

**MESB BERHAD**

- Status of the Utilisation of proceeds from disposal of Dynamic Communication Link Sdn Bhd as at 31 July 2012:-

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Proceeds RM'000	Deviation		Intended Timeframe for utilisation	Explanations
				RM'000	%		
Working capital	4,700	(1,973)	2,727	-	-	Within 2 years from the receipt of the proceeds	(a)
Future investments	10,000	(3,800)	6,200	-	-	Within 2 years from the receipt of the proceeds	(b)
Expenses related to the disposal	300	(634)	-	(334)	111	Within 1 month from the receipt of the proceeds	(c)
	15,000	(6,407)	8,927	(334)			

(a) The actual utilisation of the allocated proceeds for working capital are arisen as follow :-

(i)	Utilised for settlement of the amount owed due by the Company to Maintenance Engineering Sdn Bhd, a wholly owned subsidiary of the Company then.	RM'000 696
(ii)	Utilised for company's administrative expenses, which included secretarial fee, professional fees, salaries, directors' remuneration, travelling expenses, telephone charges and miscellaneous expenses.	774
(iii)	Utilised for installment of Company's hire purchase creditors	128
(iv)	Utilised for financial support for subsidiaries' administrative expenses, which included secretarial fee, professional fees, salaries, directors' remuneration, traveling expenses, telephone charges, entertainments, donations and miscellaneous expenses.	375

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1,973

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The balance of proceeds is expected to be utilised within the intended timeframe.

(b) I) Pursuant to the announcement made on 13/06/2012. Miroza Leather (M) Sdn Bhd ("Purchaser"), a wholly subsidiary of MESB Berhad has acquired the following for a total cash consideration of RM3.80million from Giamax Marketing (M) Sdn Bhd ("Vendor") subject to the warranties and undertakings of the Purchaser and the Vendor and upon such terms and conditions as stipulated in the Sale & Purchase Agreement :

*i) All trademarks bearing the brand name 'GIAMAX' and 'GMX' in any form, look or design as registered or to be registered in any variation thereof apportioned to the value of RM500,000 only.*

*ii) The stock-in-trade of all store, outlets and/or retail locations ("Business Premises") (other than the stock sold but not yet removed) is apportioned to the value of RM2.25million.*

*iii) All furniture, equipment, chattels and effects from the Business Premises, the property and assets (other than cash in hand or in the bank and book debts) in or upon the Business Premises or used in connection with the said Business Premises apportioned to the value of RM1.0million and is purchased on an as is where is basis.*

*II) After deducted the shortfall of expenses in related to the disposal, the balance of unutilise proceeds has placed into short term deposits.*

*( c ) Shortfall consultancy fee in related to the disposal was funded through allocated proceeds of future investment.*