MULTI-USAGE HOLDINGS BERHAD
(Company No. 228933-D)

QUARTERLY REPORT

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2006

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/03/2006 RM'000	Preceding Year Corresponding Quarter 31/03/2005 RM'000	Current Year To Date 31/03/2006 RM'000	Preceding Year Corresponding Period 31/03/2005 RM'000
Revenue	**3,186**	7,270	**3,186**	7,270
Cost of sales	**(2,208)**	(5,713)	**(2,208)**	(5,713)
Gross profit	**978**	1,557	**978**	1,557
Other income	**59**	102	**59**	102
Administrative expenses	**(498)**	(545)	**(498)**	(545)
Distribution expenses	**(84)**	(67)	**(84)**	(67)
Other operating expenses	**(7)**	(582)	**(7)**	(582)
Profit from operations	**448**	465	**448**	465
Finance cost	**(739)**	(619)	**(739)**	(619)
Loss before tax	**(291)**	(153)	**(291)**	(153)
Income tax expenses	**-**	(225)	**-**	(225)
Loss for the period	**(291)**	(378)	**(291)**	(378)
Attributable to:				
Equity holders of parent company	**(291)**	(375)	**(291)**	(375)
Minority interest	**-**	(4)	**-**	(4)
	(291)	(378)	**(291)**	(378)
Earning per share (sen)				
Basic, for loss for the period	(0.55)	(0.71)	(0.55)	(0.71)
Diluted, for loss for the period	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005

MULTI-USAGE HOLDINGS BERHAD
Company No:228933-D

CONDENSED CONSOLIDATED BALANCE SHEET

	As at financial year ended 31/03/2006 (unaudited) RM ' 000	As at preceeding financial year ended 31/12/2005 (audited) RM ' 000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	**4,498**	4,628
Quoted Investment, at cost	**171**	171
Goodwill on Consolidation	**7,400**	7,400
Deferred Tax Assets	**-**	-
Property Development Costs	**33,408**	32,832
	45,477	45,031
Current Assets		
Inventories	**17,093**	17,957
Property Development Costs	**6,898**	6,402
Trade Receivables	**16,919**	17,632
Other Receivables & Prepaid Expenses	**949**	966
Tax recoverable	**18**	18
Short term deposits with licensed banks	**244**	244
Cash & Bank Balances	**404**	122
	42,524	43,341
TOTAL ASSETS	**88,002**	88,372
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	**52,728**	52,728
Reserves	**(26,049)**	(25,758)
	26,679	26,970
Minority Interest	**99**	99
Total equity	**26,777**	27,069
Non-current liabilities		
Deferred Tax Liabilities	**64**	64
Long Term Loans	**376**	496
	440	560
Current Liabilities		
Trade Payables	**5,642**	4,789
Other Payables and Accrued Expenses	**5,342**	5,416
Provision for Corporate Guarantee	**11,250**	11,250
Amount owing to Directors	**717**	1,037
Bank Borrowings	**23,806**	23,913
Long Term Loans	**10,245**	10,362
Tax Liabilities	**3,783**	3,976
	60,784	60,743
Total liabilities	**61,224**	61,303
TOTAL EQUITY AND LIABILITIES	**88,002**	88,372

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005

MULTI-USAGE HOLDINGS BERHAD

Company No:228933-D

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2006

	Share Capital	Non-distributable Share Premium	Accumulated Losses	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 01/01/2006	52,728	17,043	(42,802)	99	27,068
Net loss for the period	-	-	(291)	(0)	(291)
Balance at 31/03/2006	52,728	17,043	(43,093)	99	26,777

	Share Capital	Non-distributable Share Premium	Accumulated Losses	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 01/01/2005	52,728	17,043	(27,651)	135	42,255
Net loss for the period	-	-	(15,151)	(36)	(15,187)
Balance at 31/03/2005	52,728	17,043	(42,802)	99	27,068

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005

MULTI-USAGE HOLDINGS BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2006

	2006 **RM'000**	Preceding Year Corresponding Period 31/03/2005 RM'000
Net cash from operating activities	**1,371**	1,071
Net cash (used in)/ from investing activities	**(6)**	89
Net cash used in financing activities	**(637)**	(303)
Net increase in cash and cash equivalents	**728**	857
Cash and cash equivalents at 1 January	**(8,353)**	(9,143)
Cash and cash equivalents at 31 March	**(7,625)**	(8,286)

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005

Notes to the quarterly report on consolidated results for the three months period ended 31 March 2006

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2005. The explanatonary notes attached to the interim financial report include an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2005. The condensed consolidate interim financial report and notes thereon do not include all the information required for full set of financial statements prepared in accordance with FRSs.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the financial statements for the year ended 31 December 2005, except for the accounting policy changes that are expected to be reflected in the financial statements for the year ending 31 December 2006. Details of these changes in accounting policies are set out in Note 2.

2. CHANGES IN ACCOUNTING POLICIES

The MASB has issued a number of new and revised FRSs that are effective for accounting periods beginning on or after 1 January 2006. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the new and revised FRSs.

The principal effects of the changes in accounting policies resulting from the adoption of the new and revised FRSs for the annual accounting period beginning on 1 January 2006 which have been reflected in the interim financial report are discussed below:

a) *Amortisation of positive goodwill (FRS 3: Business Combination and FRS 136: Impairment of Assets)*

In prior periods, positive goodwill from the consolidation arising from the acquisition of subsidiary company involved in property development is amortised based on the percentage of revenue recognized over the total expected revenue on the development projects.

Effective from 1 January 2006, in accordance with FRS 3 and FRS 136, the Group no longer amortises positive goodwill. The goodwill arising from the acquisition of subsidiary company is tested annually for impairment, including in the year of its initial recognition, or more frequently if events or changes in circumstances indicate that it might be impaired. Impairment loss is recognised when the carrying amount of the cash generating unit to which the positive goodwill has been allocated exceeds its recoverable amount.

And also, with effect from 1 January 2006, and in accordance with FRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill), the excess is recognised immediately in the income statement as it arises.

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under FRS 3. As a result, the comparative amounts have not been restated, the cumulative amount of amortisation as of 1 January 2006 has been offset against the cost of the goodwill and no amortisation charge for goodwill has been recognized in the income statement for the three months ended 31 March 2006. This has reduced the Group loss after tax for the three months period ended 31 March 2006 by RM110,000.

The change in policy relating to negative goodwill had no effect on the interim financial report as there was no negative goodwill as at 31 March 2006.

b) *Changes in presentation (FRS 101: Presentation of Financial Statements and FRS 127:Consolidated And Separate Financial Statements) – Minority Interests*

The adoption of the revised FRS 101 has affected the presentation of the minority interests. In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests, in the results of the Group were separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders. Similar requirement is also applicable to the statement of changes in equity. FRS 101 requires disclosure on the face of the statement of changes in equity, total income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

The presentation of minority interests in the consolidated balance sheet, income statement and statement of changes in equity for the comparative periods has been restated accordingly.

3. QUALIFICATION OF FINANCIAL STATEMENTS

The audit report for the annual financial statements of the Group for the financial year ended December 31, 2005 was not subject to any qualification. However, the Auditors' Report has included the following comment;

"Without qualifying our opinion, we draw attention to Notes 2 and 25 to the financial statements concerning the financial positions of the Group and of the Company and the proposed financial restructuring scheme. Notwithstanding the above, the financial statements of the Group and of the Company have been prepared on a going concern basis, which presumes, amongst others, the continued support from the shareholders, bankers and creditors of the Group and of the Company, the successful implementation of the proposed financial restructuring scheme and the ability of the Group and of the Company to generate profit and positive cash flows to sustain their operations. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern."

4. SEASONALITY OR CYCLICALITY FACTORS

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

5. UNUSUAL ITEMS

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence during the financial period under review except for the changes in accounting policies as disclosed in Note 2.

6. CHANGES IN ESTIMATES

There were no changes in estimates that have a material impact in the current quarter and financial period to date.

7. 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 and financial period to date.

8. DIVIDEND PAID

There was no dividend paid during the current quarter and financial period to date.

9. SEGMENTAL REPORTING

Segment Information by activity

The Group – 31.03.2006

	Manufacturing RM'000	**Trading RM,000**	**Property RM'000**	**Contracting RM'000**	**Others RM'000**	**Elimination RM'000**	**Consolidated RM'000**
Revenue							
External Sales	1,099	485	1,602	-	-	-	3,186
Inter-segment sales	843	187	-	638	63	(1,731)	-
Total Revenue	1,942	672	1,602	638	63	(1,731)	3,186
Results							
Profit/(loss)from operations	109	(2)	212	38	(16)	(7)	334
Finance Cost	(303)	(126)	(74)	-	(236)	-	(739)
Profit/(loss) before tax	(194)	(128)	138	38	(252)	(7)	(405)
Income Tax Expense	-	-	-	-	-	-	-
Profit/(loss) after tax	(194)	(128)	138	38	(252)	(7)	(405)

The Group – 31.03.2005

	Manufacturing RM'000	Trading RM,000	Property RM'000	Contracting RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External Revenue	1,093	896	4,006	1,275	-		7,270
Inter-segmentRevenue	461	33	-	-	63	(556)	-
Total Revenue	1,554	923	4,006	1,275	63	(556)	7,270
Results							
Profit/(loss) from operations	-	66	806	19	(127)	(298)	466
Finance Cost	(256)	(58)	-	-	(296)	-	(619)
Profit/(loss) before tax	(256)	8	806	19	(423)	(298)	(153)
Income Tax Expense	-	-	(222)	(3)	-	-	(225)
Profit/(loss) after tax	(265)	8	584	16	(423)	(298)	(378)

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 predominantly carried out in Malaysia.

10. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of property, plant and equipment for the current quarter and financial period to date. The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

11. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current financial period to date that has not been reflected in the unaudited financial statements.

12. CHANGES IN THE COMPOSITION OF COMPANY

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

13. CONTINGENT LIABILITIES

There were no changes in contingent liabilities since the last annual balance sheet date.

14. CAPITAL COMMITMENTS

The amount of capital commitments for capital expenditure approved and contracted but not provided for in the interim financial statements amounting to RM16,627,000.

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

1. REVIEW OF PERFORMANCE

For the current quarter, the Group's revenue decreased by 56% or approximately RM4.08 million as compared to the preceding year corresponding quarter. The decline in revenue for the current quarter was mainly on lower revenue from the property and contracting divisions. The progress of on-going property project has been slow and this has affected the current quarter revenue. The emphasis of the contracting division on internal projects has also affected the generating of revenue for the quarter. However, the Group expects the revenue from property division to improve at the later part of the second quarter of this financial year. The trading division also recorded lower revenue due to slower demand for building materials during the current quarter.

The Group incurred a loss before tax of RM291K compared to the loss of RM153K in the preceding year corresponding quarter mainly due to the lower revenue generated during the current quarter. However, the overall margin for the current quarter appeared to be higher. The reason was due to the emphasis of the contracting division on internal projects and the higher margin of profits from the sale of existing property stock. The cessation of amortising positive goodwill and the lower other operating expenses have also reduced the impact on the losses for the Group in the current quarter.

2. Material Changes in the Quarterly Results Compared to the Results of Immediate Preceding Quarter

The revenue for the current quarter was lower compare to the immediate preceding quarter due to the lower generated revenue especially from the property division. The Group recorded revenues. The lower revenue was due to the slow progress work in the on-going project. However, the Group expects the revenue to pick up in the later part of the second quarter of this financial year.

The current losses from operations for the Group was lower than the immediate preceding quarter due to the higher provisions made for doubtful debts, lower sales margin and higher other operating cost.

3 CURRENT YEAR PROSPECTS

As mentioned in the previous quarterly report, the Board is optimistic that the Group's overall operations and financial results will improve in the second half of the current financial year and subject to the completion of the proposed corporate exercise (as disclosed in following Note 8A), which is expected to be completed in the second half of this financial year. The Group's property division will remain profitable and will contribute significantly to the Group's results in the current financial year. However, the Board acknowledges that the manufacturing division is performing below par and that appropriate measures needs to be implemented to improve and enhance its capacity utilization of existing plant to achieve better economies of scale, operating efficiency and productivity to achieve better performance in the current financial year. The management has identified weaknesses and steps to rectify them are under implementation. The manufacturing division requires new value-added products and wider customer base in order to strengthen its competitive position in the market.

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	-	-
Deferred Tax	-	-
Total	**-**	**-**

No provision for taxation was made in the Group for the current period as the Group incurred a loss and has no chargeable income.

6. **PROFITS ON SALE OF UNQUOTED INVESTMENTS/PROPERTIES**

There was no profit or loss on sale of quote investment in the financial period to date.

7. **PURCHASE/DISPOSAL OF QUOTED SECURITIES**

The Group did not purchase or dispose of any quoted securities during the current quarter and financial period to date.

8. **STATUS OF CORPORATE PROPOSAL**

A) On 22 October 2004, the Company had announced that it proposed to acquire 86.23% equity in PCP subject to PCP carrying out a proposed scheme of arrangement, which includes;

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. This 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.

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. The Company will convert RM2,200,000 of the amount owing by PCP to the Company into equity through the issuance of 2,200,000 new ordinary shares of RM1.00 each in PCP.

The financial effect to the Company is the crystallization of the corporate guarantees in relation to the unsecured bank borrowings of PCP. Other than the financial loss arising from the crystallization 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 current 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.

Subsequently, on 1 September 2005, the Company made an announcement through its advisors, K & N Kenanga Bhd ("Kenanga") that the Company is proposing to implement the following:

(a) A reduction of the Company existing issued and paid-up share capital of RM52,728,000 comprising 52,728,000 ordinary shares of RM1.00 each to RM13,182,000 comprising 52,728,000 ordinary shares of RM0.25 each to be effected by the cancellation of RM0.75 of the par value of each ordinary share pursuant to Section 64(1)(b) of the Companies Act, 1965;

(b) Proposed two-call rights issue of up to 131,820,000 new ordinary shares of RM0.25 each in the Company ("Rights Shares") together with up to 87,880,000 free detachable warrants ("Rights Warrants") on the basis of five (5) Rights Shares for every existing two (2) ordinary shares of RM0.25 each held after the Proposed Capital Reduction and two (2) Rights Warrants for every three (3) Rights Shares subscribed.

    The first call for the Rights Shares of RM0.20 is payable in cash on application whereas the second call of RM0.05 will be capitalized from the Company's share premium account;

(c) Proposed acquisition by TF Land Sdn Bhd ("TF Land"), a wholly-owned subsidiary of the Company, of 3 parcels of freehold lands held under Lot No. 1121 GM No. 452, Lot No. 1198 GRN No. 1169 and Lot No. 1213 GM No. 21, all of Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang ("Team Four Property") from Team Four Sdn Bhd at a purchase consideration of RM4,520,000 to be satisfied by the issuance of RM1,258,000 nominal value 5-year 3% coupon redeemable convertible secured loan stocks of RM1.00 each in MUHB and the balance in cash of RM3,262,000;

(d) Proposed acquisition by TF Land of a parcel of freehold land held under Lot No. 1123 GRN No. 19155 of Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang from Cassio Land Sdn Bhd ("Cassio Property") at a purchase consideration of RM12,740,000 to be satisfied by the issuance of RM3,342,000 RCSLS A and the balance in cash of RM9,398,000;

(e) Proposed acquisition by the Company of 86.23% equity interest comprising of 1,440 ordinary shares of RM1.00 each in PCP for a purchase consideration of RM1.00 together with the obligation by the Company to settle the liabilities of PCP of RM10,050,000 to be satisfied by the issuance of RM6,300,000 nominal value 5-year 3% coupon redeemable convertible secured loan stocks of RM1.00 each in the Company and the balance in cash of RM3,750,000 and the proposed subscription of 99.9% of the enlarged issued and paid-up share capital comprising of 2,200,000 new ordinary shares of RM1.00 each in PCP at an issue price of RM1.00 per share; and

(f) Proposed restructuring of the bank debts owing by the Group amounting to approximately RM38,693,294 as at 31 March 2005.

On the same date, TF Land has entered into separate conditional agreements with Team Four Sdn Bhd and Cassio Land Sdn Bhd, to acquire the Team Four Property and Cassio Property respectively. The salient terms of the agreements are that the Proposed Acquisition of Team Four Property and Cassio Property are subject to the following approvals being obtained within 9 months from the date of the the agreements:-

(a) the approval of the shareholders of Team Four Sdn Bhd/Cassio Land Sdn Bhd and the Company at their respective EGM to be convened;

(b) the notification to the Foreign Investment Committee;

(c) the approval of the SC for the issuance of RCSLS A;

(d) the approval–in-principle of Bursa Securities for the listing and quotation of the new shares to be issued upon the conversion of the RCSLS A; and

(e) the approval of such other relevant authorities as are necessary.

Completion will take place on the day falling 90 days after the date the last of the aforementioned approvals is obtained.

The Company has also entered into a conditional sale and purchase agreement with Mr Lee Soon Leong to acquire 86.23% equity interest in PCP comprising 1,440 ordinary shares of RM1.00 each (after the Proposed Capital Reduction and Consolidation) for a cash consideration of RM1.00 together with the obligation by the Company to settle the liabilities of PCP of RM10,050,000 owing to its creditors as at 31 August 2004 and the proposed subscription of 2,200,000 new ordinary shares of RM1.00 each in PCP at an issue price of RM1.00 per share.

As a result of the above proposed acquisition and proposed subscription, the Company will ultimately hold 99.9% equity interest in PCP comprising 2,201,440 ordinary shares of RM1.00 each.

The salient terms as contained in the PCP Shares Agreement are as follows:-

The Proposed Acquisition of PCP is conditional upon the fulfilment of the following conditions precedent within 9 months from the date of the PCP Shares Agreement:-

(i) the proposed scheme of arrangement ("SOA") of PCP becoming effective in accordance with the terms thereof;

(ii) the approval of the shareholders of the Company at an EGM to be convened ;

(iii) the approval of the shareholders of PCP of the proposed subscription which approval was obtained on 30 June 2005;

(iv) the approval of the SC for the issuance of the RCSLS B;

(v) the approval of the Ministry of International Trade and Industry ("MITI");

(vi) the approval-in-principle of Bursa Securities for the listing and quotation of the new shares to be issued upon the conversion of the RCSLS B; and

(vii) the approval of such other relevant authorities as are necessary.

The proposed SOA of PCP involves the following:-

(i) the Proposed Capital Reduction and Consolidation which will involve the proposed reduction of PCP's existing issued and paid-up share 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 ordinary share pursuant to section 64(1)(b) of the Act. The proposed reduction of RM0.9999 for every PCP share would give rise to a credit of RM16,698,330 which would be used to reduce the audited accumulated losses of PCP as at 31 December 2004 from RM26,668,779 to RM9,970,449 and the proposed consolidation of 16,700,000 ordinary shares of RM0.0001 each into 1,670 ordinary shares of RM1.00 each in PCP on the basis of ten thousand (10,000) ordinary shares of RM0.0001 each being consolidated into one (1) ordinary share of RM1.00 each in PCP.

(ii) the Proposed Acquisition of PCP will involve the Company to acquire 86.23% equity comprising 1,440 ordinary shares of RM1.00 each in PCP after the Proposed Capital Reduction and Consolidation from Mr Lee Soon Leong at a consideration of RM1.00 together with the obligation to settle the liabilities of PCP.

(iii) the cut-off date for the debts of PCP to be addressed in the Proposed SOA of PCP has been fixed on 31 August 2004. All known debts outstanding as at the PCP Cut-Off Date have been included in the Proposed SOA of PCP. All charges, interest and penalty charges in relation to the known debts arising after the PCP Cut-Off Date shall be completely waived as against PCP.

The Proposed SOA of PCP shall become effective upon the satisfaction of all the following conditions precedent on or before 31 December 2005 or such other date as stipulated in the Proposed SOA of PCP:

(a) approval from the Scheme Creditors at the court-convened meetings which approval was obtained on 18 November 2004;

(b) an office copy of the order from the High Court confirming the Proposed Capital Reduction and consolidation under Section 64(1)(b) of the Act and an office copy of the order from the High Court sanctioning the Proposed SOA of PCP under Section 176 of the Act, have been lodged with the Companies Commission of Malaysia;

(c) approval from the shareholders of the Company for the Proposed Acquisition of PCP; and

(d) the approvals of such other relevant authorities as are necessary.

The Proposals are conditional upon approvals being obtained from the following:-

(a) the shareholders of PCP of the proposed subscription of new PCP Shares by the Company which approval was obtained on 30 June 2005;

(b) MITI for the Proposed Acquisition of PCP;

(c) the Proposed SOA of PCP becoming effective in accordance with its terms, for the Proposed Acquisition of PCP;

(d) SC for the Proposals (other than the Proposed Bank Debt Restructuring of the Group);

(e) the shareholders of the Company for the Proposals (other than the Proposed Bank Debt Restructuring of the Group) at an EGM to be convened;

(f) the shareholders of Team Four and of Cassio at their respective EGM to be convened;

(g) Bursa Securities for the listing of and quotation for the Rights Shares, Rights Warrants as well as the new shares to be issued upon the exercise of the Rights Warrants and conversion of the RCSLS A and RCSLS B;

(h) Order from the High Court for the Proposed Capital Reduction under Section 64 of the Act;

(i) Bank Negara Malaysia ("BNM") for the issuance of Rights Warrants to non-resident shareholders pursuant to ECM 12 of the Exchange Control Act, 1953 pursuant to the Proposed Two-Call Rights Issue With Free Detachable Warrants; and

(j) any other relevant authorities.

On 28 December 2005, the Company announced that the Board has amended certain terms and information of the abovementioned proposals in relation to the RCSLS A and B, and the information on Cassio Property and has entered into supplemental agreements with the vendors of Team Four Property, Cassio Property and PCP shares.

Subsequently, through Kenanga, the Company has submitted the above proposals to all the relevant authorities on 29 December 2005 and as to date, has obtained the approval of BNM for the issuance of Rights Warrants to non-resident shareholders on 24 January 2006. Approvals from other authorities are still pending.

On 23 February 2006, on behalf of MUHB, Kenanga has announced the following in relation to the Proposed Acquisition of PCP:-

1. The Ministry of International Trade and Industry ("MITI") had granted its approval, vide its letter dated 21 February 2006 (which was received on 22 February 2006).

   The approval of the MITI is subject to the Securities Commission's approval being obtained and compliance with the guidelines on the acquisition of interests, mergers and take-overs by local and foreign interest.

   Moreover, PCP is given until 30 September 2008 to comply with the equity condition as per its manufacturing licence.

2. The High Court of Malaya at Alor Setar has on 21 February 2006 granted an order to extend the validity of the restraining order from 1 January 2006 until 31 December 2006 under Section 176(10A) of the Companies Act, 1965.

B) 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 representing 49.5% of the total paid-up capital of TF Land 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 TF Land 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 TF Land based on the unaudited management accounts as at 30 June 2005. TF Land 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 reorganisation of the Group and does not change the ultimate beneficial interest in TF Land.

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

The Company has obtained the approval from the Foreign Investment Committee on the Disposal and presently in the progress of preparing the relevant documentations in accordance with the terms and conditions of the agreement.

Other than that disclosed above, there is no other corporate proposals announced but have not yet completed.

9. **GROUP BORROWINGS**

Group borrowings as at 31 December 2005 are as follows:

Short Term Borrowings	RM'000
Bankers Acceptance – secured	-
- unsecured	447
Revolving Credits – secured	-
- unsecured	15,330
Bank Overdrafts – secured	2,865
- unsecured	5,164
Term Loan – secured	6,842
- unsecured	3,402
Sub-total	**34,050**

Long Term Borrowings	RM'000
Term Loan – secured	-
- unsecured	376
Sub-total	**376**

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**

The following are pending material litigation cases as disclosed in the previous quarter ended 31 December 2005 and as the date of this quarterly report:

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

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.

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.

The Company had approached and provided the Bank with a proposal on the restructuring of the loans of the Company and its subsidiary companies (as disclosed in Note 8 (A)). The Company had also informed the Bank that the Company would be suspending principal and interest payments on the loans other than those that are operational in nature.

B) On 16 September 2005, TF Land was served with writ of summons and statement of claim by Syarikat Pembinaan DSR Sdn Bhd ("DSR") claiming for the amount of RM2,994,821.08 together with interest at the rate of 8% per annum from the date of the summon until the date of full settlement. The claim against TF Land was in relation to the alleged sums due to DSR pursuant to a Sub Contract dated 25 February 2003. TF Land is disputing the amount and has counter claimed against DSR for repudiation of contract for stopping and abandoning works under the Sub Contract since 22 April 2004, defective works and for Liquidated and Ascertained Damages.

As the claim by both parties is contested, the financial impact cannot be estimated or ascertained with reasonable certainty. Therefore, the Group is unable to quantify the financial and operational impact or expected losses, if any.

12. DIVIDEND

No decision regarding dividend has been made.

13. **EARNINGS PER SHARE**

	Current Year Quarter 31.03.2006	Preceding Year Quarter 31.03.2005	Current Year to Date 31.03.2006	Preceding Year to Date 31.03.2005
Earnings				
Net Loss for the period (RM'000)	(291)	(375)	(291)	(375)
Weighted average number of shares ('000)				
Basic Weighted average number of ordinary shares ('000)	52,728	52,728	52,728	52,728
Basic loss per share (sen)	(0.552)	(0.711)	(0.552)	(0.711)

BY ORDER OF THE BOARD

LAM VOON KEAN
COMPANY SECRETARY
30 May 2006