

**Hua Yang Berhad (“HYB” or “the Company”)
Proposed Acquisition of remaining 36.5% equity interest in Johanjana Corporation Sdn Bhd (JCSB) comprising of 73,000 Ordinary Shares of RM1.00 each for a total Cash Consideration of RM1,100,000.00**

We refer to the announcement dated 1 October 2012 in respect of the Proposed Acquisition (“Announcement”). Unless otherwise defined, the abbreviations used throughout this announcement shall be the same as those previously defined in the Announcement.

With reference to the queries raised in Bursa Securities’ letter dated 2 October 2012, we append our replies as below:-

Q1. Additional financial information on JCSB as at 31 March 2012:

Descriptions	RM
- Net loss after tax	1,268,347
- Net book value of concession assets	13,838,972

Q2. The purchase consideration was arrived after taking into the net present value of the potential earning of the rental income to be derived from the operation of commercial properties under Built, Operate and Transfer Agreement based on the following assumptions:-

- Tenancy take-up rate	95% - 100%
- Discount rate	8%
- Rental growth (every 2 to 3 years)	5%

Q3. The salient feature to the Acquisition Agreement besides the agreed purchase consideration of RM1.1 million is that the completion of the Proposed Acquisition shall be completed within 14 days of the execution of the said agreement, whereupon the Vendor delivering the transfer documents, the payment of the purchase consideration would be made.

Q4. JCSB operates several commercial properties under the “build, operate and transfer” agreements with local authorities. Under these agreements, JCSB has the right to collect rental income using the respective properties over the period of 20 or 30 years’ concession terms from 2007. These properties are strategically located in Bandar Utama and Shah Alam commercial centre near to the retail malls and are currently enjoying tenancy rate of 65%. With shopper traffic expected to increase in these locations with tourism arrivals and stronger shopper spending, the tenants of JCSB’s commercial properties will be able to tap on this captive catchment markets. With this positive outlook, JCSB is expected to continue to enjoy high tenancy rate.

This announcement is dated 3 October 2012.