

# MULTI-USAGE HOLDINGS BERHAD

(Company No. 228933-D)

(Incorporated in Malaysia)

**Summary of Key Matters Discussed at the Twenty-Fifth Annual General Meeting of MULTI-USAGE HOLDINGS BERHAD (“MUH” or “the Company”)** held at Grand Ballroom 3 of Avani Sepang Goldcoast Resort, No. 67 Jalan Pantai Lalang, Kg. Bagan Lalang, 43950 Sungai Pelek, Selangor Darul Ehsan on Friday, 29 December 2017 at 9.00a.m.

---

Prior to proceeding to the first agenda of the 25th AGM, the Chairman informed that the Company had received two (2) Originating Summons (“OSes”) and two (2) Notices of Application (“Application”) in the High Court of Kuala Lumpur. The first OS: WA-24NCC-577-12/2017 was initiated by Chua Yong Chiang, Lim Chai Loy, Ong Ban Huat, Ong Kean Peng, Chan Jee Peng, Chan Huan Ping and Khoo Ken Seong. The second OF: WA-24NCC-575-12/2017 was initiated by Tan Shun Fei.

The OSes and Applications were called upon before the Learned High Court Judge on 27 December 2017 and the Learned High Court Judge had granted an ad interim order that: -

- a) The 25th AGM of the Company would convene as per the notice of the meeting; and
- b) Except for agenda 1,6,7,8,9 and 17, all other agenda in the notice of meeting to be adjourned to an adjourned AGM on the date to be fixed by the Court.

The shareholders were informed that the above matters had been announced to Bursa Malaysia Securities Berhad on 27 December 2017.

## 1. AUDITED FINANCIAL STATEMENTS AND REPORTS

The Chairman invited the Chief Executive Officer, Mr Kong Kai Yuen (“Mr KY Kong”) to address questions raised by MSWG in their letter dated 22 December 2017 and Mr KY Kong’s replies were as follows: -

### Strategic and financial matters

#### (i) Property Development

TF Land Sdn Bhd (“TF”) is currently developing the project in Machang Bubok which is currently into its Phase 3 that will last over the next few years.

Q1. What would be the estimated gross development value of the projects in Phase 3 to be launched over the next few years?

A1. The estimated gross development value of the projects in Phase 3 to be launched over the next few years was estimated to be in the region of RM200 million, consisting of more than 100 unit of shop offices, 2 blocks of service apartments with retail lots.

Q2. What would be the Group’s targeted sales for FY 2018?

A2. Targeted sales for financial year ending 2018 has not been authorized by the Board for public release. However, the current market sentiment for property was quite weak.

## **Multi-Usage Holdings Berhad**

### **- Summary of Key Matters Discussed at the Twenty-Fifth Annual General Meeting**

Q3. We noted that the Company paid a certain amount of liquidation ascertain damages to the buyers of TF19 and TF65. What was the total amount of damages being paid to the buyers? Please justify the damages paid to the buyers due to the delay in obtaining approval of certain authorities which was beyond the control of the Company.

A3. The total liquidated ascertained damages paid to the buyers was approximately RM2.4 million. The current projects of the Company had been approved by the authorities previously, however, the approval is subject to constant review and amendment of the authorities' guidelines. Therefore, there were some delays in complying with these guidelines. The Company is looking into the matter to resolve the issues.

#### **(ii) Manufacturing & Trading of Building Materials ("MTBM")**

Q4. What concrete measures have been taken to address the MTBM segment's deteriorating financial performance and when would this segment expected to turnaround?

A4. The Company has already shut down its ready mixed concrete division. This would reduce future losses of the Group. Due to the current weak market condition, the Company expects the manufacturing and trading of building materials division to recover in 2 to 3 years.

Q5. We refer to page 86 of the Annual Report 2017 where it stated that the "Other" segment recorded a segment loss of RM2.2 million in FYE 2017. Please explain the attributes that contribute to the loss of RM2.2 million on the "Other" segment?

A5. The "Other" segment, mainly reflects the expenses of the holding Company consisting of audit, travelling, insurance, legal fees and etc.

Q6. Kindly explain why the trade and other receivables of the Group had increased by more than 100% from RM3.4 million in FYE 2016 to RM7.1 million in FYE 2017.

A6. The substantial increase in the trade and other receivables was due to the accrued billings of approximately RM3.4 million. These were work done on sold units which were still not billed to the customers. The recognition was in accordance with the accounting standards.

#### **(ii) Corporate Governance**

Q7. We noted that the Company is suing seven (7) nominated Directors as announced on 18 December 2017.

A7. As there were legal cases involving the issues of appointment of Directors, the Company would refrain from issuing any statements on the issues.

## Multi-Usage Holdings Berhad

### - Summary of Key Matters Discussed at the Twenty-Fifth Annual General Meeting

- Q8. We noted the Company is proposing the appointment of seven (7) Directors. Three of the nominated Directors, namely, Ms Ang Ai Way, En Abd Aziz bin Mat and Dato' Abdul Hadi, had withdrawn from seeking re-election as Directors at the Company's AGM held on 21 December 2016. Please explain to shareholders the reason for the Company suing the newly nominated Directors and the appointment of the three (3) former Directors.
- A8. As there were legal cases involving the issues of appointment of Directors, the Company would refrain from issuing any statements on the issues.
- Q9. We noted that the Annual Report does not disclose the Financial Highlights for the Group for past 5 years. It would be useful and of interest to shareholders and potential investors if such disclosure is made which should include, amongst others, revenue, profits, net asset per share, dividend per share, dividend pay-out ratio, return on equity, return on assets and debt equity ratio.
- A9. The Company noted the comments from MSWG on this matter and would consider its suggestion for future reports.

Pn Lya Rahman thanked Mr KY Kong for the clarification. On separate note, she opined that the venue of the 25th AGM was inconvenient to the shareholders and she requested the Board to consider a more convenient location of holding of general meetings for the sake of the shareholders. She also highlighted that the key matters which were discussed at the 24th AGM were not uploaded to the Company's website pursuant to the Main Market Listing Requirements of Bursa Securities Malaysia Berhad.

In reply to her enquiry on the absence of Audit Committee Chairman, En Roslan bin Nasir at the 25th AGM, the Chairman informed that En Roslan had left to Mecca, Arab Saudi for personal reasons.

Thereafter, another representative of MSWG, Mr Devanesan Evanson, opined that the Board of Directors should fix a venue which is convenient for the shareholders. He then sought for the breakdown of the loss of RM2.2 million under segment "Other" in the financial statements.

Mr KY Kong informed that the loss of RM2.2 million was typically made up of legal fees, listing fees, audit fees, GST charges, insurance and other expenses of the holding Company. In reply to Mr Devanesan's enquiry on legal fees, Mr KY Kong informed that the legal fees amounted to RM1.6 million approximately.

Upon answering all questions raised, the Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2017 and the Reports of Directors and Auditors thereon, be received.

## **2. TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND OTHER BENEFITS PAYABLE AMOUNTING TO RM94,000/- FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

There being no questions raised by the shareholders, the Chairman proceeded with the next Agenda of the meeting.

**3. TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND OTHER BENEFITS PAYABLE FOR AMOUNT NOT EXCEEDING RM350,000/- FOR THE FINANCIAL YEAR ENDING 30 JUNE 2018**

The Chairman informed that the next agenda was to approve the payment of Directors' fees and other benefits payable for an amount not exceeding RM350,000.00 for the financial year ending 30 June 2018.

Questions raised by Mr Chan Hing Soon, Mr Lum Wai Kuan and Mdm Tan Seik Lang, the shareholders and responses of the Management are as follows: -

Q1. Why high Directors' fees need to be approved given the current financial situation of the Company.

A1. Proposed fees were inclusive of benefits, i.e. meeting allowances and committee allowances, in accordance with requirement of the new Companies Act. Directors' contribution in term of their time and expertise had to be appreciated by awarding reasonable fees. The market condition would improve over time and Company continuously needs manpower to ensure a decent sustainability.

Q2. Why the Company recorded a substantially high legal cost.

A2. The Company had to defend and take the necessary actions whenever it is sued by a party. the Chairman informed that the Company did not bear the legal costs of individual Directors. The legal costs of the Directors would only be borne by the Company when the Directors represent the Company in the legal suits.

Mr Lum suggested the Company to reflect the breakdown of legal costs at every AGM.

Q3. The Company had recently taken the position to re-pursue an old case (2015), who would bear the legal costs incurred by the Directors.

A3. The matter is in court and should not be discussed in public. Generally, the legal costs of the Directors would be bourn by the Company if Directors represent the Company in a legal suit.

Thereafter, the Chairman proceeded with the next Agenda of the meeting.

**4. RE-APPOINTMENT OF MESSRS BAKER TILLY MONTEIRO HENG AS AUDITOR OF THE COMPANY**

The Chairman informed the shareholders that the retiring auditor, Messrs Baker Tilly Monteiro Heng had expressed their willingness to accept re-appointment as auditor of the Company.

There being no questions raised by shareholders, the Chairman proceeded with the next Agenda of the meeting.

**5. AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

The Chairman informed the shareholders that the next agenda was to provide authority to Board to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.

## **Multi-Usage Holdings Berhad**

### **- Summary of Key Matters Discussed at the Twenty-Fifth Annual General Meeting**

Questions raised by Mdm Tan Seik Lang, a shareholder and responses of the Management are as follows: -

Q1. What is the status of the funds raised from private placement previously.

A1. The proceeds of the private placement was to be used to purchase a piece of land. However, the purchase was not completed due to some dispute with the vendor. Subsequently, the funds raised from the exercise were converted to working capital for development expenditure and relevant announcement was made to Bursa Malaysia Securities Berhad and reflected in the Annual Report 2017 accordingly.

One of the shareholders suggested the Board to consider share issuance scheme for the benefits of the existing shareholders. The Chairman concurred with the suggestion and opined that such proposal would benefit both the shareholders and the Company.

#### **8. ANY OTHER MATTERS**

There were no other matters discussed.

#### **9. DECLARATION OF RESULTS**

The Chairman announced the results of the poll voting and declared that save for ordinary resolution no. 7 relating to re-appointment of auditor, all three (3) resolutions no. 5, 6 and 8 set out in the Notice of 25<sup>th</sup> AGM dated 7 December 2017 were not carried.