

HUA YANG BERHAD
Registration No. 197801007059 (44094-M)
(Incorporated in Malaysia)

**MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY
HELD AT THE HEAD OFFICE OF THE COMPANY AT 4TH FLOOR, C-21 JALAN
MEDAN SELAYANG 1, MEDAN SELAYANG, 68100 BATU CAVES, SELANGOR
ON TUESDAY, 30 AUGUST 2022 AT 11.30 A.M.**

Present: Directors
Tan Sri Dato' Seri Dr. Ting Chew Peh
Mr Ho Wen Yan (Chief Executive Officer (CEO))
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)
Mr Tan Hwai Lun (Deputy CEO)
Mr Lam Cho Wai

By invitation: Mr Ho Wen Fan
Mr Tan Meng Kim (UOBKH)
Mr Mohamed Erzan Rashdan (UOBKH)
Mr Ong Eu Jin (RDS)
Ms Ng Zhi Yang (RDS)
Mr James Goh (Mainstreet)
Mr Nik Mohd Fadhli Namili Ramli (Mainstreet)

EGM/1 QUORUM

The requisite quorum being present earlier at Annual General Meeting, the Chairman confirmed that a quorum is present at this Extraordinary General Meeting (EGM). The Chairman declared the Meeting duly convened at 11.30 a.m.

EGM/2 NOTICE OF MEETING

The Notice of Meeting having been previously circulated to all shareholders and advertised in The Star newspaper on 12 August 2022 was taken as read.

EGM/3 **PROPOSED RIGHTS ISSUE WITH WARRANTS**

The Chairman informed the members that the purpose of the Meeting was to pass the proposed resolution relating to the proposed renounceable rights issue of up to 88,000,000 new ordinary shares in HYB on the basis of 1 Rights Share for every 4 existing HYB Shares held, together with up to 88,000,000 free detachable warrants in HYB on the basis of 1 warrant for every 1 Rights Share (“Proposed Rights Issue with Warrants”).

The representative of the principal adviser, UOB Kay Hian Securities (M) Sdn Bhd (“UOBKH”) then presented for the members’ information the details and effect of the Proposed Rights Issue with Warrants and the proposed exemption under subparagraph 4.08(1)(b) of the Rules to Heng Holdings Sdn Bhd (HHSB) and the parties acting in concert (“PACs”) from the obligation to undertake the Mandatory Offer for the remaining HYB Shares and Warrants not already held by them pursuant to the Proposed Rights Issue with Warrants (“Proposed Exemption”). This was followed by the presentation from the representative of the independent advisor, MainStreet Advisers Sdn Bhd (“MainStreet”) on their evaluation of the Proposed Exemption. Premised on the factors discussed in their independent advice letter, MainStreet of above and their evaluation of the Proposed Rights Issue with Warrants and the Proposed Exemption (collectively “the Proposals”) based on the information made available to them, MainStreet was of the view that the Proposals were fair and reasonable and accordingly, recommend that the members present vote in favour of the resolutions in respect of the Proposals.

The Chairman then invited questions from the floor on the Proposals. The questions raised by the shareholders were duly answered by the representative of UOBKH and the CEO.

No.	Questions	Response
1.	The circular mentions that the final issue price of the Rights Shares will be at a 30% discount but based on the share price today, the indicative issue price is only at a 5% discount.	The 30% discount takes into account, the share price as at the date of the announcement of the Proposals which was higher in June 2022.
2.	What would be the final issue price of the Rights Shares and if the shares offered are not fully subscribed, what will happen as the current market condition is not right for	The final issue price would be dependent on the market price closer to the date of price fixing. The theoretical ex-rights price (TERP) of HYB Shares will be determined based on the 5-day volume weighted average price of HYB Shares immediately preceding the price-fixing date, as well as a suitable discount to the TERP that will encourage the

No.	Questions	Response
	this kind of exercise. Is there an underwriter?	subscription of Rights Shares. The Proposed Rights Issue with Warrants would be undertaken on a minimum subscription basis where the major shareholder, HHSB has given their undertaking to subscribe for their entitlement and additional shares for amount of at least RM7.0 million. Mr Ho Wen Yan has also given his undertaking to subscribe fully his entitlement. There are no underwriters for this exercise
3.	Can the CEO comment on whether the minority shareholders should subscribe for the rights as many of the minority shareholder have been losing money on their investment in HYB.	The Management appreciates the long time shareholders who have loyally stayed on. The HYB Group has been profitable before and it is only in the last few years that it has faced challenges in maintaining its profits. The Management wish to assure that it has built a platform for growth. The rights issue is an opportunity for the shareholders to participate in future growth,
4.	Does HYB Group have sufficient landbank for the growth?	HYB Group presently has landbank with gross development value of RM5.3 billion and the development will over 4-6 years. The additional funds raised from the rights issue will also allow the Group to acquire more land.

The Chairman then tabled the motion to approve the Ordinary Resolution No. 1 on the Proposed Rights Issue with Warrants as set out in the notice of EGM for the members' consideration. There being a proposer and seconder from the floor, the Chairman then put the motion to be voted on by poll at the end of the meeting.

EGM/4

PROPOSED EXEMPTION OF THE RULES ON TAKE-OVERS, MERGES AND COMPULSARY ACQUISITIONS

The Chairman informed the members that the second resolution relating to the Proposed Exemption and invited questions from the floor.

In response to a shareholder's enquiry if the interested shareholders could vote on the resolution on the Proposed Exemption, the Secretary said that the interested shareholders and PACs would have to abstain from voting.

As there were no further questions raised, the Chairman then proposed that the motion for Resolution 2 on the Proposed Exemption as set out in the notice of EGM be tabled for the members' approval. There being a proposer and seconder from the floor, the Chairman then put the motion to be voted on by poll at the end of the meeting.

EGM/5 SCRUTINEERS

The Chairman informed that TGS TW PLT was appointed to be the scrutineer of the meeting.

The Members were then asked to cast their votes.

With consent of the members present, the Chairman adjourned the meeting at 12.03 p.m. for the counting of votes and informed that the meeting would resume once the counting of the votes was completed.

EGM/6 RESULTS OF POLL

The Meeting resumed at 12.17 p.m. and the Scrutineers were invited to read out the result of the poll.

The Scrutineers announced the poll result in respect of Ordinary Resolutions 1 and 2 which were carried as follows:

Resolution	For	%	Against	%
Ordinary Resolution 1	21,327,545	99.24	163,400	0.76
Ordinary Resolution 2	21,323,212	99.22	167,733	0.78

The Chairman declared that Ordinary Resolutions 1 and 2 were duly passed as follows:-

Resolution 1 "THAT subject to passing of Ordinary Resolution 2 and the approvals of all relevant authorities and/or parties (if required) being obtained, where required, approval be and is hereby given to the Board of Directors of HYB ("Board") for the following:-

- i. to provisionally allot and issue by way of a renounceable rights issue of up to 88,000,000 Rights Shares on the basis of 1 Rights Share for every 4 existing HYB Shares held by the shareholders of the Company whose names appear on the Record of Depositors of the Company as the close of business on an entitlement date to be determined and announced later by the Board, together with up to 88,000,000 free detachable Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed;*
- ii. to issue such Rights Shares together with Warrants as may be required to give effect to the Proposed Rights Issue with Warrants, including any persons entitled on renunciation of the provisional allotments;*
- iii. wherein each Warrant will carry the right to subscribe, subject to*

any adjustment in accordance with the deed poll constituting the Warrants ("Deed Poll"), at any time during the exercise period, for 1 new HYB Share at an exercise price to be determined and announced later by the Board;

iv. to allot and issue such number of new HYB Shares arising from the exercise of the Warrants, from time to time during the tenure of the Warrants, in accordance with the provisions of the Deed Poll;

v. to allot and issue such further Warrants and new HYB Shares arising from the exercise of such further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/or as may be required by the relevant authorises; and

vi. to do all such acts and things including but not limited to the submission of the application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Rights Shares, Warrants and the new HYB Shares which may from time to time be allotted and issued arising from the exercise of the Warrants on the Main market of Bursa Securities.

THAT any Rights Shares together with Warrants which are not taken up shall be made available for excess applications to the entitled shareholders and/or their renounce(s) who have applied for the excess Rights Shares with Warrants, and are intended to be allocated on a fair and equitable manner, on a basis to be determined by the Board;

THAT any fractional entitlements of the Rights Shares together with Warrants arising from the Proposed Rights Issue with Warrants, if any, shall be disregarded and dealt with in such manner as the Board shall in its sole and absolute discretion deems fit and expedient, and is in the best interests of the Company;

THAT the proceeds of the Proposed Rights Issue with Warrants will be utilised in the manner as set out in the circular to shareholders dated [date] ("Circular") and the Board be and is hereby authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board, may at its absolute discretion, deem fit, necessary, expedient and/or in the best interest of the Company, subject to the approval of the relevant authorities, where required;

THAT the Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing HYB Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares;

THAT the new HYB Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing HYB Shares, save and except that the new HYB Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new HYB Shares;

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Board, and with full powers to implement and give effect to the terms and conditions of the Deed Poll;

THAT the Board be and is hereby authorised to sign and execute all documents, enter into any arrangements and/or undertakings with any party or parties, do all things and acts as may be required, to give effect to the Proposed Rights Issue with Warrants with full powers to assent to any conditions, variations, modifications and/or amendments including to vary the manner and/or the purpose of utilisation of proceeds arising from the Proposed Rights Issue with Warrants, if necessary, in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in manner as they may deem fit, necessary and/or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants in the best interest of the Company;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue to be in full force and effect until the Rights shares together with Warrants to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants.”

Resolution 2 *“THAT subject to the passing of Ordinary Resolution 1 and the relevant approvals from the Securities Commission Malaysia (“SC”) and/or any other relevant authorities and/or parties being obtained, including such conditions as may be imposed by the SC, approval be and is hereby given to HHSB and its PACs under subparagraph 4.08(1)(b) of the Rules to be exempted from the obligation to undertake a mandatory offer to acquire all the remaining HYB Shares and Warrants not already owned by them pursuant to the Proposed Rights Issue with Warrants;*

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give full effect to the Proposed Exemption with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may deem fit, necessary and/or expedient to implement, finalise and give full effect to the Proposed Exemption.”

EGM/7 **TERMINATION**

There being no further business, the meeting terminated at 12.23 p.m. with a vote of thanks to the Chair.

SIGNED AS CORRECT RECORD

----signed----

CHAIRMAN