Notes to the quarterly report on consolidated results for the financial period ended June 30, 2005

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard, FRS134 Interim Financial Reporting and Chapter 9 Part K of the Bursa Malaysia Listing Requirements. The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2004.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted and used in the preparation of the most recent annual audited financial statements for the year ended December 31, 2004.

2. QUALIFICATION OF FINANCIAL STATEMENTS

The audit report for the annual financial statements of the Group for the financial year ended December 31, 2004 was not subject to any qualification.

3. SEASONALITY OR CYCLICALITY FACTORS

Seasonal or cyclical factors do not have any material impact on the Group's business operations.

4. UNUSUAL ITEMS

There were no items of an unusual nature affecting the financial statements in the quarterly financial statement under review except for the provision for the crystallisation of the corporate guarantees given to the lenders of Perlis Concrete Products Sdn Bhd, a company which was a former associate company of the Group, amounting to approximately RM11.25 million and accounted for in the current quarter.

5. CHANGES IN ESTIMATES

There were no changes in estimates of amount reported in prior financial years, which have a material impact on the current quarter ended June 30, 2005.

6. DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt securities, share buy backs, share cancellations, share held as treasury shares and resale of treasury shares during the current quarter ended June 30, 2005.

7. DIVIDEND PAID

There was no dividend paid during the current quarter ended June 30, 2005.

8. SEGMENTAL REPORTING

Segment Information by activity

The Group – 30.6.2005

	Manufacturing RM'000	Trading RM,000	Property RM'000	Contracting RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External Sales	2,296	1,781	5,909	2,293	-	-	12,279
Inter-segment sales	1,071	61	-		125	(1,257)	-
Total Revenue	3,367	1,842	5,909	2,293	125	(1,257)	12,279
Results							
Profit/(loss)from operations	(278)	18	1,087	159	(11,624)	(295)	(10,933)
Finance Cost	(590)	(214)	-	-	(515)	-	(1,319)
Profit/(loss) Before tax	(868)	(196)	1,087	159	(12,139)	(295)	(12,252)
Income Tax Expense	-	-	(309)	(32)	-	-	(341)
Profit/(loss) after tax	(868)	(196)	778	127	(12,139)	(295)	(12,593)

The Group – 30.6.2004

	Manufacturing RM'000	Trading RM,000	Property RM'000	Contracting RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External Revenue	2,583	1,760	10,279	1,104	39	-	15,765
Inter-segment Revenue	1,884	850	-	-	175	(2,909)	-
Total Revenue	4,467	2,610	10,279	1,104	214	(2,909)	15,765
Results							
Profit/(loss) from operations	215	275	1,793	329	(522)	(843)	1,247
Finance Cost	(561)	(195)	-	-	(399)	-	(1,155)
Profit/(loss) before tax	(346)	80	1,793	329	(921)	(843)	92
Income Tax Expense	-	-	(30)	-	-	-	(30)
Profit/(loss) after tax	(346)	80	1,763	329	(921)	(843)	62

Others operation consist of investment holding and fees from management services. Segmental reporting by geographical location has not been prepared as the Group's operations are substantially carried out in Malaysia.

9. VALUATION OF PROPERTY, PLANT & EQUIPMENT

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD REPORTED THAT HAVE NOT BEEN REFLECTED IN THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

There were no material events subsequent to the end of the current quarter ended June 30, 2005 except as follows:

On 30 August 2005, the Company announced that it has entered into a shares sale agreement ("SPA") to dispose of 4,000,000 ordinary shares of RM1.00 each in TF Land Sdn. Bhd. ("TFL") representing 49.5% of the total paid-up capital of TFL to Seleksi Nostalgia Sdn. Bhd. ("SNSB"), a wholly owned subsidiary of the Company, for a total consideration of RM11,454,069 to be settled by cash of RM1.00 and the balance by the issue of 11,454,068 ordinary shares of RM1.00 each in SNSB at par to the Company ("Disposal").

The Disposal will entail the sale of TFL Shares to SNSB for a total consideration of RM11,454,069 to be settled by SNSB as follows:-

(i) The deposit of Ringgit Malaysia One only upon the execution of the SPA.

(ii) The balance purchase price of Ringgit Malaysia Eleven Million Four Hundred Fifty Four Thousand and Sixty Eight (RM11,454,068) is to be settled by the issue of 11,454,068 ordinary shares of RM1.00 each in SNSB at par on the completion date.

The disposal price was arrived at based on the net tangible assets ("NTA") of TFL based on the unaudited management accounts as at 30 June 2005. TFL will become a wholly owned subsidiary of SNSB after the completion of the Disposal.

The Disposal will enable the management of the Company to streamline its business into a clear and distinct business unit. This will enhance the efficiency of managing and controlling the Group's business units. The exercise is essentially an internal reorganization of the Group and does not change the ultimate beneficial interest in TFL.

The Disposal will not have any effect on the Group NTA, earnings or earnings per share of the Company for the financial year ending 31 December 2005 and will not have any effect on the share capital and shareholdings of the substantial shareholders of the Company.

The completion of the SPA is subject to the approval being obtained from the relevant authorities.

11. CHANGES IN THE COMPOSITION OF COMPANY

There were no changes in the composition of the company for the current quarter ended June 30, 2005 to date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

12. CONTINGENT LIABILITIES

There were no changes in contingent liabilities since the last annual balance sheet date to the date of this quarterly report except for the contingent liability arising from the corporate guarantees given to the lenders of a former associate company which has been provided for in the current quarter.

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (PART A OF APPENDIX 9B)

1. REVIEW OF PERFORMANCE

For the current financial period under review, the Group recorded a total revenue of RM12.28 million against the revenue of RM15.77 million as recorded in the preceding year corresponding period. The decline in revenue of approximately RM3.49 million was mainly due to the completion of a school project awarded by the Ministry of Education at the end of the financial year 2004.

The Group incurred a loss before tax of RM12.25 million for the current financial period against a profit before tax of RM0.09 million in the previous year corresponding period mainly due to the provision for the crystallization of the corporate guarantees given by the Company to the lenders of a former associate company and higher allowance for doubtful debts and amortization of goodwill.

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The loss before taxation for the financial period ended June 30, 2005 was RM12.25 million compared to a profit before taxation of RM0.09 million as recorded in the preceding year corresponding period. This was mainly due to the provision for the crystallization of the corporate guarantees given to the lenders of a former associate company amounting to approximately RM11.25 million. Other expenses have also increased, mainly from the amortization of goodwill and the allowance for doubtful debts.

3. CURRENT YEAR PROSPECTS

The low mortgages rates and easy financing of properties have created a conducive environment for the continue growth of the property sector. The outlook for this sector in 2005 is expected to improve especially for medium cost residential properties. Barring any unforeseen circumstances and the non recurring unusual item as disclosed in Note 4 in the Notes to the Quarterly Report on Consolidated Results and its financial impact on the Group performance for the first half of the financial year, the Board of Directors is optimistic about the Group's performance in the second half of the year.

4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

Not applicable as no profit forecast was published.

5. TAXATION

The taxation for the current quarter and year to date are as follows:

	Current Quarter	Current Year to date
	RM'000	RM'000
Income Tax		
- current	116	341
- under /(over) provision	-	-
Deferred Tax	-	-
Total	116	341

Provision for taxation was made in the Group for the current quarter and current year to date despite the Group incurring a loss due to income tax charges, which relates to profits of certain subsidiaries which were not able to be set-off against the losses incurred by other subsidiaries due to the unavailability of group tax relief.

6. PROFITS ON SALE OF UNQUOTED INVESTMENTS/PROPERTIES

There was no profit or loss on sale of quote investment. The profit from the disposal of motor vehicle for the current financial period ended June 30, 2005 amounted to RM6,000.

7. PURCHASE/DISPOSAL OF QUOTED SECURITIES

The Group did not purchase or dispose of any quoted securities during the current financial period ended June 30, 2005.

8. STATUS OF CORPORATE PROPOSAL

On October 22, 2004, the Company had announced that it proposed to acquire 86.23% equity in Perlis Concrete Products Sdn. Bhd.("PCP") subject to PCP carrying out a proposed scheme of arrangement ("SOA") to mitigate PCP potential losses. PCP is principally involved in the manufacturing of pre-stressed spun concrete piles, ready mixed concrete and square piles.

The details of the SOA are as follows:

1) A proposed capital reduction of PCP existing issued and paid up capital of RM16,700,000 comprising 16,700,000 ordinary shares of RM1.00 each to RM1,670 comprising 16,700,000 ordinary shares of RM0.0001 each to be effected by the cancellation of RM0.9999 of the par value of each of the ordinary shares of RM1.00. The reduction of RM0.9999 will give rise to a credit of RM16,698,330 which will be used to reduce the accumulated losses of PCP.

   A proposed consolidation of 16,700,000 ordinary shares of RM0.0001 each into 1,670 new ordinary shares of RM1.00 on the basis of ten thousand ordinary shares of RM0.0001 each into one new ordinary shares of RM1.00 each.

2) Proposed acquisition of 86.23% of the equity of PCP comprising 1,440 ordinary shares of RM1.00 for a consideration of RM1.00 after the proposed capital reduction. A Memorandum of Understanding was executed on October 22, 2004 between the vendor and the Company. The Company will undertake the proposed debt settlement as detailed in (3) below and to approach the other shareholders of PCP to acquire the remaining 13.77% equity interest in PCP.

3) The cut-off date of the proposed debt settlement of PCP is fixed at August 31, 2004. All known debts outstanding as at the cut-off date will be included in the proposed SOA. All other charges, interest and penalty arising after the cut-off date shall be completely waived. The total indebtedness of PCP as at the cut-off date is approximately RM19.34 million and the settlement to the secured and unsecured creditors of PCP in the sum of RM10.05 million are as follows:

   - The Company will assume the sum of RM9,750,000 due and presently owing to the secured creditors. Any shortfall of the debts will be considered as unsecured liabilities and the Company will pay a sum of RM300,000 cash to the unsecured creditors. However, the creditors with a guarantee from the Company may claim the balance of approximately RM4.5 million from the Company.

4) Proposed debt to equity conversion to reduce the amount owing by PCP to the Company subsequent to the proposed debt settlement by the Company to an acceptable level and to increase the issued and paid up capital of PCP. The Company will convert RM2,200,000 of the amount owing by PCP into equity through the issuance of 2,200,000 new ordinary shares of RM1.00 each in PCP.

The financial effect to the Company will be the crystallisation of the corporate guarantees in relation to the unsecured bank borrowings of PCP. Other than the financial loss arising from the crystallisation of the corporate guarantees given to the financial institutions of PCP, the proposed acquisition of PCP is not expected to have any material impact on the earnings of the Group for the immediate financial year.

The propose acquisition of PCP is subject to the approvals of the following:-

a) execution of a conditional sale and purchase agreement between the vendor and the Company;
b) approval from the shareholders of the Company;
c) approval from the shareholders of PCP;
d) sanction of the proposed scheme of arrangement between PCP and its creditors and the propose capital reduction and consolidation of PCP pursuant to sections 176 and 64 of the Companies Act, 1965;
e) approval from the Foreign Investment Committee;
f) approval from MITI; and
g) any other relevant authorities and/or parties.

A further announcement will also be made by the Company upon the completion of the above mentioned proposal.

9. GROUP BORROWINGS

Group borrowings as at June 30, 2005 are as follows:

Short Term Borrowings	RM'000
Bankers Acceptance – secured	-
- unsecured	418
Revolving Credits – secured	-
- unsecured	14,290
Bank Overdrafts – secured	4,385
- unsecured	4,217
Term Loan – secured	5,870
- unsecured	2,812
Sub-total	31,992

Long Term Borrowings	RM'000
Term Loan – secured	485
- unsecured	737
Sub-total	1,222

The above borrowings are denominated in Ringgit Malaysia.

10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There is no financial instrument with off balance sheet risk as at the date of issue of this quarterly report.

11. MATERIAL LITIGATIONS

There is no pending material litigation since the last annual balance sheet date until the date of issue of this quarterly report except for the following:

A) Penang High Court Originating Summons No: 24-118-2004
The ISP Schools Association ("ISP") (plaintiff) -v- Multi-Usage Property Sdn Bhd ("MUP") (defendant)

Nature: A dispute had arisen between MUP, a wholly owned subsidiary of MUH and ISP in respect of the construction agreement dated January 13, 2000 to construct a new school at a piece of land known as H.S.(D) 8054 Lot No:476 Sek 1, Bandar Batu Ferringhi, Daerah Timur Laut, Pulau Pinang. ISP had filed an originating summons against MUP for, amongst other things, a declaration that the said agreement is void or voidable at the instance of either party. On the other hand, MUP had filed a Defendant's Summons in Chambers to strike out the Plaintiff's Originating Summons on the ground, amongst others, that the declaratory relief sought by the Plaintiff cannot be determined without a trial of the matter.

Claim: As the Plaintiff's Originating Summons is in essence an application to the Court to determine the construction of the terms of the said agreement dated January 13, 2000, MUP's exposure in terms of liabilities is minimal.

Merits: The solicitors are of the view that there is a strong likelihood that MUP's said application to strike out the Plaintiff's Originating Summons may succeed as the intention of the respective parties to a contract is an issue of fact and as such, is a triable issue.

Status: After hearing the submissions by Counsel for the parties, the learned Judge had granted an order in terms of the Originating Summons on the ground that the Construction Agreement dated January 13, 2000 was void for uncertainty and not binding on the parties. However, MUP has instructed its solicitors to file an appeal against the said decision of the learned Judge and presently, pending the fixing of the date for the hearing of the appeal.

B) On March 12, 2005, the Company and two of its subsidiary companies, Multi-Mix Sdn. Bhd. and Multi-Usage Cement Products Sdn. Bhd. were served with writs of summons relating to a claim by OCBC Bank (Malaysia) Berhad ("the Bank"). The claim was for the principal and interest in respect of banking facilities (namely revolving credit facilities and bankers' acceptance) for a total outstanding amount of RM11.069 million as at December 31, 2004.

On June 6, 2005, the Company and one of its subsidiary companies, Multi-Usage Trading Sdn Bhd were served with writs of summons relating to a claim by the Bank. The claim was for the principal and interest in respect of the revolving credit facilities for a total outstanding amount of RM2.005 million as at February 28, 2005.

Since July 2004, the Company had approached the Bank to negotiate on the restructuring of the loans of its subsidiary companies and had provided the bank with a proposal on the restructuring of the said loans. The Company had also informed the Bank that the Company would be suspending interest payments on its loan from the Bank other than those that are operational in nature.

The Company has sought clarification from the Bank, as the Bank had not rejected the proposal on the restructuring of the loans. The Bank has agreed to hold further discussion with the Company and further announcements will be made as and when the clarification is obtained.

12. DIVIDEND

No decision regarding dividend has been made.

13. EARNINGS PER SHARE

	Current Year Quarter 30.6.2005	**Preceding Year Quarter 30.6.2004**	**Current Year to Date 30.6.2005**	**Preceding Year to Date 30.6.2004**
Earnings				
Net (Loss)/Profit for the period (RM'000)	(12,214)	29	(12,589)	33
Weighted average number of shares ('000)				
Basic Weighted average number of ordinary shares ('000)	52,728	52,728	52,728	52,728
Diluted Issued ordinary shares at the beginning of the period ('000)	52,728	52,728	52,728	52,728
Effect of warrants / share options ('000)	-	25,944	-	25,944
Weighted average number of ordinary shares ('000)	52,728	78,672	52,728	78,672
Basic (loss)/ earnings per share (sen)	(23.16)	0.05	(23.88)	0.06
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

BY ORDER OF THE BOARD

LAM VOON KEAN
COMPANY SECRETARY
August 30, 2005