

MULTI-USAGE HOLDINGS BERHAD

(Company No. 228933-D)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the period ended 30 September 2016 (UNAUDITED)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited Current Year Quarter 30/9/2016 RM'000	Preceding Year Corresponding Quarter 30/9/2015 RM'000	Unaudited Current Year To Date 30/9/2016 RM'000	Preceding Year Corresponding Period 30/9/2015 RM'000
Revenue		6,301	9,029	6,301	N/A
Cost of sales		(3,551)	(5,907)	(3,551)	N/A
Gross profit		2,750	3,122	2,750	N/A
Investment revenue		151	105	151	N/A
Other gains and losses		(11)	(16)	(10)	N/A
Other income		84	24	84	N/A
Administrative and other expenses		(2,118)	(1,115)	(2,117)	N/A
Profit from operations		856	2,120	856	N/A
Finance cost		(1)	(1)	(1)	N/A
Profit before tax		855	2,119	855	N/A
Income tax expenses	B5	(321)	(576)	(321)	N/A
Profit for the period		534	1,543	534	N/A
Other comprehensive income for the period		-	-	-	N/A
Total comprehensive income for the period		534	1,543	534	N/A
Profit for the year attributable to:					
Owners of the Company		535	1,543	535	N/A
Non-controlling interests		(1)	(0)	(1)	N/A
		534	1,543	534	N/A
Total comprehensive income attributable to:					
Owners of the Company		535	1,543	535	N/A
Non-controlling interests		(1)	(0)	(1)	N/A
		534	1,543	534	N/A
Earnings per ordinary share attributable to owners of the Company (sen) :	B10				
Basic		0.95	2.74	0.95	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year period 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

Note: In 2016, the Company changed its financial year ended from 31 December 2015 to 30 June 2016 and made up its financial statements for the 18 months period ended 30 June 2016.

As such, no comparative figures are presented for Statement of Comprehensive Income as there are no comparable interim periods (current and year to date) in the immediately preceding financial year. Comparative figures for the same financial year ended, ending 30 June will be available for interim financial reports for the financial year ending 30 June 2018 onwards. The interim financial results for the 3 months ended 30 September 2015 is disclosed for reference purpose only.

MULTI-USAGE HOLDINGS BERHAD

Company No:228933-D

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/9/2016 RM ' 000	Audited As at 30/6/2016 RM ' 000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	5,953	5,881
Quoted Investment	1	1
Goodwill on Consolidation	7,400	7,400
Property Development Costs	9,119	10,225
Deferred tax assets	1,565	1,584
	<u>24,038</u>	<u>25,091</u>
Current Assets		
Inventories	5,995	6,402
Property Development Costs	30,740	30,429
Trade and Other Receivables	4,700	3,115
Refundable deposits	296	297
Current Tax Assets	1,055	404
Short term deposits with licensed banks	13,526	14,771
Cash & Bank Balances	1,981	1,148
	<u>58,293</u>	<u>56,566</u>
TOTAL ASSETS	<u>82,331</u>	<u>81,657</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	56,419	56,419
Reserves	18,697	18,697
Retained earnings/(Accumulated losses)	327	(207)
	<u>75,443</u>	<u>74,909</u>
Non-controlling interest	<u>77</u>	<u>78</u>
Total equity	<u>75,520</u>	<u>74,986</u>
Non-current liabilities		
Hire Purchase payable	5	12
	<u>5</u>	<u>12</u>
Current Liabilities		
Trade and Other Payables	6,770	6,480
Hire Purchase Creditor	28	28
Tax Liabilities	8	151
	<u>6,806</u>	<u>6,659</u>
Total liabilities	<u>6,811</u>	<u>6,671</u>
TOTAL EQUITY AND LIABILITIES	<u>82,331</u>	<u>81,657</u>
Net Assets	75,443	74,909
Net Assets per share (RM)	1.34	1.33

Audited Financial Statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

MULTI-USAGE HOLDINGS BERHAD

Company No:228933-D

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2016 (UNAUDITED)

	<-----Attributable to the equity holders of the Company----->					Total
	Share Capital	Non-distributable Share Premium	Revaluation Reserve	Retained Earnings/ (Accumulated Losses)	Non Controlling Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2016	56,419	17,001	1,696	(207)	78	74,986
Total Comprehensive Income For The Period	-	-	-	535	(1)	534
As at 30 September 2016	<u>56,419</u>	<u>17,001</u>	<u>1,696</u>	<u>327</u>	<u>77</u>	<u>75,520</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

Note: In 2016, the Company changed its financial year ended from 31 December 2015 to 30 June 2016 and made up its financial statements for the 18 months period ended 30 June 2016.

As such, no comparative figures are presented for Condensed Consolidated Statement of Changes in Equity as there are no comparable interim periods (current and year to date) in the immediately preceding financial year. Comparative figures for the same financial year ended, ending 30 June will be available for interim financial reports for the financial year ending 30 June 2018 onwards.

MULTI-USAGE HOLDINGS BERHAD

Company No:228933-D

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the period ended 30 September 2016 (UNAUDITED)

	Current Year To Date 30/9/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	855
Adjustments for :	
Interest expenses recognised in profit or loss	1
Depreciation of property, plant and equipment	86
Provision for foreseeable loss (Net)	(30)
Provision for liquidated damages	682
Bad debts written off	3
Loss on disposal of property, plant and equipment	8
Interest income recognised in profit or loss	(151)
Operating profit before working capital changes	1,454
Movements in working capital:	
Decrease in inventories	407
Decrease in property development costs	824
(Increase) / Decrease in trade and other receivables	(1,622)
Decrease / (Increase) in other assets	1
(Decrease) in trade and other payables	(309)
Cash generated from operations	756
Interest received	*
Income tax paid	(1,093)
Net cash used in operating activities	(337)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from disposal of property, plant and equipment	1
Interest received	99
Purchase of property, plant and equipment	(166)
Net cash used in investing activities	(66)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment to hire purchase payable	(7)
Interest paid	(1)
Net cash used in financing activities	(8)
Net decrease in cash and cash equivalents	(412)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,662
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,250
* Amount less than RM1,000.00	
<u>CASH & CASH EQUIVALENTS</u>	
Short term deposits with licensed banks	1,981
Cash and bank balances	13,526
	15,507
Less: Fixed deposit pledged to licensed bank	(257)
	15,250

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

Note: In 2016, the Company changed its financial year ended from 31 December 2015 to 30 June 2016 and made up its financial statements for the 18 months period ended 30 June 2016.

As such, no comparative figures are presented for Condensed Consolidated Statement of Cash Flow as there are no comparable interim periods (current and year to date) in the immediately preceding financial year. Comparative figures for the same financial year ended, ending 30 June will be available for interim financial reports for the financial year ending 30 June 2018 onwards.

MULTI-USAGE HOLDINGS BERHAD

Company No:228933-D

Notes to the Unaudited Quarterly Report For the period ended 30 September 2016

PART A - DISCLOSURE NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2016. These explanatory notes attached to the condensed financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 30 June 2016.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those adopted for the audited financial statements for the year period 30 June 2016, except for the adoption of the relevant new FRSs, amendments to FRSs and IC interpretations were issued by the Malaysian Accounting Standards Board ("MASB") that are applicable to the Group for the current financial period beginning 1 July 2016.

The adoption of the above new FRSs, amendments to FRSs and IC Interpretations does not have any significant impact on the financial statements of the Group.

Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS framework is to be applied by all entities Other Than Private Entities for annual period beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitional Entities").

According to an announcement made by the MASB on 8 September 2015, all Transitioning Entities shall adopt the MFS financial statements for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

A3. Qualification of Audit Report of the Preceding Annual Financial Statements

The auditors' report on the annual financial statements of the Group for the financial year period 30 June 2016 was not subject qualified and the details of the qualification are as described belows:-

Basis of Qualified Opinion

As disclosed in Note 35(b) to the financial statements, in prior years, Multi-Usage Holdings Berhad (“MUH”), Multi-Usage Cement Products Sdn. Bhd. (“MUCP”), Multi-Usage Cement Products (Johore) Sdn. Bhd. (“MUJ”), Multi-Usage Trading Sdn. Bhd. (“MUT”) and Multi-Mix Sdn. Bhd. (“MMX”) [collectively known as “MUH and its Relevant Subsidiaries”] had difficulty in servicing their outstanding debts totalling RM36,130,358 owing to certain lenders. In years 2008 and 2009, MUH carried out debt restructuring exercises to clear all the outstanding debts owing by MUH and its Relevant Subsidiaries to the lenders by entering into debt settlement agreements, novation agreements and/or guarantor agreements with a Special Purpose Vehicle (“SPV”) involved in the debt restructuring exercises, and its lenders.

As mentioned in Note 35(b) to the financial statements, during the financial period, a special audit was conducted by a professional service firm in response to complaints filed against certain directors of the Company and of the Group, including the allegation that a director of the Company has benefited from the debt restructuring exercises. The special audit report was issued on February 25, 2016 and the special auditor provided its observations relating to those allegations. As reported by the special auditor, it does not have sufficient information to ascertain whether any of MUH’s directors and/or any persons connected with the directors have any interest in the profit gained by the SPV in connection with the debt restructuring exercises. It has also reported that, however, RM4,909,018 of the total settlement sum of RM9,817,291 paid by SPV to the lenders were paid on behalf by a company in which certain directors of MUH are also directors. The special auditor noted that a director of MUH appeared to have signed on the SPV’s general cash vouchers and letter containing SPV’s cheque information issued to a financial institution; and the SPV helped a director of MUH to settle his personal guarantee with a financial institution. The special auditor recommended that the management take serious consideration to identify any transactions that may give rise to potential conflict of interest and assess whether there are any breaches of relevant legislations.

Also as mentioned in Note 35(b) to the financial statements, the Company appointed a legal advisor to assess whether the Company controls the SPV, whether the SPV’s accounts have to be consolidated into MUH Group’s consolidated accounts and whether the transactions between the Group and the SPV were considered related party transactions. Based on the legal advisor’s assessment, majority of the directors concluded that the Company had no control over the SPV on the grounds that there was no evidence to show that the activities of the SPV were conducted by MUH for its specific business needs so that MUH obtained benefits from it; that MUH had no decision-making power in the SPV; that MUH had no rights to obtain majority of the benefits of the SPV; and that nothing showed that MUH retained majority of the residual or ownership risk related to the SPV or its assets in order to obtain benefits from its activities and/or transactions. Based on the legal advice, majority of the directors also concluded that unless there is direct evidence proving that the said directors have any interest in the SPV, it was insufficient to conclude that the funds transferred to the SPV by a company in which certain directors of the Company are also directors of this company rendered the transactions between MUH and its Relevant Subsidiaries with the SPV as related party transactions based on the findings of the special audit report.

We were unable to obtain sufficient appropriate audit evidence to determine the nature and extent of relationship that may exist between the Company and the SPV by virtue of the said transactions and the debt restructuring exercises. Consequently, we were unable to reach a conclusion to support the assertions made by the directors in Note 35(b) to the financial statements that the Company had no control over the SPV; that the transactions between the Group and SPV are not related party transactions and that the matters highlighted in the special audit report have no immediate financial impact to MUH Group since these matters are all historical events.

Qualified Opinion

In our opinion, except for the effects of the matters, if any, as described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Group and of the Company as of June 30, 2016 and of their financial performance and cash flows for the financial period from January 1, 2015 to June 30, 2016 in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

A4. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review were not materially affected by any seasonal or cyclical factors.

A5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 30 September 2016.

A6. Changes in Accounting Estimates

There were no significant change in estimates that have had material effect in the financial period ended 30 September 2016.

A7. Debt and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities for the current financial period under review.

A8. Dividends Paid

There was no dividend paid during the current financial period ended 30 September 2016.

A9. Segmental Reporting

Segmental information in respect of the Group's business segments is as follows:-

3 months ended 30.09.2016	Property Development	Contracting	Manufacturing	Trading	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	5,564	0	484	253	0	0	6,301
Inter-segment	105	1,136	128	16	17	(1,402)	
Total revenue	5,669	1,136	612	268	17	(1,402)	6,301
Results							
Segment Profit / (Loss)	1,268	(94)	(194)	(33)	(284)	53	716
Investment Revenue							151
Other gains and Loss							(11)
Finance costs							(1)
Profit before tax							855
Income tax expense							(321)
Profit for period							534

Preceding 3 months ended 30.09.2015	Property Development	Contracting	Manufacturing	Trading	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inter-segment revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Results							
Segment Profit / (Loss)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment revenue							N/A
Other gains and Loss							N/A
Finance costs							N/A
Profit before tax							N/A
Income tax expense							N/A
Profit for period							<u>N/A</u>

A10. Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of financial period except as disclosed in Note B6(A) and Note B8. The financial statements for the period have not been affected by any material event that has occurred between the end of financial period and the date of this report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the group for the current financial period ended 30 September 2016.

A12. Contingent Liabilities

- (i) On 2 July 2015, the Company announced that MUH has been served with a Writ of Summons No. 24NCVC-574-06/2015: Cheah Chian Chong & 10 others (the Plaintiffs) v Multi-Usage Holdings Bhd & 4 others (the "Defendants") by the Plaintiffs pursuant to a suit filed in the Penang High Court on 26 June 2015. The details of the civil suit are disclosed in Note B8(i).
- (ii) On 18 March 2016, a wholly-owned subsidiary, TF Land Sdn. Bhd. ("TFLSB") received a letter from Mahkamah Perusahaan Malaysia notifying TFLSB that the hearing pertaining to the dispute between former director of TFLSB in relation to the termination of him as executive director of TFLSB. The details of the case are disclosed in Note B8(ii).
- (iii) On 4 July 2016, Multi-Usage Property Sdn. Bhd. ("MUP") received a sealed copy of the Writ and Statement of Claim dated 13 June 2016 from Team Four Sdn. Bhd. ("the Plaintiff"). MUP is required within 14 days from the date of receipt of the Writ and Statement of Claim to enter appearance, failing which, the Plaintiff will proceed to obtain judgement against MUP without further notice. The details of the case are disclosed in Note B8(v).

As the outcome of the above legal suits are not presently known, the financial impact can not be estimated or ascertained with reasonable certainty. Therefore, the Group is unable to quantify the financial impact or expected losses, should there be any.

- (v) On 17 November 2015, the Company appointed a professional service firm to carry out a special audit on specific transactions and/or payments made by the Group and the Company. Based on the findings of the special audit, the potential financial and legal impact would be a possible claim by the SPV in the event the Group is unable to produce valid titles for the five properties used in the set-off RM1,225,000 debts owing by MUH and its relevant subsidiaries to the SPV.

A13. Valuation of property, plant and equipment

The Group did not perform any valuation on property, plant and equipment since the previous audited financial statements.

A14. Capital Commitments

Capital Commitments not provided for in the financial statements as at 30 September 2016 are as follows:

- Contractual commitment to purchase development land. The details are disclosed in Noted B6(A).

**PART B - DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF
BURSA MALAYSIA SECURITIES BERHAD**

B1. Review of Performance

The group recorded revenue of RM6.301 million and profit before tax of RM 0.855 million in the current financial quarter, compared to revenue of RM9.029 million and profit before tax of RM2.119 million in the preceding year financial quarter ended September 2015. The decreased in revenue was mainly attributed to lower revenue from all segments of the Group.

The lower revenue from property development division mainly due to lower progressive recognition from the existing on-going project and the completion projects in 2015.

The lower revenue from Manufacturing & Trading divisions were mainly due to less manufactured goods and building materials supply to the contractor for in-house projects.

For the current quarter under review, the Group profit before tax decreased by RM1.264 million or 59.66% to RM0.855 million as compared to profit before tax of RM2.119 million in the preceding year financial quarter ended September 2015. The lower profit before tax was mainly due to lower revenue recorded from property segment. Lower revenue recorded in property development division resulted lower profit before tax profit across all segments.

B2. Comparison with Immediate Preceding Quarter

The group revenue for the current quarter is RM6.301 million and profit before tax is RM 0.855 million.

Due to the change of financial year end from 30 April 2016 to 30 June 2016, the current (3 months) financial quarter do not correspond with those announced in the preceding reporting period (2 months). Therefore, there is no comparative figures have been disclosed.

B3. Current year prospects

The Group expect the property market outlook to remain cautious amid weak consumers' sentiment. The Group will continue to focus on timely completion of its development projects and also to dispose its unsold units consisting of bungalow, semi detached houses and shop office.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was announced.

B5. Taxation

	Current Quarter	Current period
	30/9/2016	to date
	RM'000	30/9/2016
	RM'000	RM'000
Current year	(302)	(302)
- (Over)/Under Provision in prior year	-	-
Deferred tax	(19)	(19)
Total	(321)	(321)

The effective tax rates of the Group is higher than the Malaysian statutory tax rate of 25% mainly due to losses of certain subsidiaries which cannot be set off against taxable profits of other subsidiaries and certain expenses which were disallowed as deductions for tax purposes.

B6. (A) Status of Corporate Proposal

The following are the corporate proposals that have been announced by the company which were not completed as at 28 November 2016.

Related Party Transaction

On 19 February 2016, the company announced the proposed acquisition of a freehold land held under title No. GM 288, Lot 822, Mukim 16, Daerah Seberang Perai Tengah, Pulau Pinang ("the Property") for a cash consideration of Ringgit Malaysia Eight Million Four Hundred Eighty Three Thousand Seven Hundred Forty Four and Sen Seventy Two (RM8,483,744.72) or based on Ringgit Malaysia Forty (RM40) per square foot ("Purchase Price") by Multi-Usage Property Sdn Bhd ("MUP"), a wholly-owned subsidiary of MUHB from Team Four Sdn. Bhd. ("Team Four").

Both Ang Hwei Chyn and Ang Ai, two directors of MUHB are shareholders of Team Four and collectively have direct and indirect shareholdings of 20.28% in Team Four. Tan Chew Hua, a director of MUHB, has a total indirect equity interest of 22.85% in Team Four. As certain directors and major shareholder of MUHB are directors and major shareholders of Team Four, the Proposed acquisition is deemed a Related Party Transaction.

The transaction is subject to shareholders approval and the Company had on 18 April 2016 applied to Bursa Malaysia for an extension of time of three months from 20 April 2016 until 19 July 2016 for MUHB to submit the draft Circular to Bursa Malaysia. Bursa Malaysia had on 9 May 2016 approved for extension of time until 19 July 2016 to comply with Para 9.33 (1)(a) of the Main Market Listing Requirements.

Subsequently, the Company had on July 18, 2016 applied to Bursa Securities for a further extension of twelve months from July 19, 2016 to July 19, 2017 for the submission of the draft circular. Bursa Securities vide its letter dated July 29, 2016 had resolved to grant a further extension of time up to January 19, 2017 for the submission of the draft circular to Bursa Securities.

On 4 July 2016, MUP has been served with a Writ of Summons from Team Four Sdn. Bhd. The details of the case are disclosed in Note B8(v).

(B) Status of utilisation of proceeds raised from Private Placement

A total of 3,691,000 Placement Shares were placed out at RM1.01 per Placement Share and were listed on 11 June 2015. The gross proceeds raised from the proposed Private Placement was RM3,727,910 while the placement of the remaining of up to 1,581,800 Placement Shares will not be implemented following the resolution in relation to the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 was not approved by the shareholders at the Company's twenty-third (23rd) Annual General Meeting held on 29 June 2015.

The status of utilisation of the proceeds from the private placement as at 30 September 2016 is as follows:-

<u>Purpose</u>	<u>Gross Proceeds</u>	<u>Amount Utilised</u>	<u>Amount Unutilised</u>	<u>Time frame for utilisation</u>
To finance acquisition of land	3,648,443	-	3,648,443	Within 24 months
Corporate proposal expenses	79,467	(79,467)	-	Within 2 weeks
	<u>3,727,910</u>	<u>(79,467)</u>	<u>3,648,443</u>	

B7. Group's Borrowings and Debt Securities

Total Group's borrowings are as follows:

	<u>As at 30/9/2016 RM'000</u>	<u>As at 30/6/2016 RM'000</u>
Hire Purchase Payable		
Non current	5	12
Current	28	28
	<u>33</u>	<u>40</u>

The above borrowing is denominated in Ringgit Malaysia.

B8. Material Litigation

(i) On 2 July 2015, the Company announced that MUH has been served with a Writ of Summons No. 24NCVC-574-06/2015: Cheah Chian Chong & 10 others (the Plaintiffs) v Multi-Usage Holdings Bhd & 4 others (the "Defendants") by the Plaintiffs pursuant to a suit filed in the Penang High Court on 26 June 2015, claiming for the followings:-

- 1 The Annual General Meeting ("AGM") of the 1st Defendant which was fixed on 29 June 2015 is not valid or be cancelled immediately;
- 2 A Court Order that all resolutions approved in the AGM of the 1st Defendant be cancelled or set aside immediately;
- 3 An Order for the Court to carry out the powers under (but not limited to) Section 150 of the Companies Act, 1965 to direct the convening of a fresh AGM of 1st Defendant and issue directives for the 2nd to 5th Defendants to hold the AGM within 30 days from the date of Court Order;
- 4 An Order that all resolutions as proposed by the Plaintiffs in the written requisition dated 27 April 2015 be tabled in the fresh AGM;
- 5 An Order for compensation be assessed and be paid by the current Directors of 1st Defendant and the 2nd to 5th Defendants to the Plaintiffs;
- 6 Costs of the proceedings be paid by the current Directors of 1st Defendant and the 2nd to 5th Defendants to the Plaintiffs; and
- 7 Other reliefs deemed fit and proper by the Court.

Pursuant to a Court order dated 24 November 2015, the Plaintiffs' claim against the 2nd to 5th Defendants was struck off with cost, thereby leaving Multi-Usage Holdings Berhad as the sole remaining defendant. MUHB have filed an application dated 18 February 2016 to strike out the Plaintiffs' claim. On 2 June 2016, the Judge has dismissed the Company's application with cost of RM3,000 to be paid to the Plaintiffs.

On 13 June 2016, the Company announced the following actions were taken by the Company on 10 June 2016:-

- 1 Appeal against the Penang High Court's decision in dismissing the Company's striking out application on 2 June 2016; and
- 2 Application by the Company for a stay of proceedings of the above stated matter in the High Court pending disposal of the appeal in the Court of Appeal.

On 1 November 2016, the Company announced that the Court of Appeal has allowed the said appeal and awarded cost of RM15,000.00, subject to payment of allocatur. The effect of this decision is that order in terms for the Defendant's striking out application as encapsulated in Enclosure 38 has been granted and the Plaintiffs' Amended Originating Summons in the Penang High Court has been struck off.

The next case management is scheduled for 1 December 2016 by Penang High Court before the Judicial Commissioner to adjudicate on the issue of the sum paid by the Defendant as cost and for Plaintiffs to update the Court with regards to any appeal against the Court of Appeal's decision.

(ii) On 18 March 2016, a wholly-owned subsidiary, TF Land Sdn. Bhd. ("TFLSB") received a letter from Mahkamah Perusahaan Malaysia notifying TFLSB that the hearing pertaining to the dispute between former director of TFLSB in relation to the termination of him as executive director of TFLSB. The case is fixed for mention at Industrial Court Penang on 1st and 2nd August 2017.

(iii) On 30 March 2016, the Company announced there was a civil suit filed in the Penang High Court on 23 March 2016 by certain directors of the Company against certain corporate shareholder, certain individual shareholders and the Company.

In respect of the following claims:-

A) Writ of Summons dated 23 March 2016

- (1) A declaration that the 2nd to the 7th Defendants, whether together and/or individually:-
 - Are conducting the affairs of the 1st Defendant and/or the powers of the directors are being exercised in a manner that is oppressive to and/or in disregard of the interests of the members of the 1st Defendant, including the Plaintiffs; and/ or
 - Are threatening further acts and/or resolutions proposed which unfairly discriminate against or which is and/or will be otherwise prejudicial to members of the 1st Defendant, including the Plaintiffs.
- (2) An injunction restraining the 1st to 7th Defendants or any one of them by themselves or through their servants or agents and/or anyone in any manner whatsoever from holding and proceeding with the 2016 Extraordinary General Meeting (“EGM”) Notice dated 2 March 2016 including attending, voting at the 2016 EGM on 7 April 2016 or any adjournment thereof and passing any resolution pursuant to the 2016 EGM Notice which include the removal of any directors of MUH and/ or appointment of any new directors of MUH in any way whatsoever;
- (3) All cost occasioned by or incidental to this Originating Summons be borne by the 2nd to the 7th Defendants, jointly and/or severally; and
- (4) Such further and/or other relief as the Honourable Court shall deem fit and proper.

B) Notice of Application (Inter Partes)

The Notice of Application against the Defendants is in respect of the following claims:-

- (1) An Injunction Order restraining the 1st to 7th Defendants by themselves and/or through their employees, servants, officers, agents, assistants and/ or anyone in any manner whatsoever from holding and proceeding with the 2016 EGM Notice dated 2 March 2016 including attending, voting at the 2016 EGM on 7 April 2016 or any adjournment thereof and passing any resolution pursuant to the 2016 EGM Notice which include the removal of any directors of MUH and/ or appointment of any new directors of MUH in any way whatsoever until final disposal of the Originating Summons filed herein and/or until further Orders deem fit by the Honourable Court.
- (2) Costs; and
- (3) Other reliefs and/or Orders deem fit and proper by this Honourable Court.

On 11 April 2016, the Company announced an injunction order restraining the 1st to 7th Defendants by themselves and/or through their employees, servants, officers, agents, assistants and/or anyone in any manner whatsoever from holding and proceeding with the 2016 Extraordinary General Meeting (“EGM”) Notice dated 2.3.2016 including attending, voting at the 2016 EGM on 7.4.2016 or any adjournment thereof and passing any resolution pursuant to the 2016 EGM Notice which include the removal of any directors of Multi-Usage Holdings Berhad (“MUH”) and/or appointment of any new directors of MUH in any way whatsoever until final disposal of the Originating Summons filed herein and/or until further Orders deem fit by Honourable Court.

The said suit is fixed for trial at the Penang High Court on 5-7 December 2016.

- (iv) On 16 June 2016, the Company announced that MUHB and its subsidiary, TF Land Sdn Bhd have commenced a suit against one of the Company's director in Penang High Court Suit No. PA-22NCVC-110-06/2016.

The said suit is in relation to the Director's transaction of 5 properties in 2002 and 2007 respectively. The Plaintiffs are claiming for the following reliefs:-

- (1) a declaration of breach of fiduciary duties;
- (2) that the Director is to be removed as the Company's director immediately and be barred from being a
- (3) reliefs under Section 100 (1) of the Securities Industry Act 1983;
- (4) special damages of RM84,380.00;
- (5) special damages of RM19,015.00;
- (6) general damages;
- (7) interest; and
- (8) cost.

On 15 November 2016, the Court has given directions for parties to file their written submissions (in respect of the striking out and amendment applications) by 20 December 2016. The matter is fixed for a further case management on 20 December 2016 and for Hearing of both applications on 24 January 2017.

- (v) On July 4, 2016, MUP (“the Defendant”) received a sealed copy of the Writ and Statement of Claim dated June 13, 2016 from Team Four Sdn. Bhd. (“the Plaintiff”). The Defendant is required within 14 days from the date of receipt of the Writ and Statement of Claim to enter appearance, failing which, the Plaintiff will proceed to obtain judgement against the Defendant without further notice.

Pursuant to the Writ and Statement of Claim, the Plaintiff claims the following from the Defendant:

- 1 Specific performance in order to compel the Defendant to fulfil all their obligations relating to Sale and Purchase Agreement dated January 21, 2016 on the land known as Lot No. 822, Mukim 16, Daerah Seberang Perai Tengah, Pulau Pinang (“Lot 822”) with a purchase consideration of RM8,483,744 (“Purchase Consideration”) to be paid by the Defendant to the Plaintiff’s Solicitors within 14 days from the date of the Judgement to allow redemption of Lot 822 from OSK Capital Sdn. Bhd. (“OSK”) and settle the balance of the Purchase Consideration to the Plaintiff within 7 days from the date of the registration of the transfer to the Defendant at the Land office.
- 2 General damages, cost and other incidental costs as well as the special damages claim and aggravated damages which will be agreed by the Court.
- 3 In the event Lot 822 is sold to OSK, the Defendant to pay the Plaintiff on any loss and damages incurred by the Plaintiff and damages as assessed by the Court.
- 4 Aggravated damages.
- 5 Plaintiff to be given the freedom to apply.
- 6 Legal cost to be borne by the Company and be set-off against the balance of the Purchase Consideration.
- 7 Any other relief that the Honourable Court deem fit and proper.

The said suit is fixed for hearing at Penang High Court on 29 November 2016.

- (vi) On August 9, 2016, the Company announced that MUH had, on August 8, 2016, received the following documents by certain individual shareholders (“the Plaintiff”) against the Company, corporate secretaries and certain directors of the Company:-

- A) Sealed Originating Summon dated August 2, 2016; and
- B) Affidavit in Support affirmed by Louis Edward Van Buerle on August 2, 2016.

A) Originating Summon

- 1 That within three (3) days from the date of the court order, the defendants listed from the second to the twelfth of the List of Defendants as stated in the Originating Summon, are required to furnish the notice of all six (6) resolutions dated 25 July 2016 proposed by the Plaintiffs pursuant to the Section 151 of the Companies Act, 1965 to the shareholders who are entitled to receive notice of Annual General Meeting of the Company for the year 2016 (“AGM 2016”).
- 2 An order requesting the defendants listed from the second to the twelfth of the List of Defendants as stated in the Originating Summon, to table all the six (6) ordinary resolutions proposed by the Plaintiffs at the AGM 2016 for consideration and voting.
- 3 An order that the service of the order for this action is exempted.
- 4 Legal cost of this action is fixed and to be paid by the Defendants to the Plaintiffs.
- 5 Any other relief that the Honourable Court may deem fit and proper.

On 9 September 2016, The Company wishes to announce that the Plaintiffs during the Hearing of the 1st Defendant and 2nd, 3rd, 4th, 5th, 7th, 8th & 9th Defendants' Application to Cross-Examine applied to withdraw the Originating Summons with liberty to file a writ action. The Originating Summons is struck out with costs.

- (vii) On 6 September 2016, the Company announced that MUH had on 5 September 2016 been served with a Penang High Court Originating Summons No. PA-24NCVC-792-08/2016 dated 23 August 2016 filed by Louis Edward Van Buerle against a Director of the Company & 7 Ors seeking inter alia for declaration that the appointment of the 2nd and 3rd Defendants as directors of the Company on 29 June 2015 is invalid, null and void and other consequential relief.

The next case management for the Originating Summons is fixed on 28 November 2016.

B9. Dividends

No interim or final dividend has been declared for the financial period ended 30 September 2016.

B10. Earnings Per Share**(i) Basic earnings per share**

The calculation of basic earnings per share for the financial period is based on the net profit attributable to equity holders of the parent company and divided by the weighted average number of ordinary shares outstanding during the financial period.

	Current Quarter 30/9/2016	Cumulative Quarter 30/9/2016
Profit for the year attributable to equity holders of the company (RM'000)	535	535
Weighted average number of ordinary shares ('000)	56,419	56,419
Basic earnings per share (sen)	0.95	0.95

(ii) Diluted earnings per share

No diluted earnings per share is calculated as there are no potential dilutive ordinary shares.

B11. Realised and Unrealised Profits/Losses Disclosure

The Group's realised and unrealised retained earnings / (accumulated losses) disclosure is as follows:

Total retained earnings / (accumulated losses) of the Company and its subsidiaries:	As at 30/09/2016 (Unaudited) RM '000	As at 30/06/2016 (Audited) RM '000
Realised	22,425	21,273
Unrealised	(995)	(324)
	21,430	20,949
Add: Consolidation adjustments	(21,103)	(21,157)
Total Group retain earnings/(accumulated losses) as per condensed statement of financial position	327	(207)

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit for the period is arrived at after charging / (Crediting):

	Current Quarter 30/9/2016 RM '000	Current year to date 30/9/2016 RM '000
Interest expense	1	1
Depreciation of property, plant and equipment	86	86
Provision for foreseeable losses (net)	(30)	(30)
Liquidated ascertained damages	682	682
Bad debts written off	3	3
Loss on disposal of property, plant and equipment	8	8
Interest income	(151)	(151)

B13. AUTHORISATION FOR ISSUE

The interim financial statement was authorised for issue by the Directors on 28 November 2016.

BY ORDER OF THE BOARD

ANG KIM CHENG @ ANG TENG KOK

Executive Chairman