

**RESPONSE TO MSWG NEWSLETTER DATED 16 March 2018.**

Subsequent to the conclusion of the Adjourned 25<sup>th</sup> Annual General Meeting (“AAGM”) of Multi-Usage Holdings Berhad (“MUH”) held in Sepang on 12 March 2018, the Minority Shareholder Watchdog Group (“MSWG”) published their comments in their weekly newsletter dated 16 March 2018.

The comments posted in the newsletter, in our opinion, was written unprofessionally, with biased and ill intentioned. The allegations made by MSWG in its report was also unfair to the company.

A copy of the MSWG weekly newsletter can be downloaded from their website: [www.mswg.org.my](http://www.mswg.org.my) (under the sub category of **activities / newsletter**)

**1. MSWG alleged that the Company had invoked Sections 196(1) and 196(3) of the Companies Act, 2016 (“the Act”), which MSWG alleged was unhealthy and not respecting the voice of shareholders and not demonstrating the desired professionalism and governance.**

We wish to clarify that:-

- The proposed nomination of a few persons to the board was heard in Court and a consent order was given to put forth one person for nomination as Director at the AAGM. This proposal was included in the agenda of the AAGM.
- Some of the Directors had revoked their intention to be appointed as Directors and some had withdrawn their offer for re-election.
- Under such circumstances, and with the balance of the appointment and re-appointment of Directors not voted in, the Board of Directors (“Board”) was left with only one (1) Director. In the absence of any other options and coupled with legal advice, the Company took the position to adhere to the requirements of the Act.
- However, MSWG was suggesting that the one (1) remaining one Director of the Company had invoked the Sections 196 (1) and 196 (3) of the Act to reinstate the Chairman as a Director of the Company instead of allowing that position to be filled by a Director elected by shareholders, which clearly was not the case.
- It is unfortunate that MSWG could not see that this was the only option, otherwise the Board would have been left with only one (1) Director as no other Director was voted in at that particular point in time.

**2. MSWG’s question on Segment Loss**

During the 25<sup>th</sup> AGM of MUH held on 29 December 2017, MSWG posted a question (as per Question No. 3 of MSWG’s letter dated 22 December 2017) relating to “segment loss” and the Company addressed that question in the same meeting accordingly.

Subsequently, at the AAGM, MSWG informed that they were actually referring to “other expenses” and not “other losses” as posted in the MSWG’s website. However, upon re-visiting the records and the 25<sup>th</sup> AGM’s meeting audio, we can confirm that MSWG did enquire on “segment loss” during the 25<sup>th</sup> AGM. There were no questions raised on “other expenses” in the Profit and Loss Account.

It was very clear that MSWG might have made a mistake on posting their question and unfairly accusing the Company for not responding to their query accurately.

**3. MSWG's view that the Company had again held its AAGM at a faraway and inconducive place (Avani Resort Sepang Gold Coast) which does not facilitate attendance and participation by shareholders.**

The AAGM was convened in accordance with the consent order which stated that the AAGM must be carried out as per the Notice dated 7 December 2017. MSWG should have checked with the lawyers prior to commenting that the Company had again held its AAGM at a faraway and inconducive location again to discourage the shareholders from attending. Again, this unfair allegation was done without realising that the location of the venue must be in accordance to the "Notice dated 7 December 2017".

MSWG seems to indicate that by adhering to the Companies Act and the consent order, MUH is not being professional and carrying out undesirable practices.

The labelling of the Company of taking "unfavourable/undesirable practices, not allowing that position to be filled by a director elected by shareholders, when none was elected, not respecting the voice of shareholders and unhealthy practices" is a very unfair comment pointed out on the Company.

The unintelligent comments posted by MSWG draws a very worrying concern in the professionalism, role and independence of MSWG. We hope MSWG will be fair and should be aware of the on-going issues before posting comments which could be detrimental to either party.

*On a separate note, we would also like to highlight that in MSWG's Newsletter dated 13 January 2018, it was stated that "We noted that the 'Other Expenses' amounting to RM2.4 million was material....." There was no question raised by MSWG on other expenses of RM2.4 million during the AGM. Only one question on the segment loss of RM2.2 million was asked and MUH did provide answer to that question.*