

MULTI-USAGE HOLDINGS BERHAD

(Company No. 228933-D)

(Incorporated in Malaysia)

Summary of Key Matters Discussed at the Twenty-Seventh Annual General Meeting of MULTI-USAGE HOLDINGS BERHAD (“MUH” or “The Company”) held at Function Room 5 of Lexis Port Dickson, Batu 2, Jalan Seremban 71000 Port Dickson, Negeri Sembilan on Tuesday, 17 December 2019 at 10.00 a.m.

Before proceeding with the agenda item, the Chairman explained to the Shareholders the procedure of voting on a resolution. He informed that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, poll voting was required for the resolutions set out in the notice of the 27th AGM.

The Chairman informed the meeting that Messrs CHL, an independent auditor, was appointed as the Scrutineer of the meeting for the purpose of the polling, whilst Messrs Agriteum Share Registration Services Sdn Bhd was appointed as the independent Poll Administrator.

1. AUDITED FINANCIAL STATEMENTS AND REPORTS OF DIRECTORS AND AUDITORS

The Audited Financial Statements of the Company and of the Group for the financial year ended 30 June 2019 together with the Reports of the Directors and Auditors thereon (“Audited Financial Statements”) were tabled to the shareholders for discussion in accordance with Section 340 (1) of the Companies Act, 2016.

The Chairman informed that a letter dated 21 November 2019 was received by the Company from Minority Shareholders Watch Group (“MSWG”) in relation strategic and finance, and corporate governance matters. The Chairman invited the Chief Executive Officer, Mr. Kong Kai Yuen (“Mr. Kong”), to brief the Shareholders on the questions raised by MSWG and the responses provided by the Company vide its letter dated 11 December 2019, as follows: -

STRATEGIC AND FINANCIAL MATTERS

Q1. What is the stage of completion and latest take-up rates of the Phase 3 property project located in Machang Bubok, Bukit Mertajam, Penang as listed below? (Page 9 of Annual Report)

- (a) TF44 - 44 units of 2 storey shop offices;**
- (b) TF15 - 15 units of 3 storey shop offices;**
- (c) TF39 - 39 units of 2 storey shop offices and**
- (d) LCF-Block A & Block C-158 units of low-cost flats.**

Company’s Response

The stage of completion and take up rates for the following projects are as follows:

For TF44 and TF15, consisting of 44 units of 2 storey and 15 units of 3 storey shop offices, the completion stage is approximately 60% and the take up rate is about 12%.

For TF39, consisting of 39 units of 2 storey shop offices, the project has been completed with a take up rate of 56%.

Multi-Usage Holdings Berhad

- - Summary of Key Matters Discussed at Twenty-Seventh Annual General Meeting (17 December 2019)

For Low Cost Flat* Block A which has been completed, the take up rate is approximately 87% and for Block C which is pending Occupational Certificate, the take up rate is approximately 57%.

** Government Controlled Price*

**Note that the sales for low-cost flats are under the control of the state government and the list of buyers would be provided to the Company.*

Mr. Lee Chee Meng (“Mr. Lee”), the representative of MSWG, highlighted that the take up rate for TF44 and TF15 units, i.e. 12%, were too low and enquired on the Management’s action plans. The Chairman responded that Management might explore the possibility of leasing the completed units pending its disposal.

Q2. The Trading Division recorded a higher external revenue of RM1,622,538 in FY 2019 as compared to RM271,750 in FY2018, an increase of RM1,350,788 or 497%

The segment result recorded a lower loss of RM105,096 in FY2019 as compared to a higher segment loss of RM133,733 in FY2018 in spite of the higher revenue in FY2019. (Pages 101 and 103 of the Annual Report)

- (a) What is the reason for the Trading Division recording a loss despite an increase in revenue in FY 2019?
- (b) What measures have the Company taken to improve the performance of the Trading Division in future?

Company’s Response

The trading division mainly trade for in-house construction/development division. The trading margin has been reduced due to weak market sentiments.

Q3. The Manufacturing Division continues to record a segment loss of RM604,468 in FY2019 as compared with a lower segment loss of RM558,950 in FY2018.

The higher segment loss was the result of a slightly lower revenue of RM636,467 in FY 2019 as compared with a revenue of RM655,541 in FY 2018. (Pages 101 and 103 of Annual Report).

- (a) What is the reason for the higher segment loss in FY 2019 even though it recorded a lower revenue?
- (b) What are the measures taken to improve the financial performance of the Manufacturing Division in the future?
- (c) What is the outlook of this Division in FY2020?

Company’s Response

The higher segment loss in FY2019 compared with FY2018 is due to sales on lower margin products in FY2019. The Company will continue to improve on its efforts to market and sell more of the higher margin products which is the retaining wall blocks. Market sentiment remains challenging in year 2020.

Q4. The Company an apartment at Clemont Court, Cheras with a net book value of RM23,000. (Page 131 of the Annual Report)

(a) Why did the Company acquire the Clemont Court Apartment?

(b) Is the apartment tenanted or empty?

(c) What is the Company's plan for the apartment?

Company's Response

The Apartment was a contra unit given by a customer many years ago. The developer has been wound up and the title has yet to be issued. It is currently vacant and the Company plans to sell it off in due course.

CORPORATE GOVERNANCE MATTERS

Q1. The fixed meeting allowance of each independent Non-Executive Director ("INED") is much higher than the INED's director fee. (Page 17 of Annual Report)

(a) What is the fixed meeting allowance for the Chairman and members of the Audit Committee, Remuneration Committee and Nomination Committee?

(b) When was the last revision of the fixed meeting allowance and how much was the increase?

Company's Response

There is no fixed meeting allowance. Each Independent director is paid an allowance depending on the position or portfolio he holds in board committees. In addition, each independent director is paid RM1,000 per meeting attended. The directors' fees are variable and decided by the board at each financial year end.

Q2. Shareholders who are unable to attend the AGM are allowed to appoint proxies to attend, participate, speak and vote at the AGM in their stead. However, the Company has not included the proxy form in the 2019 Annual Report. Please explain.

Company's Response

MSWG should know that proxy forms are not included in Annual Reports but are attached to the Notice of Annual General Meeting.

On behalf of MSWG, Mr. Lee suggested the Company to include its notice of annual general Meetings and the proxy form in the annual report for easy reference. He further suggested the Company to hold its annual general meeting at a more suitable place to encourage participation of all shareholders.

There being no other matters raised by Shareholders, the Chairman proceeded with the next agenda of the meeting.

2. TO RE-ELECT MR NG KOK WAH WHO RETIRES PURSUANT TO ARTICLE 94 OF THE COMPANY'S ARTICLES OF ASSOCIATION.

The Chairman informed that the next agenda was to approve the re-election of Ng Kok Wah who retire pursuant to Article 94 of the Company's Article of Association.

There being no questions raised by the Shareholders, the Chairman proceeded with the next agenda of the meeting.

3. TO RE-ELECT MS ANG AI WAY WHO RETIRES PURSUANT TO ARTICLE 94 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The Chairman informed that the next agenda was to approve the re-election of Ang Ai Way who retire pursuant to Article 94 of the Company's Article of Association.

There being no questions raised by the Shareholders, the Chairman proceeded with the next agenda of the meeting.

4. TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND OTHER BENEFITS PAYABLE AMOUNTING TO RM225,000.00 FOR THE PERIOD FROM 1 JULY 2019 UP TO THE 28TH AGM OF THE COMPANY

The Chairman informed that the next agenda was to approve the payment of Directors' Fees and other benefits amounting to RM225,000.00 for the period from 1 July 2019 up to the 28th AGM of the Company.

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

5. RE-APPOINTMENT OF MESSRS UHY AS AUDITORS OF THE COMPANY

The Chairman informed that next agenda was to approve the re-appointment of Messrs. UHY as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.

There being no questions raised by Shareholders, the Chairman proceeded with the next agenda of the meeting.

6. 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 of Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.

There being no matters raised, the Chairman proceeded with the next agenda of the meeting.

7. PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

The Chairman informed that next agenda was to seek Shareholders' approval on the adoption of a new Constitution of the Company. The Chairman clarified that the special resolution, if passed, would ensure the Company's Constitution be consistent with the new Companies Act 2016.

There being no matters raised, the Chairman proceeded with the next agenda of the meeting.

8. ANY OTHER MATTERS

The Chairman was advised by the Company Secretary that no notice to transact any other business had been received by the Company.

Thereafter, the Chairman invited the Poll Administrator to brief the Shareholders on the polling procedures, and upon the briefing, polling process took place at 10.25 a.m.

9. DECLARATION OF RESULTS

At 10.37 a.m., the Scrutineer announced the results of the poll voting and the Chairman declared that all resolutions stated in the Notice of 27th AGM were carried.