MULTI-USAGE HOLDINGS BERHAD

(Company No. 228933-D)

QUARTERLY REPORT

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2006 RM'000	Preceding Year Corresponding Quarter 31/12/2005 RM'000	Current Year To Date 31/12/2006 RM'000	Preceding Year Corresponding Period 31/12/2005 RM'000
Revenue	**2,514**	4,388	**13,242**	21,496
Cost of sales	**(1,977)**	(4,324)	**(9,802)**	(17,647)
Gross profit	**537**	64	**3,440**	3,849
Other income	**1,950**	75	**2,676**	378
Administrative expenses	**(708)**	(258)	**(2,006)**	(2,835)
Distribution expenses	**(58)**	(100)	**(300)**	(378)
Other operating expenses	**(25)**	(179)	**(162)**	(1,599)
Profit/(Loss) from operations	**1,696**	(398)	**3,648**	(585)
Provision for Corporate Guarantee	**(420)**	-	**(704)**	(11,250)
Finance cost	**(840)**	(767)	**(3,109)**	(3,078)
Profit/(Loss) before tax	**436**	(1,165)	**(166)**	(14,913)
Income tax expenses	**(597)**	103	**(597)**	(273)
Profit/(Loss) for the period	**(161)**	(1,062)	**(762)**	(15,187)
Attributable to:				
Equity holders of parent company	**(160)**	(1,061)	**(761)**	(15,150)
Minority interest	**(0)**	(1)	**(1)**	(36)
	(161)	(1,062)	**(762)**	(15,187)
Earning per share (sen)				
Basic, for loss for the period	**(0.30)**	(2.01)	**(1.44)**	(28.73)
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 and the accompanying explanatory notes attached to the interim financial statements.

MULTI-USAGE HOLDINGS BERHAD
Company No:228933-D

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

	As at financial year ended 31/12/06 (unaudited) RM ' 000	As at preceeding financial year ended 31/12/2005 (audited) RM ' 000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	**5,434**	4,628
Quoted Investment, at cost	**171**	171
Goodwill on Consolidation	**7,400**	7,400
Property Development Costs	**33,610**	32,832
	46,615	45,031
Current Assets		
Inventories	**15,618**	17,957
Property Development Costs	**6,533**	6,402
Trade Receivables	**18,821**	17,632
Other Receivables & Prepaid Expenses	**1,290**	966
Tax recoverable	**18**	18
Short term deposits with licensed banks	**152**	244
Cash & Bank Balances	**284**	122
	42,716	43,341
TOTAL ASSETS	**89,331**	88,372
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	**52,728**	52,728
Reserves	**(25,475)**	(25,758)
	27,253	26,970
Minority Interest	**98**	99
Total equity	**27,351**	27,069
Non-current liabilities		
Deferred Tax Liabilities	**119**	64
Long Term Loans	-	496
	119	560
Current Liabilities		
Trade Payables	**5,731**	4,789
Other Payables and Accrued Expenses	**4,510**	5,416
Provision for Corporate Guarantee	**11,954**	11,250
Amount owing to Directors	**788**	1,037
Bank Borrowings	**24,577**	23,913
Long Term Loans	**10,516**	10,362
Tax Liabilities	**3,785**	3,976
	61,861	60,743
Total liabilities	**61,980**	61,303
TOTAL EQUITY AND LIABILITIES	**89,331**	88,372
Net Assets	**27,253**	**26,970**
Net Assets per share (sen)	**0.52**	**0.51**

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005 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 YEAR ENDED 31 DECEMBER 2006 (UNAUDITED)

	Share Capital	Non-distributable Share Premium	Revaluation Reserve	Accumulated Losses	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 01/01/2006	52,728	17,043	-	(42,801)	99	27,069
Revaluation reserve arising from revalued assets			1,044			1,044
Net loss for the year	-	-		(761)	(1)	(762)
Balance at 31/12/2006	52,728	17,043	1,044	(43,562)	98	27,351

	Share Capital	Non-distributable Share Premium	Revaluation Reserve	Accumulated Losses	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 01/01/2005	52,728	17,043	-	(27,651)	135	42,255
Revaluation reserve arising from revalued assets			-			-
Net loss for the period	-	-		(15,150)	(36)	(15,186)
Balance at 31/12/2005	52,728	17,043	-	(42,801)	99	27,069

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 and the accompanying explanatory notes attached to the interim financial statements.

MULTI-USAGE HOLDINGS BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006 (UNAUDITED)

	2006 RM'000	Preceding Year Corresponding Period 31/12/2005 RM'000
Net cash from operating activities	**3,052**	2,032
Net cash (used in)/ from investing activities	**(194)**	123
Net cash used in financing activities	**(1,884)**	(1,365)
Net increase in cash and cash equivalents	**974**	790
Cash and cash equivalents at 1 January	**(8,353)**	(9,143)
Cash and cash equivalents at 31 December	**(7,379)**	(8,353)

CASH & CASH EQUIVALENTS
Cash and cash equivalents included in the cash flow statements consist of the following:

	2006 RM'000	Preceding Year Corresponding Period 31/12/2005 RM'000
Short term deposits with licensed banks	152	244
Cash and bank balances	284	122
Bank overdrafts	(7,663)	(8,475)
	(7,226)	(8,109)
Less: Fixed deposit pledged to licensed bank	(152)	(244)
	(7,379)	(8,353)

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the quarterly report on consolidated results for the financial year ended 31 December, 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 financial 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 financial 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 financial year ended 31 December 2005, except for the accounting policy changes that are expected to be reflected in the financial statements for the financial 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 financial 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) *Amortization 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 amortized 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 amortizes 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 recognized when the carrying amount of the cash-generating unit to which the positive goodwill has been allocated exceeds its recoverable amount.

And also, effective 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 recognized 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 amortization as of 1 January 2006 has been offset against the cost of the goodwill and no amortization charge for goodwill has been recognized in the income statement for the twelve months period ended 31 December 2006. This has reduced the Group loss after tax for the twelve months period ended 31 December 2006 by approximately RM547, 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 December 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 for the financial year ended 31 December 2006.

9. SEGMENTAL REPORTING

Segment Information by activity:

The Group – 31.12.2006

	Manufacturing	Trading	Property	Contracting	Others	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External Revenue	4,170	1,823	7,249	-	-	-	13,242
Inter-segment Revenue	2,465	1,439	-	2,618	250	(6,772)	-
Total Revenue	6,635	3,262	7,249	2,618	250	(6,772)	13,242
Results							
Profit/(Loss) from operations	960	597	2,401	(60)	(898)	(56)	2,944
Finance Cost	(1,359)	(519)	(272)	-	(959)	-	(3,109)
(Loss)/Profit before tax	(399)	78	2,129	(60)	(1,857)	(56)	(165)
Income tax expense	-	-	(597)	-	-	-	(597)
(Loss)/Profit after tax	(399)	78	1,532	(60)	(1,857)	(56)	(762)

The Group - 31.12.2005

	Manufacturing RM'000	Trading RM'000	Property RM'000	Contracting RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
External Revenue	4,811	2,917	13,726	42	-	-	21,496
Inter-segment Revenue	2,459	708	-	2,954	250	(6,371)	-
Total Revenue	7,270	3,625	13,726	2,996	250	(6,371)	21,496
Results							
(Loss)/Profit from operations	(74)	39	1,639	116	(16,069)	2,513	(11,836)
Finance Cost	(1,026)	(648)	(423)	-	(981)	-	(3,078)
(Loss)/Profit before tax	(1,100)	(609)	1,216	116	(17,050)	2,513	(14,914)
Income tax expense	-	53	(228)	(98)	-	-	(273)
(Loss)/Profit after tax	(1,100)	(556)	988	18	(17,050)	2,513	(15,187)

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

The Freehold land of the Group was revalued during the current financial year based on the report of an independent valuer using open market value on existing use basis.

FREEHOLD LAND	2006 RM'000	2005 RM'000
Cost or valuation		
At beginning of financial year		
- cost	1,260	1,260
- 1994 valuation	1,500	1,500
	2,760	2,760
Additions		
Revaluation	1,100	-
At end of financial year		
- cost	1,260	1,260
- 1994 Valuation		1,500
- 2006 valuation	2,600	-
	3,860	2,760

11. SUBSEQUENT EVENTS

There was no material event subsequent to the end of the current 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**

There was no capital commitment for capital expenditure not provided for in the interim financial statements.

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

1. REVIEW OF PERFORMANCE

For the current financial period, the Group's revenue has decreased by approximately 38% or approximately RM8.25 million as compared to the preceding year corresponding period. The decline in revenue was most significant in the property division. The progress of the on-going property development project has been slow and the number of units in development is lesser than the project in the preceding year corresponding period. In addition, the sales of completed properties were 56% lower compared to the preceding year corresponding period. Presently, the Group's contracting division is emphasizing on internal projects. This was to ensure higher profit margin and better control on quality of developed properties. The trading division's revenue was also lower than the preceding year corresponding period due to the decrease in the quantity of orders mainly due to the higher pricing of building materials.

The Group incurred a loss before tax of RM0.17 million for the current period compared to a loss before tax of RM14.9 million in the preceding year corresponding period. The lower loss before tax was mainly due to the provision made for the crystallization of corporate guarantee amounting to RM11.25 million given to lenders of a former subsidiary company, allowance made for doubtful debts and amortisation of goodwill in the preceding year corresponding period.

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

The revenue for the current quarter was lower compared to the immediate preceding quarter due to lower revenue generated by the property division. The sales of completed units and progress on the on-going development project have been slow due to low demand on ready residential properties. There were no significant changes in the other divisions.

The lower losses before tax for the Group for the current quarter compare to the immediate preceding quarter was due to the higher other income arising from the refund of the contribution expenses previous charged out as expenses and interest income for long overdue debts.

3 **CURRENT YEAR PROSPECTS**

The core businesses of the Group continue to face increasing challenges in their respective industries. Moving forward the Group intends to reposition itself in some of the existing markets of the Group's businesses in order to recapture and develop new market shares for the Group. The Board also acknowledges that the manufacturing division is performing below par and that the appropriate measures needs to be implemented to improve and enhance the utilization of existing plant to achieve better economies of scale, operating efficiency and productivity to achieve better performance. The management is aware of the weaknesses and the appropriate steps to rectify them are under way.

4. **VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

Not applicable as no profit forecast was published.

5. TAXATION

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

	Current Quarter RM'000	Current Year to date RM'000
Income Tax		
- current	597	597
- underprovision	-	-
Deferred Tax	-	-
Total	597	597

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

6. PROFITS ON SALE OF UNQUOTED INVESTMENTS

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 1 September 2005, the Company had announced the implementation of the following proposed restructuring exercise:

(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.

(hereinafter referred to as 'the Proposals)

On 29 December 2005, the Company submitted the Proposals to all the relevant authorities and has obtained the approvals from:

- BNM for the issuance of the Rights Warrants to the non-resident shareholders of the Company pursuant to the Proposed Two-Call Rights Issue With Free Detachable Warrants which fall within the provision of ECM 12 of the Exchange Control Act 1993.

- The Ministry of International Trade and Industry ("MITI") vide its letter dated 21 February 2006. The approval of MITI was 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.

However, the above proposal was rejected by the Securities Commission ("SC") vide its letter dated 19 June 2006. In the said letter, the SC had rejected the Proposals for the following reasons: -

(a) The Proposed Exemption has not been approved because MUHB was on the verge of becoming a distressed listed company under Paragraph 13.01(e)(i) of the SC's Policies and Guidelines on Issue/Offer of Securities based on its performance and the weakening financial position of the MUHB Group. Under Paragraph 13.02 of the SC Guidelines, any corporate proposals presented by a distressed listed company should be comprehensive and capable of resolving the financial problems faced.

(b) The corporate proposals of MUHB were considered not comprehensive and capable of resolving the financial problems faced based on the following: -

(i) The Proposed Acquisitions do not comply with the requirements of Paragraph 12.07(b)(i) of the SC Guidelines because the assets to be injected into the MUHB Group have yet to generate profitability and do not have good prospects of strong profits and cash flows which will bring immediate benefits to the MUHB Group; and

(ii) The indicative issue price of the Rights Shares is higher than the current market share price of MUHB Shares. This raises question as to the ability of MUHB to successfully implement the Proposed Two-Call Rights Issue with Free Detachable Warrants.

On 19 July 2006, the Board of Directors had decided to appeal and had written to the SC's to reconsider its decision. In addition, the Board of Directors had proposed certain revisions to the Proposals. The revisions to the Proposals were mainly made so as to address the concerns and issues raised by the SC as per the Company's announcement dated 21 June 2006. The summary of the revised Proposals were as follows:

(1) Termination of the Proposed Land Acquisitions and Call Option

In view of the concerns of the SC regarding the immediate profit and cash flow prospects from the Proposed Land Acquisitions, the Directors and management of the Company have deferred their plans to acquire the Lands until the profit and cash flow potentials are closer to realization. TF Land Sdn Bhd, the Company's wholly-owned subsidiary, and the Company have terminated the sale and purchase of the Lands and proposes to enter a call option agreement with each of the vendors of the Lands.

The Call Option, if entered into, will provide the Group with the right to acquire the Lands at a time when its profit and cash flow prospects are immediate.

(2) Revised Proposed Two-Call Rights Issue With Free Detachable Warrants

In view of the deferment of the acquisitions of the Lands, the Company will require less cash to be raised from the Proposed Two-Call Rights Issue with Free Detachable Warrants. Consequently, the smaller cash requirements of the Company will allow a smaller sized rights issue to be proposed, and provide a larger quantum of share premium amount to be made available for the second call of such rights issue. It is proposed that the first cash call for each Rights Share under the Proposed Two-Call Rights Issue with Free Detachable Warrants be reduced from RM0.20 per Rights Share to RM0.08 per Rights Share, with the balance of RM0.17 per Rights Share to be capitalized from the Company's share premium account.

The Revised Proposed Two-Call Rights Issue with Free Detachable Warrants will therefore comprise a rights issue of up to 100,183,200 (reduced from 131,820,000) new ordinary shares of RM0.25 each in the Company with up to 66,788,800 Rights Warrants (reduced from 87,880,000 Rights Warrants on the basis of 19 Rights Shares for every existing 10 ordinary shares of RM0.25 each held and 2 Rights Warrants for every 3 Rights Shares subscribed. The proceeds to be raised will be reduced from RM26, 364,000 to RM8, 014,656. It is expected that the Revised Proposed Two-Call Rights Issue with Free Detachable Warrants will increase the chances of the Rights Shares being subscribed, as it provides a better proposition for the shareholders of the Company and underwriters to participate in the re-capitalization of the Company.

However, on the Company's appeal was again rejected by the SC via its letter dated 18 October 2006.

Following the SC rejection on the Company's appeal, the Company has informed the lender banks that it has taken the initiatives to formulate a debts settlement plan. The Company is presently in the midst of working out the detail of the plan and will be presented to the lender banks for further discussion and finalization.

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 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. On completion of the Disposal, TF Land will become a wholly owned subsidiary of SNSB.

The Disposal will enable the management of the Company to streamline its business into a clear and distinct business, which 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 of the Company in TF Land.

The Company had obtained the approval from the Foreign Investment Committee on the Disposal and is 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 2006 are as follows:

Short Term Borrowings		RM'000
Bankers Acceptance	- secured	-
	- unsecured	465
Revolving Credits	- secured	-
	- unsecured	16,449
Bank Overdrafts	- secured	2,102
	- unsecured	5,561
Term Loans	- secured	6,468
	- unsecured	4,048
Total		35,093

The above borrowings are denominated in Ringgit Malaysia.

10. **REVALUATION RESERVE**

The revaluation reserve represent the surplus arising from the revaluation of the Group's freehold land during the financial year, net of the related deferred tax liabilities.

11. **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.

12. **MATERIAL LITIGATIONS**

The following are pending material litigation cases as disclosed in the previous quarter ended 30 September 2006 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 13 January 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 13 January 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 12 March 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 31 December 2004.

On 6 June 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 28 February 2005.

Subsequently the Company 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)). However the proposal on the restructuring of the loans was rejected by the SC.

On 28 November 2006, the Company was served with a Summons in Chambers dated 14 November 2006, relating to a claim by OCBC Bank (M) Berhad (“OCBC”) for a claim amounting outstanding under revolving credit facilities from OCBC of RM4, 546,262.83 as at 31 December 2004. The hearing of the summons was fixed on 29 November 2006. In view of the short service of the summons, the Company, on the advice of its solicitors has applied for an adjournment to enable the Company to file its Affidavit in Reply. The court hearing was adjourned to 26 April 2007.

Since the rejection of its appeal against the Securities Commission’s decision on its previous restructuring proposals on 18 October 2006, the Directors of the Company have taken initiatives to formulate a debt restructuring plan with OCBC and the other bank lenders of the MUHB Group. Although the Company is presently still in the midst of discussions with the MUHB Group’s lenders, including OCBC, the service of the above cause papers was part of OCBC’s policies to continue with its recovery action so that OCBC will not be disadvantaged in terms of timing in recovering its loans, should MUHB's loan restructuring proposal not be acceptable to the bank. OCBC has agreed to continue discussions with the Company.

C) 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. The date on the hearing of the case has yet to be fixed.

13. DIVIDEND

There was no dividend paid for the financial year ended 31 December 2006.

14. EARNINGS PER SHARE

	Current Year Quarter 31-12-2006	Preceding Year Quarter 31-12-2005	Current Year to Date 31-12-2006	Preceding Year to Date 31-12-2005
Earnings				
Net loss for the period (RM'000)	(161)	(1,062)	(762)	(15,187)
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)	(0.30)	(2.01)	(1.44)	(28.80)

BY ORDER OF THE BOARD

LAM VOON KEAN
COMPANY SECRETARY
28 February 2007