

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FIRST QUARTER ENDED 30 JUNE 2024

Interim Financial Statements for the financial period ended 30 June 2024

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	%	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	%
	30/06/2024 RM' 000	30/06/2023 RM' 000	+ / (-)	30/06/2024 RM' 000	30/06/2023 RM' 000	+ / (-)
Revenue	28,436	34,870	(18.5)	28,436	34,870	(18.5)
Cost of Sales	(18,250)	(26,015)		(18,250)	(26,015)	
Gross Profit	10,186	8,855	15.0	10,186	8,855	15.0
Other Income	867	803		867	803	
Selling and Marketing Expenses	(1,082)	(919)		(1,082)	(919)	
Administrative and General Expenses	(5,039)	(5,073)		(5,039)	(5,073)	
Net Gain / (Loss) on Impairment of Financial Instruments	10	8		10	8	
Operating Profit	4,942	3,674	34.5	4,942	3,674	34.5
Finance Costs	(1,709)	(2,306)		(1,709)	(2,306)	
Profit Before Tax	3,233	1,368	136.3	3,233	1,368	136.3
Tax Expense	(1,242)	588		(1,242)	588	
Profit For The Period	1,991	1,956	1.8	1,991	1,956	1.8
Profit attributable to:						
Owners of the Company	2,187	1,985	10.2	2,187	1,985	10.2
Non-controlling Interests	(196)	(29)		(196)	(29)	
	1,991	1,956		1,991	1,956	
Earnings Per Share Attributable to Owners of the Company (sen)						
- Basic	0.50	0.45	10.2	0.50	0.45	10.2
- Diluted	0.50	0.45		0.50	0.45	
Number of Ordinary Shares in issue	440,000,000	440,000,000		440,000,000	440,000,000	
Weighted average number of Ordinary Shares in issue	440,000,000	440,000,000		440,000,000	440,000,000	
Weighted average number of Ordinary Shares in issue (diluted)	440,000,000	440,000,000		440,000,000	440,000,000	

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2024

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	%	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	%
	30/06/2024 RM' 000	30/06/2023 RM' 000		30/06/2024 RM' 000	30/06/2023 RM' 000	
Profit For The Period	1,991	1,956	1.8	1,991	1,956	1.8
Other Comprehensive Income For The Period, Net Of Tax	(9,260)	(3,087)	(200.0)	(9,260)	(3,087)	(200.0)
Total Comprehensive Income For The Period, Net Of Tax	(7,269)	(1,131)		(7,269)	(1,131)	
Total Comprehensive Income Attributable To :						
Owners of the Company	(7,073)	(1,102)	(541.8)	(7,073)	(1,102)	(541.8)
Non-controlling Interests	(196)	(29)		(196)	(29)	
	(7,269)	(1,131)		(7,269)	(1,131)	

Note: Included in the Total Comprehensive Income for the period are the followings:

Interest Income	1	23		1	23	
Other Income Including Investment Income	867	780		867	780	
Interest Expense	1,709	2,306		1,709	2,306	
Depreciation & Amortization	462	845		462	845	
Provision For/Write Off of Receivables	(10)	-		(10)	-	
Provision For/Write Off of Inventories	N/A	N/A		N/A	N/A	
Gain/Loss on Disposal of Quoted and Unquoted Investment or Properties	N/A	N/A		N/A	N/A	
Gain/Loss on Impairment of Assets	10	8		10	8	
Gain/Loss on Foreign Exchange	N/A	N/A		N/A	N/A	
Gain/Loss on Derivatives	N/A	N/A		N/A	N/A	
Gain/Loss on Fair Value of Quoted Investment	(9,260)	(3,087)		(9,260)	(3,087)	

N/A: Not Applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 30/06/2024 RM' 000	(AUDITED) As at 31/03/2024 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	5,395	5,552
Right-of-use assets	405	508
Intangible assets	10,209	10,377
Inventories - Land held for property development	564,827	561,852
Investment properties	1,472	1,482
Other investment	48,358	57,618
Other receivables	2,123	3,925
Fixed deposit with licenced bank	4,843	3,373
Deferred tax assets	18,087	18,236
	<u>655,719</u>	<u>662,923</u>
Current assets		
Inventories - Completed properties	44,378	44,378
Inventories - Property development costs	41,960	50,759
Inventories - Others	0	0
Contract assets	60,582	53,716
Contract costs	7,929	6,608
Trade and other receivables	21,835	28,137
Other current assets	3,088	649
Cash and bank balances	9,829	12,266
	<u>189,601</u>	<u>196,513</u>
TOTAL ASSETS	<u>845,320</u>	<u>859,436</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	87,991	107,230
Short term borrowings	61,798	57,200
Lease liabilities	150	264
Taxation	1,004	3,067
	<u>150,943</u>	<u>167,761</u>
Net current assets	<u>38,658</u>	<u>28,752</u>
Non-current liabilities		
Trade and other payables	34,148	32,673
Deferred tax liabilities	30,911	31,069
Long term borrowings	140,914	132,334
Lease liabilities	35	38
	<u>206,008</u>	<u>196,114</u>
TOTAL LIABILITIES	<u>356,951</u>	<u>363,875</u>
Net assets	<u><u>488,369</u></u>	<u><u>495,561</u></u>
Total equity attributable to owners of the Company		
Share capital	364,936	364,936
Reserves	96,615	103,688
	<u>461,551</u>	<u>468,624</u>
Perpetual sukuk	4,949	4,872
Non-controlling interests	21,869	22,065
TOTAL EQUITY	<u><u>488,369</u></u>	<u><u>495,561</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>845,320</u></u>	<u><u>859,436</u></u>
Net Assets Attributable to Owners of the Company	461,551	468,624
Net Assets Per Share Attributable to Owners of the Company (RM)	1.05	1.07

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2024
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←----- Attributable to Owners of the Company ----->								
	←----- Non-distributable ----->				<- Distributable ->				
	Share Capital RM' 000	Warrants Reserve RM' 000	Foreign Exchange Reserve RM' 000	Fair Value Reserve RM' 000	Retained Earnings RM' 000	Sub-Total RM' 000	Perpetual Sukuk RM' 000	Non-controlling Interests RM' 000	Total Equity RM' 000
<u>3 months ended 30 June 2023</u>									
At 1 April 2023	364,936	2,904	(5,345)	(10,804)	96,715	448,406	4,566	22,231	475,203
Profit for the period	-	-	-	-	1,985	1,985	-	(29)	1,956
Net changes in fair value of equity investment designated at FVTOCI	-	-	-	(3,087)	-	(3,087)	-	-	(3,087)
Other movements	-	-	-	-	-	-	76	-	76
Total comprehensive income for the period	-	-	-	(3,087)	1,985	(1,102)	76	(29)	(1,055)
At 30 June 2023	364,936	2,904	(5,345)	(13,891)	98,700	447,304	4,642	22,202	474,148
<u>3 months ended 30 June 2024</u>									
At 1 April 2024	364,936	2,904	(5,345)	3,087	103,042	468,624	4,872	22,065	495,561
Profit for the period	-	-	-	-	2,187	2,187	-	(196)	1,991
Net changes in fair value of equity investment designated at FVTOCI	-	-	-	(9,260)	-	(9,260)	-	-	(9,260)
Other movements	-	-	-	-	-	-	77	-	77
Total comprehensive income for the period	-	-	-	(9,260)	2,187	(7,073)	77	(196)	(7,192)
At 30 June 2024	364,936	2,904	(5,345)	(6,172)	105,229	461,552	4,949	21,869	488,369

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2024 and the explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2024

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30/06/2024 RM' 000	3 months ended 30/06/2023 RM' 000
OPERATING ACTIVITIES		
Profit before tax	3,233	1,368
Adjustments for :		
Non-cash items	472	845
Non-operating items	1,785	2,359
	<u>5,490</u>	<u>4,572</u>
Operating profit before changes in working capital	5,490	4,572
<i>Changes in working capital:</i>		
- Contract assets	(6,865)	4,794
- Contract cost	(1,321)	241
- Contract liabilities	-	-
- Inventories	7,626	6,215
- Trade and other receivables and other current assets	5,656	(741)
- Trade and other payables and other current liabilities	(17,763)	(1,198)
	<u>(7,177)</u>	<u>13,883</u>
Cash generated from operations	(7,177)	13,883
Interest paid	(360)	(414)
Interest received	1	23
Net tax paid	(3,315)	(1,192)
	<u>(10,851)</u>	<u>12,300</u>
Net cash (used in) / from operating activities	(10,851)	12,300
INVESTING ACTIVITY		
Purchase of property, plant and equipment and intangible assets	(24)	(6)
Net cash used in investing activity	(24)	(6)
FINANCING ACTIVITIES		
Change in pledged deposits	(1,470)	(1)
Interest paid	(3,151)	(3,282)
Drawdown of loans and borrowings	53,000	7,126
Repayment of loans and borrowings	(46,847)	(17,007)
Payment of lease liabilities	(118)	(101)
	<u>1,414</u>	<u>(13,265)</u>
Net cash from / (used in) financing activities	1,414	(13,265)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,461)	(971)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(9,331)	(19,228)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>(18,792)</u>	<u>(20,199)</u>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	9,829	9,473
Bank overdrafts	(28,621)	(29,672)
	<u>(18,792)</u>	<u>(20,199)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2024 and the accompanying notes attached to the interim financial statements.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis of Preparation

The interim financial report is unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2024. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2024.

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2024 save for the adoption of the following new and amended MFRSs and interpretations that are mandatory for the Group for the financial year commencing 1 April 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The Group has yet to adopt the following new and amended MFRSs and interpretations that have been issued but not yet effective:

		Effective for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

These new and amended standards are not expected to have any material impact on the financial statements of the Group upon their initial application.

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2024 was not qualified.

3 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical factors.

4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

5 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

6 Debt and Equity Securities

Sukuk Murabahah Programme

On 29 April 2014, Public Investment Bank Berhad had, on behalf of the Board announced that the Company has obtained approval from the Securities Commission Malaysia on 28 April 2014 with regards to the proposed Sukuk Murabahah Programme of up to RM250.0 million in nominal value.

Proceed raised from the Sukuk Murabahah Programme issuance shall be utilised to part finance the acquisition cost of the Shariah compliant development land(s) and/or such other Shariah compliant property(ies).

The cumulative drawdown of the facility at the end of the reporting period are as follows:

Date of drawdown	Amount drawdown (RM' 000)	Repayment (RM' 000)	Amount outstanding (RM' 000)
31 March 2016	18,450	15,816	2,634
26 April 2016	21,250	21,250	-
28 September 2017	13,000	7,432	5,568
Total	52,700	44,498	8,202

Save for the above, there were no other issuance and repayment of debts and equity, repurchases, share cancellation or new issuance during the quarter under review and financial year-to-date.

7 Dividends Paid

No dividend has been paid during the quarter under review.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	30/06/2024 RM' 000	30/06/2023 RM' 000	30/06/2024 RM' 000	30/06/2023 RM' 000	30/06/2024 RM' 000	30/06/2023 RM' 000	30/06/2024 RM' 000	30/06/2023 RM' 000
Revenue:								
External customers	27,507	33,179	929	1,691	-	-	28,436	34,870
Inter-segment	1,572	1,491	-	-	(1,572)	(1,491)	-	-
	29,079	34,670	929	1,691	(1,572)	(1,491)	28,436	34,870
Results:								
Interest income	1	23	-	-	-	-	1	23
Depreciation and amortisation	(440)	(593)	(19)	(248)	(3)	(4)	(462)	(845)
Interest expenses	(2,140)	(2,529)	(10)	(17)	441	240	(1,709)	(2,306)
Segment profit / (loss)	3,116	1,468	117	(100)	-	-	3,233	1,368
Assets:								
Additions to non-current assets	2,533	1,229	24	-	-	-	2,557	1,229
Segment assets	1,283,800	1,319,171	21,101	25,001	(459,581)	(484,736)	845,320	859,436
Segment liabilities	582,546	619,749	11,023	14,666	(236,618)	(270,540)	356,951	363,875

9 Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward, without any amendments from the previous annual audited financial statements for the year ended 31 March 2024.

10 Material Events Subsequent to the End of the Reporting Period

There were no material events subsequent to the statement of financial position date up to 24 July 2024, being the latest practicable date from the date of issuance of this Interim Financial Report.

11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

12 Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual statement of financial position as at 31 March 2024.

13 Capital Commitments

There were no outstanding capital commitments for the Group as at 30 June 2024.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

14 Tax Expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2024 RM' 000	Preceding Year Corresponding Quarter 30/06/2023 RM' 000	Current Year to Date 30/06/2024 RM' 000	Preceding Year Corresponding Year to Date 30/06/2023 RM' 000
Malaysian income tax	(1,252)	(272)	(1,252)	(272)
Deferred tax	10	860	10	860
	<u>(1,242)</u>	<u>588</u>	<u>(1,242)</u>	<u>588</u>
(Under) / Over provision of Malaysian income tax in prior years	(0)	-	(0)	-
	<u>(1,242)</u>	<u>588</u>	<u>(1,242)</u>	<u>588</u>

15 Corporate Proposals

As of 24 July 2024, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 30/06/2024 RM' 000	As at 31/03/2024 RM' 000
Short Term Bank Borrowings	61,798	57,200
Long Term Bank Borrowings	140,914	132,334
	<u>202,712</u>	<u>189,534</u>

17 Changes in Material Litigation

There were no material litigation since the date of the last annual statement of financial position to the date of this report.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

18 Dividends Payable

No dividend has been declared for the quarter under review.

19 Earnings Per Share

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the company by the weighted average number of ordinary shares in issue during the period.

		3 months ended 30/06/2024	3 months ended 30/06/2023
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>2,187</u>	<u>1,985</u>
Total number of ordinary shares in issue	('000)	440,000	440,000
Weighted average number of ordinary shares in issue	('000)	440,000	440,000
Basic earnings per share	(sen)	0.50	0.45
(b) Diluted earnings per share			
Profit for the period	(RM' 000)	<u>2,187</u>	<u>1,985</u>
Weighted average number of ordinary shares	('000)	440,000	440,000
Effect of dilution due to issuance of shares	('000)	<u>-</u>	<u>-</u>
Number of ordinary shares in issue applicable to diluted earnings per share	('000)	440,000	440,000
Diluted earnings per share	(sen)	0.50	0.45

20 Review of Group Performance

For the quarter under review, the Group achieved revenue of RM28.44 million, representing a decrease of RM6.43 million (19%) as compared to the preceding year's corresponding quarter.

The Group recorded profit before tax of RM3.23 million, an increase of RM1.86 million as compared to the preceding year's corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM142.95 million.

The Group has undeveloped landbank of 359 acres across key regions with an estimated GDV of RM5.0 billion.

The performance of the respective operating business segments is analysed as follows:

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/06/2024 RM' 000	Preceding Year Corresponding Quarter 30/06/2023 RM' 000	% + / (-)	Current Year to Date 30/06/2024 RM' 000	Preceding Year Corresponding Year to Date 30/06/2023 RM' 000	% + / (-)
Revenue						
Property Development	27,507	33,179	(17.1)	27,507	33,179	(17.1)
Other Operations	929	1,691	(45.1)	929	1,691	(45.1)
	<u>28,436</u>	<u>34,870</u>	(18.5)	<u>28,436</u>	<u>34,870</u>	(18.5)
Profit before tax						
Property Development	3,116	1,468	112.2	3,116	1,468	112.2
Other Operations	117	(100)	217.0	117	(100)	217.0
	<u>3,233</u>	<u>1,368</u>	136.3	<u>3,233</u>	<u>1,368</u>	136.3

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

20 Review of Group Performance (contd.)

(a) Property development:

For the quarter under review, revenue decreased by 17% but profit before tax ("PBT") increased by 112% as compared to the previous financial year corresponding quarter.

The decrease in revenue was mainly due to lower contribution from Aston Acacia, Bukit Mertajam as it is nearing physical completion.

(b) Other operations:

Revenue and profit from other operations consist mainly of rental income derived from the operation of commercial properties under the "build, operate and transfer" concession with local authorities, operation of franchised laundry outlet and trading of building materials.

21 Material Changes in the Quarterly Results compared to the Results of the Immediate Preceding Quarter

For the quarter under review, the Group achieved profit before tax ("PBT") of RM3.23 million as compared to RM3.72 million in the immediate preceding quarter ended 31 March 2024. The lower PBT was due to lower revenue recognition.

	Quarter Ended		%
	30/06/2024	31/03/2024	
	RM' 000	RM' 000	+ / (-)
Revenue	28,436	54,785	(48.1)
Cost of Sales	(18,250)	(43,154)	
Gross Profit	10,186	11,631	(12.4)
Other Income	867	674	
Selling and Marketing Expenses	(1,082)	(1,799)	
Administrative and General Expenses	(5,039)	(4,716)	
Net Gain / (Loss) on Impairment of Financial Instruments	10	(18)	
Operating Profit	4,942	5,772	(14.4)
Finance Costs	(1,709)	(2,050)	
Profit Before Tax	3,233	3,722	(13.1)
Tax Expense	(1,242)	(2,420)	
Profit After Tax	1,991	1,302	52.9

22 Prospects for The Financial Year

Malaysian latest economic indicators point towards a growing momentum supported by escalating domestic expenditure and better export performance as well as improved tourist arrivals. According to Bank Negara Malaysia, spending is poised to rise further with improved employment and wage growth to support household spending. A modest inflation rate of 1.8% and stable Overnight Policy Rate at 3.0% since May 2023 provide conducive environment for sustainable economic growth amid overall price stability.

The Group plans to launch residential apartments in mainland Penang, retail units and residential units in Perak, residential units in Dengkil and Johor for FYE 2025. The Group will continue to adopt cautious strategies by monitoring and improving operational efficiency, whilst remaining sensitive to market sentiments in the timing and pricing of new launches.

23 Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee

Not applicable.

24 Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 24 July 2024.