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ENRICHING
THE FUTURE



ANNUAL
REPORT
2024

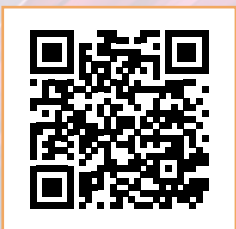


Cover Rationale



Enriching the Future

We strive to create environments that enhance lives, inspire communities and leave a lasting legacy. Through sustainable practises and a deep understanding of our clients' needs, we aim to enrich the lives of the people who live in our developments. Our focus on the future goes beyond just building. We want to build sustainable communities that thrive for generations to come, truly enriching the future for all.



Scan the QR code to download our **Annual Report 2024**

Inside this Report



45th Annual General Meeting

VENUE:

Head Office
of the Company at 4th Floor,
C-21 Jalan Medan Selayang 1,
Medan Selayang,
68100 Batu Caves,
Selangor

DATE:

Thursday, 5 September 2024

TIME:

10.30 a.m.

ICONS USED IN THIS REPORT



This icon refers to further reading



This icon refers to further information available at www.huayang.com.my

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This annual report is available in the following formats:



Print



Online

<https://huayang.com.my/annualreport/>



Tablet



All our annual reports are available online at <http://huayang.listedcompany.com/ar.html>. The financial information and corporate governance used in this annual report are also available online.

About Us



Hua Yang Berhad has come a long way from its first eight four-storey shops at Jalan Gopeng, Ipoh. Today, the Group consistently delivers quality, affordable, integrated townships, high-rise residential projects and commercial lots across the nation.

With over 21,920 properties worth RM5.339 billion completed across the nation, the Group has honed and refined its skills in identifying areas within established and thriving districts to successfully introduce its concept of affordable lifestyle accommodation. Hua Yang currently has developments in Klang Valley, Johor, Perak, and Penang and is recognised as one of nation’s leading property developers in the affordable home segment. This is a testament to the Group’s dedicated workforce and the close rapport Hua Yang has built with its customers.

Through this journey, the Group’s vision has remained the same – to be steadfast in its commitment to make dreams of affordable home ownership a reality. Looking ahead, the Group aims to stay ahead of the curve by embracing a digitalised transformation, migrating its operations online, and allowing Hua Yang to increase productivity and efficiency. Regardless of the future ahead, the Group will continue on a steady path, to create value and drive excellence in all it does.



Provide affordable housing for a developing nation



Empower Malaysians to achieve their dream homes

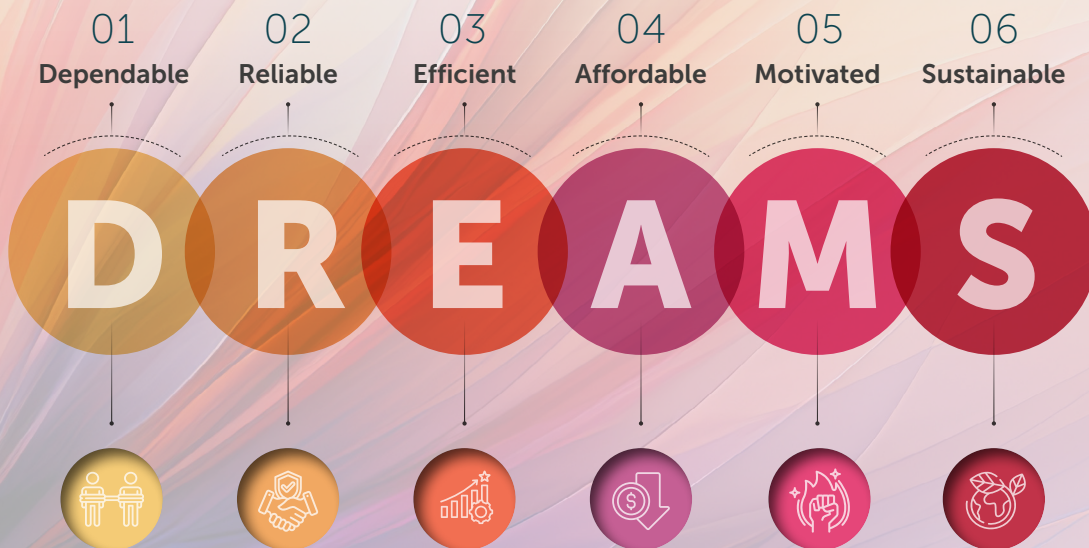
Protect and enhance the interest of our stakeholders

Ensure quality in our products and performance

Our Core Values

Core values are the bedrock of our organisation and tell people who we are as a company. Hua Yang's core values are represented by the acronym **DREAMS** and these values are what drives us ahead as we forge ahead as a team to work towards our vision.

Pushing boundaries is necessary to innovate and we are guided by our values in everything that we do. Being **Dependable** means, we build trust and ensure homeowners that we will perform to the best of our abilities. We are **Reliable** and **Efficient** in driving organisational productivity which is a cornerstone to effective management. Building **Affordable** housing has and always will be our pioneering vision and we are **Motivated** to constantly innovate to add value to our developments. We push boundaries in **Sustainable** development, ensuring we benefit customers, society and the environment.



Corporate Information

BOARD OF DIRECTORS

**TAN SRI DATO' SERI
DR. TING CHEW PEH**
Chairman /
Non-Independent
Non-Executive Director

HO WEN YAN
Chief Executive Officer /
Executive Director

**Y.A.M. TENGKU DATO'
RAHIMAH BINTI
AL-MARHUM SULTAN
MAHMUD**
Independent
Non-Executive Director

CHOO SENG CHOON
Independent
Non-Executive Director

CHEW PO SIM
Non-Independent
Non-Executive Director

CHEW HOE SOON
Non-Independent
Non-Executive Director

HO WEN FAN
Alternate Director to
Chew Po Sim

AUDIT COMMITTEE

Chairman
CHOO SENG CHOON
Independent Non-Executive
Director

Members
**Y.A.M. TENGKU DATO' RAHIMAH
BINTI AL-MARHUM SULTAN
MAHMUD**
Independent Non-Executive
Director

CHEW HOE SOON
Non-Independent Non-Executive
Director

REMUNERATION COMMITTEE

Chairman
**Y.A.M. TENGKU DATO' RAHIMAH
BINTI AL-MARHUM SULTAN
MAHMUD**
Independent Non-Executive
Director

Members
CHOO SENG CHOON
Independent Non-Executive
Director

CHEW HOE SOON
Non-Independent Non-Executive
Director

NOMINATION COMMITTEE

Chairman
CHOO SENG CHOON
Independent Non-Executive
Director

Members
**Y.A.M. TENGKU DATO' RAHIMAH
BINTI AL-MARHUM SULTAN
MAHMUD**
Independent Non-Executive
Director

CHEW HOE SOON
Non-Independent Non-Executive
Director

COMPANY SECRETARIES

LEONG OI WAH
(MAICSA 7023802)

TAN HWAI LUN
(MIA 24085)

LAM CHO WAI
(MIA 37324)

REGISTERED OFFICE

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

Corporate Information

OFFICE IN MALAYSIA

Head Office

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

Ipoh Branch

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

Johor Branch

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

Penang Branch

Unit 3-07 & 3-08, Medan
Perniagaan Pauh Jaya
Jalan Baru
13700 Perai
Pulau Pinang
Tel : 04-386 6138
E-mail : pg@huayang.com.my

AUDITORS

TGS TW PLT

202106000004 (LLP0026851-LCA & AF002345)
Chartered Accountants
Unit E-16-2B, Level 16
Icon Tower (East)
No.1, Jalan 1/68F
Jalan Tun Razak
50400 Kuala Lumpur

PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
AmBank Islamic Berhad
Bangkok Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

SHARE REGISTRAR

Boardroom Corporate Services Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7890 4700
Fax : 03-7890 4670

STOCK EXCHANGE LISTING

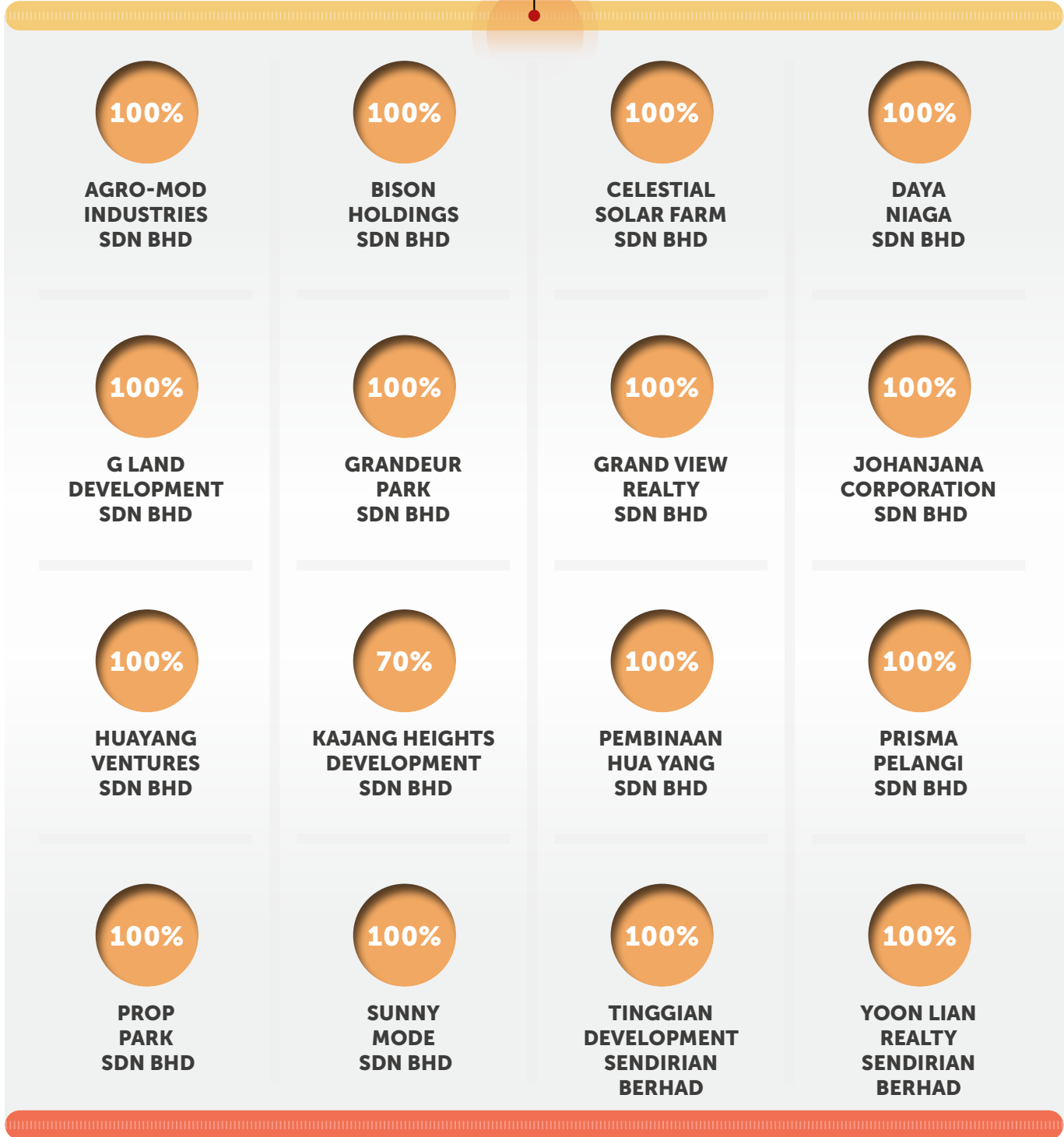
Main Market of Bursa Malaysia Securities Berhad

Listed on : 29th November 2002
Stock name : HuaYang
Stock code : 5062
Sector and Subsector : Property

SHARIAH COMPLIANCE LISTING

Shariah Advisory Council of the Securities Commission Malaysia listing on 31st May 2024

Corporate Structure



5 Year Group Financial Highlights

Financial Year Ended 31 March	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
(A) Key data of Operating Results:					
Revenue	205,048	120,060	120,188	159,560	279,614
Profit / (Loss) Before Tax	9,897	7,846	7,710	(49,176)	(64,275)
Profit / (Loss) After Tax	6,162	3,132	1,433	(52,482)	(73,214)
Profit / (Loss) Attributable to Equity Holders of the Company	6,328	3,224	1,526	(52,400)	(73,133)
(B) Key data of Financial Position:					
Total Assets	859,555	880,642	883,932	972,737	1,069,327
Total Borrowings	189,534	229,128	253,086	292,259	319,524
Equity Attributable to Owners of the Company	468,625	448,407	430,372	440,006	488,409
Total Equity	495,562	475,203	456,953	462,421	510,906
(C) Financial Indicators:					
Return on Equity (%)	1%	1%	0%	-11%	-14%
Return on Total Assets (%)	1%	0%	0%	-5%	-7%
Earnings / (Loss) Per Share (sen)	1.44	0.83	0.43	(14.89)	(20.78)
Net Assets Per Share (RM)	1.07	1.02	1.22	1.25	1.39
Net Gearing Ratio	0.35	0.45	0.51	0.48	0.55

Our Journey

1978



IPOH

Hua Yang Berhad was incorporated on 28 December 1978 under a private limited company, Heng Po Sdn Bhd. First project in Ipoh comprising 8 units of 4-storey shops at Jalan Gopeng, Ipoh. The project was completed in September 1981.

1991



IPOH

Acquisition of 838 acres of land in Bandar Universiti Seri Iskandar, Hua Yang's first integrated township in Perak consisting of residential and commercial units that was launched in year 2001.

1993



JOHOR BAHRU

The Group expanded to the Southern region with an acquisition of 477 acres of freehold land in Johor Bahru for a township development, launched in March 2001.

2021



PERAK

In Bandar U Seri Iskandar, the Group unveiled a collection of 1½ storey terrace houses consisting of 335 units spread across 24 acres of land.

2020



PENANG

Completion and hand over of the Group's maiden project in Penang, Meritus Residensi.

Launched Phase 1 Aston Acacia in Bukit Mertajam, comprising of 311 units of serviced apartments.

2019



PERAK

The Group launched its new project in Bandar U Seri Iskandar, Perak. Sakura comprises of 410 single-storey terrace houses spread across 25 acres of land is targeted for completion in Q4, 2023.

KLANG VALLEY

2022

The Group acquired 4.8 acres of freehold land in Dengkil for residential development. The project, Taman Ara Saujana was launched in early 2024.



Our Journey

2002



Hua Yang was listed on the Main Board of Bursa Malaysia on 29 November.

2007



SELANGOR

Acquisition of 17.89 acres of land in Seri Kembangan to develop One South, a mixed development flagship project. The 1st phase of One South was launched at the start of 2010.

2008



SELANGOR

In October, the Group launched its first high-rise development in Klang Valley, Symphony Heights Services Apartments, which was successfully completed in November 2012.

2018



PENANG

The Group launched its first project in Seberang Perai, Penang. Meritus Residensi, a 44-storey tower with 480 units of serviced apartments and 15 retail shops which were completed in January 2020.

2015



PENANG

The Group ventured into a new market by acquiring 4.9 acres of land in Bukit Mertajam, Penang. Hua Yang further strengthened its presence in Penang via the acquisition of 9.5 acres of land in Taman Juru and 8.59 acres of land in Seberang Prai.

2010



NEGERI SEMBILAN

At the beginning of 2010, the Group launched Senawang Link, an integrated commercial and industrial development project in Seremban.



Moving forward for a better future.

Our Presence Across Malaysia



01

01 **PENANG**
Bukit Mertajam,
Mainland Penang



Aston Acacia is a modern tropical development, strategically located in the heart of Bukit Mertajam town. Based on the concept of living high, Aston Acacia offers a balance of life, work and play with comprehensive modern facilities. Aston Acacia is situated close to a host of amenities as well as educational institutions and within proximity to the breathtaking Cherok Tokun Nature Park. The 2 towers of 33-storey serviced apartments are built on freehold land and comprise 622 units with built-ups ranging from 701 sq.ft. to 1,206 sq.ft. The units come in several variants offering two to four bedrooms with two to three bathrooms depending on the unit size. Tower B was open for registration in April 2022.



02

02 **PERAK**
Bandar U
Seri Iskandar



Strategically located in the dynamic bustling town of Bandar U Seri Iskandar, Sakura is a residential development encompassing 410 units divided into 5 phases, spanning across 25 acres of land. Sakura presents practical living spaces with each unit measuring 22' x 65' with a built-up size of 814 sq.ft. Boasting 3 bedrooms and 2 bathrooms centred on offering residents a relaxing living space, complete with high ceilings for added comfort.



03

03 **PERAK**
Bandar U
Seri Iskandar



A new flagship project located in Bandar U Seri Iskandar, Perak's integrated education township. Centaurea comprises of 335 units of 1½ storey terrace houses spanning across 24 acres of land. The units available in Centaurea are either 20' x 65' or 22' x 60' in size, with a built-up area of 1,200 sq.ft. Each unit features 4 bedrooms and 3 bathrooms, a spacious living hall, car porch, high ceiling, and is equipped with high-speed internet connectivity.

04 **KLANG VALLEY**
Dengkil,
Selangor



Taman Ara Saujana, the latest modern and contemporary homes launched in April 2024 comprise 59 units of 2-storey terrace houses situated on 4.8 acres of freehold land. It comes with land sizes of 20' x 60' and 20' x 70', built up areas of 1,652 sq.ft. and 1,948 sq.ft. respectively. Each unit comes with 4 bedrooms, balcony, family area and car porch that accommodates up to 2 cars parked side-by-side comfortably. This low-density development homes are built to inspire a safe community living surrounded by nature greenery and community-centric spaces. Easily accessible via major highways and adjacent to leisure entertainment, healthcare, education, recreational amenities and public transportation.

Our Presence Across Malaysia

05

**PERAK
Bandar U
Seri Iskandar**



Plumeria located in Bandar U Seri Iskandar, Perak's Integrated Education Township. A new flagship project comprises of 152 units of 22' x 65' Single Storey Terrace House with each unit of Plumeria measures 22' x 65' with a built-up size of 851 sq.ft. Offering 3 bedrooms and 2 bathrooms, spacious living hall and car porch, high ceiling and comes with High-Speed Internet (Fibre-Optic).

The cozy environment filled with greenery of nature, cool and fresh air to ensure peace of mind and family safety. Full of various opportunities to achieve your dream lifestyle.

Bandar U Seri Iskandar offers the beautiful aspirations of dream home with modern design and very affordable. The township is surrounded by mature facilities and amenities such as Malaysia's Best Universities (UTP & UiTM), Lotus (Tesco), Government Administrative departments and more.



06

**JOHOR BAHRU
Taman Denai
Alam**



Be welcomed home by luxuriant green living in LINEA @ Elemenace at Taman Denai Alam. LINEA, a perfect home enclaved within a 73 acres freehold integrated township, consists of residential and commercial precincts, interlaced with nature and a 1.45 acres recreational park. LINEA features 52 exclusive units of double storey terrace houses, infusing natural surroundings for multigenerational households. Each unit of LINEA measures 18' x 65' with built-up sizes from 1,609 sq.ft. This development presents practical layouts designed for growing families seeking a modern lifestyle that embraces the "Work from Home" concept. The sizable 4 bedrooms and 3 bathrooms offer a sense of luxury and spaciousness, catering to the needs of families.

New commercial precinct of the highly acclaimed Elemenace Township is strategically located fronting Jalan Canggung, Pasir Gudang. This vibrant commercial centre offers an abundance of flexibility with excellent consumer flow. Comprising only 46 exclusive units of double and three storey shop offices were launched into few parcels in May 2023, January 2024 and March 2024 respectively. It comes with land size of 22' x 70' and built-up areas ranging between 3,080 sq.ft. – 5,133 sq.ft.

Situated in Taman Denai Alam @ Pasir Gudang, the Elemenace township provides excellent connectivity and ample amenities to residents. This incredible and innovative community development is strategically located with excellent accessibility and connectivity to Johor Port, Pasir Gudang Highway, Senai–Desaru Expressway, and EDL Highway.



Highlights of 2023 - 2024

APRIL 2023

14 April
Townhall



MAY 2023

11 May
JB Branch Raya Luncheon



JUNE 2023

3 June
Ipoh Rumah Terbuka
Hari Raya



SEPTEMBER 2023

22 - 24 September
Teambuilding @ Angsana
Teluk Bahang, Penang



MAY 2023

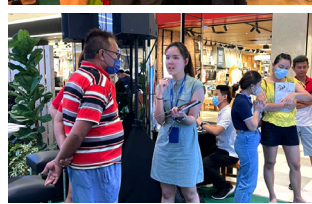
9 May
Penang Branch Raya
Luncheon



13 May
JB 5P2A Signing



8 - 11 June
Penang Sunway Carnival
- Aston Acacia Road Show



NOVEMBER 2023

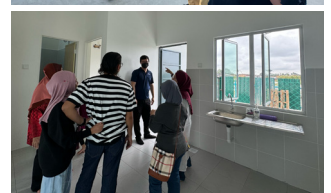
11 November
Ipoh Plumeria Ph1
Showhouse launching



10 May
Ipoh Branch Raya
Luncheon



24 May
HQ office Raya Luncheon



Highlights of 2023 - 2024

JANUARY 2024

27 January
HQ Dengkil Sales Event



FEBRUARY 2024

3 February
HQ Dengkil Sales Event

EVENT PREVIEW		CNY	
4	2 STOREY LANDED @PUTRAJAYA	SIZE:	20 X 70
3		FREE RSVP	3RD FEB (SAT)
VENUE: LSV PROPERTY OFFICE, CBD 3, CYBERJAYA.		TIME:	11AM-5PM
FOOD & BEVERAGES PROVIDED.		RM5XXK	
LUCKY DRAW GIVEAWAY !!			

6 February
CNY Luncheon - Penang Branch



FEBRUARY 2024

7 February
CNY Luncheon - Ipoh Branch



22 February
CNY Luncheon - JB Branch



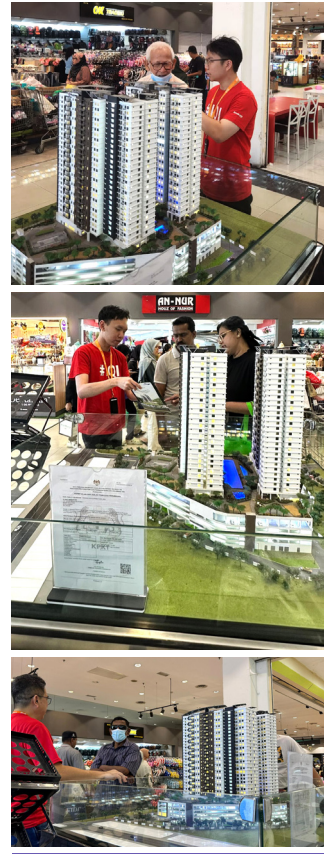
FEBRUARY 2024

22 February
CNY Luncheon - HQ



MARCH 2024

28 - 31 March
Penang Lotus Mall - Aston Acacia Road Show



Board of Directors

HUA YANG BERHAD IS DEDICATED TO MAINTAINING THE UTMOST STANDARDS OF BUSINESS INTEGRITY, ETHICS, AND PROFESSIONALISM.



Board Meetings Attended

N/A

4/5

3/3

5/5



HO WEN FAN
Alternate Director



Y.A.M. TENGKU DATO' RAHIMAH BINTI AL-MARHUM SULTAN MAHMUD
Independent Non-Executive Director



CHOO SENG CHOON
Independent Non-Executive Director



TAN SRI DATO' SERI DR. TING CHEW PEH
Chairman / Non-Independent Non-Executive Director

Board of Directors

Our directors have extensive experience and diverse skills that enable the Board to provide sound advice, rigorous oversight and independent enquiry in the management of integrations.



5/5



HO WEN YAN
Chief Executive Officer / Executive Director

5/5



CHEW HOE SOON
Non-Independent Non-Executive Director

5/5



CHEW PO SIM
Non-Independent Non-Executive Director

BOARD AT A GLANCE

Age Group

< 60 years old	● 4
61 - 80 years old	● 1
> 80 years old	● 2

Gender

Male	● 5
Female	● 2

Board Tenure

< 8 years	● 3
> 8 years	● 4

Profile of Directors



Date Appointed to the Board:

1 June 2000

TAN SRI DATO' SERI DR. TING CHEW PEH

Chairman / Non-Independent Non-Executive Director

Nationality: 

Age: 81

Gender: 

Nil

Tan Sri Dato' Seri Dr. Ting Chew Peh was appointed to the Board of Hua Yang Berhad ("Hua Yang") on 1 June 2000 as Independent Non-Executive Director and was made the Chairman of the Board. He was re-designated as Non-Independent Non-Executive Director on 1 June 2023. 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.

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, 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 served as Independent Director on the Board of Puncak Niaga Holdings Berhad from July 2000 and retired in May 2018.

He currently sits on the Boards of ACE Holdings Berhad and UTAR Education Foundation. He also serves as a Director of several private companies.

Profile of Directors



Date Appointed to the Board:
1 June 2007

Date Appointed to the Board:
2 June 2003



HO WEN YAN

Chief Executive Officer / Executive Director

CHEW HOE SOON

Non-Independent Non-Executive Director

Nationality: 	Age: 50	Gender: 
Nil		

Nationality: 	Age: 72	Gender: 
<ul style="list-style-type: none"> Member of Audit Committee, Remuneration Committee and Nomination Committee 		

Mr. 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 Master 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.

He was appointed to the Board of Magna Prima Berhad on 13 February 2017 as Executive Director. On 13 February 2020, he was redesignated from Executive Director to Non-Independent Non-Executive Director of Magna Prima Berhad.

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.

Profile of Directors



Date Appointed to the Board:
30 August 2023

CHOO SENG CHOON

Independent Non-Executive Director

Nationality:  Age: 50 Gender: 

- Chairman of Audit Committee and Nomination Committee
- Member of Remuneration Committee

Mr. Choo Seng Choon was appointed to the Board of Hua Yang on 30 August 2023. He is a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants, a Chartered Accountant of the Malaysian Institute of Accountants, a fellow member of the Association of Chartered Certified Accountants (UK), a Chartered Member of the Institute of Internal Auditors Malaysia and a Certified Internal Auditor. He also holds a Diploma in Financial Accounting from Tunku Abdul Rahman College, Kuala Lumpur.

Mr. Choo Seng Choon has over 25 years of professional and commercial experience in multi-discipline that includes internal audit, risk and financial management, performance & business management, IPOs, taxation, due diligence, corporate finance, business process re-engineering, investigations, corporate governance and financial audits. He currently owns and manages his own corporate advisory firm that specialises in the provision of business advisory, risk management and internal audit services to a wide range of public listed, multi-national and private companies operating in Malaysia and other Asia Pacific regions.

Mr. Choo Seng Choon also serves as an independent non-executive director in LTKM Bhd and EA Holdings Bhd and as a non-independent non-executive director in Vinvest Capital Holdings Bhd.



Date Appointed to the Board:
27 January 2003

CHEW PO SIM

Non-Independent Non-Executive Director

Nationality:  Age: 81 Gender: 

Nil

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 a horticulture trading business for more than 20 years.

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

Profile of Directors



Date Appointed to the Board:
22 May 2018



Date Appointed to the Board:
1 September 2017


Y.A.M. TENGKU DATO' RAHIMAH BINTI AL-MARHUM SULTAN MAHMUD

Independent Non-Executive Director

HO WEN FAN

Alternate Director

Nationality: 	Age: 58	Gender: 
<ul style="list-style-type: none"> • Chairman of Remuneration Committee • Member of Audit Committee and Nomination Committee 		

Nationality: 	Age: 46	Gender: 
Nil		

Y.A.M. Tengku Dato' Rahimah was appointed to the Board of Hua Yang on 22 May 2018. Y.A.M. Tengku Dato' Rahimah holds a Bachelor of Science degree in Economics and Accountancy from the City of London University, England.

Mr. Ho Wen Fan was appointed to the Board of Hua Yang on 1 September 2017 as an Alternate Director to Madam Chew Po Sim. He holds a Bachelor of Science (Economics) degree from University of Bristol, United Kingdom and is a certified Financial Risk Manager.

Y.A.M. Tengku Dato' Rahimah was appointed the Chairman of Loh and Loh Corporation Berhad ("LLCB") on 19 September 2008 until 2012. From 2012 until 2017, she co-owned shares in LLCB and continued to hold the position of the Chairman of LLCB and Director in Loh and Loh Construction Sdn Bhd until November 2017.

Mr. Ho Wen Fan started his career with OCBC Bank Singapore, spending 3 years in the Risk Management Division. He then joined the Deutsche Bank Group in Singapore and was subsequently posted overseas, spending 5 years in their Japan office.

She served as a Non-Independent Non-Executive Director on the Board of Puncak Niaga Holdings Berhad from August 2006 to October 2019.

He is currently managing the investment portfolio of Heng Holdings Sdn. Berhad, a substantial shareholder of the Company.

Y.A.M. Tengku Dato' Rahimah has working experience in various sectors namely management, construction, agriculture, trading and tourism having held positions and co-owned various companies.

Other Information of Directors

Family Relationship

None of the Directors have any relationship with each other and major shareholders of the Company except that Ho Wen Yan and Ho Wen Fan are the sons of Chew Po Sim and the nephew of Chew Hoe Soon. Chew Po Sim and Chew Hoe Soon are siblings.

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

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 any offences (other than traffic offences), public sanction or received any penalty imposed by the relevant regulatory bodies inside or outside Malaysia within the past five (5) years.

Attendance of the Board

All the Directors have complied with the minimum 50% attendance in respect of Board Meeting as required in the Listing Requirements. There were five (5) Board Meetings held during the financial year ended 31 March 2024 and the attendance of each Director is as follows:

No.	Name of Director	Attendance
1.	Tan Sri Dato' Seri Dr. Ting Chew Peh	5/5
2.	Ho Wen Yan	5/5
3.	Chew Po Sim	5/5
4.	Chew Hoe Soon	5/5
5.	Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	4/5
6.	Choo Seng Choon (appointed 30 August 2023)	3/3
7.	Dato' Tan Bing Hua (resigned 1 September 2023)	2/2

Profile of Senior Management



01 HO WEN YAN
Chief Executive Officer

Nationality: Age: 50 Gender:

Mr. Ho's profile is set out on page 17 of this Annual Report.

02 TAN HWAI LUN
Deputy Chief Executive Officer

Nationality: Age: 47 Gender:

Mr. Tan joined Hua Yang as Financial Controller in 2011 and was promoted to Chief Financial Officer in 2017 and subsequently, Deputy Chief Executive Officer in June 2022. He is a member of the Malaysian Institute of Accountant (MIA) and CPA Australia.

He has more than 17 years financial management working experience. He currently oversees the finance strategy and planning of the Group.

Notes:

Save for the Chief Executive Officer who has family relationship with other Directors and/or major shareholder of Hua Yang Berhad as disclosed on page 20 of this Annual Report, none of the Senior Management has:

- Any family relationship with any Director and/or major shareholder of Hua Yang Berhad;
- Any conflict of interest with Hua Yang Berhad; and
- Any conviction for offences (other than traffic offences), public sanction or received any penalty imposed by the relevant regulatory bodies inside or outside Malaysia within the past five (5) years.

Chairman's Statement

TAN SRI DATO' SERI DR. TING CHEW PEH

Chairman/Non-Independent Non-Executive Director



Dear Shareholders,

2024 has been an encouraging year for Hua Yang as we achieved yet another respectable performance, driven by improving market conditions on the post-pandemic growth trail, which paved the way for a more stable property market.

The past year presented both opportunities and challenges. Despite the ongoing global uncertainties, we managed to build a strong foundation over the past 2 - 3 years, in terms of revenue and Profit After Tax (PAT).

Our FY2024 revenue surged to RM205.0 million from RM120.1 million year-on-year, resulting in RM6.2 million of PAT as compared with RM3.1 million for FY2023, nearly doubled.

The 97% increase in PAT affirms our resilience and strength in navigating a challenging environment marked by an uncertain global outlook of economic and geopolitical instability, alongside the pressure of inflation and interest rates, plus unfavourable foreign exchange.

Despite a competitive and challenging landscape, the demand for our products remained strong, thanks to our proactive approach to market changes, which allowed us to adapt swiftly and maintain our competitive edge.

This further reflects Hua Yang's firm commitment to delivering excellent value to all stakeholders including our customers, partners, suppliers, shareholders and employees. It also bears testimony to our strategic initiatives, operational excellence, and the dedication of our team.

Knowing that there will be persistent

97%

increase in PAT affirms our resilience and strength in navigating a challenging environment.



Chairman's Statement

challenges lying ahead such as rising material cost and geopolitical tension, we are taking necessary measures including the adoption of automation solutions and other digital transformation efforts for streamlined workflows and customer engagement, which will ultimately improve our operational productivity with optimised cost savings.

One of our main goals is to consistently deliver quality and affordable products in established and thriving districts. Being a developer known for quality products, Hua Yang will continue to deliver excellent value that exceeds both industry standards and customer expectations, in terms of product portfolio and innovation.

The freehold two-block Aston Acacia in Bukit Mertajam, Penang - is a good example of how we harmonise luxury and affordability into a flagship project in the northern region, driven by positive market feedback about our previous projects.

More good news is on the way. The new launches - Altus @ Penang, Shatin-Retail & Bemban @ Perak, and the new phase of Taman Ara Saujana @ Dengkil are taking shape, which suggests an extended growth trajectory for the Group.

Emphasis is also placed on sustainability and good corporate governance. At Hua Yang, we are integrating sustainable practices into our operations to reduce our environmental impact and improve efficiency and cost savings.

Our Board of Directors has provided valuable oversight and strategic guidance to ensure that we adhere to best practices and maintain transparency in all our operations. As such, the Group will be carefully guided by the Sustainability Committee to further support its sustainable business practices.

Such commitment is fundamental to our long-term success as we strengthen the trust among all the stakeholders.

Our achievements would not have been possible without the hard work and dedication of our employees. We have been consistently investing in their career development, in which our talent development programmes have equipped our teams with the skills needed to thrive in an evolving industry.

Once again, given the financial performance that shows our capability of growing from strength to strength, Hua Yang is expected to maintain a stable growth in the next financial year.

Despite continued economic and geopolitical uncertainty, we remain confident in our ability to keep outperforming the market and achieve another year of growth in sales and profits.

On behalf of the Board, I would like to extend my heartfelt gratitude to our Management team for their hard work and dedication. Special thanks to my fellow Board members too for your unwavering commitment. I also wish to acknowledge our appreciation to our former Director, Dato' Tan Bing Hua, for his leadership and guidance.

New launches - Altus @ Penang, Shatin-Retail & Bemban @ Perak, and the new phase of Taman Ara Saujana @ Dengkil are taking shape, which suggests an extended growth trajectory for the Group.

At Hua Yang, we are integrating sustainable practices into our operations to reduce our environmental impact and improve efficiency and cost savings.

Finally, as we move forward with a strong foundation, we are confident and optimistic that we will be on track to achieve our goals and create lasting value for our shareholders and other stakeholders.

One thing for sure, we will be further expanding our product offerings and market presence in the future.

Together, we will continue to grow, innovate and lead in our industry.

Thank you.

Sincerely,

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

Management Discussion and Analysis Report

HO WEN YAN

Chief Executive Officer



Dear Shareholders,

The following Management Discussion and Analysis (MD&A) provides an overview of our financial performance and notable business developments for FY2024. To help your understanding, this discussion should be read in conjunction with the Group's audited financial statements and accompanying notes.

Last year, Hua Yang reported an improved financial performance, surpassing the results of the previous year, driven by a more stable property market. What is worth highlighting here is that the improvement came amid global uncertainties and persistent challenges.

Total revenue for FY2024 stood at RM205.0 million with a Profit After Tax (PAT) of RM6.2 million, marking a significant increase of approximately 71% and 97% respectively, as compared with the FY2023 revenue of RM120.1 million and PAT of RM3.1 million.

Management Discussion and Analysis Report

Such an uplifting performance manifests Hua Yang's resilience, adaptability and strength in navigating a challenging and evolving environment dominated by rising material costs and prolonged geopolitical conflicts. Having said that, not only did we successfully produced positive outcome for the fiscal year, but we also ushered in an accelerating growth momentum.

The ability to keep thriving in adversity further affirms our consistency in delivering enhanced value to all our stakeholders.

Last year, Hua Yang launched three projects including new phases: Elemence (Phase 5P2A, 5P2B & 5P2C(1)) in Kota Masai, Johor; Plumeria (Phase 1) in Bandar Universiti Seri Iskandar, Perak; and Aston Acacia (retail component) in Bukit Mertajam, Penang.

Having three ongoing projects underway in three different localities from south to north of Peninsular Malaysia – means we are strengthening the portfolio of our existing projects, as we ride on a continued growth and expansion trajectory. This is to ensure that we do not rely on a single development in risk mitigation and revenue generation.

Cost optimisation and operational efficiency are two key sustainable measures at the core of Hua Yang's strategic maneuverability. We are making better use of every available resource, internally and externally, on how we manage and streamline our expenses and operations, driven by the highly productive digitalisation.

To future-proof our presence for sustainable growth and success, we are taking a proactive approach to doing business, putting adaptable strategies and resilient practices in place, while constantly adapting and innovating, in response to changing market dynamics, technological advancements, and consumer needs.

FINANCIAL PERFORMANCE

The past few years, including 2024, have not been easy for the real estate industry, having to deal with the pandemic adversity and geopolitical conflicts that had inflicted rounds of inflationary shocks. Hua Yang was not exempted. Nevertheless, the Group managed to soldier on against the odds, recording a significant improvement in terms of revenue and profitability.

In the FY2024, Hua Yang earned RM205.0 million of revenue that resulted in RM6.2 million of Profit After Tax (PAT), hugely surpassing the corresponding figures achieved in the FY2023 i.e. RM120.1 million of revenue and RM3.1 million of PAT. This translates into a remarkable increase of approximately 71% and 97%, respectively. For a clearer picture of a continued growth, PAT for the FY2022 stood at RM1.4 million. Despite a very challenging business landscape, the past three years have seen a robust growth of PAT for the Group, consistently.

The commendable achievement has once again displayed the resilience and strength of Hua Yang in weathering uncertainties faced by the industry at large. The improved profitability suggests a stable and consistent financial performance for the Group.



Total Revenue FY2024

RM205.0
MILLION

(FY2023 Revenue RM120.1 million)



Profit After Tax

RM6.2
MILLION

(FY2023 PAT RM3.1 million)

To future-proof our presence for sustainable growth and success, we are taking a proactive approach to doing business, putting adaptable strategies and resilient practices in place, while constantly adapting and innovating, in response to changing market dynamics, technological advancements, and consumer needs.

Management Discussion and Analysis Report

Penang topped the list with a 72% contribution, followed by Perak at 15%, Johor at 9% and Klang Valley at 4%. Aston Acacia in Bukit Mertajam contributed the biggest chunk with 72% of the Group's revenue as of March 2024. Bandar Universiti Seri Iskandar came in second with a 15% contribution.

Hua Yang recorded RM364.0 million of total liabilities as compared with RM405.4 million at the end of FY2023. Total borrowings continued to decline to RM189.5 million from RM229.1 million in the previous year.

With a net gearing ratio of 0.35 against a total equity of RM495.6 million, our current financial position remains stable and well-managed for operation purpose. Looking ahead, the Group is determined to further decrease this ratio by end of FY2025, driven by anticipated revenue recognition from ongoing projects and increased sales of existing projects, with reduction in borrowings.

By strengthening our financial foundation, Hua Yang is set to command new growth prospects, including land-banking opportunities.

In terms of economic growth for the nation, Bank Negara Malaysia forecast a Gross Domestic Product (GDP) growth of 4% to 5% for 2024, marking a rebound from 3.8% as recorded in the previous year. This was mainly driven by greater spillover from the tech upswing, more robust tourism activities, and faster implementation of new and existing investment projects.

Overall, resilient domestic demand and stable labour market conditions continued to be the key drivers of growth for 2024.

The central bank's report also highlights that Malaysia achieved a higher GDP growth rate of 4.2% for 1Q 2024, compared with just 2.9% for 4Q 2023, the previous quarter. This was attributed to stronger private expenditure and positive turnaround in exports, alongside higher household spending due to continued growth in employment and wages.

Malaysia's inflation rate as shown in the Consumer Price Index remained at 1.8 percent in April 2024 for the third consecutive month, with index points standing at 132.4 as compared to 130.0 in the same corresponding period last year, according to the Department of Statistics Malaysia (DOSM). Rising prices were observed in dining out in restaurants, accommodation and personal care services, among others.

On Business Confidence Indicator, DOSM pointed out that businesses were anticipating improved conditions, especially those in the construction sector. The 1Q 2024 growth rate for the construction sector stood at 11.9% versus 3.6% for the corresponding quarter a year ago.

At the meeting on 9 May 2024, chaired by the Monetary Policy Committee (MPC), Bank Negara Malaysia decided to maintain the Overnight Policy Rate (OPR) at 3.00%, which would remain in effect until the next MPC meeting. The central bank forecast that continued recovery in global trade would be a positive factor.

Source of reference:

<https://open.dosm.gov.my/publications?page=1>

1Q 2024 Quarterly Report by Department of Statistics Malaysia (DOSM)

FY2024 REVENUE CONTRIBUTION BY REGION

The three key regions from north to south remained the top contributors to the total group revenue. Once again, Penang topped the list with a 72% contribution, followed by Perak at 15%, Johor at 9% and Klang Valley at 4%. Aston Acacia in Bukit Mertajam contributed the biggest chunk with 72% of the Group's revenue as of March 2024. Bandar Universiti Seri Iskandar came in second with a 15% contribution.

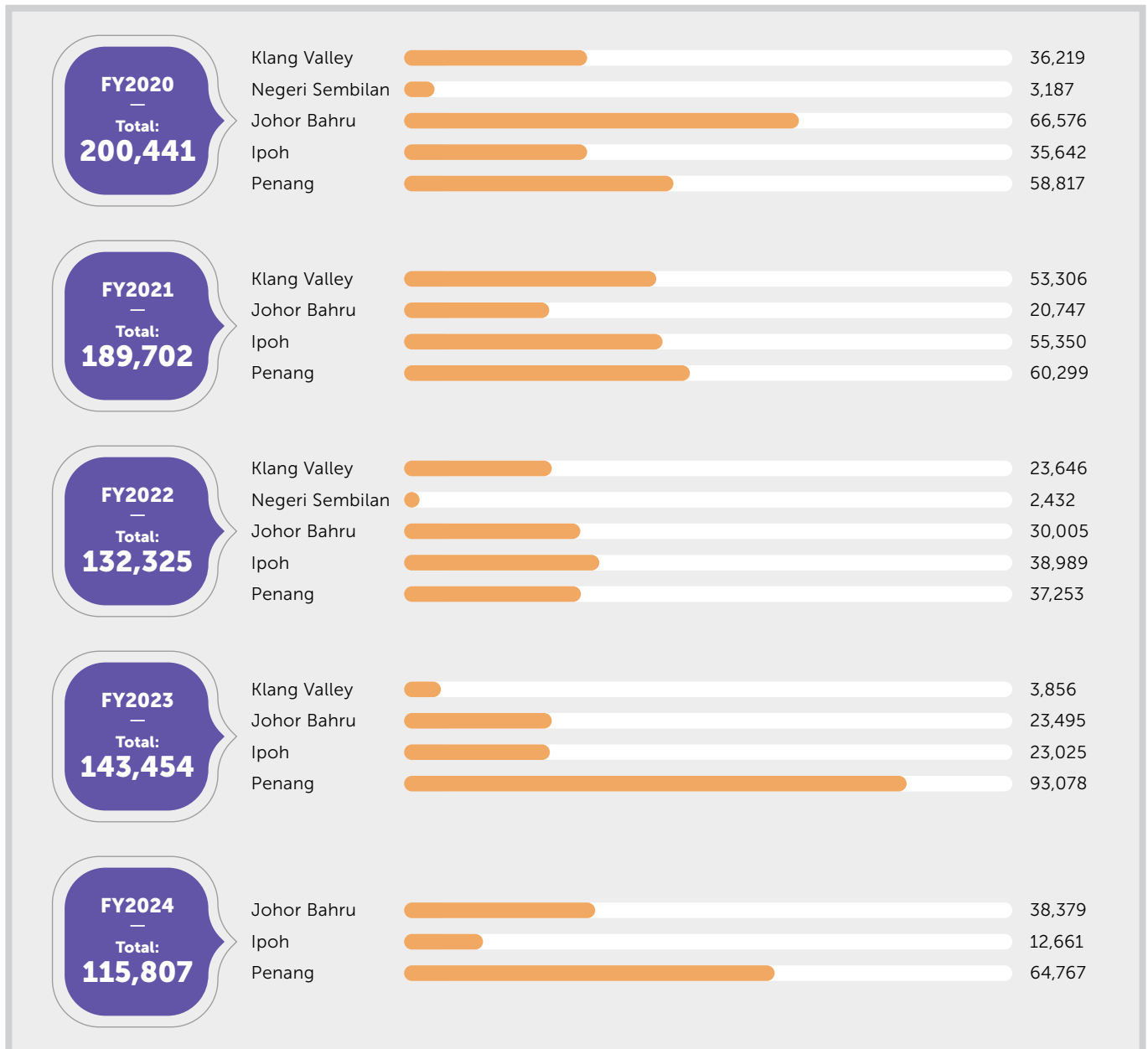
DIVIDENDS

Due to market uncertainty with rising costs worsened by the prolonged global conflicts, and in an effort to reinvest our earnings to fund new growth opportunities, the Board has not recommended any dividend payments for the year, as part of a proactive financial planning with long-term stability of our company in mind. Nevertheless, we remain optimistic despite the challenging market conditions as we improve our business operations and strengthen our sales for a more sustainable growth.

Management Discussion and Analysis Report

PROPERTY DEVELOPMENT

HISTORICAL TREND IN NEW SALES

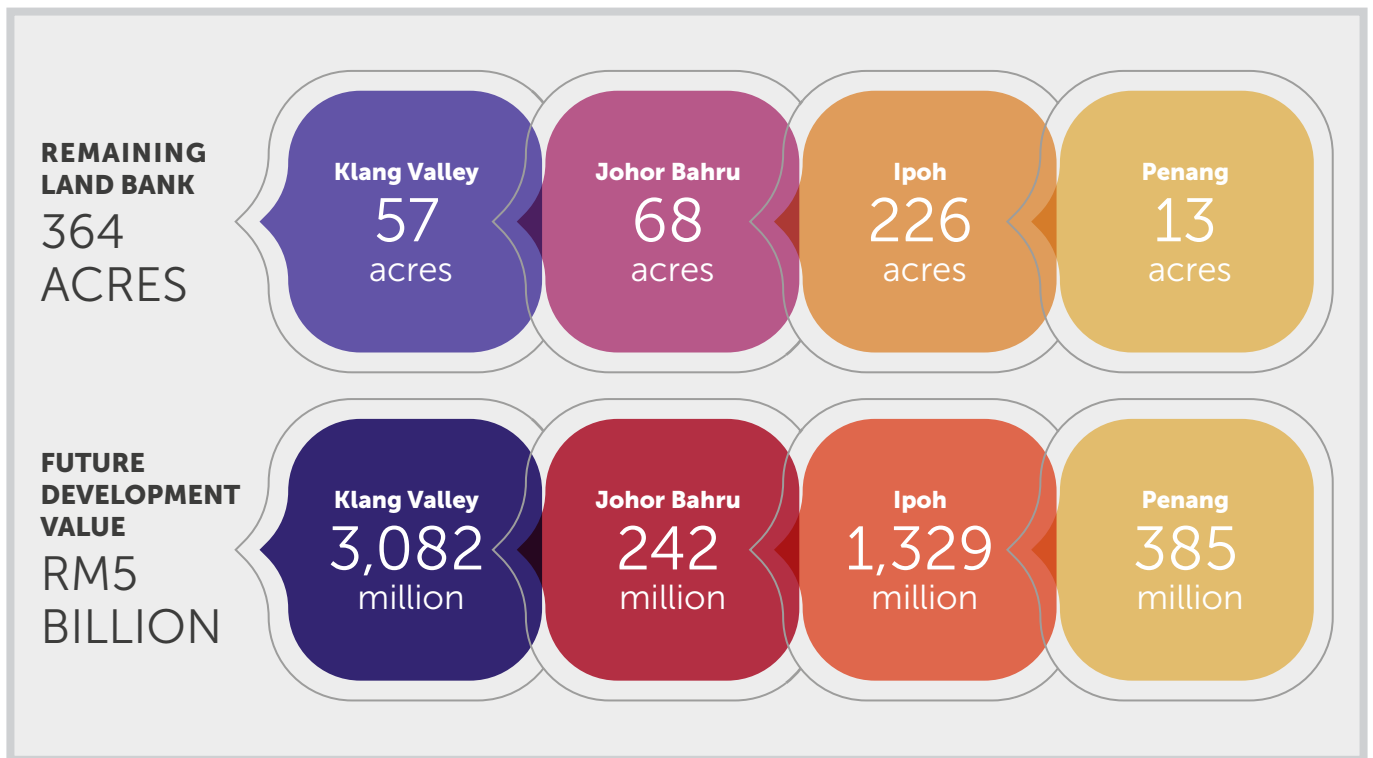


The total value of unbilled sales for FY2024 stood at RM129.4 million, as compared with RM208.5 million recorded in the previous year. Looking ahead, we are anticipating growth in unbilled sales through ongoing projects as well as the new launches planned for FY2025. Last year, Hua Yang launched (i) Elemence - Phase 5P2A, 5P2B & 5P2C(1) in Kota Masai; (ii) Plumeria Phase 1 in Bandar U Seri Iskandar and (iii) Aston Acacia – Retail Component in Bukit Mertajam. Projects in all these three locations had been selling well as of March 2024 with Aston Acacia (retail) recording a 61% takeup, followed by Bandar U Seri Iskandar (terrace) at 68% and Elemence (shop offices) at 72%.

Management Discussion and Analysis Report

LANDBANKING

Hua Yang holds an extensive landbank at the moment, securing about 364 acres of land in strategic localities, with approximately RM5 billion worth of Gross Development Value (GDV) for future development and growth. During the year, the Group acquired a 5.3 acres parcel of leasehold land in Bemban, Perak.



PROPERTY DEVELOPMENT PROJECTS

Affordable housing remains a key priority for Hua Yang to build sustainable communities where people have access to affordable living spaces, targeting the mid-market segment. We have been creating a distinctive product portfolio known for 'affordable luxury' since our inception, catering to customers in different regions, covering Mainland Penang, Perak, Klang Valley, Negeri Sembilan and Johor. The following examples are some of our noteworthy projects.

Management Discussion and Analysis Report

JOHOR

ELEMENCE,
TAMAN DENAI ALAM,
Johor

STATUS
Ongoing

SALES OF ONGOING PHASES
86%
(as of March 2024)

TOTAL ESTIMATED GDV
RM375 million

LAND SIZE
73.2 acres



ELEMENCE at TAMAN DENAI ALAM is situated on a 73.2-acre freehold land, and is our latest township development in Johor, representing a significant milestone for the Group. The initial phases of this project were introduced in October 2017, marking a continuation of our long-standing commitment to township development in Johor, namely TAMAN PULAI INDAH and TAMAN PULAI HIJAUAN, which started back in 2001.

This RM375 million gated and guarded township project is conveniently connected to surrounding areas, such as Pasir Gudang, the Masai town centre and Johor Bahru city centre, with excellent access to at least six major routes and highways including Senai-Desaru Expressway and East Coast Highway. Vital industrial amenities like the Johor Port and Tanjung Langsat Port are situated within a 13 kilometres radius, while Pengerang is about 80km away. Frequent flyers will also appreciate the proximity of the Senai International Airport, just 55 kilometres from this new township project.

ELEMENCE at TAMAN DENAI ALAM is a thoughtfully designed development that boasts a delightful ambiance, featuring treelined avenues, recreational gardens, and serene green spaces. Each home within ELEMENCE offers spacious living areas and well-planned layouts that cater to the needs of the entire family. Positioned around a river, Sungai Kim Kim, the development enjoys close proximity to essential amenities such as supermarkets, hospitals, educational institutions, banks, and restaurants.

For FY2024, the latest phase involves the construction of the commercial component i.e. ELEMENCE (Phase 5P2A, 5P2B & 5P2C(1)), with sales gaining momentum at 72% as of March 2024.

Management Discussion and Analysis Report

PERAK

BANDAR U
SERI ISKANDAR,
Perak

STATUS

Ongoing

SALES OF ONGOING PHASES

84%

(as of March 2024)

TOTAL ESTIMATED GDV

RM1,460 million

LAND SIZE

777 acres



Bandar U, an integrated university township, is strategically located in-between the state capital and southern part of Perak, approximately 35km to the southwest of Ipoh City. The 777-acre township is well-connected with direct access from the Ipoh-Lumut highway.

Embracing a lifestyle that seamlessly integrates with nature, this vibrant and rapidly expanding affordable township showcases high-quality residential homes and commercial elements overlooking picturesque lakes and captivating natural landscapes. Within its bounds, a myriad of leisure and entertainment amenities await, alongside an esteemed in-town institute of higher learning and a cutting-edge medical centre. This holistic development fosters a harmonious environment where residents can truly thrive.

The RM1.46 billion township is nestled among a variety of amenities, which includes Lotus's Superstore, a KFC drive-thru restaurant, police station, wet market, schools, banks, bus station terminals and many more. The township also has a good selection of national primary and secondary schools, Islamic schools and kindergartens. Also located in the vicinity are Kolej Vokasional Seri Iskandar, Sekolah Menengah Teknik Seri Iskandar and Institute Latihan Kemas Seri Iskandar. Healthcare facilities include clinics and a well-equipped medical centre.

For FY2024 as of March 2024, the Group achieved a 68% sales rate for its newly launched phase, namely Plumeria Phase 1.

Management Discussion and Analysis Report


PENANG
ASTON ACACIA,
BUKIT MERTAJAM,
Mainland Penang

STATUS
Ongoing

SALES OF ONGOING PHASES
92%
(as of March 2024)

TOTAL ESTIMATED GDV
RM269 million

LAND SIZE
5 acres



Nestled in the prime location of the suburb of Seberang Perai, Aston Acacia stands as an embodiment of modern tropical architecture. Embracing the concept of elevated living, the masterplan of this development is thoughtfully designed to create a harmonious blend of life, work, and leisure in the heart of Bukit Mertajam. Boasting a range of contemporary amenities, Aston Acacia offers residents a comfortable living environment and a vibrant lifestyle experience.

Aston Acacia is situated next to Jit Sin Independent High School, SM Impian Bukit Mertajam and Two Studio Multimedia Academy. It is also within proximity to the breath-taking Cherok Tokun Nature Park, St. Anne’s Church, Lotus’s (Tesco), Aeon Mall, Auto City and other amenities such as eateries, banking and health facilities.

The 2 towers of 33-storey serviced apartments are built on freehold land and comprise 622 units with built-ups ranging from 701 sq.ft. to 1,206 sq.ft. The units come in several variants offering two to four bedrooms with two to three bathrooms depending on the unit size. This development also comprises 38 commercial units and a 5-storey car park podium.

The innovative unit designs at Aston Acacia cater to a diverse range of buyers, including single professionals, small families, and larger families. These designs are carefully crafted to accommodate various demographics and individual needs. Moreover, Aston Acacia provides convenient access to a wide array of exceptional amenities, ensuring that your everyday requirements are effortlessly fulfilled.

Tower A of Aston Acacia was launched in Q4 2020 while Tower B launched in Q3 2022. The Group achieved an overall sales rate of 92% as of March 2024 with an overall construction progress of 82%.

Management Discussion and Analysis Report

ANTICIPATED RISKS

Real estate industry is clearly vulnerable to economic volatility, capital availability and interest rate fluctuations. Government policies and legislation, including tax incentives, deductions, and subsidies, can boost or hinder demand for real estate. For example, rising interest rates and retail inflation will make middle-class homeownership much more challenging. The government spending on infrastructure development is another deciding factor.

In the past few years, global geopolitical conflicts have been impacting the industry at every level, from the procurement of raw materials to costing, trade disruptions, labour supply, production cycle and other components in the supply chain. Material shortages, shipping delays and rising costs are three interconnected risks.

When there is uncertainty involving trade, travel and immigration policy, for example, the negative implications on the real estate industry can be far-reaching. These include wait-and-see approach to foreign investment and the employment opportunities that come with it; manufacturing disruptions that delay deliveries; supply-and-demand fluctuations that impact hospitality and retail properties, among others.

PROSPECTS AND OUTLOOK

According to the 2024 – 2028 Malaysian Construction Industry Report published by Research & Markets, the construction industry is expected to register an annual average growth rate of 5.7% between 2025 and 2028, supported by investment in leisure and hospitality infrastructure, manufacturing facilities, roads and renewable energy projects.

The Malaysian construction industry is also being supported by the 2024 Budget with a RM90 billion allocation for development expenditure, which represents a RM6 billion increase as compared with RM84 billion a year ago.

To ensure a healthier balance sheet with stronger financial stability, we are committed to reducing our borrowings while closely monitoring our cashflow as we continue to identify areas for optimisation for added profitability, and fulfil the growing demand for mid-market affordable housing.

We are moving towards the final phase of our digitalisation transformation for streamlined operations and enhanced productivity across our organisation.

New launches planned for the next financial year will be: (i) Altus in Mainland Penang, (ii) Shatin-Retail in Perak, (iii) Bemban in Perak, (iv) Bandar U Seri Iskandar-Santolina Phase 1 and Azalea Phase 1 in Perak, (v) Taman Ara Saujana in Dengkil, and (vi) Elemence - Phase 3P1A, 3P1B and 6 in Johor.

Looking ahead, new launches with a combined Gross Development Value (GDV) of RM257 million will be our decent target for FY2025 amid persistent challenges, including prolonged geopolitical conflicts. Therefore, we are taking necessary measures to reduce our inventory levels while optimising operational efficiency and cost to improve our overall financial health.

On a concluding note, with all the strategic initiatives in place, we are confident that we are on track to achieve sustainable growth and deliver enhanced value to our stakeholders.

Sustainability Statement

Holding firm on our vision of providing affordable housing for a developing nation, Hua Yang has been walking the talk since 1978, building affordable housing with sustainability in mind for both the people and community.

Knowing that affordable housing is a crucial element in achieving the Sustainable Development Goals set by the United Nations, Hua Yang brings the change beyond a living space, incorporating environmental and socioeconomic aspects into its products and services, alongside its business operations.

This is to ensure we operate responsibly and are committed to achieving sustainable development that benefits all stakeholders, including our shareholders, clients, business owners, suppliers, contractors, governing bodies, employees and the whole community.

From job creation to career growth and socioeconomic improvement for the community, the construction industry is always at the forefront of driving economic growth and overall development, through residential, commercial and industrial properties that complement each other.

Therefore, we are committed to striking a delicate balance between sustainability and profitability, considering the interests of our shareholders and those of the environment and local communities. Motivated by our pioneering vision of building affordable housing, we are constantly innovating to add value to our developments, pushing boundaries in our construction and business practices, tapping into new technologies and cost-effective resources for the benefit of the society and environment.



Sustainability Statement

We are putting in diligent efforts in the following four areas to achieve our sustainability goals of delivering “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

Our four guiding principles are:

01

Delivering affordable, dependable and quality service and products



02

Building a sustainable environment through innovation



03

Promoting engagement and investing in the local community



04

Enhancing values through reliable and efficient supply chain management



Pivoted on the principle of economic, environmental and social balance, Hua Yang has even set up a Sustainability Committee chaired by the Chief Executive Officer – to develop and oversee the Group’s sustainability strategy while performing advisory and supervisory responsibilities, including how we conduct our procurement practices, community investment and engagement, and how we reduce our carbon footprint.

Board of Directors

Sustainability Committee

Chairman (CEO)

DCEO

- Human Resources
- Administration
- Sales Administration and Accounts
- Project
- Sales and Marketing
- Northern Branch (Ipoh)
- Northern Branch (Penang)
- Southern Branch (Johor Bahru)

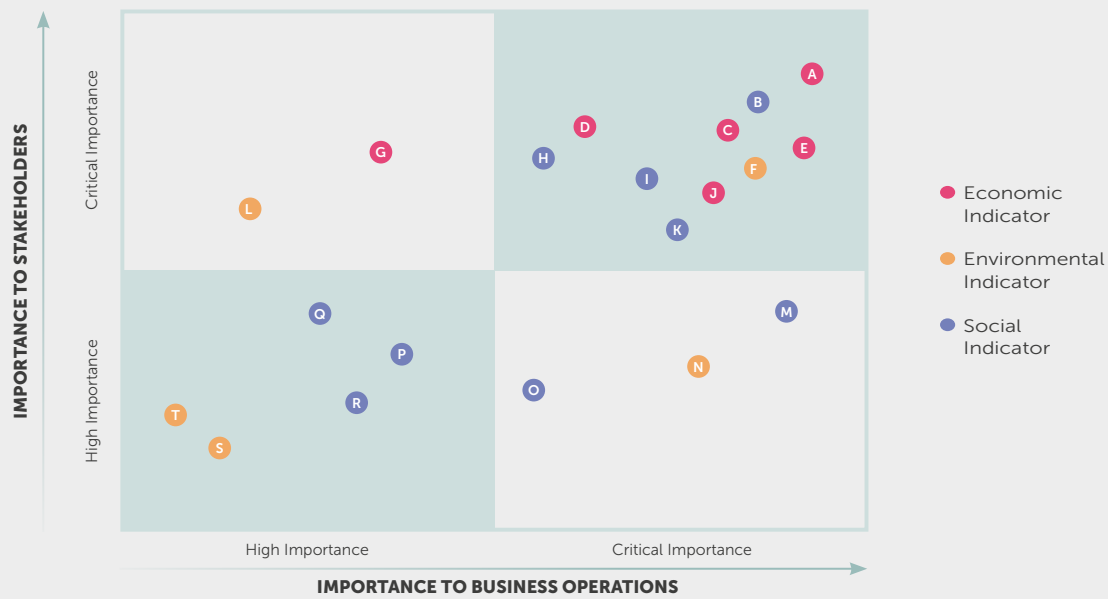
Sustainability Statement

MATERIAL SUSTAINABILITY MATTERS/INDEX

Considering that material sustainability matters hold a great deal of significance to our business operations with a substantial impact on our stakeholders and long-term viability, we took the necessary efforts to assess, identify and prioritise the environmental, social and economic interests that are most relevant to our corporate sustainability.

This involved assessing the environmental, social and economic risks and opportunities through engagement with stakeholders, taking into consideration regulatory requirements, industry standards and emerging trends. Hua Yang had therefore identified and refined 20 material sustainability matters, based on their importance, relevance and impact to the Group and its stakeholders. Housing affordability, occupational safety and health, business digitisation, supply chain management, project management, waste management, green buildings compliance, product quality, ethics and integrity, corporate governance and transparency, employee development and training, customer satisfaction and brand reputation - are among those material sustainability matters.

By addressing these material sustainability matters, we can enhance our resilience, mitigate risks, and create long-term value for both our shareholders and the society where we belong. The resulting materiality matrix is presented as follows:



Material Sustainability Matters	Relevant Stakeholder (s)	Applicable GRI Indicator (s)
A Housing Affordability	Customers, Communities	Product Service and Labelling
B Occupational Safety and Health	Regulators & Government Agency, Vendors & Suppliers, Employees	Occupational Health and Safety
C Business Digitisation	Customers, Communities	GRI General Standard Disclosures
D Market Presence	Shareholders & Investors, Vendors & Suppliers	GRI General Standard Disclosures
E Economic Performance	Shareholders & Investors, Customers	GRI General Standard Disclosures
F Regulatory Compliance	Regulators & Government Agency, Shareholders & Investors, Customers	Compliance
G Supply Chain Management	Vendors & Suppliers, Customers	GRI General Standard Disclosures
H Ethics and Integrity	Regulators & Government Agency, Shareholders & Investors	GRI General Standard Disclosures
I Customer Satisfaction and Brand Reputation	Customers and Shareholders & Investors	Product Service and Labelling
J Project Management	Regulators & Government Agency	Compliance
K Corporate Governance and Transparency	Regulators & Government Agency, Shareholders & Investors	GRI General Standard Disclosures
L Energy	Regulators & Government Agency, Customers, Vendors & Suppliers	Energy
M Product Quality	Customers	Product Service and Labelling
N Waste Management	Regulators & Government Agency, Customers, Communities	Waste and Effluents
O Employee Benefits	Employees	Diversity and Equal Opportunity
P Customer Privacy	Customers	Customer Privacy
Q Employee Development and Training	Employees	Training and Education
R Contribution to Society	Communities, Media	Local Communities
S Green Buildings Compliance	Customers, Shareholders & Investors and Vendors & Suppliers	Compliance
T Water	Customers, Communities	Water

Sustainability Statement



For Hua Yang, the ability to create and maintain value over the long term while balancing business sustainability with social and environmental impacts remains mission-critical. In addition to long-term value creation, we are constantly aligning ourselves with market trends, demographic shifts and consumer preferences as we maintain financial resilience by avoiding excessive leverage with adequate liquidity to weather economic downturns and market fluctuations.

For us, long-term profitability and growth can only be justified by making meaningful contributions to a more sustainable society. Apart from our corporate social responsibility, we see affordable housing as a means to enrich lives and communities as we free up financial resources within households and empower them to pursue economic advancement.

Knowing that housing is connected to economic development, our projects have been creating positive impact on employment, career growth, support for local businesses, improvement for local communities and value for our shareholders since our establishment.

In an effort to strengthen our economic sustainability, we have zoomed in on the following aspects to elevate our customer experience and brand reputation:

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is always at the core of Hua Yang's sustainability approach, considering the construction industry holds a major role in socioeconomic development. By engaging with employees, customers, shareholders, investors, partners, local communities, government authorities, non-governmental organisations (NGOs), contractors and suppliers, we are building a lasting connection that lays a strong foundation for a sustainable growth.

Having understood the needs and expectations of all those stakeholders, we can come up with sustainability ideas of the shared value and incorporate them into our strategies. This means, each group of stakeholders influences and contributes differently to how our operations and strategies are implemented and achieved. In other words, we need their valuable inputs to fine-tune our socioeconomic and environmental sustainability, while keeping a close eye on our corporate governance and operational efficiency and business productivity.

Building trust and relationships through constructive stakeholder engagement fosters long-term value for both the community and environment we belong. This means satisfying the needs of different stakeholders by meeting or exceeding their expectations for every development that we deliver.

Hua Yang has come a long way since its inception in Ipoh back in 1978. The Group has then expanded its footprint into Johor Bahru, Selangor, Negeri Sembilan and Penang.

Sustainability Statement

PRODUCT QUALITY CONTROL

Product quality control is crucial for Hua Yang as it dictates our customer satisfaction, protects our brand reputation, helps us gain a competitive edge and achieve our sustainability goals. Pairing quality products with good service will result in satisfied customers. Being able to meet and exceed customer expectations will help enhance Hua Yang's reputation.

Therefore, we will always be taking firm measures to ensure all our deliverables meet the established standards and guidelines set by both the regulatory and environmental agencies. For instance, we maintain and improve our product quality through effective monitoring and tracking. With advanced planning techniques in place, our operational processes become more manageable and measurable. Together with valuable feedback and constant reviews to identify gaps, we adopt a proactive approach towards optimising our product quality.

Governed by the Quality Assessment System in Construction (QLASSIC), an independent assessment tool to measure and evaluate the workmanship quality of building construction, based on the Construction Industry Standard CIS 7:2021, as mandated by Malaysia's Construction Industry Development Board (CIDB), Hua Yang is committed to ensuring quality control processes so that our construction projects meet the highest industry benchmarks and deliver the intended results.

BUSINESS DIGITALISATION

Digital technology is transforming the economy. As with other industries, construction is undergoing a digital transformation too. The shift is inevitable and deemed a necessity, given the productivity it brings. Hua Yang is no exception. This is an ongoing process that is reshaping the way we run our business.

One thing for sure, digital technology is improving our customer experience as we optimise our operations with higher efficiency and productivity for better cost reduction without compromising on product quality.

To match up with the demand of the digital age, our digital transformation initiatives include computer replacement and upgrade, plus the adoption of digital process automation and employee training and upskilling, from front-end to the back-end. We call this "business digitalisation", which brings together different stakeholders, applications, devices and information across our organisation, internally and externally.

This kind of next-generation evolution of business process management is crucial to Hua Yang's sustainability in terms of winning, serving and retaining customers in a more responsive, efficient and productive way. Data-driven marketing, fortified cybersecurity, and AI predictive analytics are among the digital tools that help us gain insights into market dynamics for improved decisions and risk management.

After all, digitalisation helps foster a new culture of innovation that can happen with anyone, anywhere, at any time.

CUSTOMER SATISFACTION

For Hua Yang, customer satisfaction is about taking the entire customer experience to the next level. It starts with understanding the needs of our customers through feedback and comments that we gather and then deliver on our promises.

To facilitate the interaction between Hua Yang and its customers, we have set up multiple communication channels for customers to share their thoughts with us, including via email, phone and walk-in options. We have dedicated Customer Care Offices, Walk-in Customer Care and Defect Management System teams to keep customer satisfaction high and increase customer lifetime value.

Nurturing positive customer relationships is the foundation that we have been thriving on as we establish a high level of trust with our customers. This is evidenced by how we address customer enquiries, concerns, and provide personalised assistance. Rest assured, we remain committed to continually improving our products and pre-and-after-sales service to meet and exceed our customers' expectations.

We will be constantly delivering quality products that satisfy market needs to strengthen our brand reputation. At the same time, we are putting in a lot of diligence to ensure we continue to sustain the increased customer satisfaction and loyalty.

Sustainability Statement



First of all, real estate industry itself not only creates a sustainable and inclusive living environment, but also contributes to the social well-being and community connection. Being a developer spanning different zones from north to south across the peninsula, Hua Yang is home to a big team of diverse and aspiring individuals of different talents, covering Architecture and Design, Construction Management, Surveying and Inspection, Engineering, Skilled Trades, Health and Safety, Specialised Roles, Support and Administration, Sales and Marketing, Procurement and Supply Chain Management.

For Hua Yang, employees are considered our biggest and most valuable assets. They contribute to the overall success, growth and sustainability of the Group. Therefore, we are constantly investing in the talent development and career advancement of our employees through training and upskilling, while providing them with a fair, stimulating and rewarding workplace.

Considering they represent the brand reputation of Hua Yang and deliver value to all of our stakeholders at the same time, we are placing a great deal of emphasis on their well-being, including their safety and health. For example, we have even set up a dedicated Group Emergency Response Team (ERT) with 20 members on board, who are responsible for the implementation and monitoring of workplace safety, policy compliance, and conducting emergency evacuation exercises, among others.

DIVERSITY AND INCLUSION

Having diversity and inclusion in our workplace means we have a broader talent pool to tap into. In other words, our diverse teams from different zones and backgrounds bring together different perspectives, experiences and ideas, which can lead to more creative and innovative solutions, and ultimately more value for all of our stakeholders.

At Hua Yang, we are fostering a dynamic organisational culture that recognises and values the multi-faceted inputs from different ethnicities, genders and ages, where everyone feels welcome, respected and empowered to perform their best for greater success. Everyone is given an equal opportunity to grow and advance. A diverse and inclusive environment also translates into increased talent attraction and retention.

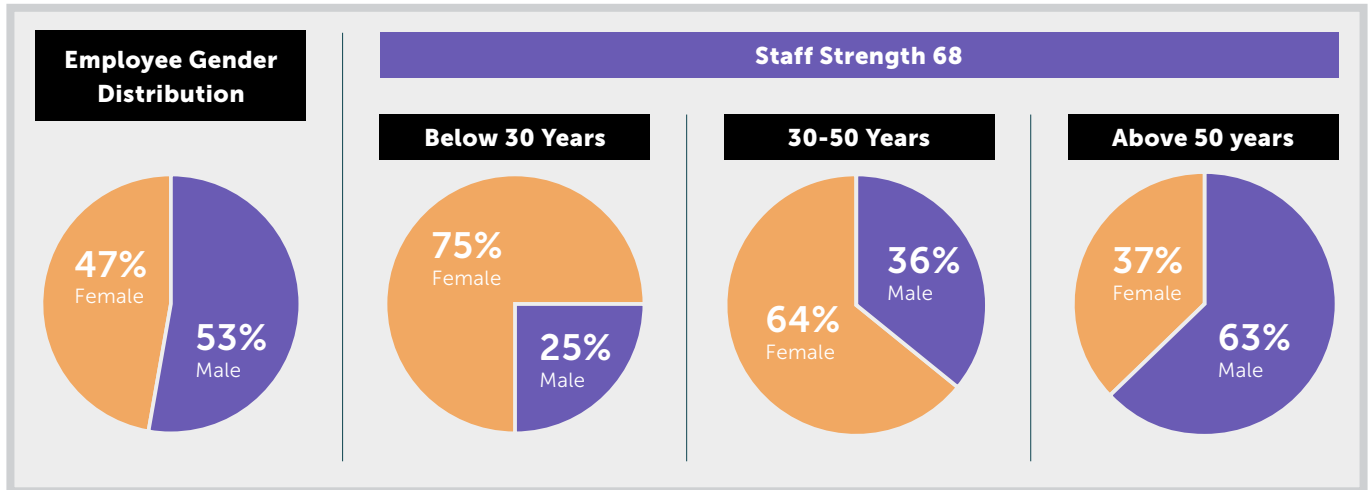
This means, for instance, regardless of gender, race or age, everyone has a fair chance to pursue managerial positions based on their merits, capabilities and qualifications. The Company has all along been providing employees with specialised training programmes to enhance their skills and knowledge so that they can become more resilient and adaptable to changes and take up new, greater roles more easily.

EMPLOYEE GENDER DISTRIBUTION

Working towards a balanced and healthy gender representation in our talent pool remains a key driver for sustainability. It is part of our corporate diligence in advancing gender equality, treating females and males of similar skills and competencies with equitable career pathways.

Our workforce is made up of 47 % females and 53 % males, which reflects a respectable gender balance of diversity and inclusion in our workplace. While a majority of our workforce belongs to the 30 and above age group, we embrace age diversity by including members of different generations to create an inclusive and dynamic environment of different skillsets and experiences.

Sustainability Statement



EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT

Employee development has become a strategic investment for Hua Yang, considering human capital is our greatest asset. We prepare our employees for current and future job demands by improving their knowledge, skills and abilities.

Knowing that they are our largest group of stakeholders, investing in their growth is key to driving productivity and profitability. Getting the right talent onboard and helping them grow to their optimal capabilities will help propel our business growth. This is where we put talent management in place, equipping our employees with clear personal and professional development plans.

The Company even makes sure that all staff members undergo a minimum of four hours of training per year, covering a wide range of technical and soft skill topics. It is part of Hua Yang’s continuous improvement effort for sustainable growth.

At Hua Yang, we have always emphasised the importance of our people as our greatest asset. We firmly believe that the value of our employees is directly linked to the time and energy invested in their growth and development. In line with our vision, values, as well as business goals, we are committed to nurturing our talent, recognising that their development is instrumental in driving both productivity and profitability.

As our largest group of stakeholders, we are dedicated to providing our employees with clear development plans and pathways that enable them to learn, grow, and reach their full potential. To support their continuous improvement and personal growth, we have initiated a comprehensive training program, ensuring that all staff members have the opportunity to participate in a minimum of eight (8) hours of training per year. These training sessions cover a wide range of technical and soft skill topics, equipping our employees with the knowledge and skills needed to thrive in their roles and beyond.

Sustainability Statement



REDUCING ENERGY USAGE

Reducing energy usage is a critical component of sustainability as it helps us address environmental, economic and social challenges. In a broader sense, we are playing a corporate social responsibility role in mitigating climate change, conserving resources, reducing pollution, saving costs, improving health, and supporting economic and social development.

Given that our industry consumes a substantial amount of energy and resources, we are obliged to minimise our environmental impact on the planet, striking a balance between our operations and nature. As such, we have taken certain measures to cut down on energy consumption as follows:

EXTERNAL (HUA YANG’S PROJECTS)

- Incorporating energy-saving light fixtures and implementing specific control systems that optimise elevator usage in our high-rise projects.
- Utilising LED lightbulbs in corridors and carparks for projects within the Central region.
- Implementing an open-corridor concept that promotes excellent ventilation, reducing the reliance on air conditioning or fans.
- Installing an elevator collective control system that enhances the efficiency of elevator travel time while simultaneously reducing energy consumption.

INTERNAL (HUA YANG’S OFFICES)

- Moving from physical server to a cloud server to reduce energy cost.
- Closure of certain working floors and reorganisation of staff seating arrangement.
- Encouraging staff to use the stairs when moving between office floors.
- Ensuring the air conditioning and lights are turned off in the office during lunch time.

Such initiatives affirm our strong commitment to environmental sustainability – on how we manage our resources in a responsible and efficient manner, throughout our projects and corporate buildings.

CENTRAL REGION			ENERGY SAVING INITIATIVES	
LED Lightbulbs	Ventilation & Open Corridor Concept	Elevator Collective Control System	Install Energy-Saving Light Fixtures	Implement Control Systems

WATER MANAGEMENT

As the demand for housing grows, so does the need for efficient water management. Inefficient use of water affects the well-being of society, environmental health, and economic productivity. Coupled with the impact of climate change, sustainable water management presents an opportunity for Hua Yang to lead the way in shaping a more liveable future.

Driven by a social responsibility to protect the environment, optimising the use of water resources remains a key initiative for Hua Yang. In view of this, we take pride in implementing an efficient water management system on our projects to reduce water consumption through responsible water usage that minimises wastage.

Sustainability Statement

For instance, several water management initiatives have been introduced, particularly the integration of a rainwater harvesting system into our development projects in the Northern, Central, and Johor Bahru regions. Rainwater collected through this system can be recycled for irrigation and landscaping purposes. The following infographics provide an overview of our water management efforts across various projects throughout the country.



STATE	PROJECT	SOLUTION	DESCRIPTION
PENANG	Aston Acacia	Rain water harvesting tank	Tank at roof top supplies rain water for landscaping usage at podium and cleaning at refuse room
KLANG VALLEY	Astetica	Rain water harvesting tank	Rain water collected and supplied for landscaping purposes
JOHOR	Elemence (Taman Denai Alam)	Rain water harvesting tank at Phase 1 Parcel 1 & Parcel 2, 4 unit Link bungalow	Rain water collected for landscaping purposes as well as to fulfil requirements by Local Authorities

RESPONSIBLE WASTE MANAGEMENT

There is no denying that construction industry produces a significant amount of waste. If this is left unchecked, the negative impact on the environment and society can be far-reaching. It is a big challenge that requires a concerted effort to tackle.

Waste management is yet another crucial component of our sustainability push. To manage construction waste properly and effectively, as a responsible developer, we have put in place an efficient and sustainable waste management system that minimises waste generation to prevent pollution, conserve natural resources, and protect the environment.

Walking the talk, we joined forces with independent contractors to carry out proper waste disposal in accordance with stringent regulatory guidelines, as manifested in Phase 1, Parcel 1 of our Elemence Project in Taman Denai Alam, Johor. An independent contractor was engaged for a 6-month period to handle rubbish collection and mitigate pollution, while working together with the Local Authorities in charge of waste management.

Recycling practices were also applied to other phases of the Elemence project during the construction stage, including the use of centralised waste and recycling stations for scrap metal recycling. As you can see, a well-designed waste management system can help reduce the burden on landfills and enhance energy production at the same time.

MONITORED BY THE DEPARTMENT OF ENVIRONMENT



Environmental Quality Act 1974 Compliance



Environmental Quality (Scheduled Wastes) Regulations 2005 Compliance

We take regulatory compliance seriously as all our construction sites undergo regular monitoring by the governing bodies such as the Department of Environment (DOE). This is to ensure we comply with the Environmental Quality Act 1974 and all its subsidiary regulations, including the Environmental Quality (Scheduled Wastes) Regulations 2005.

Beyond our projects, we nurture the waste management mindset in our offices as well, emphasising a recycling culture such as the “Go Paperless” campaign that encourages the use of electronic communications, documents, and report submissions via email.

On a concluding note, sustainability forms an integral part of Hua Yang’s business philosophy, which is in line with the value we have been championing all along – striving for resource optimisation with long-term viability in mind, including the socioeconomic and environmental well-being.

Sustainability Statement

BURSA ESG PERFORMANCE REPORT

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	177,986.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	8,250.000000
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	32
Middle Management	Hours	336
Executive	Hours	640
Non-Executive	Hours	80
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.90
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Middle Management	Number	4
Executive	Number	13
Non-Executive	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	100.00
Senior Management Above 50	Percentage	0.00
Middle Management Under 30	Percentage	76.00
Middle Management Between 30-50	Percentage	24.00
Middle Management Above 50	Percentage	10.00
Executive Under 30	Percentage	90.00
Executive Between 30-50	Percentage	0.00
Executive Above 50	Percentage	0.00
Non-Executive Under 30	Percentage	0.00
Non-Executive Between 30-50	Percentage	40.00
Non-Executive Above 50	Percentage	60.00
Gender Group by Employee Category		
Senior Management Male	Percentage	100.00
Senior Management Female	Percentage	0.00
Middle Management Male	Percentage	57.00
Middle Management Female	Percentage	43.00
Executive Male	Percentage	18.00
Executive Female	Percentage	22.00
Non-Executive Male	Percentage	4.00
Non-Executive Female	Percentage	1.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	60.00
Female	Percentage	40.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	5.00

Internal assurance

External assurance

No assurance

(*)Restated

Sustainability Statement

Indicator	Measurement Unit	2024
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	0.00
Middle Management	Percentage	0.00
Executive	Percentage	0.00
Non-Executive	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Hua Yang Berhad ("Hua Yang" or "the Company") is committed to ensure 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 2021 ("the Code"). These principles and practices supported by existing internal controls processes, are regularly audited and reviewed to ensure that transparency, integrity and accountability has been in place for the financial year ended 31 March 2024 ("FYE 2024"). Further details on the application of each individual practice of the Code are available in the Corporate Governance Report that is available at the Company's website www.huayang.com.my.

This Statement is prepared pursuant to Paragraph 15.25 of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and the following describes how the Group has applied the principles and recommendations set out in the Code.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Company is led and managed by an experienced Board comprising members with a wide range of experience in relevant field and bring a broad range of skills, experiences and knowledge required to successfully direct and supervise the Group's business activity.

The role of the Board as stated in the Board Charter is as follows:

- Representing and promoting interest of the shareholders with a view to adding long-term value to the Company's shares.
- Ensuring the positions of Chairman and Chief Executive Officer ("CEO") are held by different individuals.
- Ensuring the Company Goals are clearly established, and that strategies plan developed by Management support long term value creation and includes strategies on economic, environment and social consideration underpinned by sustainability.
- Directing future expansion and reviewing investment made by the Company.
- Together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour.
- Establishing policies to strengthen the performance of the Company including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital.
- Monitoring the performance of Management to determine whether the business is being properly managed.
- Appointing the CEO, setting the terms of the CEO's employment contract and, where necessary, terminating the CEO's employment with the Company.
- Formulating the succession plan to ensure that all the candidates appointed to senior management positions are of sufficient calibre and that there are programmes to provide for the orderly succession of senior management.
- Deciding on steps to be taken to protect the Company's assets and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken.
- Ensuring proper procedures are in place to ensure the Company's financial statements are true and fair and prepared based on the applicable accounting standards. The financial performance of the Group are reviewed for integrity and approved by the Board.
- Ensuring that the Company has in place appropriate risk management/compliance policies and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks.

Corporate Governance Overview Statement

- Ensuring that the Company has in place procedures to enable effective communication with stakeholders.
- Ensuring the Board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practice. The appointment and removal of the Secretary shall be a matter of the Board as a whole.

KEY RESPONSIBILITIES OF CHAIRMAN

During FYE 2024, Tan Sri Dato' Seri Dr. Ting Chew Peh, the Non-Independent Non-Executive Chairman was responsible for the effectiveness of conduct and governance of the Board.

The Chairman is principally responsible for the working of the Board which include:

- Providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions and ensuring the integrity and effectiveness of the governance process of the Board.
- Participating in the selection of Board members and ensuring that the membership is properly balanced.
- Setting agenda for Board meetings, usually in conjunction with the CEO and Secretary. The Chairman should ensure that the agenda and all necessary background papers are given to Directors 7 days before the meeting to enable the papers to be adequately considered before the meeting.
- Chairing meetings of the Board and general meeting in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director.
- Facilitating meetings of the Board to ensure that no Directors, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among Directors is forthcoming.
- Reviewing the minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed.
- Ensuring the Company provides an orientation and education program for new directors.
- Initiating, normally in conjunction with the CEO, the formulation of a business plan to ensure that the Board establishes at the beginning of each year the goals it wishes to achieve and the means by which this will be carried out.
- Initiating the establishment of Board Committees and ensuring that they achieve their objectives.
- Leading the Board in establishing and monitoring good corporate governance practices in the Company.

The Chairman acts as an informal link between the Board and Management and particularly between the Board and the CEO to ensure the Company runs effectively and efficiently.

The Chairman, along with all other Directors, recognises that the CEO is the leader of the Company in all matters of Management. Although the Chairman does not get involved in the Company's day-to-day operations, he is kept informed by the CEO of all important matters and will make himself available to the CEO as part of the control mechanism in ensuring that the CEO's decisions are properly considered and are sound, providing assistance and advice when needed especially on sensitive matters which the CEO feels unable to discuss with other executives as well as to ensure that the CEO understands properly the Board's decisions and instructions. The CEO is responsible to report to the Board as a whole and not just to the Chairman.

The Chairman chairs all general meetings and uses this as an opportunity to inform shareholders of the Company's affair including its performance. He allows and encourage shareholders to have their say while remaining relevant to the matter at issue, and the Chairman then summarises and unifies thoughts and ideas that are discussed. He has control over the meeting to ensure the proceedings run smoothly.

The Chairman also leads the role in presenting the Company's proposal, whether formally or informally, with the authorities, institutional or potential investors and those having influence on the environment in which the Company operates.

The Chairman of the Board is not a member of the Board Committees.

Corporate Governance Overview Statement

KEY RESPONSIBILITIES OF CEO

Mr. Ho Wen Yan holds the position of Chief Executive Officer.

The principal responsibilities of the CEO include:

- The CEO is responsible in leading the management team, implementation of the policies/decisions approved by the Board, and acts as the Group's official spokesperson.
- The CEO is responsible to plan the future direction of the Group for the Board's consideration and approval.
- Only decisions of the Board acting as a body are binding on the CEO. Decisions or instructions of individual Directors, officers or committees are not binding except in those instances where specific authorisation is given by the Board.
- The CEO, in association with the Chairman, is accountable to the Board for the achievement of the Company goals and the CEO is accountable for the observance of the Management Limitations.

KEY RESPONSIBILITIES OF COMPANY SECRETARIES

The Board of Directors is supported by qualified and competent Company Secretaries.

The Company Secretaries have attended seminars and workshops during the financial year 2023/2024 to keep abreast with the latest development in the Listing Requirements and Companies Act 2016.

The responsibilities of the Company Secretaries are:

- Ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are compiled with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.
- Manage all board and committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate board communications.
- Advise the Board on its roles and responsibilities.
- Facilitate the orientation of new directors and assist in director training and development.
- Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements.
- Manage processes pertaining to the annual shareholder meeting.
- Monitor corporate governance developments and assist the board in applying governance practices to meet the Board's needs and stakeholders' expectations.
- Serves as a focal point for stakeholders' communication and engagement on corporate governance issues.

All Directors, particularly the Chairman, have access to the advice and services of the Secretaries for the purposes of the Board's affairs and the Business.

To facilitate robust Board discussion, the Chairman together with the Company Secretaries ensures that Directors are provided with sufficient information and time to prepare for Board meeting. The meeting materials are circulated at least 7 days in advance of the Board meeting.

The Company Secretaries record, prepare and circulate the minutes of the meetings of the Board and Board Committees and ensure that the minutes are properly kept at the registered office of the Company and produced for inspection, if required.

Corporate Governance Overview Statement

BOARD CHARTER

The Board has formalised and adopted a Board Charter which serves as a source of reference for Directors. The Board Charter is established to provide guidance and clarity on the Board's roles and responsibilities as well as the relationship between the Board and shareholders.

The Board Charter also sets out processes and procedures for convening Board meetings. The Board reviews the Board Charter when it is necessary to ensure it remains consistent with the Board's objectives and responsibilities and any new regulations that may have an impact on the Board's responsibilities. The matters reserved for the Board are:

- Land/investment in subsidiary acquisitions, disposal, leasing and joint ventures with total purchase consideration at percentage ratio of 5% and above in respect of non-related party transaction and percentage ratio of 0.25% and above in respect of related party transaction as set in Listing Requirements.
- The approved Discretionary Authority Limit (DAL) should be read in tandem with this section.
- Transfer of funds within the Group shall be subject to the Board Resolution governing the mode of operation and signing conditions of each bank account.



The full Board Charter is available online at www.huayang.com.my.

CODE OF CONDUCT AND BUSINESS ETHICS

The Board is aware of the need to establish a corporate culture that would foster the common goal of achieving business profitability, whilst cultivating ethical business conducts.

The Board has developed and formalised a clear set of values that emphasises on a culture encompassing sound business practices and good ethical conduct and incorporated them in the Code of Conduct and Business Ethics. The Board has also formulated the Group's Policies and Procedures of which all employees are required to adhere to, failure of which will result in appropriate action being taken.



The full Code of Conduct and Business Ethics is available online at www.huayang.com.my.

WHISTLEBLOWING POLICY AND PROCEDURES

This will provide an avenue for the internal or external stakeholders to raise concerns related to possible improprieties in matters of compliance and other malpractices in an appropriate manner and without fear of reprisal or retaliation.

The Whistleblowing Policy seeks to enhance corporate governance by helping to foster an environment where integrity and ethical behaviour is maintained and any illegality, improper conduct and / or wrongdoings in the Group may be exposed.

The Policy serves as an early warning system and may enable the Group to remedy any wrongdoings before serious damage is caused.



The full Whistleblowing Policy and Procedures is available online at www.huayang.com.my.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Group has established an Anti-Bribery and Anti-Corruption Policy which prohibits all forms of bribery and corruption practices pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Company is committed to uphold a high standard of business ethics to create an environment of mutual trust whilst increasing confidence of our stakeholders internally and externally.



The full Anti-Bribery and Anti-Corruption Policy is available online at www.huayang.com.my.

Corporate Governance Overview Statement

INDEPENDENCE

During FYE 2024, the Board comprised two (2) Independent Directors out of the six (6) Directors which represent 33% of the Board composition. The current ratio of Executive Director to Non-Executive Directors was 1:5 and this ensures that the Board decision-making is not pushed through by the executives. The Independent Directors play a key role in providing unbiased and independent views. They consistently strive to attend all the Board meetings to advise and contribute their knowledge and experience. This is to ensure the Board discussions takes into account the different viewpoints.

Both the Independent Directors have served less than 9 years. The current composition of the Board complies with the Listing Requirements where one third of the Board are Independent Directors. In FYE 2023, the Independent Directors form 50% of the Board composition in line with the best practices 5.2 of the Code. Due to the amendments on the definition of Independent Director in the Listing Requirements, Tan Sri Dato' Seri Dr. Ting Chew Peh was redesignated from Independent Director to Non-Independent Non-Executive Director. The Board views that the current composition still allows the Company to meet the intended outcome of diverse perspective.

ANNUAL ASSESSMENT OF INDEPENDENCE

The Board acknowledges the importance of Independent Non-Executive Directors, who provide objectivity, impartiality and independent judgement to ensure that there is an adequate check and balance on the Board. The Board assesses the independence of the Independent Non-Executive Directors on an annual basis by taking into account the individual Director's ability to exercise independent judgment at all times and based on the criteria set out in the Listing Requirements of Bursa Securities.

Based on the assessment carried out during the financial year ended 31 March 2024, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management of the Group. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinise the performance of Management in meeting approved goals and objectives, and monitor the risk profile of the Company's business and the reporting of quarterly business performances.

BOARD COMPOSITION

During FYE 2024, the Company had six (6) members on the Board of whom two (2) are Independent Non-Executive Directors, one (1) Executive Director and three (3) Non-Independent Non-Executive Directors. A brief profile of each Director is presented on pages 16 to 19 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. The composition of the Board will reflect the duties and responsibilities that is to be discharged and performed as representative of the interests of shareholders, and in setting the Company's strategy and seeing that it is implemented.

Generally, the qualifications for Board membership are the ability and intelligence to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of Shareholder value, the ability to see the wider picture, the ability to ask the critical questions, preferably some experience in the industry sector, high ethical standards, sound practical sense, and a total commitment to furthering the interests of shareholders and the achievement of the Company goals.

Independent Non-Executive Directors will be active in areas which enable them to relate to the strategies of the Company and to make a meaningful contribution to the Board's deliberations. They will be independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment. To be effective, Independent Non-Executive Directors should make up at least one third of the Board membership.

Corporate Governance Overview Statement

The size of the Board will be such that involvement, participation, harmony and sense of responsibility of the Director are not jeopardised. It must be large enough to ensure a range of knowledge, views and experience. Generally, in addition to the listing requirement that one third of the Board should comprise of Independent Non-Executive Directors, the Board should include a number of Directors which fairly reflects the investment in the Company by shareholders other than the significant shareholders.

Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next annual general meeting of the Company but shall be eligible for re-election.

Directors shall retire from office at least once every three years but shall be eligible for re-election.

During the financial year 2024, the Board through its Nomination Committee conducted an annual review of the Board's size, composition and balance and concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Group forward. The Nomination Committee is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively.

The Board will continue to monitor and review the Board size and composition and will nominate new members as and when the need arises.

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board had appointed Mr. Choo Seng Choon 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. Mr. Choo Seng Choon 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.

PROMOTE SUSTAINABILITY

The Board is aware of the importance of business sustainability and ensures that there is a plan for promoting sustainability embedded in the development of the Group's strategies, taking into account the environmental, social, cultural and governance aspects of business operations. These strategies seek to meet the expectations of stakeholders such as customers, shareholders, regulators, bankers, joint venture partners and the communities in which the Group operates.

The Sustainability Statement is set out on pages 33 to 43 of this Annual Report.

ACCESS TO INFORMATION AND ADVICE

The Board has full and unrestricted access to all information pertaining to the Group's business and affairs on the Group's developments and business strategies, to enable them to discharge their duties effectively. The agenda and board papers are circulated to the Board members prior to the Board meetings in advance to allow sufficient time for the Board to review, consider and deliberate knowledgeably on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision making.

Senior Management officer may be invited to attend Board meetings when necessary, to furnish the Board with explanations and comments on the relevant agenda items tabled at the Board meetings or to provide clarification on issue(s) that may be raised by any Director.

All Directors have direct and unrestricted access to the advice and services of the Company Secretaries and Senior Management and the Board may seek independent professional advice, at the Company's expense if the cost is reasonable in practice.

Corporate Governance Overview Statement

BOARD DIVERSITY

The Board is aware of the gender diversity policy and target as set out in Practice 5.9 and 5.10 of the Code. When appointing a Director, the Nomination Committee and the Board will always evaluate and match the criteria of the candidate to the Board based on individual merits, experience, skill, competency, knowledge and potential contribution, as well as take into consideration the boardroom diversity.

The Board has established a policy to maintain at least 20% of women Directors on the Board as the Board recognises the value it can bring. Currently, the Board comprises of 33% women Directors, namely, Mdm. Chew Po Sim and Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud. The age of the Directors range from 50 to 81 and this creates an environment where each generation brings different skills, experience and talents to the Board.

CRITERIA FOR RECRUITMENT AND ASSESSMENT

There is a transparent process for selection, nomination and appointment of suitable candidates to the Board.

The candidates for the Board appointment has been delegated to the Nomination Committee. Such responsibilities include recommendation to the Board of suitable candidates for all directorship to be filled and review annually its mix of skills and experience and other qualities, including core competencies which Non-Executive Director should bring to the Board. In addition, the effectiveness of the Board as a whole by the contribution of each individual Director will be assessed by Nomination Committee.

DIRECTORS' REMUNERATION

The Remuneration Committee is to establish an annually review of the remuneration packages for each individual Executive and Non-Executive Director and Management.

The remuneration of Directors and Management is determined at levels which will enable the Company to attract and retain the Executive Directors and Management in order to run the Company successfully.

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

The Executive Director's remuneration is contractual and reflects the Board's recognition of his skills and experience 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 Director. The Executive Director 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 experience and level of responsibilities undertaken.

Corporate Governance Overview Statement

The details of the remuneration of the Directors in respect of the financial year ended 31 March 2024 are as follows:

	Fees (RM)		Salaries (RM)	Bonuses (RM)	Meeting attendance allowance (RM)	Estimated money value of benefits in-kind (RM)
	Company	Subsidiaries	Company	Company	Company	Company
Executive Director						
Ho Wen Yan	-	-	1,120,000	160,000	-	7,200
Non-Executive Directors						
Tan Sri Dato' Seri Dr. Ting Chew Peh	171,545	-	-	-	6,000	7,200
Chew Hoe Soon	126,768	-	-	-	6,000	-
Chew Po Sim	100,695	-	-	-	6,000	-
Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	130,356	-	-	-	5,000	-
Choo Seng Choon (appointed 30 August 2023)	76,104	-	-	-	3,000	-
Ho Wen Fan	-	19,442	-	-	-	-
Dato' Tan Bing Hua (resigned 1 September 2023)	52,820	-	-	-	3,000	-
Total	658,288	19,442	1,120,000	160,000	29,000	14,400

DIRECTORS' TRAINING

All directors have attended and successfully completed the Mandatory Accreditation Programme as required by 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 enrol 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	Date of Training
Tan Sri Dato' Seri Dr. Ting Chew Peh	1. Bursa's Sustainability Reporting Requirements for Listed Companies	20 July 2023
	2. Amendments on Conflict of Interest	20 July 2023
	3. Amendments on Sustainability Training for Directors	20 July 2023
Ho Wen Yan	1. Bursa's Sustainability Reporting Requirements for Listed Companies	20 July 2023
	2. Amendments on Conflict of Interest	20 July 2023
	3. Amendments on Sustainability Training for Directors	20 July 2023

Corporate Governance Overview Statement

Director	Training Programme	Date of Training
Choo Seng Choon	1. Embracing ESG in Value Creation	21 & 22 June 2023
	2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	19 & 20 September 2023
	3. Equity Accounting, Joint Ventures, Joint Arrangements and Joint Operations	6 December 2023
	4. Joint Ventures, Shareholders Agreement and Conflict of Interest Situations	22 December 2023
	5. MFRS/IFRS Technical Update 2024 – Including a brief on IFRS Sustainability Standards	8 March 2024
Chew Hoe Soon	1. Bursa's Sustainability Reporting Requirements for Listed Companies	20 July 2023
	2. Amendments on Conflict of Interest	20 July 2023
	3. Amendments on Sustainability Training for Directors	20 July 2023
Chew Po Sim	1. Bursa's Sustainability Reporting Requirements for Listed Companies	20 July 2023
	2. Amendments on Conflict of Interest	20 July 2023
	3. Amendments on Sustainability Training for Directors	20 July 2023
Y.A.M Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	1. Bursa's Sustainability Reporting Requirements for Listed Companies	20 July 2023
	2. Amendments on Conflict of Interest	20 July 2023
	3. Amendments on Sustainability Training for Directors	20 July 2023

RETIREMENT OF DIRECTORS

In accordance with the Company's Constitution, 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.

Each year, the Nomination Committee assesses the experience, competence, integrity and capability of each Director who wishes to continue his office before making recommendation to the Board. The Nomination Committee has at its meeting on 29 May 2024 evaluated the performance and recommended the re-election of the retiring Directors, Mr. Ho Wen Yan, Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud and Mr. Choo Seng Choon.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

BOARD COMMITTEE

(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 56 to 58 of this annual report.

Corporate Governance Overview Statement

(ii) Nomination Committee

The Board is also assisted by the Nomination Committee, which operates within clearly defined key functions. The composition, terms of reference and activities of the Nomination Committee are set out on pages 59 to 60 of this annual report.

(iii) Remuneration Committee

The Remuneration Committee met once 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 Director to the Board by linking their rewards to corporate and individual performance; and
- ii. Reviewed the Directors' fees and meeting attendance allowance.

SOUND AND RISK MANAGEMENT AND INTERNAL CONTROLS SYSTEM

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 and Audit Committee is set out on pages 62 to 64 of this annual report.

INTERNAL AUDIT FUNCTION

The Directors acknowledge their responsibility to maintain a system of internal control and risk management. The Board seeks regular assurance on the continuity and effectiveness of the internal control and risk management system through independent review by the internal auditors.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively.

The activities of the internal auditors during the financial year are set out in the Audit Committee Report set out on pages 56 to 58 of this annual report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Directors are required by the Companies Act 2016 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 71 to 139 of this annual report.

Corporate Governance Overview Statement

ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL 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.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 2016 to prepare financial statements which have been made out in accordance with the 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 Financial Reporting 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 2016 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.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

CORPORATE DISCLOSURE POLICY

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.

LEVERAGE ON INFORMATION TECHNOLOGY FOR EFFECTIVE DISSEMINATION OF INFORMATION

The Board values the importance of effective, clear and timely releases of financial information and updates on other developments 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 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.

Corporate Governance Overview Statement

ENCOURAGE SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS

The Annual Report, which contains the Notice of Annual General Meeting, is sent to shareholders at least 28 days prior to the date of the meeting. Items of special business included in the Notice of Annual General Meeting will be accompanied by an explanation of the proposed resolution.

At each meeting, shareholders are able to participate in the question-and-answer session in respect of the matters listed in the Notice of Annual General Meeting. There is no time limitation for shareholders to raise questions and to solicit replies from the Board.

Paragraph 8.29A of the Main Market Listing Requirements provides that any resolution set out in the notice of any general meeting or in any notice of resolution which properly be moved and is intended to be moved at any general meeting, shall be voted by poll. At least one (1) scrutineer will be appointed to validate the votes cast at the general meeting who must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process. Consequently, decisions at the Company's AGM scheduled to be held on 5 September 2024 will be conducted via polling, and for this purpose, the Company will engage independent scrutineers to validate the voting at the forthcoming AGM for each proposal presented to shareholders.

EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENT

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 recognise 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.

TIME COMMITMENT

Board meetings are held at regular intervals with additional meetings convened when necessary. During the financial year, the Board met five (5) 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 20 of this annual report.

Audit Committee Report

For the financial year ended 31 March 2024, the Audit Committee comprised of the following members:-

Chairman	Choo Seng Choon (Independent Non-Executive Director)
Member	Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud (Independent Non-Executive Director) Chew Hoe Soon (Non-Independent Non-Executive Director)

KEY FUNCTIONS OF AUDIT COMMITTEE

- To consider any related party transaction and conflict of interest situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts;
- 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 results of the audit and areas for improvement in the system of internal control identified during the audit, if any;
- 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, internal and risk auditors;
- To assist the Board in the review of adequacy and effectiveness of the internal control system including information technology security and control, and the policies and compliance procedures with respect to business practice;
- 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 findings of any examination by regulatory agencies and any auditor observations relating to compliance matters;
- To do the following in relation to the outsourced 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;
 - 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; and
 - to assess the performance of the outsourced service provider.
- To consider other topics as defined by the Board.

Audit Committee Report

MEETINGS

Four (4) meetings were held during the financial year ended 31 March 2024 and the attendance of the Audit Committee is as follows:

No.	Name of Committee	Attendance
1.	Choo Seng Choon (appointed 30 August 2023)	3/3
2.	Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	3/3
3.	Chew Hoe Soon	4/4
4.	Tan Sri Dato' Seri Dr. Ting Chew Peh (ceased office 30 August 2023)	1/1
5.	Dato' Tan Bing Hua (resigned 1 September 2023)	1/1

The External Auditors were invited to present their report on the examination of the financial statements. The Audit Committee met with the External Auditors on 20 July 2023 and 27 March 2024 without the presence of the Executive Board member and executives of the Company. The Chief Executive Office and the Deputy Chief Executive Officer attended the Audit Committee meetings to present the financial results whilst other Board members attended on invitation.

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

Nothing has come to the attention of the Audit Committee that causes them to believe that the financial reporting is inconsistent with the accounting standards and other legal requirements.

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 2024:

- (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 findings of the statutory audit with the external auditors.
- (c) Reviewed the performance of the external auditors and internal auditors.
- (d) Reviewed and approved the internal audit plan and internal audit reports and considered the major findings of internal audit review and management's response.
- (e) Reviewed and received the group risk assessment report.
- (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.
- (h) Reviewed the Audit Planning Memorandum with the external auditors.
- (i) Recommended the nomination of new internal auditors.
- (j) Reviewed the revision to the terms of reference of audit committee and recommended the same for Board approval.

Audit Committee Report

INTERNAL AUDIT FUNCTION

During the financial year 2024, the Group's outsourced its internal audit function to an external professional service provider firm, Augment GC Sdn Bhd ("AUGMENT"), as the internal auditor of the Group to assist the Audit Committee in discharging its duties and responsibilities more effectively. AUGMENT acted independently and with due professional care and presented the Internal Audit Reports on the findings and recommendations to the Audit Committee.

The reviews were conducted on a risk-based approach and were guided by the International Professional Practice Framework on Internal Auditing that is promulgated by the Institute of Internal Auditors. The internal audit reviews involved walkthroughs or high-level reviews of the major operations, discussions held with top management and key management as limited tests of transactions on a sample basis covering the various related records and documents supplemented with an observation of its current practices.

The Audit Committee has full and direct access to the outsourced Internal Auditors, reviews its internal audit plan and reports on audits performed, and monitors its performance. The Audit Committee also reviews the adequacy of the scope, functions, competency and resources of outsourced internal audit functions from time to time.

For the financial year 2024, the main activities of the internal audit function focused on the assessment of adequacy and effectiveness of system of internal control and compliance with requirements of the Malaysian Code on Corporate Governance 2021 ("MCCG").

The reviews were conducted to assist the Audit Committee by independently assessing the adequacy and effectiveness of the Group's system of internal control and make recommendations for improvement. The audit findings and recommendations for improvement and the status of the implementation status of management's action plans were presented at the Audit Committee scheduled meetings.

The total cost incurred for the Group's internal audit services in respect of the financial year was RM15,869.

Nomination Committee Report

COMPOSITION

For the financial year ended 31 March 2024, the Nomination Committee comprised of the following members:-

Chairman	Choo Seng Choon (Independent Non-Executive Director)
Member	Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud (Independent Non-Executive Director) Chew Hoe Soon (Non-Independent Non-Executive Director)

The Nomination Committee has a written terms of reference dealing with its authority and duties which includes the selection and assessment of Directors.

KEY FUNCTIONS OF NOMINATION COMMITTEE

The key functions of the Nomination Committee are as follows:

- Review and recommend to the Board for approval of the following appointments:
 - a. Members of the Board;
 - b. Members of the Board Committees;
 - c. Members of the Senior Management;
 - d. Senior Independent Non-Executive Director; and
 - e. Chief Executive Officer.
- Review regularly the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- Assess annually, the effectiveness of the Board as a whole and each individual Director, as well as the effectiveness of the various committees of the Board, including the establishment and implementation of processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each director, including his time commitment, character, experience and integrity and all assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented;
- Review annually, the term of office and performance of the Remuneration Committee and of each member of the Audit Committee to determine the Committee have carried out their duties in accordance with their terms of reference;
- Assess on an annual basis the independence of the Independent Non-Executive Directors;
- To give consideration to succession planning for Directors and Senior Management, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;
- Review the performance of the members of the Management Committee; and
- Assess the training needs of each Directors and make recommendations to the Board.

The Nomination Committee met once during the financial year ended 31 March 2024.

Nomination Committee Report

HIGHLIGHTS OF ACTIVITIES

During the financial year ended 31 March 2024, the Nomination Committee, in discharging its functions and duties, carried out the following activities:

- a. Assessed the fitness and probity of Directors of the Company and subsidiary companies;
- b. Assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director;
- c. Reviewed the size, composition and the required mix of skills of the Board;
- d. Recommended the re-election of retiring Directors to the Board; and
- e. Assessed the independence of the Independent Directors.

The Nomination Committee upon its annual assessment carried out for financial year 2024, was satisfied that:

- a. The size and composition of the Company's Board is optimum with appropriate mix of knowledge, skills, attribute and core competencies;
- b. The Board has been able to discharge its duties professionally and effectively;
- c. The Board Committees have carried out their functions effectively;
- d. All the Directors continued to uphold the highest governance standards in discharging their duties and responsibilities;
- e. All the Members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective skills and work experience, academics and professional qualifications, depth of knowledge, and their personal qualities;
- f. The Directors are able to devote sufficient time commitment to their roles and responsibilities as evidenced by their attendance records; and
- g. The training attended by the Directors during the financial year ended 31 March 2024 were relevant and would serve to enhance their effectiveness in the Board.

Additional Compliance Information

To comply with the Listing Requirements, the following information is provided:-

1. Utilisation of Proceeds Raised from any Corporate Proposals

On 31 October 2022, the Company completed the Rights Issue of 88,000,000 ordinary shares, on the basis of 1 Rights Share for every 4 existing ordinary shares with 88,000,000 free Detachable Warrants. The proceeds from this exercise were utilised to strengthen the financial position and capital base of the Group.

The details of the utilisation of the proceeds as at 24 July 2024 are as follows:

Utilisation of Proceeds	Intended Timeframe for Utilisation *	Proceeds Raised (RM'000)	Amount Utilised # (RM'000)
Repayment of bank borrowings	Within 12 months	4,000	4,000
Acquisition of new landbank, joint venture and investments	Within 6 months	1,350	^1,000
Working capital	Within 12 months	10,035	10,385
Defrayment of estimated expenses for the Proposal	Within 1 month	455	455
	Total	15,840	15,840

Notes:

* From 31 October 2022 (being the date of completion of the Rights Issue).

From 31 October 2022 to 30 October 2023.

^ Due to the amount required is less than estimated, the balance proceeds have been channelled towards general working capital requirements of the Group.

2. Audit and Non-Audit Fees

The details of fees paid / payable to the external auditors for the financial year ended 31 March 2024 as set out below:

	Group (RM'000)	Company (RM'000)
Statutory Audit	263	85
Other Services	6	6
Total	269	91

3. Material Contracts Involving Directors and Major Shareholders' Interest

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors and major shareholders' interest either subsisting at the end of the financial year or entered into since the end of the previous financial year.

Statement on Risk Management and Internal Control

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 towards governing 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 HYB is pleased to provide the following statement as required under Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which is prepared in accordance with the guidance in the Statement on Risk Management and Internal Control: Guidelines for Directors' of Listed Issuers. This statement outlines the nature and scope of internal control of HYB Group ("the Group") and the risk management framework for the financial year ended 31 March 2024.

BOARD RESPONSIBILITIES

The Board acknowledges its responsibilities in maintaining a risk management framework and internal control system as well as to review 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 the Group'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 the significant risks faced by the 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 reviews the adequacy and effectiveness of the risk management process across the various business segments within the Group on a periodic basis.

Whilst the Board maintains ultimate control over management of risk and control issues, the Board has outsourced the risk assessment scope of work to a professional services firm to facilitate the risk assessment of the Group within an established framework.

The risk management process of the Group is embedded in the Group's Risk Management Framework & Policy and Procedure. The ERM framework is guided by the principles set out in ISO31000:2018 Risk Management, which is an internationally recognised risk management framework.

The risk management process, amongst others, include the following procedures:

- Identify significant risks
- Assess the potential impact and likelihood of the significant risks occurring
- Respond to risks by considering existing controls as well as selecting, prioritising and implementing appropriate actions and risk responses to mitigate residual risks
- Monitor the internal and external environment for potential changes impacting significant risks and ensure that risk responses continue to operate effectively
- Report on significant risks and the status of risk responses adopted

The above procedures were undertaken in a risk validation meeting during the year, which is attended by key management personnel and heads of department of the Group's various business segments. The Significant Risk Profile ("SRP") of the various business segments are updated during such validation meetings in respect of the identification of new significant risk, the relevance of existing significant risks, details of controls, management's action plans and rating of significant risks.

Based on the information furnished during the validation meetings, information on root causes and possible consequences of significant risks, related controls and risk responses are compiled into Key Risk Indicators ("KRI") and are reflected in the respective individual SRPs. In compiling the KRI, the identified significant risks are also rated and prioritised in terms of likelihood of the risk occurring and its impact should the risk occur. In the event the risk ratings are regarded by the Group to be higher than tolerable levels, action plans and risk responses are devised to establish additional mitigation measures to reduce the risk rating to acceptable levels, where possible.

Statement on Risk Management and Internal Control

INTERNAL CONTROL MECHANISM

The internal audit function is outsourced to a professional services firm. During the financial year ended 31 March 2024, the outsourced internal audit service provider carried out audits in accordance with the internal audit plan approved by the Audit Committee and other areas as required and recommended by Senior Management of the Group. Results of the internal audit visits and recommendations for improvement were presented to the Audit Committee.

During the scheduled internal audit visits, the outsourced internal audit service provider has conducted an assessment to ascertain the adequacy and effectiveness of the Group's internal control system. Areas of improvement in the internal control system have been identified and the implementation of action plans based on proposed recommendations have subsequently been initiated.

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, authority limits, review and approval procedures within the various operational segments. This includes establishing various committees with defined terms of reference.

Periodical and/or Annual Budget

The Group has a budgeting and forecasting system. The annual business plan and budget are approved by the Board. Actual results are monitored against budget where significant variances identified are highlighted to the Board for discussion on corrective action.

Scheduled Operational and Management Committee Meetings

Operational and Management Committee Meetings are held at least once a month to discuss and monitor business and operational performances of the Group. Proceedings of the Operational and Management Committee Meetings are minuted and presented to the Board at their quarterly meetings.

Periodic Reporting

Quarterly Management Discussion and Analysis are submitted by the Deputy Chief Executive Officer to the Board to provide a brief overview on financial and operational performance of the Group.

Site Visits

Site visits for on-going projects are performed by members of the Management team to ensure that contractual obligations of the Group are met.

Human Resource Policies & Procedures

Human resource policies and procedures on recruitment, performance appraisals and promotion are in place. The objective of the human resource policies and procedures is 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 has formally defined levels of authority for various transactions through HYB's Discretionary Authority Limits.

Statement on Risk Management and Internal Control

Anti-Bribery and Anti-Corruption Policy

During the year under review, the Group continued to enforce the application of the Anti-Bribery and Anti-Corruption Policy that decrees zero tolerance against all forms of bribery and corruption within the Group. Pursuant to this, the Group has also considered corruption risk as part of the Group's periodic risk assessment to identify areas vulnerable to bribery and corruption.

Whistle Blowing Policy

The Group has promulgated its Whistleblowing Policy to allow for genuine concerns on any improper conduct or behaviour or action within the Group to be reported using private and confidential channels. No reports were received during the financial year.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in *Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2024 and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respect:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*, or
- (b) is factually inaccurate.

SUMMARY

The Board has received assurance from HYB's Chief Executive Officer and Deputy Chief Executive Officer that the risk management and internal control system is operating adequately and effectively in all material aspects.

In accordance with the assessment of the Group's system of risk management and internal control, 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 risk management and 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 risk management and internal control will continuously evolve with the current changing and challenging business environment.

This statement was approved by the Board of Directors at its Meeting held on 24 July 2024.

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Financial Statement



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Directors' Report

For the Financial Year Ended 31 March 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, property development and provision of management services whilst the principal activities of the subsidiaries are stated in Note 6 to the financial statements.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
- Owners of the Company	6,328,269	10,953,774
- Non-controlling interests	(165,806)	-
	6,162,463	10,953,774

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review other than as disclosed in the financial statements.

DIVIDENDS

The Directors do not recommend any dividend to be paid for the financial year ended 31 March 2024.

DIRECTORS OF THE COMPANY

The Directors who served during the financial year until the date of this report are:

Tan Sri Dato' Seri Dr. Ting Chew Peh
 Ho Wen Yan
 Chew Po Sim
 Chew Hoe Soon
 Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud
 Ho Wen Fan (alternate director to Chew Po Sim)
 Choo Seng Choon
 Dato' Tan Bing Hua

(appointed on 30 August 2023)
 (resigned on 1 September 2023)

Directors' Report

For the Financial Year Ended 31 March 2024

DIRECTORS OF THE SUBSIDIARIES

The Directors of the subsidiaries who served during the financial year until the date of this report are:

Ho Wen Yan
Ho Wen Fan
Sa Chee Peng

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

The Company	Number of ordinary shares			
	At 1.4.2023	Bought/ Transfer	Sold/ Transfer	At 31.3.2024
Direct interest				
Tan Sri Dato' Seri Dr. Ting Chew Peh	796,476	-	(796,476)	-
Ho Wen Yan	2,255,550	-	-	2,255,550
Chew Hoe Soon	491,942	-	-	491,942
Deemed interest				
Tan Sri Dato' Seri Dr. Ting Chew Peh [^]	420,342	796,476	-	1,216,818
Ho Wen Yan [*]	150,978,178	-	-	150,978,178
Chew Po Sim [*]	150,978,178	-	-	150,978,178
Chew Hoe Soon [^]	1,012,399	-	-	1,012,399
Ho Wen Fan [*]	150,978,178	-	-	150,978,178

Directors' Report

For the Financial Year Ended 31 March 2024

DIRECTORS' INTERESTS IN SHARES (CONT'D)

The Company	Number of warrants 2022/2027			
	At 1.4.2023	Bought/ Transfer	Sold/ Transfer	At 31.3.2024
Direct interest				
Tan Sri Dato' Seri Dr. Ting Chew Peh	149,251	-	(149,251)	-
Ho Wen Yan	451,110	-	-	451,110
Chew Hoe Soon	98,388	-	-	98,388
Deemed interest				
Tan Sri Dato' Seri Dr. Ting Chew Peh [^]	84,068	149,251	-	233,319
Ho Wen Yan [*]	38,888,884	-	-	38,888,884
Chew Po Sim [*]	38,888,884	-	-	38,888,884
Chew Hoe Soon [^]	202,479	-	-	202,479
Ho Wen Fan [*]	38,888,884	-	-	38,888,884

Ho Wen Yan, Chew Po Sim and Ho Wen Fan by virtue of their interests in the shares of the Company are also deemed interested in the shares of all the Company's subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

* Deemed interested through shares held in another corporation, Heng Holdings Sdn. Berhad

[^] Deemed interested through spouse and children.

Other than as disclosed above, none of the other Directors in office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 24 to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the 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.

The Directors' remuneration for the Group and the Company as set out in Note 24 to the financial statements are RM2,153,544 and RM2,134,102 respectively.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares and debentures during the financial year.

Directors' Report

For the Financial Year Ended 31 March 2024

ISSUE OF SHARES AND DEBENTURES (CONT'D)

Warrants 2022/2027

On 30 August 2022, the shareholders of the Company had resolved to approve the Rights Issue with Warrants on the basis of one (1) Rights Share for every four (4) existing shares held, together with up to 88,000,000 free Detachable Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed.

The warrants are constituted by a Deed Poll dated 19 September 2022 executed by the Company. Each warrant entitles the registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price of RM0.30 per share, subject to adjustments in accordance with the provision of the Deed Poll.

The salient features of the warrants are disclosed in Note 15 to the financial statements.

No warrants were exercised during the financial year. As at the end of reporting date, 88,000,000 warrants remained unexercised.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of sum insured and premium paid for Directors and officers of the Company are RM10,000,000 and RM7,669 respectively. No indemnity was given to or insurance effected for auditors of the Group during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) 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) any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) which would render the amounts 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; or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

Directors' Report

For the Financial Year Ended 31 March 2024

OTHER STATUTORY INFORMATION (CONT'D)

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2024 as follow:

	Group RM	Company RM
TGS TW PLT	245,100	91,000
Other auditors	26,350	-
	271,450	91,000

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 24 July 2024.

.....
Ho Wen Yan

Director

.....
Ho Wen Fan

Director

Kuala Lumpur,

Date: 24 July 2024

Statements of Financial Position

As at 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Property, plant and equipment	2	5,551,604	7,595,051	3,448,172	3,476,035
Right-of-use assets	3	507,582	919,132	357,210	685,827
Investment properties	4	1,482,464	1,525,221	1,678,251	1,724,308
Intangible assets	5	10,376,564	11,701,046	-	-
Investments in subsidiaries	6	-	-	331,407,757	331,407,757
Other investment	7	57,618,366	43,728,225	-	-
Inventories	8	561,852,131	578,651,822	2,847,094	6,718,683
Trade and other receivables	9	3,925,110	3,300,033	43,630	43,630
Cash and bank balances	10	3,373,432	6,303,005	3,373,432	3,383,210
Deferred tax assets	11	18,235,073	17,225,585	2,342,667	2,342,667
Total non-current assets		662,922,326	670,949,120	345,498,213	349,782,117
Inventories	8	95,139,135	91,900,440	251,338	251,338
Contract assets	12	53,716,317	57,224,192	-	-
Contract costs	12	6,607,515	19,509,157	-	-
Other current assets	13	649,329	1,281,930	632,042	1,183,498
Trade and other receivables	9	28,254,921	29,066,659	181,674,253	205,701,487
Cash and bank balances	10	12,265,610	10,710,099	888,841	762,894
Total current assets		196,632,827	209,692,477	183,446,474	207,899,217
Total assets		859,555,153	880,641,597	528,944,687	557,681,334

Statements of Financial Position

As at 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
EQUITY					
Share capital	14	364,936,000	364,936,000	364,936,000	364,936,000
Reserves	15	645,698	(13,244,443)	2,904,000	2,904,000
Retained earnings		103,043,376	96,715,107	32,321,302	21,367,528
Equity attributable to owners of the Company		468,625,074	448,406,664	400,161,302	389,207,528
Perpetual sukuk	16	4,872,247	4,565,640	4,872,247	4,565,640
Non-controlling interests		22,064,842	22,230,648	-	-
Total equity		495,562,163	475,202,952	405,033,549	393,773,168
LIABILITIES					
Trade and other payables	17	32,699,557	30,304,309	-	-
Deferred tax liabilities	11	31,069,122	32,462,833	-	-
Loans and borrowings	18	118,479,284	164,809,649	12,930,552	39,843,845
Lease liabilities	19	38,298	189,577	12,257	135,119
Total non-current liabilities		182,286,261	227,766,368	12,942,809	39,978,964
Trade and other payables	17	107,320,002	105,126,314	58,354,382	86,142,118
Loans and borrowings	18	71,055,178	64,318,481	51,860,593	37,259,818
Lease liabilities	19	264,396	334,084	135,487	147,950
Current tax liabilities		3,067,153	7,893,398	617,867	379,316
Total current liabilities		181,706,729	177,672,277	110,968,329	123,929,202
Total liabilities		363,992,990	405,438,645	123,911,138	163,908,166
Total equity and liabilities		859,555,153	880,641,597	528,944,687	557,681,334

The notes on pages 83 to 139 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	20	205,048,048	120,059,977	28,957,800	74,712,400
Cost of sales		(159,419,046)	(82,633,419)	(6,718,683)	-
Gross profit		45,629,002	37,426,558	22,239,117	74,712,400
Other income	21	2,033,862	9,647,084	5,940,807	15,044,630
Administrative expenses		(22,618,718)	(25,738,792)	(8,475,337)	(7,143,860)
Selling and marketing expenses		(8,356,299)	(4,037,951)	-	-
Net gains/(losses) on impairment of financial instruments		1,194,031	591,898	954,123	(109,233)
Profit from operations	22	17,881,878	17,888,797	20,658,710	82,503,937
Finance costs	23	(7,985,325)	(10,043,211)	(9,068,174)	(10,561,288)
Profit before tax		9,896,553	7,845,586	11,590,536	71,942,649
Tax expense	25	(3,734,090)	(4,713,218)	(636,762)	(673,266)
Profit for the financial year		6,162,463	3,132,368	10,953,774	71,269,383

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Other comprehensive income/(loss), net of tax					
Item that will not be reclassified subsequently to profit or loss					
Net changes in fair value of equity investment designated at fair value through other comprehensive income ("FVTOCI")		13,890,141	(1,028,899)	-	-
Total comprehensive income		20,052,604	2,103,469	10,953,774	71,269,383
Profit attributable to:					
Owners of the Company		6,328,269	3,224,015	10,953,774	71,269,383
Non-controlling interests		(165,806)	(91,647)	-	-
Profit for the financial year		6,162,463	3,132,368	10,953,774	71,269,383
Total comprehensive income/(loss) attributable to:					
Owners of the Company		20,218,410	2,195,116	10,953,774	71,269,383
Non-controlling interests		(165,806)	(91,647)	-	-
Total comprehensive income for the financial year		20,052,604	2,103,469	10,953,774	71,269,383
Basic earning per ordinary share (sen)	26	1.44	0.83		
Diluted earning per ordinary share (sen)	26	1.29	0.83		

The notes on pages 83 to 139 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 March 2024

	Attributable to owners of the Company							Total equity RM	
	Share capital RM	Warrants reserves RM	Translation reserves RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM		Perpetual sukuk RM
Group									
At 1 April 2023	364,936,000	2,904,000	(5,345,000)	(10,803,443)	96,715,107	448,406,664	22,230,648	4,565,640	475,202,952
Total other comprehensive income for the financial year									
- Net changes in fair value of equity investment designated at FVTOCI	-	-	-	13,890,141	-	13,890,141	-	-	13,890,141
Profit for the financial year	-	-	-	-	6,328,269	6,328,269	(165,806)	-	6,162,463
Total comprehensive income for the financial year	-	-	-	13,890,141	6,328,269	20,218,410	(165,806)	-	20,052,604
Transaction with owners:									
- Issuance of perpetual sukuk (net of expense)	-	-	-	-	-	-	-	306,607	306,607
At 31 March 2024	364,936,000	2,904,000	(5,345,000)	3,086,698	103,043,376	468,625,074	22,064,842	4,872,247	495,562,163
	Note 14	Note 15	Note 15	Note 15	Note 15	Note 15	Note 16	Note 16	

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 March 2024

	Attributable to owners of the Company							Total equity RM
	Share capital RM	Warrants reserves RM	Translation reserves RM	Fair value reserve RM	Retained earnings RM	Non-controlling interests RM	Perpetual sukuk RM	
Group								
At 1 April 2022	352,000,000	-	(5,345,000)	(9,774,544)	93,491,092	22,322,295	4,259,033	456,952,876
Total other comprehensive income for the financial year								
- Net changes in fair value of equity investment designated at FVTOCI	-	-	-	(1,028,899)	-	-	-	(1,028,899)
Profit for the financial year	-	-	-	-	3,224,015	(91,647)	-	3,132,368
Total comprehensive income for the financial year	-	-	-	(1,028,899)	3,224,015	(91,647)	-	2,103,469
Transaction with owners:								
- Issuance of perpetual sukuk (net of expense)	-	-	-	-	-	-	306,607	306,607
- Issuance of ordinary shares	12,936,000	-	-	-	-	-	-	12,936,000
- Issuance of warrants	-	2,904,000	-	-	-	-	-	2,904,000
	12,936,000	2,904,000	-	-	-	-	306,607	16,146,607
At 31 March 2023	364,936,000	2,904,000	(5,345,000)	(10,803,443)	96,715,107	22,230,648	4,565,640	475,202,952

Note 16

Note 15

Note 15

Note 15

Note 14

Note 15

Note 15

Statement of Changes in Equity

For the Financial Year Ended 31 March 2024

← Attributable to owners of the Company →					
Note	Share capital RM	Warrants reserve RM	(Accumulated losses)/ Retained earnings RM	Perpetual sukuk RM	Total equity RM
Company					
At 1 April 2022	352,000,000	-	(49,901,855)	4,259,033	306,357,178
Profit and total comprehensive income for the financial year	-	-	71,269,383	-	71,269,383
Transaction with owners:					
- Issuance of perpetual sukuk (net of expense)	-	-	-	306,607	306,607
- Issuance of ordinary shares	14 12,936,000	-	-	-	12,936,000
- Issuance of warrants	15 -	2,904,000	-	-	2,904,000
	12,936,000	2,904,000	-	306,607	16,146,607
At 31 March 2023	364,936,000	2,904,000	21,367,528	4,565,640	393,773,168
At 1 April 2023	364,936,000	2,904,000	21,367,528	4,565,640	393,773,168
Profit and total comprehensive income for the financial year	-	-	10,953,774	-	10,953,774
Transaction with owners:					
- Issuance of perpetual sukuk (net of expense)	-	-	-	306,607	306,607
At 31 March 2024	364,936,000	2,904,000	32,321,302	4,872,247	405,033,549
	Note 14	Note 15		Note 16	

The notes on pages 83 to 139 are an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Profit before tax		9,896,553	7,845,586	11,590,536	71,942,649
Adjustments for:					
Amortisation of intangible assets	5	676,943	681,943	-	-
Bad debts written off		42,263	8,020	-	-
Depreciation of:					
- investment properties	4	42,757	42,758	46,057	46,058
- property, plant and equipment	2	2,019,579	2,393,345	376,455	440,535
- right-of-use assets	3	337,063	511,750	48,615	139,215
Deposit forfeited	21	(205,999)	(32,778)	-	-
Deposit written off		49,592	-	-	-
Dividend income	20	-	-	(15,000,000)	(70,000,000)
Finance income	21	(162,677)	(202,362)	(5,768,306)	(6,780,474)
Finance costs	23	12,616,862	14,510,644	9,068,174	10,561,288
Loss/(Gain) on disposal of property, plant and equipment		115,954	(3,696)	-	(3,696)
Loss on/(Reversal of) impairment loss:					
- amounts due from subsidiaries		-	-	445,877	609,233
- other receivables		(1,400,000)	(500,000)	(1,400,000)	(500,000)
- trade receivables		205,969	(91,898)	-	-
- intangible assets		640,039	5,288,485	-	-
Amount carried down		24,874,898	30,451,797	(592,592)	6,454,808

Statements of Cash Flows

For the Financial Year Ended 31 March 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities (cont'd)				
Amount brought down	24,874,898	30,451,797	(592,592)	6,454,808
Property, plant and equipment written off	260,791	1,720	-	-
Right-of-use assets written off	280,002	-	280,002	-
Intangible assets written off	7,500	-	-	-
Reversal of provision for damage claims	-	(8,150,881)	-	(8,150,881)
Termination of lease contract	26,575	207,455	-	207,844
Operating profit/(loss) before changes in working capital	25,449,766	22,510,091	(312,590)	(1,488,229)
Changes in working capital:				
- Contract assets	3,507,875	(28,391,727)	-	-
- Contract costs	12,901,642	(5,370,099)	-	-
- Inventories	8,929,459	10,736,966	3,871,589	(9,222)
- Trade and other receivables and other current assets	1,921,438	10,974,436	1,868,996	(814,453)
- Trade and other payables	4,794,935	8,794,423	(3,304)	(2,065,818)
Cash generated from/(used in) operations	57,505,115	19,254,090	5,424,691	(4,377,722)

Statements of Cash Flows

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities (cont'd)					
Cash generated from/(used in) operations		57,505,115	19,254,090	5,424,691	(4,377,722)
Interest paid		(3,687,540)	(3,844,178)	(2,714,351)	(2,965,183)
Interest received		162,677	202,362	5,768,306	6,780,474
Net tax paid		(10,963,534)	(1,797,289)	(398,211)	(285,734)
Net cash from operating activities		43,016,718	13,814,985	8,080,435	(848,165)
Cash flows from investing activities					
Additions of:					
- property, plant and equipment	2	(377,877)	(75,191)	(348,592)	(55,884)
- intangible assets	5	-	(25,932)	-	-
Net advance from/(to) subsidiaries		-	-	23,663,817	(24,959,533)
Dividends received		-	-	15,000,000	70,000,000
Proceeds from disposal of property, plant and equipment		25,000	3,696	-	3,696
Net cash (used in)/from investing activities		(352,877)	(97,427)	38,315,225	44,988,279

Statements of Cash Flows

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from financing activities					
Change in pledged deposits		2,929,573	1,935,624	9,778	1,990,222
Interest paid		(4,297,785)	(6,199,033)	(5,287,906)	(5,505,755)
Drawdown of loans and borrowings		33,070,510	34,556,699	12,000,000	7,000,000
Proceeds from:					
- issuance of perpetual sukuk, net of expenses		306,607	306,607	306,607	306,607
- issuance of ordinary shares		-	12,936,000	-	12,936,000
- issuance of warrants		-	2,904,000	-	2,904,000
Repayment of loans and borrowings		(64,322,181)	(63,334,689)	(19,862,599)	(34,356,570)
Payment of lease liabilities	(ii)	(453,057)	(756,578)	(135,325)	(371,985)
Advances to subsidiaries		-	-	(28,850,349)	(29,630,417)
Net cash used in financing activities		(32,766,333)	(17,651,370)	(41,819,794)	(44,727,898)
Net increase/(decrease) in in cash and cash equivalents		9,897,508	(3,933,812)	4,575,866	(587,784)
Cash and cash equivalents at the beginning of financial year		(19,228,224)	(15,294,412)	(14,839,766)	(14,251,982)
Cash and cash equivalents at the end of financial year	(i)	(9,330,716)	(19,228,224)	(10,263,900)	(14,839,766)

Statements of Cash Flows

For the Financial Year Ended 31 March 2024

i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Deposits		273,432	3,193,227	273,432	273,432
Cash in hand and at bank		15,365,610	13,819,877	3,988,841	3,872,672
Cash and bank balances	10	15,639,042	17,013,104	4,262,273	4,146,104
Less: Pledged deposits	10	(3,373,432)	(6,303,005)	(3,373,432)	(3,383,210)
Less: Bank overdrafts	18	(21,596,326)	(29,938,323)	(11,152,741)	(15,602,660)
		(9,330,716)	(19,228,224)	(10,263,900)	(14,839,766)

(ii) Cash outflows for leases as a lessee

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in net cash from operating activities				
Payment relating to short-term leases	(267,146)	(255,846)	-	-
Payment relating to leases of low-value assets	(11,402)	-	-	-
Interest paid in relation to lease liabilities	(39,340)	(36,338)	(28,223)	(2,988)
Included in net cash from financing activities				
Payment of lease liabilities	(453,057)	(756,578)	(135,325)	(371,985)
Total cash outflows for leases	(770,945)	(1,048,762)	(163,548)	(374,973)

The notes on pages 83 to 139 are an integral part of these financial statements.

Notes to the Financial Statements

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 addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business/Registered office

C-21, Jalan Medan Selayang 1
Medan Selayang
68100 Batu Caves
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 March 2024 do not include other entities.

The Company is principally engaged in investment holding, property development and provision of management services whilst the principal activities of the subsidiaries are stated in Note 6. There have been no significant changes in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 24 July 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

The Group and the Company have consistently applied the accounting policy throughout all periods presented in the financial statements unless otherwise stated.

(i) Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

Notes to the Financial Statements

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

(i) Adoption of new and amended standards (cont'd)

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for the following:

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

(ii) Standards issued but not yet effective

The Group and the Company have not applied the following amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountabilities: Disclosures	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

The Group and the Company intend to adopt the above amendments to MFRSs when they become effective.

The initial application of the above-mentioned to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

Notes to the Financial Statements

1. BASIS OF PREPARATION (CONT'D)

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(c) Use of estimates and judgements

The preparation of the Group's and of the Company's financial statements require 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.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 - determining the lease term of contracts with renewal and termination options
- Note 5 - impairment of intangible assets
- Note 6 - impairment of investments in subsidiaries
- Note 4 and Note 8 - classification between investment properties and inventories
- Note 8 - valuation of inventories
- Note 9 - provision of expected credit loss of financial assets at amortised cost
- Note 11 - valuation of deferred tax assets
- Note 20 - sales of development properties
- Note 23 - capitalisation of borrowing costs

Notes to the Financial Statements

2. PROPERTY, PLANT AND EQUIPMENT

	Land RM	Land (right-of- use) RM	Buildings RM	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Total RM
Group						
Cost						
At 1 April 2022	514,310	1,572,744	12,173,378	10,153,821	8,250	24,422,503
Additions	-	-	-	75,191	-	75,191
Disposals	-	-	-	(4,950)	-	(4,950)
Write off	-	-	-	(3,679)	-	(3,679)
At 31 March 2023/1 April 2023	514,310	1,572,744	12,173,378	10,220,383	8,250	24,489,065
Additions	-	-	-	377,877	-	377,877
Disposals	-	-	-	(255,775)	-	(255,775)
Write off	-	-	-	(868,442)	-	(868,442)
At 31 March 2024	514,310	1,572,744	12,173,378	9,474,043	8,250	23,742,725
Depreciation						
At 1 April 2022	-	238,819	6,720,479	7,541,032	7,248	14,507,578
Depreciation for the financial year	-	16,497	1,548,292	828,556	-	2,393,345
Disposals	-	-	-	(4,950)	-	(4,950)
Write off	-	-	-	(1,959)	-	(1,959)
At 31 March 2023/1 April 2023	-	255,316	8,268,771	8,362,679	7,248	16,894,014
Depreciation for the financial year	-	16,497	1,335,232	667,850	-	2,019,579
Disposals	-	-	-	(114,821)	-	(114,821)
Write off	-	-	-	(607,651)	-	(607,651)
At 31 March 2024	-	271,813	9,604,003	8,308,057	7,248	18,191,121
Carrying amount						
At 31 March 2023	514,310	1,317,428	3,904,607	1,857,704	1,002	7,595,051
At 31 March 2024	514,310	1,300,931	2,569,375	1,165,986	1,002	5,551,604

Notes to the Financial Statements

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

	Land (right-of- use) RM	Buildings RM	Furniture, fittings, office equipment and renovation RM	Total RM
Company				
Cost				
At 1 April 2022	1,254,000	2,490,204	6,007,828	9,752,032
Additions	-	-	55,884	55,884
Disposals	-	-	(4,950)	(4,950)
At 31 March 2023/1 April 2023	1,254,000	2,490,204	6,058,762	9,802,966
Additions	-	-	348,592	348,592
At 31 March 2024	1,254,000	2,490,204	6,407,354	10,151,558
Depreciation				
At 1 April 2022	195,606	711,880	4,983,860	5,891,346
Depreciation for the financial year	13,063	49,804	377,668	440,535
Disposals	-	-	(4,950)	(4,950)
At 31 March 2023/1 April 2023	208,669	761,684	5,356,578	6,326,931
Depreciation for the financial year	13,063	49,804	313,588	376,455
At 31 March 2024	221,732	811,488	5,670,166	6,703,386
Carrying amount				
At 31 March 2023	1,045,331	1,728,520	702,184	3,476,035
At 31 March 2024	1,032,268	1,678,716	737,188	3,448,172

(a) Assets pledged as securities to licensed banks

Land and buildings of the Group and of the Company amounting to RM3,594,727 (2023: RM3,668,597) and RM2,710,984 (2023: RM2,773,851) respectively have been charged as securities for bank borrowings granted as disclosed in Note 18 to the financial statements.

(b) Land (right-of-use)

The Group and the Company leased several plots of land from the government that runs for 99 years. The remaining lease term of leasehold land is 77 years (2023: 78 years). Lease payments are paid at inception of the leases.

(c) Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, except for freehold land are stated at cost less impairment losses and not depreciated.

Depreciation of property, plant and equipment is recognised in the profit or loss on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Notes to the Financial Statements

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

(c) Material accounting policy information (cont'd)

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Long-term leasehold land	96 years
Buildings	5 - 50 years
Furniture, fittings, office equipment and renovation	10 years
Motor vehicles	5 years

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount recognised in profit or loss.

3. RIGHT-OF-USE ASSETS

	Note	Buildings RM	Office equipment RM	Total RM
Group				
Cost				
At 1 April 2022		1,330,556	1,326,625	2,657,181
Additions		277,441	338,314	615,755
Derecognition		-	(727,093)	(727,093)
At 31 March 2023/1 April 2023		1,607,997	937,846	2,545,843
Additions		279,946	36,854	316,800
Derecognition		(315,079)	(28,786)	(343,865)
Write off		-	(435,601)	(435,601)
At 31 March 2024		1,572,864	510,313	2,083,177
Depreciation				
At 1 April 2022		1,018,146	609,788	1,627,934
Depreciation for the financial year	22	361,453	150,297	511,750
Derecognition		-	(512,973)	(512,973)
At 31 March 2023/1 April 2023		1,379,599	247,112	1,626,711
Depreciation for the financial year	22	281,538	55,525	337,063
Derecognition		(203,794)	(28,786)	(232,580)
Write off		-	(155,599)	(155,599)
At 31 March 2024		1,457,343	118,252	1,575,595
Carrying amount				
At 31 March 2023		228,398	690,734	919,132
At 31 March 2024		115,521	392,061	507,582

Notes to the Financial Statements

3. RIGHT-OF-USE ASSETS (CONT'D)

	Note	Office equipment RM
Company		
Cost		
At 1 April 2022		1,214,462
Additions		338,314
Derecognition		(663,555)
At 31 March 2023/1 April 2023		889,221
Write off		(435,601)
At 31 March 2024		453,620
Depreciation		
At 1 April 2022		519,890
Depreciation for the financial year	22	139,215
Derecognition		(455,711)
At 31 March 2023/1 April 2023		203,394
Depreciation for the financial year	22	48,615
Write off		(155,599)
At 31 March 2024		96,410
Carrying amount		
At 31 March 2023		685,827
At 31 March 2024		357,210

- (a) The Group and the Company leased a number of premises and office equipment that run between one to five years, with an option to renew the lease after that expiry date.
- (b) The Group and the Company also have short-term leases with lease terms of 12 months or less and leases of assets with low value at less than RM20,000 each when purchase new. Leases included extension option. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group and the Company have applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

- (c) Material accounting policy information

ROU assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of ROU assets are recognised in the profit or loss on straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term.

Notes to the Financial Statements

3. RIGHT-OF-USE ASSETS (CONT'D)

- (c) Material accounting policy information (cont'd)

The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follow:

Buildings	Over the remaining lease
Office equipment	Over the remaining lease

4. INVESTMENT PROPERTIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cost				
At beginning/end of financial year	2,262,959	2,262,959	2,538,367	2,538,367
Depreciation				
At beginning of financial year	737,738	694,980	814,059	768,001
Depreciation for the financial year	42,757	42,758	46,057	46,058
At end of financial year	780,495	737,738	860,116	814,059
Carrying amount				
At end of financial year	1,482,464	1,525,221	1,678,251	1,724,308
Included in the above are:				
Freehold land	51,189	51,189	235,495	235,495
Buildings	1,431,275	1,474,032	1,442,756	1,488,813
	1,482,464	1,525,221	1,678,251	1,724,308
Fair value				
At end of financial year	2,744,301	5,943,000	4,946,781	6,997,000

- (a) Investment properties comprise a number of commercial properties that are leased to third parties and car park lots. Each of the leases contains an initial non-cancellable period of 3 years. Subsequent renewals will be negotiated with the lessee and on average, the renewal periods are 3 years. No contingent rents are charged.

- (b) Assets held in trust

Investment properties of the Company amounting to RM298,195 (2023: RM301,495) are held in trust by a subsidiary.

- (c) Assets pledged as securities to licensed banks

Investment properties of the Group and of the Company amounting to RM1,380,056 (2023: RM1,422,813) have been charged as securities for bank borrowings granted as disclosed in Note 18 to the financial statements.

Notes to the Financial Statements

4. INVESTMENT PROPERTIES (CONT'D)

(d) Fair value measurement

The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable input used.

Description of valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair value measurement
The Group estimates the fair value of the investment property by the Directors based on internal appraisal of market value of comparable properties.	Market price of property per square feet ("sq ft") in vicinity compared.	The estimated fair value would increase/(decrease) if market prices of properties were higher/(lower).

The fair value of investment property was estimated by the Directors using above valuation technique. The fair value is within Level 3 of the fair value hierarchy.

There were no transfers between levels during current and previous financial years.

Highest and best use

The Group's investment property represents 4 ½ - storey shop office and car park. The highest and best use of this property is for rental income generation as it is located in the vicinity of the commercial area.

(e) Income and expenses recognised in profit or loss

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental income	25,900	23,400	117,100	54,600
Other income	312,196	54,929	-	54,929
	338,096	78,329	117,100	109,529
Direct operating expenses:				
- income generating investment properties	174	1,241	557	3,972

(f) Material accounting policy information

Investment properties are properties held either to earn rental income or for capital appreciation, or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

Notes to the Financial Statements

4. INVESTMENT PROPERTIES (CONT'D)

(f) Material accounting policy information (cont'd)

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. Freehold land is not depreciated. The principal annual depreciation rate is:

Buildings 2%

5. INTANGIBLE ASSETS

	Goodwill RM	Concession assets RM	Franchisee fee RM	Total RM
Group				
Cost				
At 1 April 2022	16,776,492	15,886,881	100,000	32,763,373
Additions	-	25,932	-	25,932
At 31 March 2023/1 April 2023	16,776,492	15,912,813	100,000	32,789,305
Derecognition	-	-	(100,000)	(100,000)
At 31 March 2024	16,776,492	15,912,813	-	32,689,305
Amortisation				
At 1 April 2022	-	(7,349,567)	(46,667)	(7,396,234)
Amortisation for the financial year	-	(671,943)	(10,000)	(681,943)
At 31 March 2023/1 April 2023	-	(8,021,510)	(56,667)	(8,078,177)
Amortisation for the financial year	-	(671,943)	(5,000)	(676,943)
Derecognition	-	-	61,667	61,667
At 31 March 2024	-	(8,693,453)	-	(8,693,453)
Impairment loss				
At 1 April 2022	(7,180,023)	(510,741)	(30,833)	(7,721,597)
Impairment losses	(5,288,485)	-	-	(5,288,485)
At 31 March 2023/1 April 2023	(12,468,508)	(510,741)	(30,833)	(13,010,082)
Impairment losses	(640,039)	-	-	(640,039)
Derecognition	-	-	30,833	30,833
At 31 March 2024	(13,108,547)	(510,741)	-	(13,619,288)
Carrying amount				
At 31 March 2023	4,307,984	7,380,562	12,500	11,701,046
At 31 March 2024	3,667,945	6,708,619	-	10,376,564
	Note 5.1	Note 5.2		

Notes to the Financial Statements

5. INTANGIBLE ASSETS (CONT'D)

5.1 Impairment testing for cash-generating units containing goodwill

Allocation of goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level of cash-generating units within the Group at which the goodwill is monitored for internal management purposes.

The aggregated carrying amounts of goodwill allocated to each cash-generating unit are as follows:

	Note	2024 RM	2023 RM
Group			
Property development			
- Penang	5.1.1	2,320,967	2,320,967
Operation of concession assets	5.1.2	1,346,978	1,987,017
		3,667,945	4,307,984

5.1.1 Property development

The recoverable amounts of the property development cash-generating units in Penang was estimated based on its value in use, determined by discounting future cash flows to be generated from the development properties in the cash-generating units. The same method has been used in the previous financial year in respect of property development cash-generating units in Penang.

In previous financial year, the carrying amount of property development cash-generating units in Johor amounting to RM5,288,485 was determined to be higher than its recoverable amount and an impairment loss of RM5,288,485 was recognised. The impairment loss is recorded within administrative expense in the Statement of Profit or Loss and Other Comprehensive Income. No impairment loss was recognised in respect of the property development cash-generating units located in Penang.

Value in use was determined by discounting the future cash flows expected to be generated from the development properties based on the following key assumptions:

- Cash flows were projected based on the gross development profits expected to be derived from the approved development plan over the development period for the next 1 to 4 years (2023: 1 to 6 years).
- The gross development profit margins were expected to be ranging from 24% to 28% (2023: 22% to 42%).
- A pre-tax discount rate of 11% (2023: 12%) was applied in determining the recoverable amount of the units.

The values assigned to the key assumptions represent management's assessment of future trends in the property development industry and are determined based on both external sources and internal sources (historical data).

The sensitivity analysis is presented as follows:

- An increase of 1% (2023: 1%) in the discount rate would not increase impairment loss (2023: No impairment loss).
- A 5% (2023: 5%) decrease in future development profit would not increase the impairment loss (2023: No impairment loss).

Notes to the Financial Statements

5. INTANGIBLE ASSETS (CONT'D)

5.1 Impairment testing for cash-generating units containing goodwill (cont'd)

5.1.2 Operation of concession assets

The recoverable amount of the operation of concession assets cash-generating unit was estimated based on their value in use, determined by discounting future cash flows to be generated from the operation of concession assets.

The carrying amount of concession assets amounting to RM1,987,017 was determined to be higher than its recoverable amount and an impairment loss of RM640,039 was recognised during the financial year. The impairment loss is recorded within administrative expense in the Statement of Profit or Loss and Other Comprehensive Income.

Value in use was determined by discounting the future cash flows expected to be generated from the operation of concession assets cash-generating unit over the remaining concession period of 4 to 17 years (2023: 5 to 18 years) based on the following key assumptions:

- Cash flows were projected based on past rental received and actual operating results.
- Rental is expected to be derived from 95% to 100% tenant take-up rate (2023: 95% to 100% tenant take-up rate). Rental is also anticipated to grow by 3% to 10% for every 2 to 5 years (2023: 3% to 10% for every 2 to 5 years).
- A pre-tax discount rate of 11% (2023: 12%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the industry weight average cost of capital, adjusted for the risk premium associated to the assets.

The values assigned to the key assumptions represent management's assessment of future trends in the operation of concession assets and are determined based on both external sources and internal sources (historical data).

The sensitivity analysis is presented as follows.

- An increase of 1% (2023: 1%) in the discount rate would increase impairment loss by RM796,982 (2023: RM409,000).
- A 5% (2023: 5%) decrease in future annual rental income due to decrease in tenant take-up rate or annual rental growth would not increase impairment loss (2023: No impairment loss).

5.2 Concession assets

Concession assets relate to rights to use land owned by the local authorities granted to the Group in agreements to build, operate and transfer ("BOT") commercial properties on the said land between the Group and the local authorities. Under these agreements, the Group has the right to collect rental income from the operation of these commercial properties over the concession period of 20 to 30 years. Upon expiry of the agreement, the commercial properties will be transferred to the local authorities, unless extensions are granted.

In the event that the local authorities intend to re-develop, privatise or sell the commercial properties upon expiry of the concession period, the Group has the first right of refusal to participate.

Notes to the Financial Statements

5. INTANGIBLE ASSETS (CONT'D)

5.2 Concession assets (cont'd)

5.2.1 Impairment loss on concession assets

The recoverable amount of the concession assets was estimated based on value in use method then. The recoverable amount of the concession assets and the impairment loss allocated are as follow:

	2024 RM	2023 RM
Group		
Recoverable amount of concession assets	6,708,619	7,380,562

Value in use was determined using the same basis and key assumptions as disclosed in Note 5.1.2 over the remaining concession period of the concession assets of 4 to 17 years (2023: 5 to 18 years).

The values assigned to the key assumptions represent management's assessment of future trends in the operation of concession assets and are determined based on both external sources and internal sources (historical data).

Following the impairment in these concession assets, the carrying amount is similar to its recoverable amount. Therefore, any adverse change in a key assumption may result in a further impairment loss.

5.3 Material accounting policy information

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired.

Other intangible assets which have finite useful life, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

6. INVESTMENTS IN SUBSIDIARIES

	2024 RM	2023 RM
Company		
Cost - Unquoted shares		
At beginning of financial year	517,731,846	391,931,846
Subscription of new shares	-	125,800,000
At end of financial year	517,731,846	517,731,846
Impairment loss		
At beginning of financial year/At end of financial year	186,324,089	186,324,089
Carrying amount		
At beginning of financial year	331,407,757	205,607,757
At end of financial year	331,407,757	331,407,757

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Impairment loss

The Company recognised full impairment loss in respect of certain investments in subsidiaries as these subsidiaries are continuously loss making and have reported deficits in shareholders' fund and the Group has determined the recoverable amount to be RMNil.

In previous financial year

The Company subscribed to additional 115,000,000 shares issued by Bison Holdings Sdn. Bhd. ("Bison") for a total consideration of RM115,000,000 settled by offsetting amount due from Bison of RM115,000,000.

The Company subscribed to additional 10,800,000 shares issued by Johanjana Corporation Sdn. Bhd. ("Johanjana Corporation") for a total consideration of RM10,800,000 settled by offsetting amount due from Johanjana Corporation of RM10,800,000.

Details of the subsidiaries

Name of subsidiary	Place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Yoon Lian Realty Sendirian Berhad [#]	Malaysia	Property development	100	100
Daya Niaga Sdn. Bhd. [#]	Malaysia	Trading of building materials	100	100
Grandeur Park Sdn. Bhd.	Malaysia	Property development and provision of management services	100	100
Prisma Pelangi Sdn. Bhd. [#]	Malaysia	Property development and investment holding activities	100	100
Agro-Mod Industries Sdn. Bhd.	Malaysia	Property development and provision of management services	100	100
Tinggian Development Sendirian Berhad	Malaysia	Property development and provision of management services	100	100
Pembinaan Hua Yang Sdn. Bhd. [#]	Malaysia	Building construction relating to real estate	100	100
Johanjana Corporation Sdn. Bhd.	Malaysia	Operation of commercial properties under the "build, operate and transfer" agreements with local authorities	100	100
Bison Holdings Sdn. Bhd.	Malaysia	Property development	100	100
Prop Park Sdn. Bhd.	Malaysia	Property development	100	100
Sunny Mode Sdn. Bhd. [#]	Malaysia	Property development and provision of management services	100	100
G Land Development Sdn. Bhd.	Malaysia	Property development	100	100

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries (cont'd)

Name of subsidiary	Place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Grand View Realty Sdn. Bhd.	Malaysia	Property development	100	100
Huayang Ventures Sdn. Bhd.#	Malaysia	Operating of restaurant, laundry mart and vending machine	100	100
Kajang Heights Development Sdn. Bhd.	Malaysia	Property development	70	70
Celestial Solar Farm Sdn. Bhd.#	Malaysia	Provision of engineering, procurements, constructions, commissioning and consultancy service for solar PV system	100	100

Not audited by TGS TW PLT

The Group's subsidiary that has material non-controlling interests ("NCI") is as follows:

	Kajang Heights Development Sdn. Bhd.	
	2024 RM	2023 RM
Group		
NCI percentage of ownership interest and voting interest	30%	30%
Carrying amount of NCI	22,064,842	22,230,648
Loss allocated to NCI	(165,806)	(91,647)
Summarised financial information before intra-group elimination		
As at 31 March		
Non-current assets	80,778,594	83,449,918
Current assets	36,421,793	39,368,548
Non-current liabilities	(34,648,247)	(42,846,043)
Current liabilities	(9,002,671)	(5,870,268)
Net assets	73,549,469	74,102,155
Year end 31 March		
Loss from continuing operations	(552,686)	(305,491)
Cash flows used in operating activities	(611,669)	(702,832)
Cash flows from investing activities	6,136,732	1,951,991
Cash flows used in financing activities	(5,249,999)	(750,000)
Net increase in cash and cash equivalents	275,064	499,159

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Material accounting policy information

Investment in subsidiaries are measured in the Company's statements of financial position at cost less accumulated impairment losses.

7. OTHER INVESTMENT

	2024 RM	2023 RM
Group		
Non-current		
At fair value through other comprehensive income		
Quoted shares in Malaysia		
At beginning of financial year	43,728,225	44,757,124
Changes in fair value through other comprehensive income	13,890,141	(1,028,899)
At end of financial year	57,618,366	43,728,225

The Group designated the investments in equity security as fair value through other comprehensive income because the investment in equity securities represent investment that the Group intends to hold for long-term strategic purposes.

The fair value of the other investment at end of reporting period is determined based on level 1 fair value using the market value of the quoted shares.

Material accounting policy information

Investment in equity investment are not held for trading.

At initial recognition, the Group has irrevocably elect to present subsequent changes in the fair value of the investments in other comprehensive income. On derecognition, gains or losses accumulated in other comprehensive income are not reclassified to profit or loss.

Notes to the Financial Statements

8. INVENTORIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Land held for future development	561,852,131	578,651,822	2,847,094	6,718,683
Current				
Developed properties	44,378,354	44,562,842	251,338	251,338
Development properties	50,760,513	47,331,745	-	-
Finished goods	268	5,853	-	-
	95,139,135	91,900,440	251,338	251,338
	656,991,266	670,552,262	3,098,432	6,970,021
Inventories pledged as securities for bank borrowings (Note 18)				
- Land held for future development	310,005,599	310,443,171	-	2,761,348
- Developed properties	23,261,110	16,455,025	251,338	-
- Development properties	32,843,391	42,486,392	-	-
	366,110,100	369,384,588	251,338	2,761,348
Recognised in profit or loss				
- inventories recognised as cost of sales	7,299,614	3,345,688	6,718,683	-

Material accounting policy information

(a) Land held for future development

Land held for property development is stated at lower of cost and net realisable value. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

(b) Property under development and completed property

Property development costs are stated at the lower of costs and net realisable value. The portion of property development costs where significant development work has been undertaken and which expected to be completed within the normal operating cycle is considered as a current asset.

The cost of land and related development costs common to whole projects and direct building costs less cumulative amounts recognised as expenses in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss when the control of the asset is transferred to the customer.

Property development cost of unsold units is transferred to completed properties held for sale once the development is completed.

Notes to the Financial Statements

8. INVENTORIES (CONT'D)

Material accounting policy information (cont'd)

- (b) Property under development and completed property (cont'd)

Completed property is stated at the lower of cost and net realisable value. The cost of completed property include cost associated with the acquisition of land, direct costs and appropriate proportions of common costs. Cost is determined on a specific identification basis.

- (c) Other inventories

Other inventories are measured at the lower of cost and net realisable value. The cost of finished goods is determined based on weighted average method.

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Non-trade					
Other receivables		802,184	404,324	-	-
Refundable deposits	a	3,122,926	2,895,709	43,630	43,630
		3,925,110	3,300,033	43,630	43,630
Current					
Trade					
Trade receivables		22,015,251	22,676,204	-	-
Allowance for impairment loss		(640,959)	(434,990)	-	-
		21,374,292	22,241,214	-	-
Non-trade					
Amounts due from subsidiaries	b	-	-	183,752,178	207,415,995
Goods and Services Tax receivables	c	28,371	28,371	-	-
Other receivables		3,868,793	3,715,639	649,063	576,979
Deposits paid	d	3,000,753	4,498,723	2,785,870	4,175,494
		6,897,917	8,242,733	187,187,111	212,168,468
Allowance for impairment loss		(17,288)	(1,417,288)	(5,512,858)	(6,466,981)
		6,880,629	6,825,445	181,674,253	205,701,487
		28,254,921	29,066,659	181,674,253	205,701,487
		32,180,031	32,366,692	181,717,883	205,745,117

Notes to the Financial Statements

9. TRADE AND OTHER RECEIVABLES (CONT'D)

Note a

Included in refundable deposits of the Group is an amount of RM1,470,000 (2023: RM1,470,000) pledged on lien as security for bank borrowings granted (see Note 18).

Note b

The amounts due from subsidiaries which amounting to RM183,616,924 (2023: RM207,281,778) are unsecured, subject to interest rate at 3.00% (2023: 2.40%) per annum and repayable on demand.

Note c

Goods and Services Tax ("GST") receivables refer to the returns due from the Royal Malaysian Custom Department in relation to input tax paid by the Group.

Note d

Included in deposits paid of the Group and of the Company are an amount of RM674,300 (2023: RM561,000) being deposits paid for acquisition of land.

10. CASH AND BANK BALANCES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Deposits placed with licensed banks		273,432	3,193,227	273,432	273,432
Cash at bank	a	3,100,000	3,109,778	3,100,000	3,109,778
		3,373,432	6,303,005	3,373,432	3,383,210
Current					
Cash in hand and at bank		6,493,107	2,975,728	888,841	762,894
Housing Development Accounts	b	5,772,503	7,734,371	-	-
		12,265,610	10,710,099	888,841	762,894
		15,639,042	17,013,104	4,262,273	4,146,104
Cash and bank balances pledged to licensed banks as securities for bank borrowings granted	18	3,373,432	6,303,005	3,373,432	3,383,210

Note a

The non-current cash at bank are cash held under debt service reserve accounts that are pledged to the bank.

Note b

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.

Notes to the Financial Statements

11. DEFERRED TAX ASSETS/(LIABILITIES)

The recognised deferred tax assets and (liabilities) before off-setting are as follows:

	Assets		Liabilities		Net	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Group						
Inventories	3,592,050	3,616,629	(30,847,775)	(31,782,331)	(27,255,725)	(28,165,702)
Property, plant and equipment	-	2,895	(1,535,720)	(135,847)	(1,535,720)	(132,952)
Unutilised tax losses	11,376,246	11,630,947	-	-	11,376,246	11,630,947
Unabsorbed capital allowance	2,473,736	2,494,900	-	-	2,473,736	2,494,900
Others	2,905,191	2,698,246	(797,777)	(3,762,687)	2,107,414	(1,064,441)
Tax assets/(liabilities)	20,347,223	20,443,617	(33,181,272)	(35,680,865)	(12,834,049)	(15,237,248)
Set-off of tax	(2,112,150)	(3,218,032)	2,112,150	3,218,032	-	-
Net deferred tax assets/(liabilities)	18,235,073	17,225,585	(31,069,122)	(32,462,833)	(12,834,049)	(15,237,248)
Company						
Property, plant and equipment	-	-	(69,211)	(80,111)	(69,211)	(80,111)
Unutilised tax losses	1,713,259	1,760,378	-	-	1,713,259	1,760,378
Unabsorbed capital allowance	698,619	662,400	-	-	698,619	662,400
Tax assets/(liabilities)	2,411,878	2,422,778	(69,211)	(80,111)	2,342,667	2,342,667
Set-off of tax	(69,211)	(80,111)	69,211	80,111	-	-
Net deferred tax assets	2,342,667	2,342,667	-	-	2,342,667	2,342,667

Unutilised tax losses of RM47,401,025 (2023: RM53,671,783), arising from group entities that were loss making, were recognised as deferred tax assets as management considered it probable that future taxable profits will be available against which they can be utilised when these group entities commence property development activity.

Notes to the Financial Statements

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

Movement in temporary differences during the financial year

	At 1.4.2022 RM	Recognised in profit or loss (Note 25) RM	At 31.3.2023/ 1.4.2023 RM	Recognised in profit or loss (Note 25) RM	At 31.3.2024 RM
Group					
Inventories	(28,602,681)	436,979	(28,165,702)	909,977	(27,255,725)
Property, plant and equipment	(268,072)	135,120	(132,952)	(1,402,768)	(1,535,720)
Unutilised tax losses	11,902,921	(271,974)	11,630,947	(254,701)	11,376,246
Unabsorbed capital allowance	2,496,702	(1,802)	2,494,900	(21,164)	2,473,736
Others	(1,225,172)	160,731	(1,064,441)	3,171,855	2,107,414
Net deferred tax assets/(liabilities)	(15,696,302)	459,054	(15,237,248)	2,403,199	(12,834,049)
Company					
Property, plant and equipment	(217,222)	137,111	(80,111)	10,900	(69,211)
Unutilised tax losses	1,946,148	(185,770)	1,760,378	(47,119)	1,713,259
Unabsorbed capital allowance	613,741	48,659	662,400	36,219	698,619
Net deferred tax assets/(liabilities)	2,342,667	-	2,342,667	-	2,342,667

12. CONTRACT WITH CUSTOMERS

12.1 Contract assets

	2024 RM	2023 RM
Group		
Contract assets	53,716,317	57,224,192

The contract assets primarily relate to the Group's rights to consideration for work completed on contracts with property buyers but not yet billed at the reporting date. The amount will be billed on achievement of billing milestone as per the contract and will be transferred to trade receivables when the rights become unconditional.

12.2 Contract costs

	2024 RM	2023 RM
Group		
Cost to obtain a contract	1,431,334	3,631,965
Cost to fulfil a contract	5,176,181	15,877,192
	6,607,515	19,509,157

Notes to the Financial Statements

12. CONTRACT WITH CUSTOMERS (CONT'D)

12.2 Contract costs (cont'd)

Cost to obtain a contract

Cost to obtain a contract primarily comprises incremental commission fees paid to intermediaries as a result of obtaining contracts and they are recoverable.

Capitalised commission fees are amortised when the related revenues are recognised. During the financial year, the amount amortised was RM4,822,140 (2023: RM2,674,380).

Cost to fulfil a contract

Cost to fulfil a contract primarily comprises carrying amount of inventories in relation to contracts with customers. During the financial year, the amount amortised was RM146,233,583 (2023: RM78,628,621).

13. OTHER CURRENT ASSETS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Prepaid operating expenses	649,329	1,281,930	632,042	1,183,498

14. SHARE CAPITAL

	Number of shares 2024	Amount 2024	Number of shares 2023	Amount 2023
	Units	RM	Units	RM
Group and Company				
Issued and fully paid shares with no par value classified as equity instruments				
Ordinary shares				
At 1 April	440,000,000	364,936,000	352,000,000	352,000,000
Issuance of shares	-	-	88,000,000	12,936,000
At 31 March	440,000,000	364,936,000	440,000,000	364,936,000

Ordinary shares

In previous financial year, the Company issued Renounceable Rights Issue of 88,000,000 Right Shares with 88,000,000 Warrants on the basis of Right shares for every four (4) existing shares held together with one (1) warrant for every one (1) Right Shares subscribed for at an issued price of RM0.18 per right shares.

The new ordinary shares issued in the previous financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

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 regards to the Company's residual assets.

Notes to the Financial Statements

15. RESERVES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Fair value reserve	a	3,086,698	(10,803,443)	-	-
Translation reserves	b	(5,345,000)	(5,345,000)	-	-
Warrants reserves	c	2,904,000	2,904,000	2,904,000	2,904,000
		645,698	(13,244,443)	2,904,000	2,904,000

(a) Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of the investment in securities measured at FVTOCI until they are derecognised or impaired.

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations of the Group's associate.

(c) Warrants reserves

Warrants reserves represents reserve allocated to free detachable warrants issued with right issue.

Warrants 2022/2027

In previous financial year, the Company issued renounceable rights issue of up to 88,000,000 new ordinary shares of RM0.18 each together with up to 88,000,000 free detachable warrants on the basis of one (1) Rights Share together with one (1) Warrant for every four (4) existing ordinary shares held.

The Company executed a Deed Poll constituting the Warrants and the exercise price of Warrants have been fixed at RM0.30 each. The Warrants may be exercised at any time within 5 years commencing on including the date of issuance of the Warrants and expiring on 25 October 2027. Any Warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants.

The Rights Issue with Warrants was completed with the listing and quotation of 88,000,000 Rights Shares and 88,000,000 Warrants on the Main Market of Bursa Securities on 31 October 2022.

As at the financial year end, the total number of Warrants that remain unexercised at 88,000,000 and the warrant reserve value were RM2,904,000.

Notes to the Financial Statements

16. PERPETUAL SUKUK

On 20 August 2021, the Company made its first issuance of Perpetual Sukuk Musharakah of RM5,000,000 nominal value under its Perpetual Sukuk Musharakah Programme of up to RM500 million.

The proceeds arising from the Perpetual Sukuk will be utilised for Shariah-compliant purposes which include refinancing of existing financing/borrowings, capital expenditure, asset acquisition, working capital, general corporate purposes and defray fees, costs and expenses in relation to the issuance of the Perpetual Sukuk Musharakah.

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk is issued under the Shariah principle of Musharakah and unrated;
- (b) The Perpetual Sukuk issued carried an initial fixed periodic distribution rate of 6.50% per annum payable on a semi-annual basis in arrears. The periodic distribution rate of any tranche of perpetual sukuk will be reset at the aggregate of the initial period distribution rate plus set-up margin provided that such rate is capped at maximum rate;
- (c) No fixed redemption date but the Company has the option to redeem on the First Call date and on each subsequent semi-annual periodic distribution date;
- (d) The Company also has the option to redeem the Perpetual Sukuk under the following circumstances:
 - (i) Accounting Event - if the Perpetual Sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;
 - (ii) Tax Event - if the Company is or will become obliged to pay additional amount of tax due to changes in tax laws or regulations;
 - (iii) Change in Control Event - if Ho Wen Yan ceases to be the single largest shareholder (directly or indirectly) of the Company;
 - (iv) Leverage Event - if the Net Debts over Equity Ratio of the Company (on a consolidated basis) exceeds 1.25 times;
 - (v) Privatisation Event - if the Company fails to maintain the status as a public listed company on Bursa Malaysia Securities Berhad and is delisted;
 - (vi) Shareholder Event - if the Company reduces the issued and fully paid ordinary shares; and
 - (vii) Sinking Fund Event - if the Company fails to deposit the required build up for the nominal value of the applicable Secured Perpetual Sukuk Musharakah.
- (e) Payment obligations on the Perpetual Sukuk will at all times, rank ahead of the holders of Junior Obligations of the Company and rank pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company.

Notes to the Financial Statements

17. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Trade					
Trade payables	a	32,384,377	30,020,186	-	-
Non-trade					
Refundable deposits		315,180	284,123	-	-
		32,699,557	30,304,309	-	-
Current					
Trade					
Trade payables		86,281,173	77,981,038	-	-
Non-trade					
Amounts due to subsidiaries	b	-	-	55,830,292	83,614,724
Accrued operating expenses		13,288,943	12,631,626	2,040,190	1,732,514
Other payables		6,288,034	13,306,506	472,680	789,060
Refundable deposits		1,256,687	1,207,144	11,220	5,820
Provisions	c	205,165	-	-	-
		21,038,829	27,145,276	58,354,382	86,142,118
		107,320,002	105,126,314	58,354,382	86,142,118
		140,019,559	135,430,623	58,354,382	86,142,118

Note a

Non-current trade payables are retention sums which are payable upon the expiry of the defects liability period and compensation owing to authorities that are payable upon development of land held for future development.

Note b

The amounts due to subsidiaries which amounting to RM23,232,305 (2023: RM44,880,005) are unsecured, subject to interest rate at 3.00% (2023: 2.40%) per annum and repayable on demand.

Note c

The movements of the provisions are as follows:

	Group	
	2024 RM	2023 RM
At 1 April	-	-
Recognised in profit or loss	205,165	-
At 31 March	205,165	-

Notes to the Financial Statements

18. LOANS AND BORROWINGS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
<u>Secured</u>				
Bridging loan	-	13,741,647	-	-
Sukuk Murabahah	3,710,000	8,202,000	3,710,000	8,202,000
Term loans	107,369,284	115,466,002	1,820,552	4,241,845
Revolving loans	-	17,400,000	-	17,400,000
Islamic cash line facility	7,400,000	10,000,000	7,400,000	10,000,000
	118,479,284	164,809,649	12,930,552	39,843,845
Current				
<u>Secured</u>				
Sukuk Murabahah	4,492,000	4,494,000	4,492,000	4,494,000
Term loans	8,798,650	12,343,728	548,650	1,093,728
Revolving loans	23,278,451	13,162,870	23,278,451	13,162,870
Islamic cash line facility	12,388,751	2,906,560	12,388,751	2,906,560
Banker's acceptance	501,000	1,473,000	-	-
Bank overdrafts	21,596,326	29,938,323	11,152,741	15,602,660
	71,055,178	64,318,481	51,860,593	37,259,818
	189,534,462	229,128,130	64,791,145	77,103,663

Securities

The Group's and the Company's secured bridging loan, Sukuk Murabahah, term loans, revolving loans, Islamic cash line facility, banker's acceptance and bank overdrafts are secured by the following:

- i) legal charge over property, plant and equipment (Note 2), investment properties (Note 4) and inventories (Note 8);
- ii) deposits placed with licensed banks (Note 9 and Note 10); and
- iii) corporate guarantee by the Company and certain subsidiaries.

Notes to the Financial Statements

18. LOANS AND BORROWINGS (CONT'D)
Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1.4.2022		Drawdown of loans and borrowings		Repayment of loans and borrowings		At 31.3.2023/1.4.2023		Drawdown of loans and borrowings		Repayment of loans and borrowings		At 31.3.2024	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group														
Bridging loan	-	21,281,490	-	(7,539,843)	-	13,741,647	3,718,510	(17,460,157)	-	-	-	-	-	-
Sukuk Murabahah	17,190,000	-	(4,494,000)	-	12,696,000	-	-	(4,494,000)	-	-	-	-	-	8,202,000
Term loans	158,153,974	143,209	30,487,453)	-	127,809,730	13,740,000	(25,381,796)	-	-	-	-	-	-	116,167,934
Banker's acceptance	893,000	6,132,000	(5,552,000)	-	1,473,000	3,612,000	(4,584,000)	-	-	-	-	-	-	501,000
Revolving loans	38,400,000	2,000,000	(9,837,130)	-	30,562,870	2,000,000	(9,284,419)	-	-	-	-	-	-	23,278,451
Islamic cash line facility	13,330,823	5,000,000	(5,424,263)	-	12,906,560	10,000,000	(3,117,809)	-	-	-	-	-	-	19,788,751
Lease liabilities	671,149	-	(756,578)	609,090	523,661	-	(453,057)	232,090	-	-	-	-	-	302,694
Total liabilities from financing activities	228,638,946	34,556,699	(64,091,267)	609,090	199,713,468	33,070,510	(64,775,238)	232,090	168,240,830	-	-	-	-	-
Company														
Sukuk Murabahah	17,190,000	-	(4,494,000)	-	12,696,000	-	(4,494,000)	-	-	-	-	-	-	8,202,000
Term loans	19,936,750	-	(14,601,177)	-	5,335,573	-	(2,966,371)	-	-	-	-	-	-	2,369,202
Revolving loans	38,400,000	2,000,000	(9,837,130)	-	30,562,870	2,000,000	(9,284,419)	-	-	-	-	-	-	23,278,451
Islamic cash line facility	13,330,823	5,000,000	(5,424,263)	-	12,906,560	10,000,000	(3,117,809)	-	-	-	-	-	-	19,788,751
Lease liabilities	316,740	-	(371,985)	338,314	283,069	-	(135,325)	147,744	-	-	-	-	-	-
Total liabilities from financing activities	89,174,313	7,000,000	(34,728,555)	338,314	61,784,072	12,000,000	(19,997,924)	-	53,786,148	-	-	-	-	-

Other movements include new leases and termination of lease contract.

Notes to the Financial Statements

19. LEASE LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current	38,298	189,577	12,257	135,119
Current	264,396	334,084	135,487	147,950
	302,694	523,661	147,744	283,069

The maturity analysis of lease liabilities at the end of the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within 1 year	281,743	376,250	149,643	163,548
Between 1 - 2 years	18,540	182,914	9,840	149,643
Between 2 - 5 years	24,620	12,710	2,870	12,710
	324,903	571,874	162,353	325,901
Less: Future finance charges	(22,209)	(48,213)	(14,609)	(42,832)
Present value of lease liabilities	302,694	523,661	147,744	283,069

The Group and the Company lease a number of premises and office equipments. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The average effective interest rate per annum at the end of reporting period for lease liabilities are ranging from 2.74% to 7.01% (2023: 1.75% to 7.01% per annum).

20. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers	202,722,443	118,132,272	13,957,800	4,712,400
Other revenue				
- Dividend income	-	-	15,000,000	70,000,000
- Rental income	2,325,605	1,927,705	-	-
	2,325,605	1,927,705	15,000,000	70,000,000
	205,048,048	120,059,977	28,957,800	74,712,400

Notes to the Financial Statements

20. REVENUE (CONT'D)

20.1 Disaggregation of revenue from contracts with customers

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Major products and services				
Sales of development properties	175,595,179	82,542,237	-	-
Sales of developed properties	13,441,146	29,798,103	-	-
Sales of land held for property development	8,250,000	-	8,250,000	-
Trading of building materials	4,229,677	4,862,240	-	-
Operating of restaurant, laundry and vending machine	105,641	449,692	-	-
Management fee	1,100,800	480,000	5,707,800	4,712,400
	202,722,443	118,132,272	13,957,800	4,712,400
Timing and recognition				
At a point in time	26,026,464	35,110,035	8,250,000	-
Over time	176,695,979	83,022,237	5,707,800	4,712,400
	202,722,443	118,132,272	13,957,800	4,712,400

Notes to the Financial Statements

20. REVENUE (CONT'D)

20.2 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sales of development properties	Revenue is recognised over time using the input method. Development properties sold to customers typically do not have alternative use and the Group has rights to payment for work performed.	Based on milestone progress billings submitted to customers which are approved by accredited architect and subjected to a credit period of 30 days.	Not applicable	Not applicable	The Group is required to fulfil warranty obligation over defect liability period of 2 years from the handover of properties to customers.
Sales of developed properties and land held for property development	Revenue is recognised when right to pledge the developed properties is given to the customer.	Based on progress billings, which is subjected to 30 days credit period, with 10% payable upon signing of contract and remaining 90% billable 3 months from date of signing of contract.	Not applicable	Not applicable	Not applicable
Trading of building materials	Revenue is recognised when the goods are delivered and accepted by customers at their premises.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable
Operating of restaurant, laundry and vending machine	Revenue is recognised when goods/services are served/delivered.	No credit term is given.	Not applicable	Not applicable	Not applicable
Management fee	Revenue is recognised over time as and when management services are performed.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable

Notes to the Financial Statements

20. REVENUE (CONT'D)

20.3 Transaction price allocated to the remaining performance obligations

Transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date of RM70,360,555 (2023: RM151,836,637) are expected to be recognised as revenue progressively over the financial years 2025 to 2026 (2023: 2024 to 2025).

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

20.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For revenue recognised over time using the cost incurred method, the Group measured the performance of work done by comparing the actual costs incurred with the estimated total costs required to complete the work. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed developed properties. A change in the estimates will directly affect the revenue to be recognised.
- For revenue recognised in respect of contracts with customers who are not supported by end-financiers, the Group has assessed and determined that collectability of the consideration from these customers is probable. In making this judgement, the Group has considered the trend of collections from these customers and the general background of these customers.

Notes to the Financial Statements

21. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income of financial assets calculated using the effective interest method that are at amortised cost:				
- interest income	162,677	161,942	5,768,306	6,780,173
- accrete interest from financial assets	-	40,420	-	301
	162,677	202,362	5,768,306	6,780,474
Deposits forfeited	205,999	32,778	-	-
Deposits recovered	-	30,000	-	-
Gain on disposal of property, plant and equipment	-	3,696	-	3,696
Rental income				
- investment properties	25,900	23,400	117,100	54,600
- parking income	312,196	54,979	-	54,979
- others	980,658	709,484	-	-
Reversal of damage claims	-	8,150,881	-	8,150,881
Sundry income	346,432	439,504	55,401	-
	2,033,862	9,647,084	5,940,807	15,044,630

22. RESULTS FROM OPERATING ACTIVITIES

Results from operating activities are arrived at after charging/(crediting) amongst other:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- Audit fees				
- current year	262,800	254,000	85,000	88,000
- Over provision in prior years	(10,500)	(3,000)	(8,000)	-
- Non-audit fees	8,650	8,650	6,000	6,000

Notes to the Financial Statements

22. RESULTS FROM OPERATING ACTIVITIES (CONT'D)

Results from operating activities are arrived at after charging/(crediting) amongst other: (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Material expense/(income)				
Amortisation of:				
- concession assets	671,943	671,943	-	-
- franchise fee	5,000	10,000	-	-
Bad debts written off	42,263	8,020	-	-
Depreciation of:				
- investment properties	42,757	42,758	46,057	46,058
- property, plant and equipment	2,019,579	2,393,345	376,455	440,535
- right-of-use assets	337,063	511,750	48,615	139,215
Deposit written off	49,592	-	-	-
Impairment loss on intangible assets	640,039	5,288,485	-	-
Loss on disposal of property, plant and equipment	115,954	-	-	-
Non-Executive Directors' remuneration	706,730	669,980	687,288	651,197
Property, plant and equipment written off	260,791	1,720	-	-
Right-of-use assets written off	280,002	-	280,002	-
Intangible assets written off	7,500	-	-	-
Termination of lease contract	26,575	207,455	-	207,844
Expenses arising from leases:				
Expenses relating to short-term leases (a)	267,146	255,846	-	-
Expenses relating to leases of low-value assets (a)	11,402	-	-	-
Net (gains)/losses on impairment of financial instruments				
Financial assets at amortised cost	(1,194,031)	(591,898)	(954,123)	109,233

- (a) The Group and the Company lease a number of properties and office equipment with contract terms of not more than one year. These leases are short-term and/or leases of low-value items. The Group or the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes to the Financial Statements

23. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense of financial liabilities that are not at fair value through profit of loss:				
- bank overdrafts	1,852,824	1,704,898	922,400	885,918
- banker's acceptance	42,765	60,015	-	-
- bank loans	10,601,992	12,095,619	6,745,027	7,275,425
- lease liabilities	39,340	36,338	28,223	2,988
- intercompany loan	-	-	1,065,917	2,090,350
- project financing interest	(514,184)	-	-	-
- other financial liabilities carried at amortised cost	594,125	613,774	306,607	306,607
	12,616,862	14,510,644	9,068,174	10,561,288
Capitalised on qualifying assets - inventories	(4,631,537)	(4,467,433)	-	-
Recognised in profit or loss	7,985,325	10,043,211	9,068,174	10,561,288

24. EMPLOYEE BENEFITS EXPENSE AND KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries and bonus	7,128,701	7,335,592	3,826,700	2,809,200
EIS contributions	7,127	7,461	2,640	1,939
EPF contributions	938,740	946,996	487,359	361,772
Social security contributions	62,666	65,281	23,355	16,963
	8,137,234	8,355,330	4,340,054	3,189,874

Included in employees' benefits expenses of the Group and of the Company is Executive Directors' remuneration, excluding benefits-in-kind, amounting to RM1,432,414 (2023: RM992,289).

Notes to the Financial Statements

24. EMPLOYEE BENEFITS EXPENSE AND KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensations are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Director				
- Salaries and other emoluments	1,280,000	869,600	1,280,000	869,600
- EIS contributions	119	109	119	109
- EPF contributions	151,255	121,628	151,255	121,628
- Social security contributions	1,040	952	1,040	952
Total Executive Director's remuneration (excluding benefit-in-kind)	1,432,414	992,289	1,432,414	992,289
Estimated money value of benefit-in-kind	7,200	7,200	7,200	7,200
Total Executive Director's remuneration (including benefit-in-kind)	1,439,614	999,489	1,439,614	999,489
Non-Executive Directors				
- Fees	677,730	639,980	658,288	621,197
- Other emoluments	29,000	30,000	29,000	30,000
Total Non-Executive Directors remuneration (excluding benefits-in-kind)	706,730	669,980	687,288	651,197
Estimated money value of benefits-in-kind	7,200	7,200	7,200	7,200
Total Non-Executive Directors' remuneration (including benefits-in-kind)	713,930	677,180	694,488	658,397
Total key management personnel compensation	2,153,544	1,676,669	2,134,102	1,657,886

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	
	2024	2023
Executive director		
RM950,001 - RM1,000,000	-	1
RM1,400,001 - RM1,450,000	1	-
Non-executive directors		
RM50,001 - RM100,000	2	-
RM100,001 - RM150,000	3	4
RM150,001 - RM200,000	1	1

Notes to the Financial Statements

25. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Recognised in profit or loss				
Income tax expense				
Current tax	6,371,492	5,143,379	837,963	642,703
Prior years	(234,203)	28,893	(201,201)	30,563
Total income tax recognised in profit or loss	6,137,289	5,172,272	636,762	673,266
Deferred tax expense				
Origination and reversal of temporary differences	(57,443)	(460,669)	187,184	-
Prior years	(2,345,756)	1,615	(187,184)	-
	(2,403,199)	(459,054)	-	-
	3,734,090	4,713,218	636,762	673,266
Reconciliation of tax expense				
Profit before tax	9,896,553	7,845,586	11,590,536	71,942,649
Income tax calculated using Malaysian tax rate of 24%	2,375,173	1,882,941	2,781,729	17,266,236
Non-taxable income	(3,949,757)	(878,210)	(3,949,756)	(17,746,122)
Non-deductible expenses	7,655,744	3,795,682	1,960,285	972,960
Deferred tax assets not recognised	232,889	267,652	232,889	149,629
Recognition of previously unrecognised deferred tax assets	-	(385,355)	-	-
(Over)/Under provision in prior years				
- income tax	(234,203)	28,893	(201,201)	30,563
- deferred tax	(2,345,756)	1,615	(187,184)	-
	3,734,090	4,713,218	636,762	673,266

Notes to the Financial Statements

25. TAX EXPENSE (CONT'D)

The Group and the Company have unutilised business losses and unabsorbed capital allowance for carry forward to offset future taxable profits as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised business losses	69,169,558	74,469,945	8,108,949	8,108,949
Unabsorbed capital allowance	10,307,235	10,172,097	2,910,915	2,764,821
	79,476,793	84,642,042	11,019,864	10,873,770

Unutilised business losses will expire in the following financial years:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Expiring in 2028	22,960,279	23,412,441	8,108,949	8,108,949
Expiring in 2029	7,264,407	8,293,501	-	-
Expiring in 2030	8,926,692	10,701,351	-	-
Expiring in 2031	11,983,463	14,700,878	-	-
Expiring in 2032	9,148,476	12,380,715	-	-
Expiring in 2033	5,031,116	5,031,116	-	-
Expiring in 2034	3,855,124	-	-	-
	69,169,557	74,520,002	8,108,949	8,108,949

Based on the current legislation, any unutilised business losses shall be carried forward for a maximum period of ten consecutive years of assessment immediately following that year of assessment, whereas the unabsorbed capital allowance are allowed to be carried forward indefinitely.

Notes to the Financial Statements

26. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2024 was based on the profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

	2024	2023
Group		
RM		
Profit for the financial year attributable to owners of the Company	6,328,269	3,224,015
<i>Weighted average number of ordinary shares in issue:</i>		
Issued ordinary shares at 1 April	440,000,000	352,000,000
Effect of ordinary shares issued during the financial year	-	36,646,575
Weighted average number of ordinary shares	440,000,000	388,646,575
Sen		
Basic earnings per ordinary shares	1.44	0.83

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 March 2024 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	2024	2023
Group		
RM		
Profit for the financial year attributable to owners of the Company	6,328,269	3,224,015
<i>Weighted average number of ordinary shares used in the calculation of basic of earnings per share</i>		
Weighted average number of ordinary shares used in the calculation of basic of earnings per share	440,000,000	388,646,575
Effect of warrants	51,098,865	-*
Weighted average number of ordinary shares	491,098,865	388,646,575
Sen		
Diluted earnings per ordinary shares	1.29	-*

* The Group has no dilution in their earnings per ordinary shares as the exercise price of the warrants has exceed the average market price of ordinary shares during the financial year, the options do not have any dilutive effect on the weighted average number of ordinary shares.

Notes to the Financial Statements

27. DIVIDENDS

The Directors do not recommend any dividend to be paid for the financial year ended 31 March 2024.

28. FINANCIAL GUARANTEE

	2024 RM	2023 RM
Company		
Unsecured:		
Bank guarantee facilities utilised by subsidiaries	3,981,248	5,371,566
Unsecured:		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	124,743,317	152,024,467

29. OPERATING SEGMENTS

The Group has 2 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different business strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Board of Directors) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) 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 development operating segment and the investment properties operating segment, which are regarded by management to exhibit similar economic characteristics.

(ii) Concession assets segment

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

Other non-reportable segments comprise operations related to trading of building materials, operating of restaurant, laundry and vending machine. None of these segments met the quantitative thresholds for reporting segments in 2024 and 2023.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Notes to the Financial Statements

29. OPERATING SEGMENTS (CONT'D)

	Property development RM	Concession assets RM	Total RM
Group			
2024			
Segment gain	4,203,745	619,552	4,823,297
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	198,245,470	2,349,818	200,595,288
Depreciation and amortisation	(2,212,404)	(713,713)	(2,926,117)
Impairment loss on intangible assets	-	(640,039)	(640,039)
Net gain/(loss) on impairment loss on financial instruments	1,209,824	(15,793)	1,194,031
Other material non-cash items	(122,498)	(7,395)	(129,893)
Interest expense	(7,900,842)	(32,436)	(7,933,278)
Interest income	188,925	23,613	212,538
Segment assets	859,637,892	9,624,954	869,262,846
<i>Included in the measure of segment assets are:</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	694,677	-	694,677
Other investment	57,618,366	-	57,618,366
Segment liabilities	(352,087,809)	(1,940,978)	(354,028,787)
2023			
Segment gain	1,926,256	164,582	2,090,838
<i>Included in the measure of segment profit/(loss) are:</i>			
Revenue from external customers	113,102,174	2,024,557	115,126,731
Depreciation and amortisation	(2,638,133)	(672,688)	(3,310,821)
Impairment loss on intangible assets	(5,288,485)	-	(5,288,485)
Net gain on impairment loss on financial instruments	500,000	91,898	591,898
Other material non-cash items	(172,701)	(8,020)	(180,721)
Interest expense	(9,740,643)	(228,212)	(9,968,855)
Interest income	231,300	4,978	236,278
Segment assets	877,296,881	8,370,879	885,667,760
<i>Included in the measure of segment assets are:</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	690,946	25,932	716,878
Other investment	43,728,225	-	43,728,225
Segment liabilities	(390,379,745)	(1,306,455)	(391,686,200)

Notes to the Financial Statements

29. OPERATING SEGMENTS (CONT'D)

Group	Segment profit RM	Segment revenue RM	Depreciation and amortisation RM	Interest expense RM	Interest income RM	Other material non-cash items RM	Segment assets RM	Segment liabilities RM
2024								
Total reportable segment	4,823,297	200,595,288	(2,926,117)	(7,933,278)	212,538	(129,893)	869,262,846	(354,028,787)
Other non-reportable segments	893,289	5,107,960	(150,225)	(270,080)	168,172	(446,785)	13,553,790	(11,340,710)
Elimination of inter-segment transaction	445,877	(655,200)	-	218,033	(218,033)	-	(23,261,483)	1,376,507
Consolidated total	6,162,463	205,048,048	(3,076,342)	(7,985,325)	162,677	(576,678)	859,555,153	(363,992,990)
2023								
Total reportable segment	2,090,838	115,126,731	(3,310,821)	(9,968,855)	236,278	(180,721)	885,667,760	(391,686,200)
Other non-reportable segments	641,630	5,701,846	(318,975)	(209,433)	101,161	-	17,965,756	(14,859,388)
Elimination of inter-segment transaction	399,900	(768,600)	-	135,077	(135,077)	-	(22,991,919)	1,106,943
Consolidated total	3,132,368	120,059,977	(3,629,796)	(10,043,211)	202,362	(180,721)	880,641,597	(405,438,645)

Geographical segments

The Group predominantly operate in Malaysia.

Major customers

There are no major customers with revenue equal or more than 10% of the Group's total revenue.

Notes to the Financial Statements

30. COMMITMENTS

	2024 RM	2023 RM
Group and Company		
Commitments to purchase land held for property development		
- Approved and contracted for	-	2,244,000
- Approved and not contracted for	2,705,296	-

31. FINANCIAL INSTRUMENTS

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 March 2024, by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost RM	At FVTOCI RM	Total RM
Group			
2024			
Financial assets			
Other investment	-	57,618,366	57,618,366
Trade and other receivables	31,477,360	-	31,477,360
Cash and cash equivalents	15,639,042	-	15,639,042
	47,116,402	57,618,366	104,734,768
Financial liabilities			
Trade and other payables	140,019,559	-	140,019,559
Loans and borrowings	189,534,462	-	189,534,462
	329,554,021	-	329,554,021
2023			
Financial assets			
Other investment	-	43,728,225	43,728,225
Trade and other receivables	31,777,321	-	31,777,321
Cash and cash equivalents	17,013,104	-	17,013,104
	48,790,425	43,728,225	92,518,650
Financial liabilities			
Trade and other payables	135,430,623	-	135,430,623
Loans and borrowings	229,128,130	-	229,128,130
	364,558,753	-	364,558,753

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments as at 31 March 2024, by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (cont'd)

	At amortised cost	
	2024 RM	2023 RM
Company		
Financial assets		
Trade and other receivables	181,043,583	205,184,117
Cash and cash equivalents	4,262,273	4,146,104
	185,305,856	209,330,221
Financial liabilities		
Trade and other payables	58,354,382	86,142,118
Loans and borrowings	64,791,145	77,103,663
	123,145,527	163,245,781

31.2 Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Net gains/(losses) on:				
Financial assets measured at amortised cost	1,007,838	479,633	6,415,822	6,364,634
Financial liabilities measured at amortised cost	(7,219,151)	(1,215,778)	(8,761,567)	(2,103,800)
Equity instruments at FVTOCI				
- Recognised in other comprehensive income	13,890,141	(1,028,899)	-	-
	7,678,828	(1,765,044)	(2,345,745)	4,260,834

31.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from receivables from purchasers of properties ("purchasers") and deposits with banks and financial institutions. The Company is also exposed to credit risk in respect of advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Normally, purchasers are supported by the end-financiers which are reputable banks in Malaysia. For self-financed purchasers, the Group and the Company extend credit based upon evaluation of the purchasers' general background. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

At each reporting date, the Group and the Company assess whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

The Group generally does not receive any collateral and credit enhancement from purchasers. However, the Group mitigate its credit risk by maintaining its name as the registered owner of the properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financing by the purchasers' end-financier.

Concentration of credit risk

At the end of the financial year, the Group had 1 customer (2023: 1 customer) that owned the Group and accounted for approximately 36% (2023: 48%) of all the receivables outstanding.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Group's debt recovery process is as follows:

- a) Above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the credit control department; and
- b) If the customer did not abide by the agreed debt restructuring arrangement, the Group will issue notice of termination to commence termination of contract and recovery of the properties sold in order to reduce the credit risk exposure.

The Group measures expected credit loss ("ECL") of trade receivables individually. Consistent with the debt recovery process, invoices of which customers have defaulted on debt recovery arrangements are generally considered as credit impaired.

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

Loss rates are determined for each individual purchasers using past payment trends and other external information relating to the purchasers that are publicly available. In determining the loss rates for each individual purchaser, the Group also considers the value of properties sold that could be recovered upon termination of contract which will reduce credit loss arising from the trade receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2024 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2024			
Not past due	63,091,911	-	63,091,911
Past due 1 - 30 days	704,860	-	704,860
Past due 31 - 120 days	5,858,728	-	5,858,728
Past due 121 - 180 days	2,981,149	-	2,981,149
Past due more than 181 days	2,453,961	-	2,453,961
	75,090,609	-	75,090,609
Individually impaired	640,959	(640,959)	-
	75,731,568	(640,959)	75,090,609
Trade receivables	22,015,251	(640,959)	21,374,292
Contract assets	53,716,317	-	53,716,317
	75,731,568	(640,959)	75,090,609
2023			
Not past due	60,002,792	-	60,002,792
Past due 1 - 30 days	4,405,201	-	4,405,201
Past due 31 - 120 days	8,984,869	-	8,984,869
Past due 121 - 180 days	3,475,726	-	3,475,726
Past due more than 181 days	2,596,818	-	2,596,818
	79,465,406	-	79,465,406
Individually impaired	434,990	(434,990)	-
	79,900,396	(434,990)	79,465,406
Trade receivables	22,676,204	(434,990)	22,241,214
Contract assets	57,224,192	-	57,224,192
	79,900,396	(434,990)	79,465,406

The Group did not receive any collateral in respect of the above trade receivables and contract assets.

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

There are trade receivables where the Group has not recognised any loss allowance as the Group has maintained its name as the registered owner of the properties sold to customers until the trade receivables are collected.

The movements in the allowance for impairment in respect of trade receivables and contract assets during the financial year are shown below.

	Group	
	2024 RM	2023 RM
Trade receivables - Credit impaired		
At beginning of financial year	434,990	526,888
Net remeasurement of loss allowance	205,969	(91,898)
At end of financial year	640,959	434,990

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables and deposits

Credit risks on other receivables and deposits are mainly arising from deposits and advances paid for property development activities to government entities, contractors and consultants. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The movements in the allowance for impairment in respect of other receivables and deposits during the financial year are shown below.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of financial year	1,417,288	1,917,288	1,400,000	1,900,000
Net remeasurement of loss allowances	(1,400,000)	(500,000)	(1,400,000)	(500,000)
At end of financial year	17,288	1,417,288	-	1,400,000

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Other receivables and deposits (cont'd)

The other receivables, except for the credit impaired refundable deposits, have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of its subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 30 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for amounts due from subsidiaries as at 31 March 2024.

	Company	
	2024 RM	2023 RM
Amounts due from subsidiaries	183,752,178	207,415,995
Loss allowance - Credit impaired	(5,512,858)	(5,066,981)
	178,239,320	202,349,014

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Inter-company balances (cont'd)

Recognition and measurement of impairment loss (cont'd)

The movements in the allowance for impairment in respect of amounts due from subsidiaries during the year are shown below.

	Company	
	2024 RM	2023 RM
Amounts due from subsidiaries		
- Credit impaired		
At beginning of financial year	5,066,981	4,457,748
Net remeasurement of loss allowance	445,877	609,233
At end of financial year	5,512,858	5,066,981

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM124,743,317 (2023: RM152,024,467) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

31.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.5 Liquidity risk (cont'd)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 5 years RM	More than 5 years RM
2024						
Group						
<i>Non-derivative financial liabilities</i>						
Trade and other payables						
- non-interest bearing	140,019,559	-	140,019,559	107,320,002	32,699,557	-
Lease liabilities	302,694	2.74 - 7.01	324,903	281,743	43,160	-
Loans and borrowings	189,534,462	4.95 - 7.75	212,697,195	79,785,420	132,911,775	-
	<u>329,856,715</u>		<u>353,041,657</u>	<u>187,387,165</u>	<u>165,654,492</u>	<u>-</u>
Company						
<i>Non-derivative financial liabilities</i>						
Trade and other payables						
- interest bearing	23,232,305	3.00	23,232,305	23,232,305	-	-
- non-interest bearing	35,122,077	-	35,122,077	35,122,077	-	-
Lease liabilities	147,744	2.74 - 3.50	162,353	149,643	12,710	-
Loans and borrowings	64,791,145	4.95 - 7.75	67,089,710	53,822,666	13,267,044	-
Financial guarantee*	-	-	124,743,317	124,743,317	-	-
	<u>123,293,271</u>		<u>250,349,762</u>	<u>237,070,008</u>	<u>13,279,754</u>	<u>-</u>

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (cont'd)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 5 years RM	More than 5 years RM
2023						
Group						
<i>Non-derivative financial liabilities</i>						
Trade and other payables						
- non-interest bearing	135,430,623	-	135,430,623	105,126,314	30,304,309	-
Lease liabilities	523,661	1.75 - 7.01	571,874	376,250	195,624	-
Loans and borrowings	229,128,130	4.60 - 7.51	263,635,672	71,154,690	172,279,374	20,201,608
	<u>365,082,414</u>		<u>399,638,169</u>	<u>176,657,254</u>	<u>202,779,307</u>	<u>20,201,608</u>
Company						
<i>Non-derivative financial liabilities</i>						
Trade and other payables						
- interest bearing	44,880,005	2.40	44,880,005	44,880,005	-	-
- non-interest bearing	41,262,113	-	41,262,113	41,262,113	-	-
Lease liabilities	283,069	2.74 - 6.60	325,901	163,548	162,353	-
Loans and borrowings	77,103,663	4.60 - 7.51	88,341,359	40,369,096	47,972,263	-
Financial guarantee*	-	-	152,024,467	152,024,467	-	-
	<u>163,528,850</u>		<u>326,833,845</u>	<u>278,699,229</u>	<u>48,134,616</u>	<u>-</u>

* Based on the maximum amount that can called for under the financial guarantee contract.

31.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's and the Company's financial position or cash flows.

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investment in financial assets, short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.6 Market risk (cont'd)

Interest rate risk (cont'd)

Risk management objectives, policies and processes for managing the risk (cont'd)

The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate loans and 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.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
Financial assets	273,432	3,193,227	273,432	273,432
Lease liabilities	(302,694)	(523,661)	(147,744)	(283,069)
	(29,262)	2,669,566	125,688	(9,637)
Floating rate instruments				
Financial assets	-	-	178,104,066	202,214,797
Financial liabilities	(189,534,462)	(229,128,130)	(88,023,450)	(121,983,668)
	(189,534,462)	(229,128,130)	90,080,616	80,231,129

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss, and the Group and the Company do not designate any derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Floating rate instruments				
100 bp increase	(1,440,462)	(1,741,374)	684,613	609,757
100 bp decrease	1,440,462	1,741,374	(684,613)	(609,757)

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables, short-term receivables, payables and borrowings reasonably approximate fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses non-current financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
2024									
Financial assets									
Non-current									
Deposits with licensed banks	-	-	-	-	-	-	3,373,432	3,373,432	3,373,432
Other receivables	-	-	-	-	-	-	802,184	802,184	802,184
Refundable deposits	-	-	-	-	-	-	3,122,926	3,122,926	3,122,926
Other investment	57,618,366	-	-	57,618,366	-	-	-	-	57,618,366
	57,618,366	-	-	57,618,366	-	-	7,298,542	7,298,542	64,916,908
Financial liabilities									
Non-current									
Trade payables	-	-	-	-	-	-	32,384,377	32,384,377	32,384,377
Refundable deposits	-	-	-	-	-	-	315,180	315,180	315,180
Loans and borrowings	-	-	-	-	-	-	118,479,284	118,479,284	118,479,284
	-	-	-	-	-	-	151,178,841	151,178,841	151,178,841

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.7 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
Group									
2023									
Financial assets									
Non-current									
Deposits with licensed banks	-	-	-	-	-	-	6,303,005	6,303,005	6,303,005
Other receivables	-	-	-	-	-	-	404,324	404,324	404,324
Refundable deposits	-	-	-	-	-	-	2,895,709	2,895,709	2,895,709
Other investment	43,728,225	-	-	43,728,225	-	-	-	-	43,728,225
	43,728,225	-	-	43,728,225	-	-	9,603,038	9,603,038	53,331,263
Financial liabilities									
Non-current									
Trade payables	-	-	-	-	-	-	30,020,186	30,020,186	30,020,186
Refundable deposits	-	-	-	-	-	-	284,123	284,123	284,123
Loans and borrowings	-	-	-	-	-	-	164,809,649	164,809,649	164,809,649
	-	-	-	-	-	-	195,113,958	195,113,958	195,113,958

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.7 Fair value information (cont'd)

	Fair value of financial instruments not carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
Company					
2024					
Financial assets					
Non-current					
Deposits with licensed banks	-	-	3,373,432	3,373,432	3,373,432
Refundable deposits	-	-	43,630	43,630	43,630
	-	-	3,417,062	3,417,062	3,417,062
Current					
Advances to subsidiaries	-	-	178,104,066	178,104,066	178,104,066
Financial liabilities					
Non-current					
Loans and borrowings	-	-	12,930,552	12,930,552	12,930,552
2023					
Financial assets					
Non-current					
Deposits with licensed banks	-	-	3,383,210	3,383,210	3,383,210
Refundable deposits	-	-	43,630	43,630	43,630
	-	-	3,426,840	3,426,840	3,426,840
Current					
Advances to subsidiaries	-	-	202,214,797	202,214,797	202,214,797
Financial liabilities					
Non-current					
Loans and borrowings	-	-	39,843,845	39,843,845	39,843,845

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2023: no transfer in either directions).

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

31.7 Fair value information (cont'd)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as key unobservable inputs used in the valuation method.

Type	Valuation technique and key inputs	Significant unobservable inputs
Advances to subsidiaries	Discounted cash flows using a rate based on the current market rate of borrowing of the Group entities at the reporting date.	Interest rate (3.00%)

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's approach for capital management is to monitor and maintain an optimal debt-to-equity ratio. The debt-to-equity ratios at 31 March 2024 and 31 March 2023 are as follows:

	Group	
	2024 RM	2023 RM
Loans and borrowings	189,534,462	229,128,130
Lease liabilities	302,694	523,661
Less: Deposits placed with licensed banks	(273,432)	(3,193,227)
Less: Cash and bank balances	(15,365,610)	(13,819,877)
Net debts	174,198,114	212,638,687
Total equity	495,562,163	475,202,952
Debt-to-equity ratio	35%	45%

There was no change in the Group's approach to capital management during the financial year.

Notes to the Financial Statements

33. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel are only Directors of the Group.

The Group has related party relationship with its holding company, subsidiaries, associate and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company, other than key management personnel compensation (see Note 24) and dividend income, are shown below. The balances related to the below transactions are shown in Note 9 and Note 17.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Subsidiaries				
Dividend income	-	-	15,000,000	70,000,000
Interest receivables	-	-	5,768,306	6,780,173
Interest payables	-	-	1,065,917	2,090,350
Management fee received	-	-	5,707,800	4,712,400
Rental received	-	-	91,200	31,200

Notes to the Financial Statements

34. MATERIAL LITIGATION

On 6 April 2021, the Company received a Writ Summons and Statement of Claim ("Claim") served by the solicitors for Apple Rainbow Sdn. Bhd., E-Hong Holdings Sdn. Bhd., Wong Yoon Tzy and Bio-Energy Technology Sdn. Bhd. (the "Plaintiffs"). The Plaintiffs are seeking for the following reliefs:

1. Special damages amounting to RM11,042,724.52;
2. General damaged to be quantified by the Court;
3. Interest of 5% per year on the said sum of RM11,042,724.52 to be calculated from the date of filing of the Claim until the date of full settlement;
4. Cost; and
5. Exemplary damages to be assessed by the Court.

Upon receiving this Claim, the Company had appointed Shearn Delamore & Co. ("SD") to defend the Company.

The Company has on 4 November 2022 entered into a settlement agreement with the 1st and 2nd Plaintiffs with the payment of RM2,395,334.45 by the Company as full and final settlement of all disputes and claims against the Company. The High Court has recorded that the 1st and 2nd Plaintiffs' claims against the Company has been struck out with no order as to costs and without liberty to file afresh as the 1st and 2nd Plaintiffs' claims were settled.

On 9 January 2024, 3rd and 4th Plaintiffs' solicitor informed that they attempt to settle the matter amicably through mediation and the Court instructed 3rd and 4th Plaintiffs to file the amended bundle of pleadings.

On 20 May 2024, all parties have signed a settlement agreement and agreed to withdraw their suit with no liberty to file afresh and with no order as to costs. On 21 May 2024, parties updated the Court and record the notice of discontinuances.

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 71 to 139 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Ho Wen Yan

Director

.....
Ho Wen Fan

Director

Kuala Lumpur,

Date: 24 July 2024

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Tan Hwai Lun**, the officer primarily responsible for the financial management of Hua Yang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 71 to 139, to the best of my knowledge and belief are correct and I make this solemn declaration conscientiously believing the declaration 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, NRIC: 770815-10-5155, MIA: CA 24085, at Kuala Lumpur in the Federal Territory on 24 July 2024.

.....
Tan Hwai Lun

Before me:

Amir Bin Ismail

No. W800

No. 33-4, Jalan Medan Tuanku

50300 Kuala Lumpur

Date: 24 July 2024

Independent Auditors' Report

To the Members of Hua Yang Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hua Yang Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 71 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To the Members of Hua Yang Berhad

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>Revenue recognition for property development activities</p> <p>The Group recorded revenue from sales of development properties and developed properties amounting to RM175,595,179 and RM13,441,146 respectively.</p> <p>Revenue recognition from sales of development and developed properties is identified as a key audit matter because significant judgements were applied in revenue recognition, amongst others include:</p> <ul style="list-style-type: none"> • Probability of collection of consideration from purchasers, especially cash and foreign purchasers. • Measurement of progress towards satisfaction of performance obligations using input method, in particular, relating to the estimation of the total costs required to complete the work used in the measurement of progress towards complete satisfaction of performance obligations. 	<ul style="list-style-type: none"> • We reviewed contracts with customers and relevant supporting documents and assessed the appropriateness of revenue recognition under MFRS 15. • We reviewed the Group's assessment relating to the probability of collection of consideration from customers, in particular for customers who are not supported by end-financiers. • We agreed the estimated total costs to complete the works to the feasibility study prepared by the Group and compared the details of the estimated costs against documentary evidence in order to evaluate the reasonableness of the estimated total property development costs. • We corroborated the progress towards satisfaction of performance obligations using input method against the progress of construction works as stipulated in progress reports from contractors and our enquiry of site personnel. Based on the progress of the development, we considered the Group's exposure to liquidated ascertained damages claims from property buyers.
<p>Valuation of developed properties</p> <p>Inventories of the Group comprised unsold developed properties amounting to RM44,378,354 from completed property development projects.</p> <p>Developed properties are measured at lower of cost and net realisable value. The determination of the estimated net realisable value for these developed properties depends on the Group's expectation on future selling prices.</p> <p>Valuation of developed properties is identified as a key audit matter because these developed properties were available for sales since the launch of the property development projects in previous financial years and the challenges faced by the Group in selling these developed properties may indicate that the Group's expectation of future selling prices may not be attainable.</p>	<ul style="list-style-type: none"> • We checked the valuation of developed properties against selling prices for developed properties sold subsequent to financial year end or selling prices of similar developed properties sold within the same development project to identify indications that net realisable value of developed properties are above their carrying amounts.

Independent Auditors' Report

To the Members of Hua Yang Berhad

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>Impairment of investments in subsidiaries and amounts due from subsidiaries</p> <p>Investments in subsidiaries with carrying amount of RM331,407,757 is reviewed at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments in subsidiaries is estimated and impairment losses are recognised if the carrying amount of investments in subsidiaries exceeds their estimated recoverable amount.</p> <p>Amounts due from subsidiaries with carrying amount of RM178,239,320 is reviewed at the reporting date to determine whether it is credit impaired. Expected credit losses on amounts due from subsidiaries are reviewed at the reporting date.</p> <p>Impairment of investments in subsidiaries and amounts due from subsidiaries are identified as a key audit matter because the carrying amounts relating to certain loss making subsidiaries are material and the basis and key assumptions used in determining the amount of impairment is subject to significant estimation uncertainty and changes to these key assumptions are highly sensitive.</p>	<ul style="list-style-type: none"> We have checked the impairment indicators reviewed by the Company in respect of investments in subsidiaries, which includes review of the financial performance for the financial year and financial position at the reporting date for respective subsidiaries. We have evaluated the reasonableness of the impairment loss in respect of investments in subsidiaries and amounts due from subsidiaries recorded by the Company, including the basis and assumption used to forecast future cash flows from subsidiaries in estimating the expected credit losses for the amounts due from subsidiaries and the calculation of recoverable amount for the investments in subsidiaries.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

To the Members of Hua Yang Berhad

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

To the Members of Hua Yang Berhad

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

LIM GE RU
03360/03/2026 J
Chartered Accountant

KUALA LUMPUR
24 JULY 2024

List of Group's Properties

As at 31 March 2024

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	43	298	1993	Yoon Lian Realty Sendirian Berhad / 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, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan	Leasehold 99 years, expiring on 10 April 2101	20,516	19	2,068	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	19	1,380	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	6,544	13	615	2011	Grandeur Park Sdn Bhd
2 units Shop Office for office use	B-20-G & B-20-1, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan	Leasehold 99 years, expiring on 10 April 2101	3,466	19	643	2015	Hua Yang Berhad

List of Group's Properties

As at 31 March 2024

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	Geran 231624 Lot 5024 Mukim Senai, Daerah Kulajaya and Geran 95306 Lot 2742 Mukim Pulau, Daerah Johor Bahru, Johor Darul Takzim	Freehold	134.47	17.46	15,707	2009	2011	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	5,868	2012	N/A	Grandeur Park Sdn Bhd
Development land approved for mixed development	Lot 6022-6029, H.S.(D) 279-286, Mukim Plentong, Daerah Johor Bahru, Johor	Freehold	73.16	49.01	71,297	2016	2017	Grand View Realty Sdn Bhd
Development land approved for mixed development	H.S.(D) 325003 PT 83581, H.S.(D) 325004 PT 83582, H.S.(D) 321353 PT 83317, H.S.(D) 321354 PT 83318, H.S.(D) 321355 PT 83319, PN 95921 Lot 110502, PN 95922 Lot 110503 and PN 95923 Lot 110506 Mukim Petaling, Dearah Petaling, Selangor Darul Ehsan	Leasehold (Expiring December 2110)	26.81	26.81	244,370	2013	N/A	Bison Holdings Sdn Bhd
Development land approved for mixed development	H.S.(D) 190579 PT 88782, H.S.(D) 190580 PT 88783 and Geran 341987 Lot 53434, Mukim Pekan Kampung Sungai Tangkas and H.S.(D) 131583 PT 68248 and H.S.(D) 131584 PT 68249, Mukim Kajang, Daerah Ulu Langat, Selangor Darul Ehsan	Freehold	19.76	19.76	72,463	2018	N/A	Kajang Heights Development Sdn Bhd
Development land approved for mixed development	Lot 12670 (PT 1347) Mukim Bota, Daerah Tengah, Perak Darul Ridzuan	Leasehold (Expiring April 2103)	739	208.30	25,246	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 7 April 2102)	38	2	695	1996	2001	Agro-Mod Industries Sdn Bhd
Development land approved for commercial development	54 lots of commercial title, Lot 105147 – 105200 and 52 lots of commercial title, Lot 105837 – 105888 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Leasehold (Expiring 23 December 2080)	4	4	11,260	2013 and 2017	N/A	Agro-Mod Industries Sdn Bhd

List of Group's Properties

As at 31 March 2024

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 commercial development	H.S.(D) 936563 PT 286899 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	5.95	5.95	35,756	2015	N/A	Agro-Mod Industries Sdn Bhd
Development land approved for residential development	Lot 320213 & 320214 (Geran 72080 & 72079), Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	2.29	2.29	738	1994	2012	Yoon Lian Realty Sendirian Berhad
Development land approved for mixed development	H.S.(D) 204382 PT 245009 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	3.8	3.8	21,003	2017	N/A	Yoon Lian Realty Sendirian Berhad
Development land approved for mixed development	Lot 20328 & 20329, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang	Freehold	9.50	9.50	29,590	2016	N/A	Tinggian Development Sendirian Berhad
Development land approved for mixed development	Lot 10415 & 10416, Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang	Freehold	6.78	3.96	18,005	2016	2016	G Land Development Sdn Bhd

Analysis of Shareholdings

As at 28 June 2024

SHARE CAPITAL

Issued and fully paid-up capital : RM440,000,000
 Class of shares : Ordinary Shares
 Voting rights : One vote per Ordinary Share

ORDINARY SHARE DISTRIBUTION SCHEDULE AS AT 28 JUNE 2024

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 - 99	1,080	17.87	50,333	0.01
100 - 1,000	423	7.00	195,685	0.04
1,001 - 10,000	2,369	39.20	11,837,001	2.69
10,001 - 100,000	1,825	30.20	60,241,288	13.69
100,001 - 21,999,999*	344	5.70	233,364,181	53.04
22,000,000 and above**	2	0.03	134,311,512	30.53
Total	6,043	100.00	440,000,000	100.00

Remark:

* Less than 5% of issued shares

** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS AS AT 28 JUNE 2024

No.	Name of Directors	Direct Interest	%	Deemed Interest	%
1.	Tan Sri Dato' Seri Dr. Ting Chew Peh	-	-	1,216,818 ⁽²⁾	0.28
2.	Ho Wen Yan	2,255,550	0.51	150,978,178 ⁽¹⁾	34.31
3.	Choo Seng Choon	-	-	-	-
4.	Chew Po Sim	-	-	150,978,178 ⁽¹⁾	34.31
5.	Chew Hoe Soon	491,942	0.11	1,012,399 ⁽²⁾	0.23
6.	Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	-	-	-	-
7.	Ho Wen Fan (Alternate Director)	-	-	150,978,178 ⁽¹⁾	34.31

Notes:

⁽¹⁾ Deemed interest by virtue of her/his substantial shareholdings in Heng Holdings Sdn Berhad.

⁽²⁾ Deemed interest by virtue of the shareholdings of his spouse and children.

Analysis of Shareholdings

As at 28 June 2024

SUBSTANTIAL SHAREHOLDERS AS AT 28 JUNE 2024

No.	Name	Direct Interest	%	Deemed Interest	%
1.	Heng Holdings Sdn Berhad	150,978,178	34.31	-	-
2.	Chew Po Sim	-	-	150,978,178 ⁽¹⁾	34.31
3.	Ho Min Yi	-	-	150,978,178 ⁽¹⁾	34.31
4.	Ho Wen Yan	2,255,550	0.51	150,978,178 ⁽¹⁾	34.31
5.	Ho Wen Han	-	-	150,978,178 ⁽¹⁾	34.31
6.	Ho Wen Fan	-	-	150,978,178 ⁽¹⁾	34.31

Notes:

⁽¹⁾ Deemed interest by virtue of his/her substantial shareholdings in Heng Holdings Sdn Berhad.

LIST OF 30 LARGEST SHAREHOLDERS AS AT 28 JUNE 2024

No.	Name of Shareholders	No. of Shares	%
1.	Heng Holdings Sdn Berhad	109,519,846	24.89
2.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Heng Holdings Sdn Berhad (PB)	24,791,666	5.63
3.	HSBC Nominees (Tempatan) Sdn Bhd HBAP for Heng Holdings Sdn Bhd (PB-SGDIV)	16,666,666	3.79
4.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	12,512,200	2.84
5.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Siling (CEB)	10,000,000	2.27
6.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	9,871,734	2.24
7.	Ho Khon Yok	8,551,333	1.94
8.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kian Aik	6,783,200	1.54
9.	Goh Tze Ning	6,584,920	1.50
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Siew Eng @ Ong Chai (3000190)	5,917,400	1.35
11.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Dana Makmur PHEIM (211901)	5,552,600	1.26
12.	Ng Keat Siew	4,480,540	1.02
13.	Lim Khuan Eng	3,970,000	0.90
14.	Loh Kok Wai	3,871,866	0.88
15.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tay Lek Heng (E-JAH)	3,375,290	0.77

Analysis of Shareholdings

As at 28 June 2024

LIST OF 30 LARGEST SHAREHOLDERS AS AT 28 JUNE 2024 (CONT'D)

No.	Name of Shareholders	No. of Shares	%
16.	Ho Mook Leong	3,299,406	0.75
17.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ann Seck	2,562,900	0.58
18.	Erica Madeleine Ee Mein Martin	2,388,805	0.54
19.	Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Chee Keong (STA 5)	2,312,500	0.53
20.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Wen Yan	2,255,550	0.51
21.	Sa Chee Peng	2,216,300	0.50
22.	Ten Kin Kok	2,053,200	0.47
23.	Ng Sim Tang @ Wong Seng Tong	2,045,300	0.47
24.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Siew Eng @ Ong Chai (M04)	2,042,500	0.46
25.	Lee Ah Har @ Lee Kong Yip	2,001,253	0.46
26.	Loo Hooi Eng	1,968,554	0.45
27.	Ho Chon Yin	1,799,665	0.41
28.	Yap Nyok Lian	1,760,200	0.40
29.	Lee Tock Loe	1,736,700	0.40
30.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Chee Boon (E-IMO)	1,700,000	0.39

Analysis of Warrant Holdings

As at 28 June 2024

SHARE CAPITAL

No. of Warrants 2022/2027 issued	:	88,000,000
Exercise Price	:	RM0.30 for one ordinary share
Exercise Rights	:	Each warrant entitles the holder to subscribe for one new ordinary share at the Exercise Price shall be satisfied fully in cash
Exercise Period	:	31 October 2022 to 25 October 2027
No. of Warrants exercised	:	Nil
No. of Warrants unexercised	:	88,000,000

WARRANT DISTRIBUTION SCHEDULE AS AT 28 JUNE 2024

Size of Holdings	No. of Holders	% of Holders	No. of Warrants Held	% of Warrants Issued
1 - 99	39	7.40	1,974	0.01
100 - 1,000	52	9.86	34,999	0.04
1,001 - 10,000	182	34.54	793,216	0.90
10,001 - 100,000	172	32.64	6,426,205	7.30
100,001 - 4,399,999*	80	15.18	45,188,055	51.35
4,400,000 and above**	2	0.38	35,555,551	40.40
Total	527	100.00	88,000,000	100.00

Remark:

* Less than 5% of warrant issued

** 5% and above of warrant issued

DIRECTORS' WARRANT HOLDINGS AS AT 28 JUNE 2024

No.	Name of Directors	Direct Interest	%	Deemed Interest	%
1.	Tan Sri Dato' Seri Dr. Ting Chew Peh	-	-	233,319 ⁽²⁾	0.27
2.	Ho Wen Yan	451,110	0.51	38,888,884 ⁽¹⁾	44.19
3.	Choo Seng Choon	-	-	-	-
4.	Chew Po Sim	-	-	38,888,884 ⁽¹⁾	44.19
5.	Chew Hoe Soon	98,388	0.11	202,479 ⁽²⁾	0.23
6.	Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	-	-	-	-
7.	Ho Wen Fan (Alternate Director)	-	-	38,888,884 ⁽¹⁾	44.19

Notes:

⁽¹⁾ Deemed interest by virtue of her/his substantial shareholdings in Heng Holdings Sdn Berhad.

⁽²⁾ Deemed interest by virtue of the shareholdings of his spouse and children.

Analysis of Warrant Holdings

As at 28 June 2024

SUBSTANTIAL SHAREHOLDERS AS AT 28 JUNE 2024

No.	Name	Direct Interest	%	Deemed Interest	%
1.	Heng Holdings Sdn Berhad	38,888,884	44.19	-	-
2.	Chew Po Sim	-	-	38,888,884 ⁽¹⁾	44.19
3.	Ho Min Yi	-	-	38,888,884 ⁽¹⁾	44.19
4.	Ho Wen Yan	451,110	0.51	38,888,884 ⁽¹⁾	44.19
5.	Ho Wen Han	-	-	38,888,884 ⁽¹⁾	44.19
6.	Ho Wen Fan	-	-	38,888,884 ⁽¹⁾	44.19

Notes:

⁽¹⁾ Deemed interest by virtue of his/her substantial shareholdings in Heng Holdings Sdn Berhad.

LIST OF 30 LARGEST WARRANT HOLDERS AS AT 28 JUNE 2024

No.	Name of Shareholders	No. of Warrants	%
1.	Heng Holdings Sdn Berhad	30,597,218	34.77
2.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Heng Holdings Sdn Berhad (PB)	4,958,333	5.63
3.	HSBC Nominees (Tempatan) Sdn Bhd HBAP for Heng Holdings Sdn Bhd (PB-SGDIV)	3,333,333	3.79
4.	Wong Mei San	3,136,800	3.57
5.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Siling (CEB)	3,000,000	3.41
6.	Tan Kheak Geai	2,500,000	2.84
7.	Chang Kian Lee	2,079,000	2.36
8.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Chong Han	1,934,700	2.20
9.	Beh Hui Xue	1,550,000	1.76
10.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Siew Eng @ Ong Chai (M04)	1,403,600	1.60
11.	Chan Chok Kin	1,354,500	1.54
12.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Lee Hau Ghee (MP0433)	1,287,700	1.46
13.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Siau Boon Fei (MY3582)	1,254,500	1.43
14.	Chew Cheong Kin	1,080,000	1.23
15.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Siew Eng @ Ong Chai (3000190)	1,003,000	1.14

Analysis of Warrant Holdings

As at 28 June 2024

LIST OF 30 LARGEST WARRANT HOLDERS AS AT 28 JUNE 2024 (CONT'D)

No.	Name of Shareholders	No. of Warrants	%
16.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	873,500	0.99
17.	Chong Yeh Mei	831,000	0.94
18.	Yap Moi Eng	828,200	0.94
19.	Ngoi Leong Ee	800,000	0.91
20.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sin Heng Lee Trading Sdn Bhd (E-BPT)	800,000	0.91
21.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Chong Han	795,400	0.90
22.	Mew You Leong	691,000	0.79
23.	Thang Choy Leen	530,000	0.60
24.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jitu Impiana Sdn Bhd (E-BPT)	520,000	0.59
25.	Chow Yong Xian	517,400	0.59
26.	Toh Chin Chai	491,500	0.56
27.	Beh Guan Siah	490,000	0.56
28.	Ong Eng Joo	474,400	0.54
29.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Wen Yan	451,110	0.51
30.	Chow Tak @ Chow Tat Sang	399,000	0.45

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-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 Thursday, 5 September 2024 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 2024 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of RM658,288 and benefits for the financial year ended 31 March 2024. (Resolution 1)
3. To approve the payment of meeting attendance allowance of RM1,000 per meeting day for each Non-Executive Director from August 2024 till July 2025. (Resolution 2)
4. To re-elect the following Directors retiring pursuant to the Company's Constitution:-
 - 4.1 Ho Wen Yan (Article 97(1)) (Resolution 3)
 - 4.2 Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud (Article 97(1)) (Resolution 4)
 - 4.3 Choo Seng Choon (Article 104) (Resolution 5)
5. To re-appoint TGS TW PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. (Resolution 6)

As Special Business

To consider and, if thought fit, pass the following ordinary resolutions:

6. **Authority to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act 2016** (Resolution 7)

"THAT, pursuant to Sections 75 & 76 of the Companies Act 2016 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 total number of issued shares of the Company ("New Shares") for the time being without first offering the New Shares to the holders of the existing issued shares 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."

Notice of Annual General Meeting

7. **Proposed renewal of authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital ("Proposed Share Buy-Back")**

(Resolution 8)

THAT subject to the provisions under the Companies Act 2016 ("Act"), the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all prevailing laws, rules, regulations, orders and guidelines as well as the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company ("Hua Yang Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of Hua Yang Shares purchased pursuant to this resolution or held as treasury shares does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of purchase;

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the Company's retained profits account;

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders and guideline and requirements issued by any relevant authorities for the time being in force to deal with any Hua Yang Shares so prescribed by the Company in the following manner:-

- (i) to cancel the Hua Yang Shares so purchased;
- (ii) to retain the Hua Yang Shares so purchased as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently;
- (iii) to transfer as share award or share consideration; or
- (iv) combination of (i), (ii) and (iii) above;

THAT the authority conferred by this resolution will be effective immediately from the passing of this Ordinary Resolution until:-

- (i) the conclusion of the Company's next Annual General Meeting following the general meeting at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution;
- (ii) the passing of the date on which the Company's next Annual General Meeting is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution that the shareholders pass in general meeting;

whichever occurs first.

AND THAT the Directors be and are hereby authorised to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the aforesaid Proposed Share Buy-Back with full powers to assent to any condition, modification, variation and/or amendment (if any) as may be imposed by the relevant authorities."

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

BY ORDER OF THE BOARD

LEONG OI WAH (MAICSA 7023802) (SSM Practising Certificate No.: 201908000717)

TAN HWAI LUN (MIA 24085) (SSM Practising Certificate No.: 202008001765)

LAM CHO WAI (MIA 37324) (SSM Practising Certificate No.: 202008001864)

Company Secretaries

Selangor Darul Ehsan
31 July 2024

Notice of Annual General Meeting

Notes:

1. Only members whose name appear in the Record of Depositors as at 30 August 2024 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.
3. 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.
4. 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 hold with ordinary shares of the Company standing to the credit of the said securities account.
5. 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. The instrument appointing a proxy must be deposited at the Registered Office of the Company at C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the Meeting or any adjournment thereof.
6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 45th AGM will be put to vote by poll. Poll administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
7. On agenda 2, the benefits relates to the provision of a driver for use by the Company's Chairman.
8. On agenda 4, for the purpose of determining the eligibility of the Directors to stand for re-election at the 45th AGM, the Board through its Nomination Committee had assessed Ho Wen Yan, Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud and Choo Seng Choon (collectively "the Retiring Directors"). The Retiring Directors were assessed on their performance and understanding of the Group's business. Their active participation at the Board meetings showed that they were prepared and were effective in the discharge of their responsibilities. The Retiring Directors have always acted in the best interest of the Company as a whole.

Based on the above, the Board supports the re-election of the Retiring Directors.

Notice of Annual General Meeting

Explanatory Note on Special Business:

Resolution 7

The proposed Ordinary Resolution will give powers to the Directors to issue up to a maximum ten per centum (10%) of the total number of issued shares of the Company for the time being ("New Shares") for such purposes as the Directors would consider in the best interest of the Company ("General Mandate"). 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 General Mandate is to provide flexibility to the Company to issue new securities 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 or the issuance of shares as consideration for the acquisition of assets.

The Company did not utilise the mandate sought for issue of new shares that was approved by the shareholders on 30 August 2023 which will lapse at the conclusion of the forthcoming Annual General Meeting.

In accordance with Article 15 of the Company's Constitution, the passing of the Ordinary Resolution No. 7 shall be taken as the members agreement for the New Shares to be issued to such persons as the Director may deem fit without first offer to holders of existing shares.

Resolution 8

Please refer to the Statement of Share Buy-Back enclosed.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with our Personal Data Protection Notice set out in www.huayang.com.my. Further, you hereby warrant that relevant consent has been obtained for us to process any third party's personal data provided by you in accordance with our said Personal Data Protection Notice.

Share Buy-Back Statement

PROPOSED RENEWAL OF AUTHORITY FOR HUA YANG BERHAD (“HUA YANG”) TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS ISSUED AND PAID-UP SHARE CAPITAL (“PROPOSED RENEWAL OF SHARE BUY-BACK”)

DISCLAIMER STATEMENT

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Statement prior to its issuance as it is an exempted pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

1. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Board of Hua Yang had, during the AGM held on 30 August 2023 obtained its shareholders’ approval on the Proposed Share Buy-Back exercise, to purchase up to 10% of its total number of issued shares as quoted on Bursa Securities as at the point of purchase. In accordance with the Listing Requirements governing the purchase of own shares by a listed company, the aforesaid approval will lapse at the conclusion of the forthcoming AGM unless a new mandate is obtained from the shareholders.

In connection thereto, the Company had on 25 July 2024 announced its intention to seek approval of its shareholders on the Proposed Renewal of Share Buy-Back at the forthcoming AGM of the Company which will be held on 5 September 2024.

The Board proposes to seek approval from the shareholders for a renewal of authorisation to enable Hua Yang to purchase up to 10% of its total number of issued shares as quoted on Bursa Securities as at the point of purchase.

The Proposed Renewal of Share Buy-Back shall be effective upon the passing of the resolution at the forthcoming AGM and shall continue to remain in force until:

- (i) the conclusion of the next AGM of the Company in 2025 at which time such authority would lapse unless renewed by ordinary resolution passed at that meeting, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

2. MAXIMUM LIMIT

The maximum aggregate number of shares which may be purchased by the Company shall not exceed 10% of the total number of issued shares of the Company at any point of time.

The Company may purchase up to 44,000,000 Hua Yang shares based on total number of issued shares of the Company of 440,000,000 shares as at 28 June 2024, being the latest practicable date (“LPD”).

The actual number of shares to be purchased and the timing of such purchase will depend on (among others) the prevailing equity market conditions and sentiments of the stock market as well as the retained profits and financial resources available to the Company at the time of the purchase(s).

Share Buy-Back Statement

3. TREATMENT OF SHARES PURCHASED

If the Company purchases its own shares using external borrowings, the Board will ensure that the Group has sufficient funds to repay the external borrowings and that the repayment would not have any material effect on the cash flow of the Group.

Hua Yang may only purchase its own shares at a price which is not more than 15% above the weighted average market price of the Hua Yang shares for the 5 market days immediately prior to the date of the purchase.

The Company may only resell the purchased shares held as treasury shares at a price, which is:-

- (a) not less than the weighted average market price of the shares for the 5 market days immediately prior to the date of the resale; or
- (b) a discounted price of not more than 5% to the weighted average market price of the shares for the 5 market days immediately prior to the date of the resale, provided that:
 - (i) the resale or transfer takes place no earlier than 30 days from the date of the purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

The Company shall, upon each purchase or re-sale of shares, make the necessary announcements to Bursa Securities.

The purchased Hua Yang shares held as treasury shares may be dealt with by the Board, in the following manner:-

- (i) to cancel the purchased shares;
- (ii) to retain the purchased shares as treasury shares for distribution as share dividends to the shareholders and/or resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently;
- (iii) transfer as purchase consideration;
- (iv) sell, transfer or otherwise use as the Minister may prescribe; or
- (v) a combination of (i), (ii), (iii) and (iv) above.

The decision whether to retain the purchased shares as treasury shares, to cancel the purchased shares, distribute the treasury shares as share dividends or to resell the treasury shares on Bursa Securities will be made by the Board at the appropriate time. The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits of the Company.

While the purchased shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any distribution and otherwise are suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

The Company will make an immediate announcement to Bursa Securities of any purchase and resale of the shares and whether the purchased shares will be cancelled or retain as treasury shares or a combination of both.

The Proposed Renewal of Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required by the Listing Requirements of Bursa Securities.

Share Buy-Back Statement

4. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK

In addition to the advantages as set out in Section 5 below, the Proposed Renewal of Share Buy-Back, if implemented, will provide the Group with an additional option to utilise its surplus financial resources more efficiently by purchasing Hua Yang shares from the open market to help stabilise the supply and demand for Hua Yang shares traded on the Main Market of Bursa Securities, and thereby support its fundamental value.

The purchased shares can be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the Company's total issued and paid-up share capital. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of Hua Yang.

5. ADVANTAGES AND DISADVANTAGES

The potential advantages of the Proposed Renewal of Share Buy-Back, if implemented, are as follows:-

- (i) allows the Company to take preventive measures against excessive speculation, in particular when the Company's shares are undervalued;
- (ii) the earnings per share of the Hua Yang shares and the return on equity, assuming all other things being equal, would be enhanced resulting from the smaller issued and paid-up share capital of the Company. This is expected to have a positive impact on the market price of Hua Yang shares which will benefit the shareholders of Hua Yang;
- (iii) to stabilise a downward trend of the market price of the Company's shares;
- (iv) allows the Company the flexibility in achieving the desired capital structure, in terms of its debt and equity composition and the size of its equity;
- (v) treasury shares can be treated as long-term investments. It makes business sense to invest in our own Company as the Board is confident of Hua Yang's future prospects and performance in the long term; and
- (vi) if the treasury shares are distributed as dividends by the Company, it may then serve to reward the shareholders of the Company.

The potential disadvantages of the Proposed Renewal of Share Buy-Back, if implemented, are as follows:-

- (i) it will reduce the financial resources of the Company which may otherwise be retained and used for the businesses of the Group. Nevertheless, the Board will be mindful of the interests of the Group and its shareholders in undertaking the Proposed Renewal of Share Buy-Back; and
- (ii) as the Proposed Renewal of Share Buy-Back can only be made out of retained earnings, it may result in the reduction of financial resources available for distribution as dividends and bonus issues to the shareholders of the Company.

Share Buy-Back Statement

6. FUNDING

In accordance with the Listing Requirements, the Proposed Renewal of Share Buy-Back must be made wholly out of retained profits of the Company. The maximum amount of funds to be utilised for the Proposed Renewal of Share Buy-Back will be limited to the amount of retained profits based on the latest audited and/or unaudited financial statements of the Company. As at 31 March 2024, being the latest available audited financial statements, the audited retained profit of the Company amounted to RM32,321,302.

The Proposed Renewal of Share Buy-Back is expected to be financed by internally generated funds of the Group or external borrowings. In the event that the Company intends to purchase its own shares using borrowings, the Board will ensure that the Company shall have sufficient funds to repay the borrowings and that the repayment will not adversely affect the operations and cash flows of the Company. In addition, the Board will ensure that the Company satisfy the solvency test as stated in the Section 112(2) of the Act before execution of the Proposed Renewal of Share-Buy Back. Depending on the quantum and the purchase price, the Proposed Renewal of Share Buy-Back may reduce the working capital of the Hua Yang Group.

7. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Renewal of Share Buy-Back on the share capital, shareholding structure, net assets, earnings and working capital of the Company are set out below based on the following scenarios:-

7.1 Share Capital

The effects of the Proposed Renewal of Share Buy-Back on the total issued and paid-up share capital of the Company as at LPD assuming the Hua Yang shares so purchased are cancelled is illustrated below based on the two (2) scenarios set out below:-

Minimum Scenario:

Assuming none of the 88,000,000 Outstanding Warrants-A as at LPD are exercised into new Hua Yang Shares before the implementation of the Proposed Renewal of Share Buy-Back.

Maximum Scenario:

Assuming that all of the 88,000,000 Outstanding Warrants-A as at LPD are exercised into new Hua Yang Shares before the implementation of the Proposed Renewal of Share Buy-Back.

	Minimum Scenario No. of shares	Maximum Scenario No. of shares
Issued and paid-up share capital as at LPD	440,000,000	440,000,000
Assuming full Exercise of the Outstanding Warrants-A	-	88,000,000
Enlarged share capital	440,000,000	528,000,000
Maximum number of purchased shares to be cancelled pursuant to the Proposed Renewal of Share Buy-Back	44,000,000	52,800,000
Upon completion of the Proposed Renewal of Share Buy-Back	396,000,000	475,200,000

Share Buy-Back Statement

7. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONT'D)

7.2 Substantial Shareholders' and Directors' Shareholdings

The proforma effects of the Proposed Renewal of Share Buy-Back on the substantial shareholdings of the Company are set out below based on the Register of Substantial Shareholders as at LPD:-

7.2.1 Minimum Scenario

Assuming none of the 88,000,000 Outstanding Warrants-A as at LPD are exercised into new Hua Yang Shares before the implementation of the Proposed Renewal of Share Buy-Back.

Substantial shareholders	As at LPD				After the full implementation of Proposed Renewal of Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares*	%*	No. of shares	%	No. of shares*	%*
Heng Holdings Sdn Berhad	150,978,178	34.31	-	-	150,978,178	38.13	-	-
Chew Po Sim	-	-	150,978,178	34.31	-	-	150,978,178	38.13
Ho Min Yi	-	-	150,978,178	34.31	-	-	150,978,178	38.13
Ho Wen Yan	2,255,550	0.51	150,978,178	34.31	2,255,550	0.57	150,978,178	38.13
Ho Wen Han	-	-	150,978,178	34.31	-	-	150,978,178	38.13
Ho Wen Fan	-	-	150,978,178	34.31	-	-	150,978,178	38.13

* Deemed interested by virtue of substantial shareholding in Heng Holdings Sdn Berhad pursuant to the Companies Act 2016

7.2.2 Maximum Scenario

Assuming that all of the 88,000,000 Outstanding Warrants-A as at LPD are exercised into new Hua Yang Shares before the implementation of the Proposed Renewal of Share Buy-Back.

Substantial shareholders	As at LPD				After the full implementation of Proposed Renewal of Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares*	%*	No. of shares	%	No. of shares*	%*
Heng Holdings Sdn Berhad	150,978,178	34.31	-	-	189,867,062	39.96	-	-
Chew Po Sim	-	-	150,978,178	34.31	-	-	189,867,062	39.96
Ho Min Yi	-	-	150,978,178	34.31	-	-	189,867,062	39.96
Ho Wen Yan	2,255,550	0.51	150,978,178	34.31	2,706,660	0.57	189,867,062	39.96
Ho Wen Han	-	-	150,978,178	34.31	-	-	189,867,062	39.96
Ho Wen Fan	-	-	150,978,178	34.31	-	-	189,867,062	39.96

* Deemed interested by virtue of substantial shareholding in Heng Holdings Sdn Berhad pursuant to the Companies Act 2016

Share Buy-Back Statement

7. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONT'D)

7.2 Substantial Shareholders' and Directors' Shareholdings (Cont'd)

The proforma effects of the Proposed Renewal of Share Buy-Back on the Directors' shareholdings of the Company are set out below based on the Register of Directors' Shareholding as at LPD:-

7.2.3 Minimum Scenario

Assuming none of the 88,000,000 Outstanding Warrants-A as at LPD are exercised into new Hua Yang Shares before the implementation of the Proposed Renewal of Share Buy-Back.

Directors	As at LPD				After the Proposed Renewal of Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Tan Sri Dato' Seri Dr. Ting Chew Peh	-	-	1,216,818 ⁽²⁾	0.28	-	-	1,216,828 ⁽²⁾	0.31
Ho Wen Yan	2,255,550	0.51	150,978,178 ⁽¹⁾	34.31	2,255,550	0.57	150,978,178 ⁽¹⁾	38.13
Choo Seng Choon	-	-	-	-	-	-	-	-
Chew Po Sim	-	-	150,978,178 ⁽¹⁾	34.31	-	-	150,978,178 ⁽¹⁾	38.13
Chew Hoe Soon	491,942	0.11	1,012,399 ⁽²⁾	0.23	491,942	0.12	1,012,399 ⁽²⁾	0.26
Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	-	-	-	-	-	-	-	-
Ho Wen Fan (Alternate Director)	-	-	150,978,178 ⁽¹⁾	34.31	-	-	150,978,178 ⁽¹⁾	38.13

Notes:-

⁽¹⁾ Deem interested by virtue of his substantial shareholding in Heng Holdings Sdn Berhad

⁽²⁾ Deem interested by virtue of the shareholdings of his spouse and children.

7.2.4 Maximum Scenario

Assuming that all of the 88,000,000 Outstanding Warrants-A as at LPD are exercised into new Hua Yang Shares before the implementation of the Proposed Renewal of Share Buy-Back.

Directors	As at LPD				After the Proposed Renewal of Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Tan Sri Dato' Seri Dr. Ting Chew Peh	-	-	1,216,818 ⁽²⁾	0.28	-	-	1,450,137 ⁽²⁾	0.31
Ho Wen Yan	2,255,550	0.51	150,978,178 ⁽¹⁾	34.31	2,706,660	0.57	189,867,062 ⁽¹⁾	39.96
Choo Seng Choon	-	-	-	-	-	-	-	-
Chew Po Sim	-	-	150,978,178 ⁽¹⁾	34.31	-	-	189,867,062 ⁽¹⁾	39.96
Chew Hoe Soon	491,942	0.11	1,012,399 ⁽²⁾	0.23	590,330	0.12	1,214,878 ⁽²⁾	0.26
Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	-	-	-	-	-	-	-	-
Ho Wen Fan (Alternate Director)	-	-	150,978,178 ⁽¹⁾	34.31	-	-	189,867,062 ⁽¹⁾	39.96

Notes:-

⁽¹⁾ Deem interested by virtue of his substantial shareholding in Heng Holdings Sdn Berhad

⁽²⁾ Deem interested by virtue of the shareholdings of his spouse and children.

Share Buy-Back Statement

7. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONT'D)

7.3 Net Assets

The consolidated net assets of the Company may increase or decrease depending on the number of shares purchased under the Proposed Renewal of Share Buy-Back, the purchase prices of the shares, the effective cost of funding and the treatment of the shares so purchased.

The Proposed Renewal of Share Buy-Back will reduce the consolidated net assets per share when the purchase price exceeds the consolidated net assets per share of the Company at the time of purchase. On the contrary, the consolidated net assets per share will increase when the purchase price is less than the consolidated net assets per share of the Company at the time of purchase.

If the shares purchased under the Proposed Renewal of Share Buy-Back are held as treasury shares and subsequently resold on Bursa Securities, the consolidated net assets per share would increase if the Group realise a gain from the resale or vice versa. If the treasury shares are distributed as share dividends, it will decrease the consolidated net assets by the cost of the treasury shares redistributed.

7.4 Earnings

The effect of the Proposed Renewal of Share Buy-Back on the consolidated earnings per share of the Company will depend on the purchase prices paid for the shares, the effective funding cost to the Group to finance the purchase of the shares or any loss in interest income to the Group if internally generated funds are utilised to finance the purchase of the shares.

Assuming that any shares so purchased are retained as treasury shares as per Companies Act 2016 and resold on Bursa Securities, the effects on the consolidated earnings of the Company will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

7.5 Working Capital

The implementation of the Proposed Renewal of Share Buy-Back is likely to reduce the working capital of the Group, the quantum being dependent on the number of the purchased shares, the purchase price(s) and the amount of financial resources to be utilised for the purchase of the shares.

For the purchased shares retained as treasury shares as per Companies Act 2016 upon its resale, the working capital of the Company will increase. Again, the quantum of the increase in the working capital will depend on the actual selling price of the treasury shares resold, the effective gain or interest saving arising and the gain or loss from the disposal.

8. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back is subject to the approval being obtained from the shareholders of Hua Yang.

9. PUBLIC SHAREHOLDING SPREAD

Pursuant to the Listing Requirements, the Proposed Renewal of Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance of twenty-five (25%) public shareholdings spread. As at LPD, the public shareholding spread of the Company was 64.6%. The Board will endeavour to ensure that the Company complies with the public shareholding spread requirements and shall not buy back the Company's own shares if the purchase would result in the public shareholding spread requirements not being met.

Share Buy-Back Statement

10. IMPLICATION OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2016 (“CODE”)

Pursuant to the Code, a person and/or any person acting in concert with him will be required to make a mandatory offer for the remaining shares not already owned by him/them if his and/or their holding of voting shares in a company is increased beyond 33% or, if his and/or their holding of voting shares is more than 33% but less than 50%, his and/or their holding of voting shares is increased by more than 2% in any 6 months period.

The Board takes cognisance of the requirements of the Code and will be mindful of the requirements when making any purchases of shares pursuant to the Proposed Renewal of Share Buy-Back.

11. HISTORICAL SHARE PRICE

The monthly highest and lowest prices of the Company’s shares traded on Bursa Securities for the past twelve (12) months are as follows:-

Month	Highest (RM)	Lowest (RM)
2023		
July	0.300	0.235
August	0.375	0.295
September	0.360	0.285
October	0.315	0.280
November	0.290	0.265
December	0.285	0.250
2024		
January	0.335	0.270
February	0.330	0.295
March	0.355	0.290
April	0.345	0.305
May	0.425	0.320
June	0.385	0.335

The last transacted price of the Company’s Shares on 28 June 2024, being the LPD, was RM0.345.
(Source: Yahoo! Finance)

Share Buy-Back Statement

12. PURCHASE, RESALE AND CANCELLATION OF ITS OWN SHARES IN THE PRECEDING 12 MONTHS

There were no purchase, cancelled, resale and/or transfer of treasury shares in the previous twelve (12) months up to LPD.

13. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposed Renewal of Share Buy-Back and after careful deliberation, is of the opinion that the Proposed Renewal of Share Buy-Back is in the best interest of the Company. Accordingly, the Board recommends that you vote IN FAVOUR of the resolution in relation to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming AGM.

14. RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Statement insofar as it relates to Hua Yang Group and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

15. DOCUMENTS FOR INSPECTION

The following documents are available for inspection during normal business hours at the Registered Office of the Company at C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan from the date of this Statement up to and including the date of the AGM:-

- (i) the Constitution of Hua Yang; and
- (ii) the audited financial statements of the Hua Yang Group for the past two (2) financial years ended 31 March 2023 and 31 March 2024.

Yours faithfully

For and on behalf of the Board

HUA YANG BERHAD

TAN SRI DATO' SERI DR. TING CHEW PEH

Non-Independent Non-Executive Chairman

Proxy Form



HUA YANG BERHAD

Registration No. 197801007059 (44094-M)
(Incorporated in Malaysia)

*I/We _____
Company No./NRIC No. (new) _____ (old) _____ of
_____ being a
member of **HUA YANG BERHAD** do hereby appoint Mr./Ms. _____ of
NRIC No. (new) _____ (old) _____ or
failing whom _____ NRIC No. (new) _____ (old) _____
or failing whom the Chairman of the meeting as *my/*our proxies to vote for *me/*us and on *my/*our behalf at the Forty-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 Thursday, 5 September 2024 at 10.30 a.m. and at any adjournment thereof.

*My/*Our proxy(ies) is / are to vote as indicated below:-

	Resolutions	For	Against
	ORDINARY BUSINESSES		
Resolution 1	To approve the payment of Directors' fees of RM658,288 and benefits for the financial year ended 31 March 2024		
Resolution 2	To approve the payment of meeting attendance allowance of RM1,000 per meeting day for each Non-Executive Director from August 2024 till July 2025		
Resolution 3	To re-elect Ho Wen Yan as Director		
Resolution 4	To re-elect Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud as Director		
Resolution 5	To re-elect Choo Seng Choon as Director		
Resolution 6	To re-appoint TGS TW PLT as the Auditors of the Company and authorise the Directors to fix their remuneration		
	SPECIAL BUSINESSES		
Resolution 7	To approve the authority to issue shares pursuant to Sections 75 & 76 of the Companies Act 2016		
Resolution 8	Proposed renewal of authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital		

[Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, your proxy will vote or abstain at his discretion].

Dated this _____ day of _____ 2024

Number of shares held	CDS Account No.

[Signature(s) / Common Seal of Shareholder(s)]
[*Delete if not applicable]

For appointment of two proxies, percentage of shareholdings to be represented by proxies:		
	No. of shares	Percentage
1st proxy		
2nd proxy		
Total		100%

Fold this flap to seal

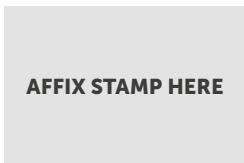
NOTES:

1. Only members whose name appear in the Record of Depositors as at 30 August 2024 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.
3. 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.
4. 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 hold with ordinary shares of the Company standing to the credit of the said securities account.
5. 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. The instrument appointing a proxy must be deposited at the Registered Office of the Company at C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the Meeting or any adjournment thereof.
6. All the resolutions sets out in this Notice of Meeting will be put to vote by poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 July 2024.

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HUA YANG BERHAD

Registration No. 197801007059 (44094-M)

C-21, Jalan Medan Selayang 1
Medan Selayang,
68100 Batu Caves
Selangor Darul Ehsan

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