

HUA YANG BERHAD

Registration No. 1978010007059 (44094-M)

Responses to questions submitted by shareholders / participants during the 42th Annual General Meeting held on 29 September 2021

No.	Questions	Response
1.	Has the Management thought of disposing/accumulate shares of Magna Prima Berhad ("MPB") as the Company's holding of approximately 30% seems neither here nor there as the Company can't control the whole company to do some effective changes.	<p>MPB is a valuable investment to the Group as MPB has valuable assets. The Company treats it investment in MPB as a long term investment. Prudent steps were taken to change the treatment of the investment to reduce the impact on the earnings of the Company every quarter.</p> <p>The Property Sector remains challenging and Management will take the necessary steps to drive the Group forward.</p>
2.	<p>There has been a further impairment loss of RM28.808 million in MPB for financial year 2021 ("FY2021") (page 124 of the Annual Report ("AR")) and a total impairment of RM58.829 million (pages 109-110 of the AR)</p> <p>a) What was the original investment in MPB?</p> <p>b) How much of the investment has been impaired to date?</p> <p>c) What are the steps taken by the Board to protect its investment in MPB in view of its poor performance?</p>	<p>The original investment in MPB was approximately RM190 million</p> <p>An impairment of about RM130 million has been recorded.</p> <p>Management has taken prudent steps to value its investment in MPB to value its investment based on market value to mitigate further impact to the Group's results and was hopeful on the recovering of share price due to the re-opening of the economy.</p>
3.	<p>There has been a big drop in the value of Development Properties from RM262.764 million in financial year 2020 ("FY2020") to RM49.280 million in FY2021 (page 111 of the AR).</p> <p>(a) What are the reason(s) for this decrease?</p> <p>(b) What is the difference between "Developed Properties" and "Development Properties" on the same page?</p>	<p>The drop in the value was due to the re-classification of the development property to completed properties due to the completion of the Aestetica Residence project.</p> <p>Development Properties are assets held by the Group for on-going projects and Developed Properties are those assets that have completed and are being transferred to Completed Properties.</p>
4.	Kindly reward shareholders/proxies with e-vouchers for taking time to attend today's meeting.	Due to the financial position of the Group for this year, no e-voucher will be given. The Board will consider this request when things improves.

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5.	How much has the Company spend on the virtual AGM?	The cost to hold the virtual AGM was approximately RM15,000.
6.	I would like to request for a printed hardcopy of the Company's Annual Report.	Please fill the request form and send it to the Corporate Communications team and it will be sent within 4 working days.
7.	The Company registered a loss for FY2021. What will be this year's outlook in view of the pandemic?	The last 2 years has been very challenging due to the pandemic as construction activities has halted due to the Movement Control Order ("MCO"). However, the Group would remain profitable due to the gradual opening of the economy. Sales has been picking up coupled with pent-up demands, Management expects FY2022 to be positive.
8.	What are the reasons for the change of the External Auditors?	It is the Company's practice to rotate its auditors every 5 years. KPMG PLT has been the External Auditors of the Group for the past 5 years. KPMG's performance has been positive and the Company will consider to re-engage them after the five years rotation is due.
9.	(a) What is the Company's future outlook? (b) How much was the impact to the Company due to the MCO? (c) How much was the cost savings of the virtual AGM as compared to the physical AGM?	Management is confident of the outlook for FY2022. The main reason for the fall of the revenue was due to the halt in construction activities due to the MCO. Management is confident for the improvement of the results due the gradual re-opening of the economy. There are not much difference in the cost of a virtual AGM and the physical AGM as it cost almost the same.
10.	Are there any share buy back plan as the share price stayed low during the recent years?	There are currently no plans on share buy back. Management will look into this in future.
11.	The Company has not paid dividend since 2017, when does the Company anticipate returning rewards to loyal shareholders?	The Company will always declare dividend when it is able to do so. The focus of the Group is to get back on track and continue to drive sales.
12.	Are there any plans to dispose the Company's stake in MPB?	MPB is a valuable investment and steps has been taken to mitigate the impact to the Group's results. There are no plans to dispose the Company's stake in MPB.
13.	How much is the Company's unbilled sales and are there any new launches planned this year?	The unbilled sales of the Group stand approximately at RM132 million. Sales has been positive but not as robust as pre-pandemic times. New launches of the Group was shared by Mr Ho Wen Yan earlier during his presentation on the financial performance of the Group.

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14.	Can the Company share some details on the new External Auditors?	The Company has searched for a new External Auditors and has interviewed many external parties before the appointment of TGS TW PLT was finalised. The Managing Partner of TGS TW PLT is Mr Tan Tian Wooi who has extensive experience in providing finance and audit services.
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