

HUA YANG BERHAD
Registration No. 1978010007059 (44094-M)
(Incorporated in Malaysia)

MINUTES OF THE FORTY-SECOND ANNUAL GENERAL MEETING OF THE COMPANY HELD ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE MEETING PLATFORM AT [HTTPS://MEETING.BOARDROOMLIMITED.MY](https://meeting.boardroomlimited.my) PROVIDED BY BOARDROOM SHARE REGISTRARS SDN BHD IN MALAYSIA ON WEDNESDAY, 29 SEPTEMBER 2021 AT 10.30 A.M.

Present: **Directors**
Tan Sri Dato' Seri Dr. Ting Chew Peh
Mr Ho Wen Yan
Dato' Tan Bing Hua
Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud
Mr Chew Hoe Soon
Mdm Chew Po Sim

Shareholders
As per participant list

In Attendance: Ms Leong Oi Wah (Company Secretary)

By Invitation: Mr Tan Hwai Lun (Chief Financial Officer)
Mr Chan Kah Mun (KPMG PLT)

AGM42/1 PRELIMINARY

Tan Sri Dato' Seri Dr. Ting Chew Peh, the Chairman of the Company welcomed all present to the Meeting.

AGM42/2 QUORUM

The requisite quorum of two (2) members being present pursuant to Article 71 of the Company's Constitution, the Chairman declared the Meeting duly convened at 10.30 a.m.

AGM42/3 NOTICE OF MEETING

The Notice of Meeting, having been previously circulated to all Members and duly advertised in The Star newspaper on 27 August 2021 was taken as read.

AGM42/4 INTRODUCTION TO REMOTE PARTICIPATION AND ELECTRONIC VOTING

The Chairman informed that the Company had appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator and Sky Corporate Services Sdn Bhd as Independent Scrutineer of the Meeting to verify the poll results of the Meeting.

The Poll Administrator was then invited to brief the shareholders on the administrative matters on how to raise questions and voting by poll over the virtual platform.

AGM42/5 FINANCIAL PERFORMANCE PRESENTATION

Mr Ho Wen Yan briefed the Members on the Group's performance for financial year ended 31 March 2021 and the outlook of the Group.

HUA YANG BERHAD

Registration No. 1978010007059 (44094-M)

Minutes of the Forty-Second Annual General Meeting [Cont'd]

AGM42/6 AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS

The Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and Auditors thereon ("AFS 2021"), which had been previously circulated to Shareholders within the prescribed period were tabled for discussion.

The Chairman informed that the Board would endeavor to address any questions posted on the audited financial statements including relevant matters related to the Meeting after all the 8 resolutions in the agenda for the 42nd Annual General Meeting ("AGM") were duly tabled. He added that the AFS 2021 would be considered received after the Board has addressed all the questions.

He informed that as required by Bursa Securities Malaysia Berhad, all the resolutions tabled for voting would be voted on by poll.

AGM42/7 DIRECTORS' FEES AND BENEFITS

The Chairman informed that the Board had recommended the payment of Directors' Fees of RM479,108.00 and benefits for the financial year ended 31 March 2021.

The Chairman proposed the motion "THAT the payment of Directors' Fees of RM479,108 and benefits for the financial year ended 31 March 2021 be hereby approved for payment."

He informed that one of the shareholder present had seconded all the motions for today and then put the motion to be voted on by poll.

AGM42/8 MEETING ATTENDANCE ALLOWANCES

It was noted that the next agenda was to seek Members' approval on the payment of meeting attendance allowances of RM1,000.00 per meeting day for each Non-Executive Director for the period from August 2021 to July 2022.

The Chairman proposed the motion "THAT the meeting attendance allowance of RM1,000 per meeting day for each Non-Executive Director from August 2021 till July 2022 be hereby approved for payment."

The motion being seconded, the Chairman put the motion to be voted on by poll.

AGM42/9 RE-ELECTION OF DIRECTOR - MR HO WEN YAN

The Chairman informed the Meeting that the next agenda was to re-elect the retiring Directors namely Mr Ho Wen Yan and Y.A.M Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud who were retiring pursuant to Article 97(1) of the Company's Constitution.

The Chairman first proposed the motion "THAT Mr Ho Wen Yan be re-elected as a Director of the Company."

The Chairman informed the Meeting that a shareholder present had seconded the motion and he put the motion to vote by poll.

HUA YANG BERHAD

Registration No. 1978010007059 (44094-M)

Minutes of the Forty-Second Annual General Meeting [Cont'd]

AGM42/10 RE-ELECTION OF DIRECTOR
- Y.A.M. TENGKU DATO' RAHIMAH BINTI AL-MARHUM SULTAN MAHMUD

The Chairman then proposed the motion "THAT Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud be re-elected as a Director of the Company."

The motion being seconded, the Chairman put the motion to be voted on by poll.

AGM42/11 APPOINTMENT OF AUDITORS

The Chairman informed that the Company had received a notice of nomination from the substantial shareholder, Heng Holdings Sdn Berhad for the appointment of TGS TW PLT as Auditors of the Company.

The Chairman proposed the motion "THAT TGS TW PLT be and is hereby appointed as Auditors of the Company in place of the retiring Auditors, KPMG PLT and to hold office until the conclusion of the next Annual General Meeting and the Directors be authorised to fix their remuneration."

The motion being seconded, the Chairman put the motion to be voted on by poll.

AGM42/12 SPECIAL BUSINESS
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR
- TAN SRI DATO' SERI DR. TING CHEW PEH

The Chairman informed the Meeting that he was interested in the next resolution and invited Mr Ho Wen Yan to chair the proceedings.

Mr Ho Wen Yan took over the chair and informed the Meeting that Tan Sri Dato' Seri Dr. Ting Chew Peh and Dato' Tan Bing Hua had served as Independent Directors for more than 9 years. He said that the Board wishes to seek the Members' approval for their continuation in office. Mr Ho Wen Yan highlighted that if Resolutions No. 6 and 7 were not carried, Tan Seri Dato' Seri Dr. Ting Chew Peh and Dato' Tan Bing Hua would be re-designated as Non-Independent Directors.

Mr Ho Wen Yan then proposed the motion "THAT approval be and is hereby given to Tan Sri Dato' Seri Dr. Ting Chew Peh who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

The motion being seconded, Mr Ho Wen Yan put the motion to be voted on by poll.

Mr Ho Wen Yan then handed the chair back to the Chairman.

AGM42/13 SPECIAL BUSINESS
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR
- DATO' TAN BING HUA

The Chairman proposed the motion "THAT approval be and is hereby given to Dato' Tan Bing Hua who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

The motion being seconded, the Chairman put the motion to be voted on by poll.

HUA YANG BERHAD

Registration No. 1978010007059 (44094-M)

Minutes of the Forty-Second Annual General Meeting [Cont'd]

AGM42/14 **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

The Chairman informed that the next item on the agenda was to approve the ordinary resolution in respect of the authority for the Directors to allot new shares pursuant to Sections 75 and 76 of the Companies Act 2016.

The Chairman proposed for the Resolution 8 as set out in the Notice of Meeting be put to vote.

The motion being seconded, the Chairman put the motion to be voted on by poll.

AGM42/15 **QUESTION & ANSWER (Q&A) SESSION**

The Chairman informed that the Board will try and answer all the questions and where similar questions are raised by different Members, the Company would combine them. He added that the Q&A would also be published in the Company's website for the Members' information.

The questions raised were addressed by Mr Ho Wen Yan and the Company Secretary which are listed out in the Appendix A attached to this minutes.

AGM42/16 **REMOTE ELECTRONIC VOTING**

There being no further questions, the Chairman moved to the voting session. He informed that he had been appointed to act as proxy for a number of shareholders and he would vote in accordance with the instruction given. The Members were asked to cast their votes online if they had not done so earlier.

The Chairman then announced that the Meeting would be adjourned at 11.19 a.m. for the counting of votes and would resume once the counting of the votes were completed.

AGM42/17 **RESULTS OF POLL**

The Chairman reconvened the Meeting at 11.32 a.m. He informed that the Independent Scrutineers had advised him of the results of the poll and the same was shown on the screen for the Members' information. The results announced were as follows:

Ordinary Resolution	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Resolution 1	18,544,272	99.6790	59,721	0.3210
Resolution 2	18,514,560	99.5193	89,433	0.4807
Resolution 3	118,200,601	99.9891	12,905	0.0109
Resolution 4	118,190,620	99.9796	24,119	0.0204
Resolution 5	118,203,701	99.9906	11,138	0.0094
Resolution 6	118,189,713	99.9806	22,905	0.0194
Resolution 7	118,191,934	99.9806	22,905	0.0194
Resolution 8	118,191,819	99.9805	23,020	0.0195

The Chairman then declared that Ordinary Resolutions 1 to 8 were carried and RESOLVED:-

HUA YANG BERHAD

Registration No. 1978010007059 (44094-M)

Minutes of the Forty-Second Annual General Meeting [Cont'd]

- Resolution 1* *“THAT the Directors’ Fees of RM479,108 and benefits in respect of the financial year ended 31 March 2021 be hereby approved for payment.”*
- Resolution 2* *“THAT the meeting attendance allowance of RM1,000 per meeting day for each Non-Executive Director from August 2021 till July 2022 be hereby approved for payment.”*
- Resolution 3* *“THAT Mr Ho Wen Yan be re-elected as a Director of the Company.”*
- Resolution 4* *“THAT Y.A.M. Tengku Dato’ Rahimah Binti Al-Marhum Sultan Mahmud be re-elected as a Director of the Company.”*
- Resolution 5* *“THAT TGS TW PLT be and is hereby appointed as Auditors of the Company in place of the retiring Auditors, KPMG PLT and to hold office until the conclusion of the next Annual General Meeting and the Directors be authorised to fix their remuneration.”*
- Resolution 6* *“THAT approval be and is hereby given to Tan Sri Dato’ Seri Dr. Ting Chew Peh who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”*
- Resolution 7* *“THAT approval be and is hereby given to Dato’ Tan Bing Hua who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”*
- Resolution 8* *“THAT pursuant to Section 75 and 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 Capital of the Company from time to time upon and 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 ten percent (10%) of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”*

AGM42/18

CONCLUSION

There being no further business, the Chairman thanked the members present for their attendance and declared the Meeting closed at 11.34 a.m.

CHAIRMAN

HUA YANG BERHAD

Registration No. 1978010007059 (44094-M)

Minutes of the Forty-Second Annual General Meeting [Cont'd]

APPENDIX A**RESPONSES TO LIVE QUESTIONS FROM SHAREHOLDERS**

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>

HUA YANG BERHAD

Registration No. 1978010007059 (44094-M)

Minutes of the Forty-Second Annual General Meeting [Cont'd]

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.
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.

HUA YANG BERHAD

Registration No. 1978010007059 (44094-M)

Minutes of the Forty-Second Annual General Meeting [Cont'd]

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.
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.