

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about 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 takes no responsibility for the contents of this Circular, 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 Circular.



HUA YANG BERHAD

(Company No. 44094-M)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED ACQUISITION BY BISON HOLDINGS SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF HUA YANG BERHAD, OF FIVE (5) PLOTS OF LEASEHOLD LAND MEASURING APPROXIMATELY 29.2058 ACRES LOCATED IN MUKIM AND DISTRICT OF PETALING, FROM MENTARI HARI SDN BHD, FOR A TOTAL CASH CONSIDERATION OF RM158,000,000

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



AmInvestment Bank

AmInvestment Bank Berhad

(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of Hua Yang Berhad ("**Hua Yang**" or the "**Company**") has been scheduled to be convened at the Head Office of the Company at 4th Floor, C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan on Wednesday, 23 January 2013 at 10 a.m., or at any adjournment thereof. The notice of EGM together with the Form of Proxy are enclosed herein in this Circular.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and to vote on his/her behalf. In such event, the Form of Proxy must be lodged at the Registered Office of Hua Yang at 123A, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan, not less than forty-eight (48) hours before the time stipulated for holding the EGM as indicated below or at any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	: Monday, 21 January 2013 at 10 a.m.
Date and time of the EGM	: Wednesday, 23 January 2013 at 10 a.m.

This Circular is dated 21 December 2012

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular: -

Act	– Companies Act, 1965 as amended from time to time
AmlInvestment Bank or Adviser	– AmlInvestment Bank Berhad (23742-V)
Bison or the Purchaser	– Bison Holdings Sdn Bhd (55225-M), a wholly-owned subsidiary of Hua Yang
Board	– Board of Directors of Hua Yang
Bursa Securities	– Bursa Malaysia Securities Berhad (635998-W)
Balance Deposit	– The balance deposit of RM12,640,000 paid by the Purchaser to the Vendor pursuant to the SPA
Balance Purchase Price	– The balance purchase price of RM126,400,000 (being the Purchase Price less the Deposits and Second Payment) to be paid by the Purchaser to the Vendor's solicitors as stakeholders, subject to the fulfillment of the conditions precedent of the SPA
Chargee	– Malayan Banking Berhad (3813-K)
Deposits	– The Earnest Deposit of RM3,160,000 and Balance Deposit of RM12,640,000, collectively
Earnest Deposit	– The earnest deposit of RM3,160,000 paid by the Purchaser to the Vendor pursuant to the SPA
EGM	– Extraordinary general meeting
EPU	– Economic Planning Unit of the Prime Minister's Department
Land	– Five (5) vacant plots of leasehold land measuring in aggregate approximately 29.2058 acres identified as Lots 110500, 110501, 110502, 110503 and 110506, held under Title Nos. Pajakan Negeri 95919 to 95923 (inclusive) respectively (formerly P.T. Nos. 74115 to 74119 (inclusive), held under Title Nos. H.S. (D) 279177 to 279181 (inclusive) respectively), all within Mukim and District of Petaling, State of Selangor Darul Ehsan
LDP	– Lebuhraya Damansara Puchong
LPD	– 30 November 2012, being the latest practicable date prior to the printing of this Circular
Hua Yang or the Company	– Hua Yang Berhad (44094-M)
Hua Yang Group or the Group	– Hua Yang and its subsidiaries
Mentari Hari or the Vendor	– Mentari Hari Sdn Bhd (776258-T)
MPSJ	– Majlis Perbandaran Subang Jaya
NA	– Net assets

DEFINITIONS (Cont'd)

Proposed Land Acquisition	– Proposed acquisition of the Land for a cash consideration of RM158,000,000
Purchase Price	– The purchase consideration of RM158,000,000 for the purchase of the Land pursuant to the SPA
RM and sen	– Ringgit Malaysia and sen respectively
Second Payment	– The second payment of RM15,800,000 paid by the Purchaser to the Vendor pursuant to the SPA
SPA	– The conditional sale and purchase agreement dated 8 October 2012 between Bison and Mentari Hari for the Proposed Land Acquisition
Valuation Report	– The valuation report by the Valuer dated 10 October 2012
Valuer or Independent Registered Valuer	– Messrs. Jordan Lee & Jaafar Sdn Bhd (59901-U), an independent firm registered with the Board of Valuers, Appraisers & Estate Agents Malaysia

For the purpose of this Circular, reference to a time of day shall be a reference to Malaysian time.

In this Circular, words referring to the singular shall, where applicable, include the plural and *vice versa*, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include a company or a corporation.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK
--

TABLE OF CONTENTS

LETTER FROM THE BOARD TO THE SHAREHOLDERS OF HUA YANG CONTAINING: -

1.	INTRODUCTION	1
2.	THE PROPOSED LAND ACQUISITION	2
3.	BACKGROUND INFORMATION ON THE VENDOR	9
4.	RATIONALE AND BENEFITS OF THE PROPOSED LAND ACQUISITION	10
5.	INDUSTRY OVERVIEW AND PROSPECTS OF THE LAND	11
6.	EFFECTS OF THE PROPOSED LAND ACQUISITION	13
7.	RISK FACTORS	14
8.	CONDITIONS TO THE PROPOSED LAND ACQUISITION	15
9.	ESTIMATED TIME-FRAME FOR COMPLETION	16
10.	PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTATION	16
11.	DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	16
12.	DIRECTORS' RECOMMENDATION	16
13.	EGM	16
14.	FURTHER INFORMATION	17

APPENDICES

APPENDIX I	VALUER'S CERTIFICATE RELATING TO THE LAND	18
APPENDIX II	FURTHER INFORMATION	26
NOTICE OF EGM		ENCLOSED
FORM OF PROXY		ENCLOSED



HUAYANG

HUA YANG BERHAD

(Company No. 44094-M)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

123A, Jalan Raja Permaisuri Bainun, (Jalan Kampar)
30250 Ipoh
Perak Darul Ridzuan

21 December 2012

Board of Directors

Tan Sri Dato' Seri Dr. Ting Chew Peh (*Chairman / Independent Non-Executive Director*)
Ho Wen Yan (*Chief Executive Officer / Executive Director*)
Dato' Tan Bing Hua (*Senior Independent Non-Executive Director*)
Ho Mook Leong (*Non-Independent Non-Executive Director*)
Chew Pó Sim (*Non-Independent Non-Executive Director*)
Chew Hoe Soon (*Non-Independent Non-Executive Director*)
Dato' Wan Azahari Bin Yom Ahmad (*Independent Non-Executive Director*)

To : The Shareholders of Hua Yang

Dear Sir / Madam,

PROPOSED ACQUISITION BY BISON OF FIVE (5) PLOTS OF LEASEHOLD LAND MEASURING APPROXIMATELY 29.2058 ACRES LOCATED IN MUKIM AND DISTRICT OF PETALING, FROM MENTARI HARI, FOR A TOTAL CASH CONSIDERATION OF RM158,000,000

1. INTRODUCTION

On 8 October 2012, AmlInvestment Bank, on behalf of Hua Yang, had announced that Bison had on even date entered into a conditional sale and purchase agreement with Mentari Hari for the Proposed Land Acquisition.

On 7 November 2012, AmlInvestment Bank, on behalf of Hua Yang, had announced that the EPU had approved the Proposed Land Acquisition (vide EPU's letter dated 1 November 2012) which was received on 6 November 2012. Bison and / or its adviser were requested to inform the EPU upon completion of the Proposed Land Acquisition.

EPU had further clarified that the Proposed Land Acquisition by Bison had been approved without any condition vide its letter dated 21 November 2012.

The purpose of this Circular is to provide you with the relevant information on the Proposed Land Acquisition, and to accordingly seek your approval for the resolution pertaining to the same to be tabled at the company's forthcoming EGM. The notice of EGM together with the Form of Proxy are enclosed in this Circular.

SHAREHOLDERS OF HUA YANG ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED LAND ACQUISITION AT THE FORTHCOMING EGM.

2. THE PROPOSED LAND ACQUISITION

2.1 Details of the Proposed Land Acquisition

Pursuant to the SPA, the Proposed Land Acquisition involves the acquisition by Bison of the Land from Mentari Hari for a total cash consideration of RM158,000,000.

In consideration of the Earnest Deposit paid by Bison to Mentari Hari on 10 September 2012 (prior to the signing of the SPA), and the Balance Deposit and Second Payment paid by Bison (as at the date of the SPA) to Mentari Hari and to Mentari Hari's solicitors as stakeholders respectively, Mentari Hari agrees to sell and Bison agrees to purchase the Land with vacant possession and free from all encumbrances, charges, caveats, liens, squatters and claims.

Further to the above payments, the Purchaser shall pay the Balance Purchase Price to the Vendor's solicitors as stakeholders to be released to the Vendor within two (2) months from the date all Conditions Precedents (as defined herein) within the SPA are fulfilled and that the Vendor shall deliver vacant possession following the full payment of the same.

No.	Date of Payment	Portion of Purchase Consideration	Amount (RM)
1.	10 September 2012	Earnest Deposit	3,160,000
2.	8 October 2012	Balance Deposit	12,640,000
3.	8 October 2012	Second Payment	15,800,000
4.	Within two (2) months of the Unconditional Date (as defined herein)	Balance Purchase Price	126,400,000
TOTAL			158,000,000

2.2 Details of the Land

The Land comprises five (5) vacant plots of leasehold land comprising three (3) vacant plots of commercial land and two (2) vacant plots of industrial land. The Land is generally flat in terrain. Lots 110500, 110501, 110502 and 110503 form an irregular shaped piece of the Land whilst Lot 110506 is trapezoidal in shape. The lease term of the Land is 99 years expiring on 9 December 2110.

The Land is located to the immediate south of Puchong West Toll Plaza of LDP leading towards USJ / Shah Alam. It lies approximately 17 kilometres to the South-West of Kuala Lumpur city centre, approximately 9 kilometres to the South-West of Petaling Jaya new town centre and approximately 5 kilometres to the South-West of IOI mall (Bandar Puchong Jaya) and is presently accessible via Jalan Syed Putra, Jalan Klang Lama, Jalan Puchong and the LDP. Alternatively, it is also accessible from the Lebuhraya Persekutuan by exiting at the Sunway interchange and onto LDP, the frontage road.

Properties in the vicinity comprise a mixture of residential, commercial and industrial developments, predominantly of single-storey to double-storey terraced / linked houses, dwelling houses (semi-permanent "kampung" houses), blocks of apartments / condominiums, terraced and detached factories, three-storey to five storey-shop / offices and vacant development lands.

Mentari Hari had on 13 September 2011 obtained a planning approval from MPSJ for a commercial development consisting of 68 units of stratified 4-storey cluster shop / offices, commercial plot, petrol station site and public facilities and amenities ("**Planning Approval**"). The Planning Approval has since lapsed on 13 September 2012. Mentari Hari had further on 5 September 2012 made an application to MPSJ for an extended Planning Approval ("**Extended Planning Approval**").

MPSJ has approved the application for the Extended Planning Approval until 22 October 2013 (vide MPSJ's letter dated 22 October 2012) which was received on 10 December 2012.

The total net book value attributable to the Land based on the latest audited financial statements of the Vendor for the financial year ended 31 December 2011 amounted to RM95.1 million. Presently, the Land is vacant and not in use.

The Land is presently charged in favour of the Chargee. The Land is charged pursuant to banking facilities provided by Malayan Banking Berhad to part-finance the acquisition of the Land, part-finance the development of the Land and finance the payment of certain deposits by the Vendor.

Further details of the Land are as follows: -

Title No.	(i) PN95919, Lot 110500; (ii) PN95920, Lot 110501; and (iii) PN95921, Lot 110502	(i) PN95922, Lot 110503; and (ii) PN95923, Lot 110506
Mukim, District, State	Mukim Petaling, District of Petaling, Selangor Darul Ehsan	
Land Area	29.1023 acres	0.1035 acre
Land Use	"Bangunan Perniagaan"	"Perusahaan Berat"
Tenure	Leasehold interest for 99 years expiring on 9 December 2110	
Registered Owner	Mentari Hari Sdn Bhd	
Net Book Value	RM 95.1 million	
Encumbrances	Legal charges under the National Land Code lodged by the Chargee registered vide presentation no. 67921/2012 and 67922/2012 on 27 June 2012	

2.3 Salient Terms of the SPA

2.3.1 Conditions Precedent

The sale and purchase of the Land is conditional upon, inter-alia, the fulfillment of the following conditions precedent: -

- a) the Purchaser having obtained our shareholders' approval to the acquisition of the Land;
- b) the Vendor having obtained and forwarded to the Purchaser the Extended Planning Approval for the development of the Land from MPSJ and such Extended Planning Approval shall be upon terms acceptable to the Purchaser (which was obtained on 10 December 2012 (vide MPSJ's letter dated 22 October 2012));
- c) the Vendor having obtained and forwarded to the Purchaser's solicitors the Selangor State Authority's approval for the transfer of the Land from the Vendor to the Purchaser (the "**State Approval to Transfer**") (which was obtained on 6 December 2012); and
- d) the Purchaser or the Purchaser's solicitors having received:-
 - (i) the approval of the EPU for the sale of the Land from the Vendor to the Purchaser (which was obtained on 1 November 2012); and
 - (ii) waiver by the EPU of the bumiputera equity condition.

(collectively, the "**EPU Approval**")

For information, the EPU approval is required pursuant to the EPU's Guideline on the Acquisition of Properties. EPU had further clarified vide its letter dated 21 November 2012, that the Proposed Land Acquisition by Bison had been approved without any condition.

(hereinafter collectively referred to as the "**Conditions Precedent**")

Save for the approval of Hua Yang's shareholders in an EGM for the Proposed Land Acquisition, the Conditions Precedent above have been complied with.

2.3.2 Vendor's fulfillment of Conditions Precedent

- (i) The Vendor shall at its own costs and expenses apply for the State Approval to Transfer in fulfillment of the Condition Precedent set out in Section 2.3.1(c) within ten (10) working days upon the date of the SPA subject to the Purchaser having furnished such information and document as stated in Section 2.3.2(ii) below.
- (ii) The Purchaser shall further furnish such information, supply such documents to the Vendor, and do all such acts and things as may be reasonably required to enable, assist or facilitate the Vendor in fulfilling the Condition Precedent under Section 2.3.1(c).
- (iii) The Vendor shall at its own costs and expenses use its reasonable endeavour to procure issue of the Extended Planning Approval by MPSJ upon terms acceptable to the Purchaser in fulfilling the Condition Precedent under Section 2.3.1(b) by the Conditions Precedent Fulfillment Due Date (as defined hereinafter).
- (iv) If the Vendor has appointed any architects, consultants, advisors and / or agents for the purposes of obtaining of the Planning Approval or extension thereof or in relation to the sale and purchase of the Land or any other matter with relation to the Land, the Vendor shall bear all costs for such architects, consultants, advisors and / or agents and shall by the date that the last of the Conditions Precedents has been fulfilled ("**Unconditional Date**"), obtain and forward to the Purchaser release letters from the consultants and / or agents addressed to the Vendor, releasing and disclaiming any interest or claims which they may have against the Land or the Purchaser or any other matter whatsoever in relation to the proposed development of the Land.

2.3.3 Purchaser's fulfillment of Conditions Precedent

- (i) The Purchaser shall at its own costs and expenses apply for the EPU Approval in fulfillment of the Conditions Precedent set out in Section 2.3.1(d) within ten (10) working days upon the date of the SPA subject to the Vendor having furnished such information and document as stated in Section 2.3.3(ii).
- (ii) The Vendor shall further furnish such information, supply such documents to the Purchaser, and do all such acts and things as may be reasonably required to enable, assist or facilitate the Purchaser in applying for the EPU Approval.
- (iii) The Purchaser shall at its own costs and expenses use its reasonable endeavour to procure us to issue our shareholders circular and convene a shareholder's meeting approval for the purpose of obtaining our shareholders' approval in fulfillment of the Condition Precedent set out in Section 2.3.1(a) by the Conditions Precedent Fulfillment Due Date (as defined hereinafter).

2.3.4 Waiver of Conditions Precedent

Notwithstanding any provisions in the SPA, the Purchaser may at any time before the Conditions Precedent Fulfillment Due Date (as defined hereinafter) at its sole and absolute discretion by notice in writing to the Vendor waive the fulfillment of any one or more of the Conditions Precedent referred to in Section 2.3.1(b) and Section 2.3.1(d)(ii).

As the Condition Precedent referred to in Section 2.3.1(d)(ii) has been approved by EPU without any condition, the Purchaser will not need to exercise its option to waive the fulfillment of this Condition Precedent.

2.3.5 Non-fulfillment of Conditions Precedent

- (i) If any Conditions Precedent are not fulfilled within three (3) months from the date of the SPA, the parties hereto agree to an automatic extension of a further one (1) month from the day after the expiry of the three (3) months period (the date falling on the last day of the one (1) month extension shall be referred to as the **"Conditions Precedent Fulfillment Due Date"**).
- (ii) If the Conditions Precedent or any of the Conditions Precedent is not fulfilled by the Conditions Precedent Fulfillment Due Date for any reasons whatsoever, provided such failure to secure the fulfillment of the Conditions Precedent is not due to the failure of a party to take the required reasonable steps towards fulfillment of the Conditions Precedent, then the obligations to sell and purchase the Land under the SPA shall terminate upon written notice by any party issued to the other party.
- (iii) Within fourteen (14) days upon termination of the SPA under Section 2.3.5 (ii):-
 - a) the Vendor's solicitors shall release the Second Payment together with all accrued interest to the Purchaser, and the Vendor shall procure the Vendor's solicitors to release the Second Payment together with all accrued interest to the Purchaser; and
 - b) the Vendor shall refund all monies including the Deposits paid by the Purchaser or its financier to the Vendor or the Chargee, free of interest, to the Purchaser,

in exchange for the returning to the Vendor of the transfer documents. Such refund of the monies shall be refunded by the Vendor to the Purchaser within fourteen (14) days from the date of receipt of the aforesaid written notification by the Vendor from the Purchaser or the Purchaser's solicitors, and thereafter all obligations and liabilities of the parties under the SPA shall cease to have effect and, none of the parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breaches.

2.3.6 Redemption of the Land from the Chargee

- (i) The Vendor shall cause the Chargee to deliver the redemption statement cum undertaking to the Purchaser or Purchaser's solicitors or the financier of the Purchaser or its solicitors, as the case may be, within ten (10) working days of a written request being made to the Vendor for the same.
- (ii) If the redemption amount exceeds the Balance Purchase Price, the Vendor shall within five (5) working days of receipt of a written request from the Vendor's solicitors or the Purchaser's solicitors, deposit the difference between the redemption amount and the Balance Purchase Price ("**Shortfall**") with the Vendor's solicitors as stakeholders. The Vendor's solicitors shall on receipt of the Shortfall release the Shortfall to the solicitors for the Purchaser's financier to enable them to forward the Shortfall and the full sum of the loan to pay the redemption amount to the Chargee.

- (iii) The Vendor undertakes to cause the Chargee to deliver the discharge documents to the solicitors for the Purchaser's financier within ten (10) working days from the date of receipt of the redemption amount by the Chargee. The Vendor shall promptly on written request, forward payment of the requisite stamp duties and registration fee (including penalty if any) for or relating to the discharge of charge for the existing charge, to the Purchaser's solicitors or the solicitors for the Purchaser's financier, as the case may be.

2.3.7 Payment of Balance Purchase Price

- (i) Subject to the fulfillment of the Conditions Precedent referred to in Section 2.3.1 above, the Purchaser shall pay or cause to be paid the Balance Purchase Price to the Vendor's solicitors as stakeholders within two (2) months of the Unconditional Date ("**Payment Due Date**").
- (ii) If the Balance Purchase Price is not paid in full on or before the Payment Due Date, the Vendor shall automatically grant to the Purchaser an extension of one (1) month from the Payment Due Date (the "**Extended Payment Due Date**") PROVIDED THAT the Purchaser shall pay to the Vendor interest at the rate of eight per centum (8%) per annum, calculated on the number of days elapsed based on 365 days a year on the amount of the outstanding Balance Purchase Price commencing from the date next following the Payment Due Date until full payment of the Balance Purchase Price to the Vendor's solicitors as stakeholders.

2.3.8 Purchaser's Non-Completion

- (a) In the event that:-
 - (i) the Purchaser shall fail to make the payment of the Balance Purchase Price on or before the Payment Due Date or Extended Payment Due Date, as the case may be; or
 - (ii) prior to the completion of the SPA, the Purchaser shall be in breach in any material respect of any of the covenants, undertakings, terms, conditions or provisions of the SPA and the Purchaser fails to remedy after expiry of thirty (30) days after the giving of written notice by the Vendor; or
 - (iii) the Purchaser shall become insolvent,the Vendor shall be entitled to terminate the SPA by notice in writing to the Purchaser ("**Vendor's Termination Notice**") and upon such termination, Section 2.3.8(b) shall apply.
- (b) Upon such termination as referred to in Section 2.3.8(a) above, the Deposits shall be forfeited to the Vendor as agreed liquidated damages for breach of contract, and all other monies or consideration paid or provided by the Purchaser or its financier towards account of the Purchase Price (including the Second Payment) shall be refunded and / or paid free from interest within fourteen (14) days from the date of Vendor's Termination Notice to the Purchaser or its financier (as the case may be) whereupon the Purchaser shall, simultaneous with the abovementioned refund:-
 - (i) re-deliver vacant possession of the Land to the Vendor (if same has been delivered to the Purchaser) in substantially the same state and condition as it was delivered to the Purchaser (fair wear and tear excepted);

- (ii) remove the Purchaser's and / or its financier's caveat and any encumbrances over the Land attributable to the Purchaser or its financier at the sole cost and expense of the Purchaser;
- (iii) return to the Vendor or the Vendor's solicitors the transfer documents and the discharge documents forwarded to the Purchaser or its financier, and all other relevant documents as may have been delivered to the Purchaser and / or its financier or their respective solicitors,

and thereafter the SPA shall become null and void and be of no further effect and the parties shall have no further claims against the other in respect of or arising out of the SPA.

2.3.9 Vendor's Non-Completion

- (a) In the event that:-
 - (i) the Vendor shall fail, neglect and / or refuse to sell and / or transfer the Land to the Purchaser in accordance with the provisions of the SPA; or
 - (ii) prior to the completion of the SPA, the Vendor shall be in breach in any material respect of any of the covenants, undertakings, terms, conditions or provisions of the SPA and the Vendor fails to remedy after expiry of thirty (30) days after the giving of written notice by the Purchaser; or
 - (iii) the Vendor shall become insolvent, or any petition for winding up has been filed against the Vendor,

the Purchaser shall be entitled:-

- (i) to, by notice in writing to the Vendor ("**Purchaser's Termination Notice**") terminate the SPA and upon such termination, Section 2.3.9(b) shall apply; or
 - ii) alternatively, to the remedy of specific performance against the Vendor and to all reliefs flowing therefrom at the costs and expenses of the Vendor.
- (b) Upon such termination as referred to in Section 2.3.9(a) above, the Vendor shall refund and / or pay all monies or consideration paid or provided by the Purchaser towards the Purchase Price of the Land (including the Deposits and the Second Payment) together with the accrued interest (**Note 1**) within fourteen (14) days from the date of the Purchaser's Termination Notice and the Vendor shall pay a further sum equivalent to the Deposits to the Purchaser as agreed liquidated damages for breach of contract by the Vendor, whereupon the Purchaser shall, simultaneous with the abovementioned refund:-
 - (i) re-deliver vacant possession of the Land to the Vendor (if same has been delivered to the Purchaser) in substantially the same state and condition as it was delivered to the Purchaser (fair wear and tear excepted);
 - (ii) remove the Purchaser's and / or its financier's caveat and any encumbrances over the Land attributable to the Purchaser or its financier at the sole cost and expense of the Purchaser;

- (iii) return to the Vendor or the Vendor's solicitors the transfer documents and the discharge documents forwarded to the Purchaser or its financier (if any), and all other relevant documents as may have been delivered to the Purchaser and / or its financier or their respective solicitors,

and thereafter the SPA shall become null and void and of no further effect and the parties shall have no further claims against the other in respect of or arising out of the SPA.

Note 1: Being the interest earned on the deposit of the Second Payment in an interest bearing monthly fixed deposit account with a commercial bank in Malaysia bearing interest rate of 2.9% per annum, upon payment to the Vendor's solicitors as stakeholders, in accordance with the terms of the SPA.

2.4 Basis of Arriving at the Purchase Price

The Purchase Price of RM158,000,000 for the Land was arrived at based on a willing-buyer willing-seller basis, after taking into consideration the open market value of the Land of RM159,000,000 as at 21 September 2012, based on the appraisal by the Valuer appointed by Bison. The Purchase Price of RM158,000,000 represents a discount of RM1,000,000 or approximately 0.63% from the valuation of RM159,000,000 accorded by the Valuer.

The valuation of the Land was carried out using the comparison method of valuation as detailed in the Valuation Report dated 21 September 2012.

The Comparison Method entails comparing the Land with similar properties that have been sold recently and those that are currently being offered for sale in the vicinity or other comparable localities. The characteristics, merits and demerits (such as shape, location / accessibility, tenure, restrictions-in-interest, terrain, plot size, category of land use and other factors) of these properties are noted and appropriate adjustments thereof are then made to arrive at the value of the Land.

Under sub-paragraph 4.05 of Asset Valuation Guidelines issued by the Securities Commission Malaysia, several general approaches of valuation are listed including the comparison approach, cost approach and income capitalization approach.

However, the Valuer had opined that the comparison method of valuation is the most appropriate method to value the Land due to the following reasons:-

- a) the Land comprises (5) five vacant plots of land and there are sufficient transactions of vacant development lands to substantiate the market value;
- b) the Planning Approval has lapsed and approval for the Extended Planning Approval was yet to be obtained as the date of valuation;
- c) the submitted building plans (for Lot 110500) were yet to be approved in full; and
- d) the Company has intentions to amend the development components of the Planning Approval.

The certificate from the Valuer dated 10 October 2012 relating to the Land is set out in Appendix I of this Circular.

2.5 Encumbrances on the Land

Save and except for the existing charge created in favour of the Chargee, the Land is free from all encumbrances or any other restriction which prohibits the passing of the legal and / or beneficial title of the Land to the transferee and / or interferes with the transferee's use and enjoyment of the Land ("**Encumbrances**"), charges, caveats, interest, squatters and claims. Upon the completion of the SPA, the Land is acquired with vacant possession and free from all Encumbrances, charges, caveats, interest, squatters and claims in the manner stipulated in the SPA but subject to the terms both implied and expressed in the issued document of title to the Land at the Purchase Price and upon the terms and conditions contained in the SPA.

2.6 Source of Funding

The Purchase Price of RM158,000,000 is expected to be funded via internally-generated funds and bank borrowings. The final breakdown will only be determined after all the necessary approvals for the Proposed Land Acquisition have been obtained.

In this respect, it is the intention of the Company to utilize the proceeds raised from the private placement exercise of Hua Yang, net of estimated expenses, which was completed on 14 August 2012 amounting to an aggregate of RM26.0 million, to partially fund the Proposed Land Acquisition.

2.7 Liabilities to be Assumed

Save for any potential bank borrowings that may arise from funding the Purchase Price, there are no other liabilities, including contingent liabilities and guarantees to be assumed by Bison or Hua Yang pursuant to the Proposed Land Acquisition.

2.8 Additional Financial Commitment

Save for the costs relating to the Company's Proposed Development (as defined herein) plans for the Land, estimated at approximately RM1.062 billion (excluding the Purchase Price for the Land), no other material additional financial commitment is expected to be incurred by Hua Yang in relation to the Proposed Land Acquisition.

3. BACKGROUND INFORMATION ON THE VENDOR

Mentari Hari was incorporated in Malaysia on 7 June 2007 under the Act as a private limited company. The Vendor is principally involved in property development.

As at the LPD, the authorised share capital of the Vendor is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each of which 500,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

3.1 Substantial Shareholders and Directors

The shareholders of Mentari Hari and their direct and indirect shareholdings in Mentari Hari as at the LPD are as follows: -

Shareholder	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Naza TTDI Sdn Bhd	425,000	85.0%	-	-
Dato' Chen Chun Kong	75,000	15.0%	-	-
Ekspedisi Nikmat Sdn. Bhd.	-	-	425,000 ⁽¹⁾	85.0
Tan Sri Dato' Seri Utama SH Mohd Nasimuddin Kamal Bin SH MD Amin	-	-	425,000 ⁽²⁾	85.0
Sheikh Mohd Nasarudin bin Sheikh Mohamad Nasimuddin	-	-	425,000 ⁽²⁾	85.0

Notes:-

- (1) Deemed interested by virtue of its 100% equity interest in Naza TTDI Sdn Bhd pursuant to Section 6A of Act.
- (2) Deemed interested by virtue of his substantial interest in Naza TTDI Sdn Bhd via Ekspedisi Nikmat Sdn Bhd, pursuant to Section 6A of Act.

The directors of Mentari Hari and their direct and indirect shareholdings in Mentari Hari as at the LPD are as follows:

Director	Nationality	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Dato' Chen Chun Kong	Malaysian	75,000	15.0	-	-
Sheikh Mohd Nasarudin bin Sheikh Mohamad Nasimuddin	Malaysian	-	-	425,000 ⁽¹⁾	85.0
Sheikh Mohd Faliq bin Sheikh Mohamad Nasimuddin Kamal	Malaysian	-	-	-	-

Notes:-

- (1) Deemed interested by virtue of his substantial interest in Naza TTDI Sdn Bhd via Ekspedisi Nikmat Sdn Bhd, pursuant to Section 6A of Act.

4. RATIONALE AND BENEFITS OF THE PROPOSED LAND ACQUISITION

The Proposed Land Acquisition is in line with our Group's strategy to acquire and continue to expand our current land bank which currently stands at approximately 766 acres and is located in the Klang Valley, Perak, Seremban and Johor in order to sustain our core business as a property developer as well as to enhance our future revenue and earnings. In view of the location of the Land, the Proposed Land Acquisition will also help us to gain increasing mileage as a notable developer in the affordable homes segments. The target market segments of the skilled workers in the surrounding area of the Land are expected to form the backbone of the units to be developed on the Land.

The Land will be developed for sale to meet increasing demand for affordable priced properties while maintaining modern and city lifestyle concepts to attract the younger generation of the surrounding matured residential areas of Puchong, Shah Alam and Subang due to population growth in these areas. The development will be centered on building vertical communities in the form of serviced apartments.

As set out above, Mentari Hari has obtained a Planning Approval from MPSJ for a commercial development consisting of 68 units of stratified 4-storey cluster shop / offices, commercial plot, petrol station site and public facilities and amenities. Upon completion of the Proposed Land Acquisition, we intend to change the components of the Planning Approval to a proposed mixed residential and commercial development project comprising serviced apartments in the affordable segment and offices / lifestyle studio office suites together with parking facilities, clubhouse and amenities with an expected gross development value of approximately RM1.52 billion and gross development cost of approximately RM1.22 billion, amounting to gross development profit of approximately RM300 million ("**Proposed Development**"). The Proposed Development is expected to be launched in the fourth (4th) quarter of 2014 with a development tenure of six (6) to eight (8) years.

In order to realise the Proposed Development, the following approvals (amongst others) may be required: -

- (i) conversion of land use conditions of the Land from "perusahaan berat" and "bangunan perniagaan" to commercial use from the land office; and
- (ii) amendments to the Planning Approval from MPSJ.

(collectively, the "**Proposed Development Order Approvals**")

As at the LPD, the applications for the Proposed Development Order Approvals have yet to be submitted to MPSJ and the land office.

As the Proposed Development is still at an early stage of planning whereby the applications for the Proposed Development Order Approvals have yet to be submitted to the relevant authorities, at this juncture there is as yet, no confirmed detailed information on the Proposed Development (other than as set out above) such as name of project, number of units to be developed or built-up area.

The Proposed Development is expected to contribute positively to our Group's future revenue stream and profitability. The Proposed Development is expected to be financed by internally generated funds and bank borrowings.

5. INDUSTRY OVERVIEW AND PROSPECTS OF THE LAND

5.1 Outlook of the Malaysian and Global Economy

The global economic environment remained challenging in the second quarter, amidst heightened vulnerabilities in several key economies. Growth in the major advanced economies was weighed down by policy and domestic structural concerns. In Asia, economic activity was affected by weaker external demand. In spite of this challenging environment, the Malaysian economy recorded a higher growth of 5.4% (First quarter, 2012: 4.9%), driven by stronger domestic demand. This was supported by robust growth in the expenditure of both the private and public sectors, while net exports moderated further due to weaker exports and higher imports. On the supply side, most major economic sectors continued to expand, led by the services, manufacturing and construction sectors.

Going forward, the global economy faces increasing downside risks emanating from the developments in several major economies. Policy uncertainty surrounding the European sovereign debt crisis and fiscal issues in the US are expected to weigh on market sentiments and growth prospects. For the Malaysian economy, the strong support provided by domestic demand, underpinned by activities in both the private and public sectors have ensured higher growth amidst the challenging global environment. This trend is expected to be sustained going forward, although downside risks emanating from external developments remain.

(Source: Bank Negara Malaysia's Economic and Financial Developments in Malaysia in the Second Quarter of 2012, dated 15 August 2012)

5.2 Outlook of the Malaysian Property Market

The residential property sub-sector is expected to spearhead the property market and construction activity. The Government announced the building of another 7,700 units of affordable homes, especially for the middle income group, in Cyberjaya, Putra Heights, Seremban, Damansara and Bukit Raja through the 1Malaysia People's Housing (PR1MA) scheme. House prices under this scheme are lower than market price as the land and facilitation funds are provided to developers. Stamp duty on loan instruments for the purchase of such house will also be exempted. For the low income group, Program Perumahan Rakyat will continue with RM443.0 million allocations for the construction of 8,000 units for sale and 7,000 units for rent. Under this program a total of 75,000 units of affordable houses will be built nationwide under the 10th Malaysia Plan. The Rumah Mesra Rakyat Programme managed by Syarikat Perumahan Negara Berhad will be continued in 2012. Another 10,000 units, each costing RM65,000 will be sold for RM45,000 with RM20,000 subsidised by the Government.

For the middle income group earning below RM3,000 per month, My First Home Scheme is expanded by increasing the limit of house prices from a maximum of RM220,000 to RM400,000. This improved scheme will be available to buyers through joint loans of husband and wife. With this expansion, more people will find it easier to have a home of their own without the difficulty of coming up with a substantial amount of down payment. For houses costing RM600,000 and below, to protect the interest of buyers, the Government encouraged the construction of houses using the build then sell concept.

The 41,000 expatriates working in the country will also benefit from the 2012 Budget. Similar to the facility available to Malaysian, they are also allowed to withdraw Employees Provident Fund (EPF) for the purchase of a house. This privilege would encourage the residential market activities especially for the houses priced RM500,000 and above.

On the overall property market performance for 2012, the residential sub-sector will be sustained. Higher housing starts and building plans approvals in 2011 signify confidence of developers and investors in the development activity. The vacant space in the office and retail sub-sectors is foreseen to be absorbed as more space is taken up when Economic Transformation Program takes place. Development in the various regional economic corridors and Greater Kuala Lumpur / Klang Valley would continue to give positive impacts on property development and the market in the coming years. The banking system would continue to support market activities with ample and accommodative funding.

(Source: Press release – National Property Information Centre, Valuation & Property Services Department, Ministry of Finance Malaysia, dated 26 March 2012)

5.3 Prospects of the Land

The Land is situated immediate south of Puchong West Toll Plaza of LDP leading towards USJ / Shah Alam within close proximity to Kuala Lumpur city centre, Petaling Jaya new town centre and Bandar Puchong Jaya. Given the prominent location of the Land in the middle of three matured towns namely Puchong, Subang and Shah Alam and easy accessibility via major highways linking up the entire Klang Valley such as LDP, Jalan Syed Putra, Jalan Klang Lama, Jalan Puchong and Lebuhraya Persekutuan where the demand for residential and commercial development in the surrounding area is expected to be positive in the immediate future. Furthermore, the Land is situated nearby notable landmarks such as IOI Mall Puchong, Tesco and Giant Hypermarkets Puchong as well as other housing schemes / areas such as Bandar Puteri Puchong, Kampung Bersatu, Kampung Tun Abdul Razak, Kampung Seri Puchong, Taman Puchong Intan, Taman Puchong Permai, Taman Puchong Perdana, Taman Desa Puchong, Taman Dahlia and Taman Perindustrian Puchong. In addition, the sizeable land area is just ideal for a self-contained mixed-development with residential apartments, food and beverages and entertainment retail lots and lifestyle office components.

With the strategic location amidst neighbourhoods with growing populations and established infrastructure, we envisage that the prospects of the Land for the Proposed Development plans, as disclosed in Section 4 of this Circular, is favourable.

6. EFFECTS OF THE PROPOSED LAND ACQUISITION

6.1 Share Capital and Substantial Shareholders' Shareholding

The Proposed Land Acquisition will not have any effect on the issued and paid-up share capital of Hua Yang as well as our substantial shareholders' shareholdings, as the Purchase Price is to be satisfied wholly by cash and does not involve any issuance of shares.

6.2 NA and Gearing

The Proposed Land Acquisition is expected to be completed by first (1st) quarter of 2013 and would not have any effect on the consolidated NA of our Group for the financial year ending 31 March 2013. However, the Proposed Land Acquisition is expected to enhance the consolidated NA of our Group and NA per share of Hua Yang in the future in view of the potential future profit contribution arising from the Proposed Development of the Land.

As the Purchase Price is to be satisfied by internally generated funds and bank borrowings and the exact manner in which the Purchase Price will be satisfied has not been finalised at this juncture, the effect of the Proposed Land Acquisition on the gearing cannot be ascertained at this juncture.

Strictly for illustrative purposes only, based on the audited consolidated financial statements of Hua Yang as at 31 March 2012, and assuming that the Purchase Price is satisfied twenty-five percent (25%) via internally-generated funds and seventy-five percent (75%) via bank borrowings, the Proposed Land Acquisition will increase the gearing of Hua Yang from 0.37 times to 0.81 times, as follows: -

	As at 31 March 2012	After the Proposed Land Acquisition
	RM'000	RM'000
Share Capital	144,000	144,000
Retained Profit	122,075	122,075
Shareholders' Funds / NA	266,075	266,075[^]
Borrowings	97,280	215,780*
Gearing Ratio (times)	0.37	0.81

Notes: -

* Assuming the Purchase Price is financed 75% by bank borrowings.

[^] Excluding the effects of any increase in interest expenses pursuant to the additional bank borrowings obtained, as further detailed in Section 6.3 below.

6.3 Earnings

The Proposed Land Acquisition is not expected to have any material effect on the earnings of the Group for the financial year ending 31 March 2013 in view that the Proposed Development is expected to be launched in the fourth (4th) quarter of 2014, but is expected to contribute positively to the Group's future earnings and earnings per share.

The impact of the increase in interest expense pursuant to the additional borrowings used to finance the Purchase Price, on the earnings of the Group for the financial year ended 31 March 2012 (assuming the Proposed Land Acquisition had been effected at the beginning of the said financial year) cannot be quantified at this juncture as the interest will firstly be capitalised when incurred. Property development revenue and expenses (including interest expenses) are then recognised in the profit or loss by using the stage of completion method in accordance with the Financial Reporting Standards. Such recognition into the profit and loss is dependent on inter-alia, stage of completion and level of sales.

7. RISK FACTORS

The risks associated with the Proposed Land Acquisition are set out below. By virtue that our Group is a property developer, these risks are similar to those that it is accustomed to. Hence, we believe that the experience and expertise of our management team will enable our Group to mitigate these risks effectively.

7.1 Development Risks

The Proposed Development is subject to certain risks inherent to property development, such as oversupply of the properties to be developed on the Land, changes in demand for types of residential and commercial properties, labour and material supply shortages, deterioration in prevailing market conditions and fluctuations in prices of building materials and costs of labour. Nevertheless, our Group continues to keep abreast with the latest developments in the property development market and will leverage on our track record as well as experienced, capable and dedicated management team in place, to manage these risks closely.

7.2 Delays in commencement and completion of development

The timely development and launch of properties on the Land will be dependent on external factors that may be beyond our control, such as obtaining timely approvals from the relevant regulatory authorities (including the Proposed Development Order Approvals), possible tight supply of labour as well as the timely and satisfactory performance of contractors appointed to construct the developments. Should any of the approvals required for the Proposed Development not be obtained, or should there be any delay in obtaining such approvals, the commencement and completion of development of the Land would similarly be delayed. However, our Board and management will seek to limit these risks through, inter-alia, working closely with the relevant authorities to secure the requisite approvals, careful planning and proactive and close monitoring of the progress of development of the Land and endeavour to come up with solutions in order to ensure timely completion of the Proposed Development.

7.3 Interest Rate Risk

We intend to finance the Proposed Land Acquisition via internally-generated funds and bank borrowings. As such, in the event any borrowing is taken to finance the Proposed Land Acquisition, fluctuation in interest rates could affect the interest charges incurred on the borrowings and hence affect our Group's profitability. Interest rate exposure arises from our Group's borrowings and deposits. Fluctuations in interest rates may also affect the demand for properties under our Proposed Development plans, as higher interest rates may lead to an increase in the prices of the properties for prospective buyers. This may adversely affect the demand and ultimately, the success of our Proposed Development plans.

In mitigating these risks, we actively review our debt portfolio taking into account the level and nature of borrowings and we strive to achieve a cost effective capital structure. Depending on market conditions, we will also review our pricing strategy to ensure that our Group's properties are competitively priced.

7.4 Non-completion of the Proposed Land Acquisition

In the event the Conditions Precedent are not met and not waived (where applicable), the Proposed Land Acquisition will not be completed. The non-completion will result in Hua Yang's failure to acquire the Land, which will result in the failure of our Group to achieve the objectives and benefits of the Proposed Land Acquisition, as disclosed in Section 4 of this Circular, including undertaking our Proposed Development plans.

Nevertheless, we shall ensure that every effort is made to obtain all the necessary approvals for the Proposed Land Acquisition and satisfaction of the Conditions Precedent. We are confident that, as the Proposed Land Acquisition is in the ordinary course of business of our Company, as well as in the best interests of our Company, our shareholders would approve the Proposed Land Acquisition.

7.5 Economic and Political Considerations

Our Group's future growth and profitability depends largely on the economic and political conditions in Malaysia. Factors that could adversely affect the successful development of the Land include, but are not limited to changes in interest rates, inflation, economic growth, taxation, accounting policies, regulations, government policies and political stability. Any adverse changes in these conditions, such as a prolonged economic downturn, could have a negative effect on the property development industry, which the Group operates in.

While our Group practices prudent financial risk management and efficient operating procedures, there is no assurance that adverse economic and political developments, which are beyond our control, will not materially affect our Group.

7.6. Compulsory acquisition by the Malaysian Government

The Malaysian Government has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of the applicable legislation including the Land Acquisition Act, 1960. In such event, the amount of compensation to be awarded is based on the fair market value of the property and is assessed on the basis prescribed in the Land Acquisition Act, 1960 and other relevant laws. If the Land is acquired compulsorily by the Malaysian Government after completion of the Proposed Land Acquisition at a point in time when the market value of the Land is lower than the purchase price of RM158,000,000, the compulsory acquisition could potentially affect the financial performance of the Group and the Proposed Development plans of the Group.

7.7. Land and Environmental Concerns

The Land may be subject to certain risks such as defects or adverse conditions of the soil, toxic substance and hazardous waste, other pollutants and contaminants that is detrimental to the Land, human health and the environment, or the existence of burial grounds, places of worship or other obstructions over the Land, that could adversely affect the successful development of the Land and subsequent sale of the development units.

In our effort to mitigate these risks, we have conducted the necessary due diligence on the Land, including conducting a proper site survey of the Land and its surroundings, prior to signing of the SPA. Furthermore, we have also sought the necessary warranties from the Vendor to ensure that the land is free from such issues.

8. CONDITIONS TO THE PROPOSED LAND ACQUISITION

The Proposed Land Acquisition is conditional upon approvals being obtained from the following: -

- (i) MPSJ approval for the extension of the Planning Approval which was obtained on 10 December 2012 (vide MPSJ's letter dated 22 October 2012);
- (ii) Selangor State Authority for the State Approval to Transfer which was obtained on 6 December 2012;
- (iii) the EPU of the Prime Minister's Department which was obtained on 1 November 2012;
- (iv) the shareholders of Hua Yang at a forthcoming extraordinary general meeting ("EGM") to be convened; and
- (v) any other relevant authorities / parties, if required.

The Proposed Land Acquisition is not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by our Company.

9. ESTIMATED TIME-FRAME FOR COMPLETION

Subject to the receipt of approvals stated in Section 8 above and barring any unforeseen circumstances, the Proposed Land Acquisition is expected to be completed by the second (2nd) quarter of 2013.

The tentative timeline in relation to the implementation of the Proposed Land Acquisition is as follows: -

DATE	EVENTS
21 December 2012	Despatch of Circular to shareholders
23 January 2013	<ul style="list-style-type: none">• EGM to approve the Proposed Land Acquisition• Fulfillment of all Conditions Precedent
By March 2013	Completion of the Proposed Land Acquisition

10. PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTATION

Save for the Proposed Land Acquisition, as at the LPD, there are no other corporate exercises which have been announced by our Company but which are pending completion.

11. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors, major shareholders of Hua Yang and / or persons connected to them, has any interest, direct or indirect, in the Proposed Land Acquisition.

12. DIRECTORS' RECOMMENDATION

After having taken into consideration all aspects of the Proposed Land Acquisition, we are of the opinion that the Proposed Land Acquisition is in the best interest of our Group. Accordingly, on this basis, we recommend that you vote in favour of the resolution pertaining to the Proposed Land Acquisition to be tabled at the forthcoming EGM.

13. EGM

The EGM, notice of which is enclosed with this Circular, is 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 Darul Ehsan on Wednesday, 23 January 2013 at 10 a.m., or at any adjournment thereof for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Land Acquisition.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions thereon as soon as possible so as to arrive at the Registered Office of the Company no later than forty-eight (48) hours before the time fixed for holding the EGM or at any adjournment thereof. The completion and lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

Shareholders are requested to refer to the Appendices appended herein for further information.

Yours faithfully
For and on behalf of the Board of
HUA YANG BERHAD

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

APPENDIX I – VALUER'S CERTIFICATE RELATING TO THE LAND

Our Reference : KL121288

October 10, 2012

Messrs. Bison Holdings Sdn. Bhd.
(a wholly-owned subsidiary of Messrs. Hua Yang Berhad)
No. C-21, Jalan Medan Selayang 1
Medan Selayang
68100 Batu Caves
SELANGOR DARUL EHSAN

Dear Sirs,

RE : VALUATION OF FIVE (5) VACANT PLOTS OF LAND IDENTIFIED AS LOTS 110500, 110501, 110502, 110503 AND 110506, HELD UNDER TITLE NOS. PAJAKAN NEGERI 95919 TO 95923 (INCLUSIVE) RESPECTIVELY [FORMERLY P.T. NOS. 74115 TO 74119 (INCLUSIVE), HELD UNDER TITLE NOS. H.S. (D) 279177 TO 279181 (INCLUSIVE) RESPECTIVELY], ALL WITHIN MUKIM AND DISTRICT OF PETALING, STATE OF SELANGOR

We were instructed by Messrs. Bison Holdings Sdn. Bhd. (a wholly-owned subsidiary of Messrs. Hua Yang Berhad) to assess the Market Value of above mentioned properties (hereinafter referred to as the 'subject property') for the purpose of submission to Bursa Malaysia Securities Berhad in conjunction with the proposed acquisition of five (5) vacant plots of land identified as Lots 110500, 110501, 110502, 110503 and 110506, held under Title Nos. Pajakan Negeri 95919 to 95923 (inclusive) respectively, all within Mukim and District of Petaling, State of Selangor by Messrs. Bison Holdings Sdn. Bhd., a wholly-owned subsidiary of Messrs. Hua Yang Berhad.

In accordance with Messrs. Bison Holdings Sdn. Bhd.'s instructions, we have conducted a Valuation on the subject property and details of the Valuation are contained in our Valuation Report bearing reference No. KL121288 dated October 10, 2012. The Valuation was prepared in conformity with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards prescribed by the Board of Valuers, Appraisers and Estate Agent, Malaysia.

The basis of Valuation adopted is the **Market Value** which is defined as "Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

For the purposes of inclusion of Circular to shareholders of Hua Yang Berhad, we have summarised our report and outlined key factors which have been considered in arriving at our opinion of the Market Value for the subject property. This letter does not contain all the necessary data and information included in our report. For all intents and purposes, this Valuation Certificate should be read in conjunction with our abovementioned formal Valuation Report.

• International Property Consultants • Chartered Valuation Surveyors • Registered Valuers •
• Registered Estate Agents • Property & Project Managers • Plant & Machinery Valuers • Auctioneers •

Managing Director : P.TANGGA PERAGASAM, FISM, FRICS, Chairman : CHIN LAI SITT, FISM, FRICS, LLB (Hons), CLP, Advocate & Solicitor (Non-Practising)
Executive Director : THOO SING CHOON, FRICS, IRRV, AClARB, FPCS, Director / Advisor : JAAFAR ISMAIL, FISM, FRICS,

YAP KIAN ANN, MISM, MPEPS, CHIN SHIOW WEI, MRICS, MISM, B.Sc (Hons) Estate Management (UK), CLARENCE T. PERAGASAM, MISM, MPEPS, B.Sc (Hons) Estate Management (UK)
LEE THIAM SING, MISM, MPEPS, LIM CHANG MEE, FISM, FRICS, MPEPS, BA(Hons), B.Sc (Hons)

Headquarters : Level 6, Block G (North), Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Tel : 03-2095 5811 (10 Lines) Fax : 03-2095 5843
Perak : No. 35-37, Ground Floor, Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan, Tel: 05-2414826 (3 Lines) Fax : 05-2556363
N. Sembilan : 9A, Kompleks Negeri, Jalan Dr. Krishnan, 70000 Seremban, Negeri Sembilan Darul Khusus, Tel: 06-7638890 & 7638990 Fax : 06-7637936
Petalang Jaya : 30A, Jalan Yong Shook Lin, 46200 Petaling Jaya, Selangor Darul Ehsan, Tel: 03-79565811 Fax : 03-79555843
Selangor : No. 43, Jalan Kepayang, off Jalan Meru, Klang Financial Square, 41050 Klang, Selangor Darul Ehsan, Tel: 03-33420860 (3 Lines) Fax : 03-33417888
Melaka : No. 288, Jalan Melaka Raya 2, Taman Melaka Raya, 75000 Melaka, Tel: 06-2835522 (4 Lines) Fax : 06-2837635
Penang : No. 26, Lebuh Light, 10200 Pulau Pinang, Tel: 04-2637749 & 2637750 Fax : 04-2637644
Pahang : 17, Jalan Gambut 2, 25000 Kuantan, Pahang Darul Makmur, Tel: 09-5177588 Fax : 09-5142146

**JORDAN LEE
& JAAFAR**
Registered Valuers & Estate Agents
Chartered Surveyors & Property Managers
JORDAN LEE & JAAFAR SDN. BHD.
(59901-U) • (VE (1)0063)
(formerly Colliers Jordan Lee & Jaafar Sdn. Bhd.)
Level 6, Block G (North),
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur, Malaysia
Tel No: 03-2095 5811 (10 Lines)
Fax No : 03-2095 5843
Email: hq@jj.com.my

Brief descriptions of the subject property

The subject property comprises three (3) vacant plots of commercial land and two (2) vacant plots of industrial land identified as Lots 110500, 110501, 110502, 110503 and 110506, held under Title Nos. Pajakan Negeri 95919 to 95923 (inclusive) respectively, all within Mukim and District of Petaling, State of Selangor. It is to be noted that these two (2) vacant plots of industrial land are amenities lots that designated for electrical sub-station use as expressly stipulated in the title deeds. Together, they form an irregular shaped piece of land and contain an aggregate land area of 118,192 square metres (29.2058 acres).

Interest to be valued

Interest to be valued is three (3) vacant plots of leasehold commercial land and two (2) vacant plots of leasehold industrial land.

Location

The subject property is sited immediately to south of the Puchong West Toll Plaza of Lebuhraya Damansara-Puchong (LDP) which heads towards USJ / Shah Alam. It lies approximately 17 kilometres to the south-west of the Kuala Lumpur city centre, approximately 9 kilometres to the south-west Petaling Jaya new town centre and approximately 5 kilometres to the south-west of IOI Mall (Bandar Puchong Jaya).

Access to the subject property is easily available from various parts of the Kuala Lumpur city centre via Jalan Syed Putra, Jalan Klang Lama, Jalan Puchong and thence onto Lebuhraya Damansara-Puchong, the frontage road.

An alternative access is also available from the Lebuhraya Persekutuan by exiting at the Sunway interchange and onto Lebuhraya Damansara-Puchong, the frontage road.

Western portions of the subject property are accessible from Lebuhraya Damansara-Puchong via Jalan Seri Puchong / Jalan Klang and thereafter onto the various made up roads within Kampung Bersatu and Kampung Tun Abdul Razak. Whilst the southern and eastern portions are accessible from Taman Puchong Indah, Taman Puchong Permai and Taman Puchong Perdana via Persiaran Puchong Permai or Jalan Indah 2 and thereafter onto the various made up roads within the schemes.

It is also noted that the road reserves sited along the eastern and south-eastern boundaries of the subject property will be connecting Persiaran Puchong Permai at its southern corner.

Properties in the vicinity comprise a mixture of residential, commercial and industrial developments comprising predominantly of single-storey to double-storey terraced / linked houses, dwelling houses (semi-permanent kampung houses), blocks of apartments / condominiums, terraced and detached factories, three-storey to five storey-shop/offices and vacant development lands.

Notable landmarks fronting onto Lebuhraya Damansara-Puchong (LDP) located about 1 kilometre to the east of the subject property include the premises of Tractors (M) Sdn. Bhd. and Kompleks Rakan Muda Puchong.

Located further to the north-east are IOI Mall Puchong and the Tesco and Giant Hypermarkets of Puchong. Sekolah Kebangsaan Puchong Intan is located a short distance to the south-east of the subject property.

Housing schemes / areas nearby include Bandar Puteri Puchong, Kampung Bersatu, Kampung Tun Abdul Razak, Kampung Seri Puchong, Taman Puchong Intan, Taman Puchong Permai, Taman Puchong Perdana, Taman Desa Puchong, Taman Dahlia and Taman Perindustrian Puchong.

Brief Descriptions

A) The Site

The site comprises three (3) vacant plots of commercial land (Lots 110500 to 110502) and two (2) vacant plots of industrial land (Lots 110503 and 110506). It is to be noted that these two (2) vacant plots of industrial land are amenities lots that designated for electrical sub-station use as expressly stipulated in the title deeds. Together, they consist of about 0.35% of the total land area of the subject property. Lots 110500 to 110503 adjoin each other and together form an irregular shaped piece of land whilst Lot 110506 is an isolated lot sited to the east of Lot 110501. It is separated by a road reserve and electrical transmission lines which run parallel to the south-eastern boundaries of Lots 110500 to 110503.

The subject property is generally flat in terrain and sited slightly lower than Lebuhraya Damansara-Puchong (LDP) and at about the same level / slightly lower than the other frontage roads. At the time of inspection, the subject property was not demarcated with any form of fencing and was overgrown with trees, bushes and shrubs.

The aggregate land area of the subject property is tabulated as follows:-

Lot Nos.	Land Area		
	Hectares	Acres	Square metres
Commercial Plots			
110500	5.2470	12.9656	52,470
110501	5.7610	14.2357	57,610
110502	0.7693	1.9010	7,693
Industrial Plots			
110503	0.0204	0.0504	204
110506	0.0215	0.0531	215
Total	11.8192	29.2058	118,192

Lot 110500 is a vacant plot of commercial land with a layout approval for 68 units of stratified cluster shop/offices. However, the approval had lapsed as at the date of Valuation. It is near trapezoidal in shape with the exception of a rectangular shaped indent at its north-centre portion (which comprises a private land). Lot 110500 contains a land area of 52,470 square metres (12.9656 acres).

Lot 110501 is a vacant plot of commercial land designated for commercial development as per the approved layout plan (lapsed). It is near triangular in shape and contains a land area of 57,610 square metres (14.2357 acres).

Lot 110502 is a vacant plot of commercial land designated for petrol station use as per the approved layout plan (lapsed). It contains a land area of 7,693 square metres (1.9010 acres) and is regular in shape with the exception of a chip off corner at its southern (which is Lot 110503).

Lot 110503 is a vacant plot of industrial land designated for electrical sub-station as per the approved layout plan (lapsed). It contains a land area of 204 square metres (0.0504 acre) and is rectangular in shape. Lot 110503 is the lot adjacent to the southern corner of Lot 110502.

Lot 110506 is a vacant plot of industrial land designated for an electrical sub-station as per the approved layout plan (lapsed). It is trapezoidal in shape and contains a land area of 215 square metres (0.0531 acre). This lot is located to the east of Lot 110501 and is separated by road reserves and electrical transmission lines.

B) Proposed Development

In accordance with the Planning Approval from Majlis Perbandaran Subang Jaya bearing reference No. MPSJ.260/1/254 Jil.8(43) dated September 13, 2011 and the approved layout plan, the subject property

KL121288

was approved for development of 68 units of stratified 4-storey cluster shop/office, a commercial plot and a petrol station site. However, the approval had lapsed as at the date of Valuation.

We have been informed by the client that they have intentions to amend the development components of the Planning Approval. However, no submission for the alteration to the Planning Approval had been done as at the date of Valuation.

Registered Proprietor / Beneficial Owner

The registered proprietor is Mentari Hari Sdn. Bhd. However, by a conditional Sale and Purchase Agreement dated October 8, 2012, the registered proprietor has agreed to sell and Bison Holdings Sdn. Bhd. has agreed to purchase the subject property for the consideration of RM158,000,000/-, free from all encumbrances, with vacant possession and subject to all conditions and restrictions in the title documents.

Title Particulars

Title Nos. (Pajakan Negeri)	Lot Nos.	Land Area	Category of Land Use	Express Conditions	*Annual Rent (RM)
95919	110500	5.2470 hectares	Bangunan (*Building)	Bangunan Perniagaan (*Commercial building)	104,363
95920	110501	5.7610 hectares	Bangunan (*Building)	Bangunan Perniagaan (*Commercial building)	114,587
95921	110502	0.7693 hectares	Bangunan (*Building)	Bangunan Perniagaan (*Commercial building)	15,302
95922	110503	204 square metres	Perusahaan (*Industry)	Perusahaan berat (*Heavy industry)	203
95923	110506	215 square metres	Perusahaan (*Industry)	Perusahaan berat (*Heavy industry)	214
Total	-	11.8192 hectares or 118,192 square metres	-	-	234,669

Tenure : Leasehold interest for 99 years expiring on December 9, 2110

Mukim / District / State : Mukim and District of Petaling, State of Selangor

Restrictions In Interest : Lots 110500 to 110502
Tanah ini boleh dipindahmilik, dipajak atau digadai setelah mendapat kebenaran Pihak Berkuasa Negeri.
(*The land hereby may be transferred, leased or charged after obtaining consent from the State Authority)

Lots 110503 and 110506

- Tanah ini boleh dipindah milik, dipajak atau digadai setelah mendapat kebenaran Pihak Berkuasa Negeri.
(*The land hereby may be transferred, leased or charged after obtaining consent from the State Authority)
- Tanah ini hendaklah digunakan semata-mata untuk tujuan tapak pencawang elektrik sahaja.
(*The land hereby shall be used solely as a site for electrical sub-station)

Encumbrances : Charged twice to Malayan Banking Berhad, both registered on June 27, 2012

Other Endorsements : -

(* Translation)

Occupancy Status / Existing Use

The subject property was generally overgrown with trees, bushes and shrubs.

Planning

Our verbal enquiries with the Jabatan Perancang Bandar of Majlis Perbandaran Subang Jaya revealed that the subject property is located within an area designated for commercial use at a permissible plot ratio of 1:4.

In accordance with the Planning Approval from Majlis Perbandaran Subang Jaya bearing reference No. MPSJ.260/1/254 Jil.8(43) dated September 13, 2011, an approval has been granted for the amendment of the earlier approved layout plan bearing reference No. MPSJ.PS.(F).260/1/254 Jld.5 dated February 3, 2010. However, the Planning Approval is valid for a period of 12 months and has expired on September 13, 2012. An application letter from Messrs. Jururancang Harta Sdn. Bhd. to Majlis Perbandaran Subang Jaya has been submitted for the extension of the validity period of the said Planning Approval. We have been informed that the approval for the extension of the validity period for the Planning Approval was yet to be obtained as at the date of valuation.

Under the approval for the surrender and re-alienation from Pejabat Daerah Dan Tanah Petaling bearing reference No. (8)d/m.PTP.6/03/197&76/06/10 dated August 4, 2011 and approved pre-computation plan bearing plan No. MPSJ.PH.260/1/254, P.T. Nos. 78702 to 78842 (141 titles) have been surrendered for the re-alienation of new lots measuring 53.11 acres in total. The subject property (Lots 110500, 110501, 110502, 110503 and 110506) forms part of the above re-alienated area and comprises mainly the developable area of the entire proposed site. As such, the titled land area of the subject property of 118,192 square metres (or 29.2058 acres) is the net land area and does not include the portions to be surrendered for public facilities, open space, access roads, water retention, etc.

We have been informed by the client that they have intentions to amend the development components of the Planning Approval. However, no submission for Planning Approval had been done as at the date of Valuation:

Market Value

RM159,000,000/- (or RM1,345.27 per sq.m. / RM125 per sq. ft.)

Date of Valuation

September 21, 2012

Method of Valuation

We have applied the Comparison Method of Valuation to determine the present Market Value of the subject property.

The Comparison Method entails comparing the subject property with similar properties that have been sold recently and those that are currently being offered for sale in the vicinity or other comparable localities. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to arrive at the value of the subject property.

In accordance with sub-paragraph 4.06 of Asset Valuation Guidelines issued by the Securities Commission of Malaysia, at least two methods of valuation are to be adopted and where only one method is adopted, reasons for this departure must be disclosed.

In ascertaining the Market Value of the subject property, we have only relied on the Comparison Method of Valuation to arrive the Market Value of the subject property. We are of the opinion that this method is the most appropriate method in the computation of the Market Value based on the following reasons:-

KL121288

- a. The subject property comprises 5 vacant plots of land and there are sufficient transactions of vacant development lands to substantiate the Market Value;
- b. The Planning Approval / approved layout plan had lapsed and the approval for extension of the validity period for the Planning Approval was yet to be obtained as at the date of valuation;
- c. The submitted building plans (for Lot 110500) were yet to be approved in full; and
- d. The client has intentions to amend the development components of the Planning Approval.

The subject property comprises three (3) vacant plots of commercial land and two (2) vacant plots of industrial land. It is to be noted that these two (2) vacant plots of industrial land are amenities lots that designated for electrical sub-station use as expressly stipulated in the title deeds. Together, they consist of about 0.35% of the total land area of the subject property. As a whole, we have ascertained the Market Value of the subject property as a vacant piece of commercial land.

Source of Information

Title deeds, assessment receipts, planning approval letter, approved layout plan, approved pre-computation plan, letter from Pejabat Daerah Dan Tanah Petaling, conditional Sale and Purchase Agreement, Valuation & Property Services Department, etc.

Valuation Workings

A summary of the parameters used in the valuation workings and our justification are enclosed (refer Note 1).

Reconciliation of Value

Not applicable (only one method of valuation is used).

Valuation

Taking into consideration all relevant factors, we are of the opinion that the Market Value of the subject property, identified as Lots 110500, 110501, 110502, 110503 and 110506, held under Title Nos. Pajakan Negeri 95919 to 95923 (inclusive) respectively, all within Mukim and District of Petaling, State of Selangor, in its existing condition, free from all encumbrances and with vacant possession, is **RM159,000,000/- (RINGGIT MALAYSIA : ONE HUNDRED AND FIFTY NINE MILLION ONLY).**

Yours faithfully,

JORDAN LEE & JAAFAR Sdn. Bhd.



YAP KIAN ANN, MR. S. MPEPS, MMIPPM
Registered Valuer (V-616)

KL121288

Note 1
Comparison Method

Comparables	1	2	3	4
Property	: 3 vacant plots of development land with potential for mixed commercial / residential development	A vacant plot of commercial land	Four (4) plots of industrial land erected with some industrial buildings	A vacant plot of commercial land
Title Particulars	: Lot Nos. 38302, 2778 (now Lot Nos. 100023 & 100024) & 2838, held under Geran 49642, 12835 (now Geran 75603 & 75602) and 12830 respectively, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan	Lot 80810, held under Geran 203770, Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan	Lots 38513 to 38516, held under Geran 84178 to 84181 respectively, Pekan Country Height, District of Petaling, State of Selangor Darul Ehsan	P.T. No. 41831, held under Title H.S.(D) 28819, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan
Locality	: Located along Jalan Awan Besar and the Shah Alam - Kuala Lumpur Highway, Taman Yarl, Kuala Lumpur	Located immediately to the west of the North-South Central Link (ELITE Highway), off Jalan Jubli Perak, Shah Alam	Lot 1, Subang Hi-Tech Industrial Park, Batu 3, 40000 Shah Alam, Selangor Darul Ehsan	Located within the Cyberjaya Flagship Zone and is sited to the west of Cyberia Smarthomes and the Multimedia University
Tenure	: Freehold	Freehold	Freehold	Freehold
Consideration	: RM450,000,000/-	RM28,000,000/-	RM385,464,600/-	RM86,542,830/-
Plot Size	: 2,501,576 square feet (gross) 1,623,917 square feet (net)	201,662 square feet	3,854,707 square feet	692,335 square feet
Date of Transaction	: 14/3/2012	14/11/2011	8/6/2011	22/3/2011
Remarks	: It is irregular in shape. It is to be noted that this transaction has yet to be completed as per WCT Berhad's announcement dated September 10, 2012. It has no Planning Approval.	The land is trapezoidal in shape and was covered with bushes. It has Planning Approval (approved layout) but lapsed.	The Vendor and Purchaser have entered into a conditional Sale and Purchase Agreement for the sale and purchase of the lands together with the buildings erected thereon. The property is acquired for a proposed residential and commercial development. As such, we have disregarding the buildings in the land rate analysis. It has no Planning Approval.	The land is generally flat in terrain and rectangular in shape. The land is a corner lot with two frontages. It is presently undergoing commercial development known as Pan'gaea Cyberjaya. It has no Planning Approval.
Analysis	: RM179.89 per sq. ft. (on gross land area) RM277.11 per sq. ft. (on net land area)	RM138.85 per sq. ft.	RM100.00 per sq. ft.	RM125.00 per sq. ft.
Adjustments Made	: <u>Positive Adjustments</u> Plot shape <u>Negative Adjustments</u> Location / accessibility, tenure, restriction in interest, terrain, frontage width and the subject property is located near to electrical transmission lines	<u>Positive Adjustments</u> Time lapse and location / accessibility <u>Negative Adjustments</u> Tenure, restriction in interest, plot size, terrain and the subject property is located near to electrical transmission lines	<u>Positive Adjustments</u> Time lapse, category of landuse, plot size, the subject property comprises the net land area and does not include the portions to be surrendered for public facilities, open space, access roads, water retention, etc. <u>Negative Adjustments</u> Location / accessibility, tenure, restriction in interest, and terrain	<u>Positive Adjustments</u> Time lapse, location / accessibility and plot size <u>Negative Adjustments</u> Tenure, planning (plot ratio), plot shape, terrain and the subject property is located near to electrical transmission lines
Adjusted Market Rate	: RM141.32 per sq. ft.	RM126.35 per sq. ft.	RM126.00 per sq. ft.	RM116.25 per sq. ft.

Adopted Adjusted Market Rate (Comparables 2 & 3)	RM126.00 per sq. ft.
Say	RM125.00 per sq. ft.

In arriving at the Market Value of the subject property, we have adopted Comparables 2 & 3 to be the best and most suitable comparables as both the subject property and the comparables are located within the locality of Shah Alam / Subang.

Comparable 1 was not adopted as this transaction had not as yet been completed.

Comparable 4 was not adopted as it is located further (another 10 kilometres) to the south from Kuala Lumpur.

Market Value as derived from the Comparison method of Valuation is **RM159,000,000/-**

APPENDIX II – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given 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 contained herein false or misleading.

Information pertaining to Mentari Hari was extracted from information provided by the management and / or directors of Mentari Hari. Therefore, the responsibility of the Board is restricted to the accurate reproduction of the said information.

2. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed below, as at LPD, our Board is not aware of any material commitments and contingent liabilities incurred or known to be incurred by our Group that has not been provided for, which upon becoming enforceable, may have a material impact on our financial results / position of our Group:-

Material Commitments

RM'000

Approved and contracted for:

Commitments to purchase land held for property development	130,450
--	---------

Contingent Liabilities

Unsecured:-

RM'000

Bank guarantee facilities utilised by certain subsidiary companies	4,745
--	-------

3. CONSENT AND CONFLICT OF INTEREST

3.1 Adviser

AmInvestment Bank has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

As at the LPD, Hua Yang is considering obtaining credit facilities from AmBank (M) Berhad ("**AmBank**") for the purposes of part funding the Purchase Price ("**AmBank Credit Facilities**"). AmBank and AmInvestment Bank are wholly-owned subsidiaries of AMMB Holdings Berhad.

Save as disclosed above, AmInvestment Bank is not aware of any circumstances that exist or are likely to exist, which would give rise to a possible conflict of interest situation in its capacity as Adviser for the Proposed Land Acquisition.

Notwithstanding the above, AmInvestment Bank is of the view that it is able to maintain its objectivity and independence as the Adviser for the Proposed Land Acquisition based on the following:

- (a) AmInvestment Bank is a licensed investment bank and its appointment as Adviser for the Proposed Land Acquisition is in the ordinary course of its business;

- (b) AmBank is a licensed commercial bank and the granting of the AmBank Credit Facilities would be in the ordinary course of its business;
- (c) The conducts of AmInvestment Bank and AmBank are regulated by the Banking and Financial Institutions Act, 1989 and by their respective own internal controls and checks;
- (d) The AmBank Credit Facilities is relatively small compared to the entire loan portfolio of AmBank (representing less than 1%).

Therefore, AmInvestment Bank is not aware of any existing conflict of interest nor of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Adviser to Hua Yang for the Proposed Land Acquisition.

3.2 Valuer

The Valuer has given and has not subsequently withdrawn its written consent to the inclusion of its name and certificate and all references thereto in the form and context in which they appear in this Circular.

The Valuer is not aware of any existing conflict of interest nor of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Independent Registered Valuer for the Land.

4. MATERIAL LITIGATION

As at the LPD, the Directors of Hua Yang are not aware of any proceedings, pending or threatened with relation to the Land.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company during business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the date stipulated for holding the EGM: -

- (a) The Memorandum and Articles of Association of Hua Yang;
- (b) The audited consolidated financial statements of the Hua Yang Group for the past two (2) financial years ended 31 March 2011 and 31 March 2012 respectively and the latest unaudited quarterly results the six-(6) month period ended 30 September 2012;
- (c) The Valuer's certificate pertaining to the Land referred to in Appendix I of this Circular and the Valuation Report;
- (d) The letters of consent referred to in Section 3 above; and
- (e) The SPA.



HUAYANG

HUA YANG BERHAD

(Company No. 44094-M)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Hua Yang Berhad ("**Hua Yang**" or the "**Company**") 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 Darul Ehsan on Wednesday, 23 January 2013 at 10 a.m., or at any adjournment thereof for the purpose of considering and if thought fit, passing the following resolution with or without modification: -

ORDINARY RESOLUTION

PROPOSED ACQUISITION BY BISON HOLDINGS SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF HUA YANG ("BISON"), OF FIVE (5) PLOTS OF LEASEHOLD LAND MEASURING APPROXIMATELY 29.2058 ACRES LOCATED IN MUKIM AND DISTRICT OF PETALING ("LAND"), FROM MENTARI HARI SDN BHD ("MENTARI HARI"), FOR A TOTAL CASH CONSIDERATION OF RM158,000,000 ("PROPOSED LAND ACQUISITION")

"THAT, subject to the approvals being obtained from the relevant parties (where required), Bison be and is hereby authorised to acquire the Land upon the terms and conditions as stated in the conditional sale and purchase agreement dated 8 October 2012 entered into between Bison and Mentari Hari (including any amendment and / or extension thereof as mutually agreed).

AND THAT the Board of Directors of the Company and Bison be and are hereby authorised to take such steps, execute such documents and enter into any arrangements, agreements and / or undertakings with any party or parties as they may deem fit, necessary, expedient and / or appropriate in order to implement, finalise and / or give effect to the Proposed Land Acquisition with full powers to assent to any terms, conditions, modifications, variations and / or amendments or as a consequence of any such requirement or as may be deemed necessary and / or expedient in the best interests of the Company and Bison."

By Order of the Board
HUA YANG BERHAD

CHAN SEW MOH (MIA 12605)
LEONG OI WAH (MAICSA 7023802)
TAN HWAI LUN (MIA 24085)
Company Secretaries
Ipoh, Perak Darul Ridzuan
21 December 2012

Notes:-

1. *Only members whose name appear in the Record of Depositors as at 16 January 2013 will be entitled to attend and vote at this Extraordinary General Meeting or appoint a proxy/proxies or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.*
2. *A member entitled to attend and vote at the Extraordinary 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 and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *When a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
4. *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.*
5. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 123A, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for the Extraordinary General Meeting or any adjournment thereof.*



HUAYANG

HUA YANG BERHAD

(Company No. 44094-M)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

No. of shares held

*I / We _____ of _____ being a *member / members of HUA YANG BERHAD hereby appoint *Mr / Mrs / Ms _____ of _____ or failing *him / her, _____ of _____ or failing *him / her the CHAIRMAN OF THE MEETING as *my / our proxy to vote for *me / us on *my / our behalf at the Extraordinary 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 Darul Ehsan on Wednesday, 23 January 2013 at 10 a.m., or at any adjournment thereof.

*My/Our proxy(ies) is/are to vote as indicated below:-

	^ FOR	^ AGAINST
ORDINARY RESOLUTION – PROPOSED LAND ACQUISITION		

^ Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy / proxies will vote or abstain at his / her discretion.

Dated this _____ day of _____ 2013

Signature (s) of Shareholder / Common Seal

Notes: -

1. Only members whose name appear in the Record of Depositors as at 16 January 2013 will be entitled to attend and vote at this Extraordinary General Meeting or appoint a proxy/proxies or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
2. A member entitled to attend and vote at the Extraordinary 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 and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. When a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. 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.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 123A, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for the Extraordinary General Meeting or any adjournment thereof.

* Delete whichever is not applicable



Fold this flap for sealing

Then fold here

AFFIX
STAMP

HUA YANG BERHAD
(Company No. 44094-M)
123A, Jalan Raja Permaisuri Bainun
(Jalan Kampar) 30250 Ipoh
Perak Darul Ridzuan

1st fold here