

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

SECOND QUARTER ENDED 30 SEPTEMBER 2024

Interim Financial Statements for the financial period ended 30 September 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	% +/-
	30/09/2024 RM' 000	30/09/2023 RM' 000		30/09/2024 RM' 000	30/09/2023 RM' 000	
Revenue	29,876	56,774	(47.4)	58,312	91,644	(36.4)
Cost of Sales	(21,023)	(46,616)		(39,273)	(72,631)	
Gross Profit	8,853	10,158	(12.8)	19,039	19,013	0.1
Other Income	433	404		1,300	1,207	
Selling and Marketing Expenses	(655)	(2,088)		(1,737)	(3,007)	
Administrative and General Expenses	(4,390)	(5,532)		(9,429)	(10,605)	
Net Gain / (Loss) on Impairment of Financial Instruments	(10)	(12)		-	(4)	
Operating Profit	4,231	2,930	44.4	9,173	6,604	38.9
Finance Costs	(1,215)	(1,678)		(2,924)	(3,984)	
Profit Before Tax	3,016	1,252	140.9	6,249	2,620	138.5
Tax Expense	(1,590)	(759)		(2,832)	(171)	
Profit For The Period	1,426	493	189.2	3,417	2,449	39.5
Profit attributable to:						
Owners of the Company	1,356	535	153.4	3,543	2,520	40.6
Non-controlling Interests	70	(42)		(126)	(71)	
	1,426	493		3,417	2,449	
Earnings Per Share Attributable to Owners of the Company (sen)						
- Basic	0.31	0.12	153.4	0.81	0.57	40.6
- Diluted	0.31	0.12		0.81	0.57	
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 September 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	% +/-)
	30/09/2024 RM' 000	30/09/2023 RM' 000		30/09/2024 RM' 000	30/09/2023 RM' 000	
Profit For The Period	1,426	493	189.2	3,417	2,449	39.5
Other Comprehensive Income For The Period, Net Of Tax	23,150	2,573	(799.7)	13,890	(514)	2,802.4
Total Comprehensive Income For The Period, Net Of Tax	24,576	3,066		17,307	1,935	
Total Comprehensive Income Attributable To :						
Owners of the Company	24,506	3,108	(688.5)	17,433	2,006	(769.0)
Non-controlling Interests	70	(42)		(126)	(71)	
	24,576	3,066		17,307	1,935	

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

Interest Income	22	36		23	59	
Other Income Including Investment Income	410	368		1,277	1,148	
Interest Expense	1,215	1,678		2,924	3,984	
Depreciation & Amortization	458	863		920	1,708	
Provision For/Write Off of Receivables	(4)	23		(14)	23	
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)	(12)		-	(4)	
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	23,150	2,573		13,890	(514)	

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 September 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 30/09/2024 RM' 000	(AUDITED) As at 31/03/2024 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	5,223	5,552
Right-of-use assets	334	508
Intangible assets	10,041	10,377
Inventories - Land held for property development	568,961	561,852
Investment properties	1,461	1,482
Other investment	71,509	57,618
Other receivables	2,228	3,925
Fixed deposit with licenced bank	4,843	3,373
Deferred tax assets	17,603	18,236
	<u>682,203</u>	<u>662,923</u>
Current assets		
Inventories - Completed properties	44,795	44,378
Inventories - Property development costs	36,706	50,759
Contract assets	65,148	53,716
Contract costs	6,698	6,608
Trade and other receivables	18,249	28,255
Other current assets	1,049	649
Cash and bank balances	6,079	12,266
	<u>178,724</u>	<u>196,631</u>
TOTAL ASSETS	<u>860,927</u>	<u>859,554</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	81,860	107,321
Short term borrowings	65,595	71,055
Lease liabilities	75	264
Taxation	1,710	3,067
	<u>149,240</u>	<u>181,707</u>
Net current assets	<u>29,484</u>	<u>14,924</u>
Non-current liabilities		
Trade and other payables	34,342	32,700
Deferred tax liabilities	30,658	31,069
Long term borrowings	138,668	118,479
Lease liabilities	22	38
	<u>203,690</u>	<u>182,286</u>
TOTAL LIABILITIES	<u>352,930</u>	<u>363,993</u>
Net assets	<u>507,997</u>	<u>495,561</u>
Total equity attributable to owners of the Company		
Share capital	364,936	364,936
Reserves	121,122	103,688
	<u>486,058</u>	<u>468,624</u>
Perpetual sukuk	-	4,872
Non-controlling interests	21,939	22,065
TOTAL EQUITY	<u>507,997</u>	<u>495,561</u>
TOTAL EQUITY AND LIABILITIES	<u>860,927</u>	<u>859,554</u>
Net Assets Attributable to Owners of the Company	<u>486,058</u>	<u>468,624</u>
Net Assets Per Share Attributable to Owners of the Company (RM)	<u>1.10</u>	<u>1.07</u>

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 September 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>6 months ended 30 September 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	-	-	-	-	2,520	2,520	-	(71)	2,449
Net changes in fair value of equity investment designated at FVTOCI	-	-	-	(514)	-	(514)	-	-	(514)
Other movements	-	-	-	-	-	-	153	-	153
Total comprehensive income for the period	-	-	-	(514)	2,520	2,006	153	(71)	2,088
At 30 September 2023	364,936	2,904	(5,345)	(11,318)	99,235	450,412	4,719	22,160	477,291
<u>6 months ended 30 September 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	-	-	-	-	3,543	3,543	-	(126)	3,417
Net changes in fair value of equity investment designated at FVTOCI	-	-	-	13,890	-	13,890	-	-	13,890
Other movements	-	-	-	-	-	-	(4,872)	-	(4,872)
Total comprehensive income for the period	-	-	-	13,890	3,543	17,433	(4,872)	(126)	12,436
At 30 September 2024	364,936	2,904	(5,345)	16,978	106,585	486,058	-	21,939	507,997

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 September 2024

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30/09/2024 RM' 000	6 months ended 30/09/2023 RM' 000
OPERATING ACTIVITIES		
Profit before tax	6,249	2,620
Adjustments for :		
Non-cash items	935	1,920
Non-operating items	(1,971)	4,079
Operating profit before changes in working capital	5,214	8,619
<i>Changes in working capital:</i>		
- Contract assets	(11,431)	10,348
- Contract cost	(90)	3,946
- Contract liabilities	-	-
- Inventories	10,582	15,246
- Trade and other receivables and other current assets	11,171	(7,154)
- Trade and other payables and other current liabilities	(23,708)	825
Cash (used in) / generated from operations	(8,261)	31,830
Interest paid	(759)	(835)
Interest received	23	59
Net tax paid	(3,968)	(2,363)
Net cash (used in) / from operating activities	(12,965)	28,691
INVESTING ACTIVITY		
Purchase of property, plant and equipment and intangible assets	(24)	(146)
Proceeds from disposal of property, plant and equipment	-	25
Net cash used in investing activity	(24)	(121)
FINANCING ACTIVITIES		
Change in pledged deposits	(1,470)	2,930
Interest paid	(6,220)	(5,939)
Drawdown of loans and borrowings	53,433	16,863
Repayment of loans and borrowings	(50,894)	(42,060)
Payment of lease liabilities	(235)	(213)
Net cash used in financing activities	(5,387)	(28,419)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(18,376)	151
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(9,331)	(19,228)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(27,707)	(19,077)
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	6,079	10,366
Bank overdrafts	(33,786)	(29,443)
	(27,707)	(19,077)

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 (RM250.0 million)

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	18,450	-
26 April 2016	21,250	21,250	-
28 September 2017	13,000	9,290	3,710
Total	52,700	48,990	3,710

Perpetual Sukuk Musharakah Programme (RM500.0 million)

On 20 August 2021, the Company completed the issuance of the first tranche of Perpetual Sukuk Musharakah of RM5.0 million in nominal value, under its Perpetual Sukuk Musharakah Programme.

The 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)
20 August 2021	5,000	5,000	-
Total	5,000	5,000	-

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	
	30/09/2024 RM' 000	30/09/2023 RM' 000	30/09/2024 RM' 000	30/09/2023 RM' 000	30/09/2024 RM' 000	30/09/2023 RM' 000	30/09/2024 RM' 000	30/09/2023 RM' 000
Revenue:								
External customers	56,183	87,764	2,129	3,880	-	-	58,312	91,644
Inter-segment	3,144	3,068	-	-	(3,144)	(3,068)	-	-
	59,327	90,832	2,129	3,880	(3,144)	(3,068)	58,312	91,644
Results:								
Interest income	18	59	5	-	-	-	23	59
Depreciation and amortisation	(545)	(1,233)	(373)	(472)	(2)	(3)	(920)	(1,708)
Interest expenses	(3,890)	(4,392)	(20)	(34)	986	442	(2,924)	(3,984)
Segment profit / (loss)	5,845	2,754	404	(134)	-	-	6,249	2,620
Assets:								
Additions to non-current assets	6,129	3,083	17	-	-	-	6,146	3,083
Segment assets	1,302,057	1,306,944	17,768	21,634	(458,898)	(472,701)	860,927	855,877
Segment liabilities	581,550	624,676	7,486	11,398	(236,107)	(257,486)	352,930	378,588

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 23 October 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

	RM' 000
Commitments to purchase land held for property development as at 30 September 2024	
- Approved and contracted for	14,130
- Approved but not contracted for	9,158
	<u>23,288</u>

**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 30/09/2024 RM' 000	Preceding Year Corresponding Quarter 30/09/2023 RM' 000	Current Year to Date 30/09/2024 RM' 000	Preceding Year Corresponding Year to Date 30/09/2023 RM' 000
Malaysian income tax	(1,358)	(734)	(2,610)	(1,006)
Deferred tax	(232)	(141)	(222)	719
	<u>(1,590)</u>	<u>(875)</u>	<u>(2,832)</u>	<u>(287)</u>
(Under) / Over provision of Malaysian income tax in prior years	(0)	116	(0)	116
	<u>(1,590)</u>	<u>(759)</u>	<u>(2,832)</u>	<u>(171)</u>

15 Corporate Proposals

As of 23 October 2024, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 30/09/2024 RM' 000	As at 31/03/2024 RM' 000
Short Term Bank Borrowings	65,595	71,055
Long Term Bank Borrowings	<u>138,668</u>	<u>118,479</u>
	<u>204,264</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.

		6 months ended 30/09/2024	6 months ended 30/09/2023
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>3,543</u>	<u>2,520</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)	0.81	0.57
(b) Diluted earnings per share			
Profit for the period	(RM' 000)	<u>3,543</u>	<u>2,520</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)	0.81	0.57

20 Review of Group Performance

For the quarter under review, the Group achieved revenue of RM29.88 million, representing a decrease of RM26.89 million (47%) as compared to the preceding year's corresponding quarter.

The Group recorded profit before tax of RM3.02 million, an increase of RM1.76 million as compared to the preceding year's corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM132.84 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 30/09/2024 RM' 000	Preceding Year Corresponding Quarter 30/09/2023 RM' 000	% + / (-)	Current Year to Date 30/09/2024 RM' 000	Preceding Year Corresponding Year to Date 30/09/2023 RM' 000	% + / (-)
Revenue						
Property Development	28,676	54,585	(47.5)	56,183	87,764	(36.0)
Other Operations	<u>1,200</u>	2,189	(45.2)	<u>2,129</u>	3,880	(45.1)
	29,876	56,774	(47.4)	58,312	91,644	(36.4)
Profit before tax						
Property Development	2,729	1,286	112.2	5,845	2,754	112.2
Other Operations	<u>287</u>	(34)	944.7	<u>404</u>	(134)	401.6
	3,016	1,252	140.9	6,249	2,620	138.5

**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 48% 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's profit before tax ("PBT") of RM3.02 million was marginally lower as compared to RM3.23 million in the immediate preceding quarter ended 30 June 2024.

	Quarter Ended		%
	30/09/2024	30/06/2024	
	RM' 000	RM' 000	+ / (-)
Revenue	29,876	28,436	5.1
Cost of Sales	(21,023)	(18,250)	
Gross Profit	8,853	10,186	(13.1)
Other Income	433	867	
Selling and Marketing Expenses	(655)	(1,082)	
Administrative and General Expenses	(4,390)	(5,039)	
Net Gain / (Loss) on Impairment of Financial Instruments	(10)	10	
Operating Profit	4,231	4,942	(14.4)
Finance Costs	(1,215)	(1,709)	
Profit Before Tax	3,016	3,233	(6.7)
Tax Expense	(1,590)	(1,242)	
Profit After Tax	1,426	1,991	(28.4)

22 Prospects for The Financial Year

Malaysia's GDP recorded a strong performance at 5.9% in the second quarter of 2024 as compared to 4.2% in first quarter of 2024, driven by resilient domestic expenditure and higher export activity according to Bank Negara Malaysia. A modest core inflation rate of 1.8% and a stable Overnight Policy Rate at 3.0% since May 2023 continue to provide conducive, sustainable economic growth and price stability for all businesses and consumers.

The Group to-date has launched residential developments in Perak and Selangor. In the pipeline, we plan to launch a high-rise development in Mainland Penang, residential units in Johor and commercial units in Perak. The Group will continue to adopt cautious strategy by monitoring market sentiments, remaining sensitive in the timing and pricing of any new launches to meet market needs.

Moving forward, the Group continues to evaluate its business plans and activities to further strengthen its operations, management effectiveness and efficiency to achieve better performance for the coming financial year ending 31 March 2025.

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 23 October 2024.