trade and other payables	17,579,783	–	–	17,579,783
Loans and borrowings	14,051,612	122,317	–	14,173,929
	31,631,395	122,317	–	31,753,712

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

	2013 RM			
	On demand or within one year	One to five years	Over five years	Total
Group				
Financial liabilities				
Trade and other payables	156,527,240	15,490,753	–	172,017,993
Loans and borrowings	12,535,414	94,684,666	30,009,535	137,229,615
	169,062,654	110,175,419	30,009,535	309,247,608
Company				
Financial liabilities				
Trade and other payables	3,049,643	–	–	3,049,643
Loans and borrowings	387,012	509,328	–	896,340
	3,436,655	509,328	–	3,945,983

(c) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's and the Company's primary interest rate risk relates to interest-bearing debt. Borrowings at floating rates exposes the Group and the Company to cash flow interest rate risk.

The Group and the Company manage their interest rate exposure by maintaining a prudent floating rate borrowings. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the impact is immaterial to the Group's and the Company's profit net of tax.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of Fair Value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	20
Trade and other payables (current)	22
Loans and borrowings	26

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of hire purchase and lease are reasonable approximations of fair values due to the insignificant impact of discounting.

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

Retention Sum and Deposits

The fair value of the retention sum and deposits included in non-current payables are estimated by discounting expected future cash flows at weighted average borrowing interest rates of the Group.

38. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support their business and maximise shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2014 and 31 March 2013.

The Group and the Company monitor capital using a gearing ratio, which is total interest bearing debts divided by total equity attributable to the equity holders of the Group and the Company.

The gearing ratios as at 31 March 2014 and 2013 were as follows:

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Loan and borrowings	26	249,279,850	115,153,059	13,457,540	798,765
Equity		386,982,479	334,476,997	290,938,433	252,735,008
Gearing ratio		64%	34%	5%	0%

39. SUBSEQUENT EVENTS

Company

On 28 April 2014, the Company has obtained approval from the Securities Commission Malaysia with regards to the proposed establishment of a Sukuk Murabahah Programme of up to RM250.0 million in nominal value ("Proposed Sukuk Murabahah Programme").

The Proposed Sukuk Murabahah Programme is unrated, non-transferable and non-tradable, and will be subscribed by Public Bank Berhad as the sole investor.

Proceeds raised from the Sukuk Murabahah issuance shall be utilised to part finance the acquisition cost of Shariah compliant development lands and/or such other Shariah compliant landed properties to be acquired by the Company or its wholly-owned subsidiary companies.

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the directors on 16 July 2014.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014 *(CONT'D)*

41. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2014 and 31 March 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total retained earnings of the Company and its subsidiary companies				
- Realised	150,530,530	164,203,349	26,399,490	70,211,248
- Unrealised	386,422	(1,399,725)	538,943	(15,476,240)
	150,916,952	162,803,624	26,938,433	54,735,008
Less: Consolidation adjustments	(27,934,473)	(26,326,627)	–	–
Total Group retained earnings as per audited financial statements	122,982,479	136,476,997	26,938,433	54,735,008

LIST OF GROUP'S PROPERTIES
AS AT 31 MARCH 2014

Description and Existing Use	Location	Tenure	Floor Area (Sq. Ft.)	Age of Building (Years)	Net Book Value (RM' 000)	Year of Acquisition	Registered / Beneficial Owner
4 ½ Storey Shop Office for office use	123, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan	Freehold	8,027	33	331	1993	Yoon Lian Realty Sdn Bhd / Hua Yang Berhad
1 unit of 3 Storey Shop Office and 1 unit of 8 Storey Shop Office for office use	C-21 & C-22 Blk C, Jln Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan	Leasehold 99 years, expiring on 10 April 2101	20,516	9	2,551	2005	Hua Yang Berhad
Car park bays, Medan Selayang	Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan	Leasehold 99 years, expiring on 10 April 2101	138,166	9	1,558	2005	Hua Yang Berhad
2 units 2-Storey Shop Office for office use	53 & 55, Jalan Besi, Taman Sri Putri, 81300 Skudai, Johor Darul Takzim	Freehold	3,272	3	691	2011	Grandeur Park Sdn Bhd

LIST OF GROUP'S PROPERTIES
AS AT 31 MARCH 2014 *(CONT'D)*

Description and Existing Use	Location	Tenure	Land Area (Acres)	Remaining Land for Development (Acres)	Net Book Value (RM' 000)	Year of Acquisition	Year of Commencement of Development	Registered / Beneficial Owner
Development land approved for mixed development	H.S.(D) 244541 Lot PTD No.71928 and H.S.(D) 244542 Lot PTD No.71929 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	230	2.43	5,739	1994	2001	Grandeur Park Sdn Bhd
Development land approved for mixed development	H.S.(D) 244543 Lot PTD No.71930 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	141	5.46	288	1993	2001	Prisma Pelangi Sdn Bhd
Development land approved for residential development	H.S.(D) 244540 Lot PTD No.71927 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	106	6.00	1,012	2001	2006	Hua Yang Berhad
Development land approved for residential development	H.S.(D) 261477 PTD No.119789 Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim	Freehold	5	Nil	22,630	2008	2011	Grandeur Park Sdn Bhd
Development land approved for mixed development	Geran 231624 Lot 5024 Mukim Senai, Daerah Kulaijaya and Geran 95306 Lot 2742 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	134.47	91.86	41,862	2009	2011	Grandeur Park Sdn Bhd
Development land approved for mixed development	H.S.(D) 524370, PTB 24051 Bandar and Daerah of Johor Bahru	Freehold	2.21	2.21	15,041	2011	2014	Grandeur Park Sdn Bhd
Development land approved for mixed development	H.S.(D) 45670 PTB 10964, H.S.(D) 79521 PTB 10965, H.S.(D) 496784 PTB 13738, H.S.(D) 124896 PTB 13739, H.S.(D) 116405 PTB 13721, H.S.(D) 116406 PTB 13722, Geran 24543 Lot 9917 Bandar and Daerah of Johor Bahru	Freehold	1.08	1.08	5,839	2012	N/A	Grandeur Park Sdn Bhd
Development land approved for mixed development	PN 98174, Lot 76637 Pekan Serdang, Daerah Petaling, Selangor Darul Ehsan	Leasehold (Expiring 19 October 2094)	16.7	1.98	20,796	2007	2010	Prop Park Sdn Bhd
Development land approved for mixed development	PN 51169, Lot 12228 Mukim Ampang, Daerah Kuala Lumpur	Leasehold (Expiring 6 July 2085)	1.55	Nil	42,174	2011	2012	Prop Park Sdn Bhd

LIST OF GROUP'S PROPERTIES
AS AT 31 MARCH 2014 *(CONT'D)*

Description and Existing Use	Location	Tenure	Land Area (Acres)	Remaining Land for Development (Acres)	Net Book Value (RM' 000)	Year of Acquisition	Year of Commencement of Development	Registered / Beneficial Owner
Development land approved for mixed development	Lot No. 1068 Title No. PN 12319 Seksyen 13, Bandar Shah Alam, District of Petaling, Selangor Darul Ehsan	Leasehold (Expiring 30 December 2101)	3.73	Nil	15,188	2011	2012	Prop Park Sdn Bhd
Development land approved for mixed development	H.S.(D) 185485, PT 334, Pekan Baru Sungai Besi, Daerah Petaling, Selangor Darul Ehsan	Leasehold (Expiring 28 May 2102)	3.73	3.73	58,641	2013	N/A	Prop Park Sdn Bhd
Homestead agriculture lot and development land approved for residential development	Lot No. 8848-8854, 8892, 8902-8922, 9594, 9694, 9697-9710 Mukim Seremban, Daerah Seremban, Negeri Sembilan Darul Khusus	Freehold	35.26	35.26	13,621	1995	N/A	Hua Yang Bhd
Development land approved for mixed development	Lot 12670 (PT 1347) Mukim Bota, Daerah Tengah, Perak Darul Ridzuan	Leasehold (Expiring April 2103)	739	409.27	41,547	1991	2001	Agro-Mod Industries Sdn Bhd
Development land approved for commercial development	Lot 11329 (PT 2062-PT 2409, PT 2699-PT 2713 & PT 2715) Mukim Bota, Daerah Tengah, Perak Darul Ridzuan	Leasehold (Expiring April 2096)	38	2	9,660	1996	2001	Agro-Mod Industries Sdn Bhd
Development land approved for commercial development	54 lots of commercial title, Lot 105147 – 105200 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Leasehold (Expiring 23 December 2080)	4	4	5,078	2013	N/A	Agro-Mod Industries Sdn Bhd
Development land approved for residential development	H.S.(D) 19415 PT 114953 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	3.7	3.7	3,129	1994	2012	Yoon Lian Realty Sdn Bhd
Development land approved for residential development	PT 220115-220203, 220206-220237, 220240-220249, 220252-220262, 247079-247092 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	21	9.16	23,761	2012	2013	Yoon Lian Realty Sdn Bhd
Development land approved for commercial development	Lot No. 19125, H.S.(D) 26630 Pekan Sungai Gadut, Seremban, Negeri Sembilan Darul Khusus	Leasehold (Expiring June 2107)	28.49	19.69	7,353	2010	2010	Sunny Mode Sdn Bhd
Development land approved for mixed development	PN 95919 Lot 110500, PN 95920 Lot 110501, PN 95921 Lot 110502, PN 95922 Lot 110503, PN 95923 Lot 110506 Mukim Petaling, Dearah Petaling, Selangor Darul Ehsan	Leasehold (Expiring Dec 2110)	29.21	29.21	170,697	2013	N/A	Bison Holdings Sdn Bhd

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2014

SHARE CAPITAL

Authorised share capital:	RM500,000,000
Issued and fully paid-up capital:	RM264,000,000
Class of shares:	Ordinary shares of RM1.00 each
Voting rights:	One vote per ordinary share

ORDINARY SHARE DISTRIBUTION SCHEDULE AS AT 30 JUNE 2014

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued capital
1 - 99	277	4.79	13,533	0.01
100 - 1,000	530	9.16	359,456	0.14
1,001 - 10,000	3,519	60.84	16,019,105	6.07
10,001 - 100,000	1,277	22.08	35,477,282	13.44
100,001 - 13,199,999*	179	3.10	150,940,033	57.17
13,200,000 and above**	2	0.03	61,190,591	23.17
Total	5,784	100.00	264,000,000	100.00

Remark:
* Less than 5% of issued shares
** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2014

Name of Directors	Direct Interest	%	Deemed Interest	%
1. YBhg Tan Sri Dato' Seri Dr. Ting Chew Peh	293,333	0.11	252,206(2)	0.10
2. Ho Mook Leong	4,099,368	1.55	81,866(2)	0.03
3. Ho Wen Yan	1,173,330	0.44	81,190,591(1)	30.75
4. Dato' Tan Bing Hua	52,666	0.02	-	-
5. Dato' Wan Azahari Bin Yom Ahmad	529,680	0.20	-	-
6. Chew Po Sim	-	-	81,190,591(1)	30.75
7. Chew Hoe Soon	272,666	0.10	568,666(2)	0.21

Notes:
(1) Deemed interest by virtue of her/his substantial shareholdings in Heng Holdings Sdn Bhd.
(2) Deemed interest by virtue of the shareholdings of his spouse and children.

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2014

Name	Direct Interest	%	Deemed Interest	%
1. Heng Holdings Sdn Bhd	81,190,591	30.75	-	-
2. Chew Po Sim	-	-	81,190,591(1)	30.75
3. Ho Min Yi	-	-	81,190,591(1)	30.75
4. Ho Wen Yan	1,173,330	0.44	81,190,591(1)	30.75
5. Ho Wen Han	-	-	81,190,591(1)	30.75
6. Ho Wen Fan	-	-	81,190,591(1)	30.75

Notes:
(1) Deemed interest by virtue of his/her substantial shareholdings in Heng Holdings Sdn Berhad.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2014 *(CONT'D)*

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2014

No.	Name of shareholders	No. of Shares	%
1.	Heng Holdings Sdn Berhad	41,190,591	15.60
2.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Heng Holdings Sdn Berhad	20,000,000	7.58
3.	Citigroup Nominees (Tempatan) Sdn Bhd for AIA Bhd	10,818,185	4.10
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Siew Eng @ Ong Chai	10,729,242	4.06
5.	UOB Kay Hian Nominees (Asing) Sdn Bhd for UOB Kay Hian Pte Ltd	10,017,932	3.79
6.	CIMSEC Nominees (Tempatan) Sdn Bhd for Heng Holdings Sdn Berhad	10,000,000	3.79
7.	HSBC Nominees (Tempatan) Sdn Bhd for Heng Holdings Sdn Berhad	10,000,000	3.79
8.	HSBC Nominees (Asing) Sdn Bhd for Credit Suisse	8,034,244	3.04
9.	Ho Khon Yok	7,910,000	3.00
10.	Ng Keat Siew	4,810,780	1.82
11.	Ho Mook Leong	3,743,980	1.42
12.	Citigroup Nominees (Asing) Sdn Bhd for JKC Fund	2,225,800	0.84
13.	Tjong Tjhoen Mit @ Chong Choen Mit	2,200,000	0.83
14.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Siling	1,800,000	0.68
15.	Erica Madeleine Ee Mein Chong	1,797,229	0.68
16.	Maybank Securities Nominees (Asing) Sdn Bhd for Maybank Kim Eng Securities (Thailand) PLC	1,740,533	0.66
17.	Stephen Paul Chong	1,707,229	0.65
18.	RHB Nominees (Tempatan) Sdn Bhd for OCI Engineering Sdn Bhd	1,666,666	0.63
19.	HSBC Nominees (Asing) Sdn Bhd for Asean Growth Fund	1,592,200	0.60
20.	Goh Swee Boh @ Goh Cheng Kin	1,560,253	0.59
21.	HSBC Nominees (Asing) Sdn Bhd for Morgan Stanley & Co. LLC	1,555,733	0.59
22.	Lee Pooi Yee	1,493,333	0.57
23.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Swee Boh @ Goh Cheng Kin	1,470,888	0.56
24.	Lee Ah Har @ Lee Kong Yip	1,445,940	0.55
25.	Loo Hooi Eng	1,408,666	0.53
26.	Citigroup Nominees (Asing) Sdn Bhd for DFA Emerging Markets Small Cap Series	1,360,000	0.52
27.	Ho Chon Yin	1,349,749	0.51
28.	Hoo Ah Kar @ Ho Khoon Tai	1,327,849	0.50
29.	Citigroup Nominees (Asing) Sdn Bhd for Pohjola Bank PLC	1,285,000	0.49
30.	Citigroup Nominees (Asing) Sdn Bhd for Emerging Markets Value Fund	1,210,733	0.46

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PROXY FORM

HUA YANG BERHAD
Company No. 44094-M
(Incorporated in Malaysia)

*I/We .... of .... being a member of **HUA YANG BERHAD** hereby appoint Mr/Ms ....
of .... or failing whom .... of .... or failing whom the Chairman of the meeting as *my/*our proxies to vote for *me/*us and on *my/*our behalf at the Thirty-Fifth Annual General Meeting of the Company to be held at the Head Office of the Company at 4th Floor, C-21 Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor on Wednesday, 27 August 2014 at 10.30 a.m. and at any adjournment thereof.

*My/*Our proxy(ies) is / are to vote as indicated below:-

	Resolutions	For	Against
Resolution 1	To approve the payment of a single-tier dividend of 7% per Ordinary Share of RM1.00 each		
Resolution 2	To approve the payment of Directors' fees of RM478,800		
Resolution 3	To re-elect Dato' Wan Azahari Bin Yom Ahmad as Director		
Resolution 4	To re-elect YBhg Tan Sri Dato Seri Dr. Ting Chew Peh as Director		
Resolution 5	To re-elect Dato' Tan Bing Hua as Director		
Resolution 6	To re-elect Madam Chew Po Sim as Director		
Resolution 7	To re-appoint Messrs Ernst & Young as the Auditors of the Company for the ensuing year		
Resolution 8	To approve the authority to issue shares pursuant to Section 132D of the Companies Act, 1965		

[Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion].

Dated this .... day of 2014

NUMBER OF SHARES HELD

....

[Signature(s) / Common Seal of Shareholder(s)]
[*Delete if not applicable]

NOTES:

1. Only members whose name appear in the Record of Depositors as at 20 August 2014 will be entitled to attend the Annual General Meeting or appoint proxy/proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and vote on his/her stead.

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. When a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it may holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 123A, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for the Meeting or any adjournment thereof.

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AFFIX STAMP HERE

HUA YANG BERHAD
(No. 44094-M)
123A, Jalan Raja Permaisuri Bainun
(Jalan Kampar), 30250 Ipoh,
Perak Darul Ridzuan.

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Huayang

HUA YANG BERHAD (44094-M)

HEAD OFFICE
C-21, Jalan Medan Selayang 1,
Medan Selayang, 68100 Batu Caves,
Selangor Darul Ehsan,
Malaysia.
Tel : 03-6188 4488
Fax : 03-6188 4487
E-mail : kl@huayang.com.my

IPOH OFFICE
123A, Jalan Raja Permaisuri Bainun
(Jalan Kampar),
30250 Ipoh, Perak Darul Ridzuan,
Malaysia.
Tel : 05-2543 812
Fax : 05-2542 625
E-mail : ipoh@huayang.com.my

JOHOR BAHRU OFFICE
No. 53 & 55, Jalan Besi,
Taman Sri Putri,
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www.huayang.com.my