

**PART A : NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR
THE FIRST QUARTER ENDED 31 MARCH 2010**

A1. BASIS OF PREPARATION

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial Statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (“FRSs”) and Issues Committee Interpretations (“IC Interpretations”) effective for financial periods beginning on or after 01 January 2010.

FRS 4 Insurance Contracts;
FRS 7 Financial Instruments: Disclosures;
FRS 8 Operating Segments;
FRS 101 Presentation of Financial Statements (revised);
FRS 123 Borrowing Costs;
FRS 139 Financial Instruments: Recognition and Measurement;
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards;
Amendments to FRS 2 Share-based Payment-Vesting Conditions/Cancellations;
Amendments to FRS 127 Consolidated and Separate Financial Statements:
Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate;
Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 8 Operating Segments;
Amendment to FRS 107 Cash Flow Statements;
Amendment to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors;
Amendment to FRS 110 Events after the Reporting Period;
Amendment to FRS 116 Property, Plant and Equipment;
Amendment to FRS 117 Leases;
Amendment to FRS 118 Revenue;
Amendment to FRS 119 Employees Benefits;
Amendment to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance;
Amendment to FRS 123 Borrowing Costs;
Amendment to FRS 127 Consolidated and Separate Financial Statements:
Amendment to FRS 128 Investment in Associates;
Amendment to FRS 129 Financial Reporting in Hyperinflationary Economies;
Amendment to FRS 131 Interests in Joint Ventures;
Amendment to FRS 132 Financial Instruments: Presentation;
Amendment to FRS 134 Interim Financial Reporting;
Amendment to FRS 136 Impairment of Assets;

Amendment to FRS 138 Intangible Assets;
Amendment to FRS 139 Financial Instruments: Recognition and Measurement;
Amendment to FRS 140 Investment Property;
Amendments to FRSs “Improvements to FRSs (2009)”
IC Interpretation 9 Reassessment of Embedded Derivatives;
IC Interpretation 10 : Interim Financial Reporting and Impairment;
IC Interpretation 11 : FRS 2 - Group and Treasury Share Transactions;
IC Interpretation 13 : Customer Loyalty Programmes;
IC Interpretation 14 : FRS 119 – The Limit on a Defined Benefit Asset,
Minimum Funding Requirements and their Interaction.
Tri-3 Presentation of Financial Statements of Islamic Financial Institutions.

The adoption of the new FRS and Interpretations does not have significant impact on the financial statements of the Group and the Company, except for FRS 139. The principal effects of the changes in accounting policies resulting from the adoption of FRS 139 are summarised below:

FRS 139 – Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of financial instruments. A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognized initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

- 1) **Financial assets** Marketable securities Prior to the adoption of FRS 139, investment in equity securities, other than investments in subsidiaries and associates were stated at cost less allowance for diminution in value, which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equity securities, other than investments in subsidiaries and associates are now categorised and measured as fair value through profit or loss.
- 2) **Derivatives** Prior to the adoption of FRS 139, derivative contracts off balance sheet items and gains and losses were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now required to be initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at fair value at each balance sheet date. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Derivatives are classified as fair value through profit and loss with any gains or losses arising from changes in fair value of these derivatives being recognised in the income statement.
- 3) **Financial liabilities** Borrowings Prior to the adoption of FRS 139, transaction costs attributable to borrowings were expensed off as incurred. With the adoption of FRS 139, borrowings are now recognised initially at fair value, plus directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

In accordance with the transitional provisions of FRS 139, the above changes are applied and the comparatives as at 31 December 2009 are restated. Instead, the changes have been accounted for by restating the following open balances in the balance sheet as at 1 January 2010.

	As previously reported (audited) RM'000	Effect of adopting FRS 139 RM'000	As restated RM'000
Asset			
Fair value adjustment on other investment		1	1
Liability			
Non-current liabilities			
Fair value adjustment on loan creditor		1,443	1,443
Equity			
Accumulated loss	(42,531)	1,444	(41,087)

A3. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

As at 31 March 2010, the following FRSs and IC Interpretations were in issue effective from 01 July 2010, have not been adopted by the Group and the Company

FRS 1 First-time Adoption of Financial Reporting Standards;
FRS 3 Business Combination;
FRS 127 Consolidated and Separate Financial Statements (amended):
Amendments to FRS 2 Share-based Payments;
Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 138 Intangible Assets;
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives;
IC Interpretation 12 : Service Concession Arrangements;
IC Interpretation 15 : Agreements for the Construction of Real Estate;
IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation, and
IC Interpretation 17: Distribution of Non-Cash Assets to Owners.

A4. QUALIFICATION OF FINANCIAL STATEMENTS

The auditors' report on the annual financial statements of the Group for the financial year ended 31 December 2009 was not subject to any qualification. However, the Auditors' Report has included the following comment;

“we draw your attention to the following:

- (a) As mentioned in Notes 2 and 27 to the financial statements, the Group and the Company had defaulted in the interest and principal payments of certain bank borrowings; and
- (b) The Group's current liabilities exceeded current assets by RM9,574,731.

The directors are making efforts to ensure that financial support from the bankers and creditors will continue to be available to sustain the Group's operations in the foreseeable future such that the realisation of assets and settlement of liabilities will occur in the ordinary course of business. In this connection, the directors of the Company had taken the initiative to formulate a debts settlement plan for its borrowings with banks.

As of December 31, 2009, the proposed debts settlement plan were finalised with six out of the eight lenders. During the financial year, the Company and certain of its subsidiary companies had also entered into a settlement plan with one of the remaining two lenders and this is expected to finalise in May 2010. Negotiation on the proposed debts settlement plan with the remaining lender by the Company and one of the subsidiary companies is still ongoing.

Given the above circumstances, the appropriateness of the going concern assumption used in the preparation of the financial statements of the Group and of the Company is largely dependent upon the Company's ability to successfully finalise and implement all the abovementioned proposed debts settlement plan, the continued support from the shareholders, bankers and creditors, and the ability of the Group and of the Company to generate profit and positive cash flows to sustain their operations. As the outcome of the above uncertainties are not presently determinable, the financial statements do not include any adjustments relating to recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

We also draw your attention to Note 16 to the financial statements on the recoverability of the debts owing by two trade debtors of the Group totalling RM6,974,983 as of December 31, 2009 which have been long outstanding for more than a year. In 2007, a subsidiary company, Multi-Usage Property Sdn. Bhd., had entered into a joint-venture agreement with a third party to develop a parcel of land owned by the said third party into a commercial and residential project. The said third party has, via a supplementary agreement, agreed to transfer part of the proceeds arising from its entitlement on the project to fully settle the long outstanding amount of RM6,974,983 owing by these two trade debtors of the Group. In view of this arrangement, the directors are of the opinion that the debts are recoverable in full and the outstanding amount is expected to be received in full by December 31, 2010 and accordingly, no allowance for doubtful debts is required to be made in the financial statements. As the outcome of this arrangement is not presently determinable, the financial statements do not include any adjustments relating to recoverability of these trade receivables amounts that might be necessary should the Group be unable to recover these amounts in full.

A5. SEASONALITY OR CYCLICALITY FACTORS

The Group's businesses are generally affected by various festive seasons.

A6. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review because of their nature, size or incidence.

A7. CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter under review.

A8. DEBT AND EQUITY SECURITIES

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

A9. DIVIDEND PAID

No dividend was paid during the current quarter ended 31 March 2010.

A10. SEGMENTAL REPORTING

Segment Information by activity:

The Group – 31.03.2010

	Manufacturing RM'000	Trading RM'000	Property RM'000	Contracting RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
External Revenue	1,124	290	1,646	-	-	-	3,060
Inter-segment Revenue	620	133	-	473	-	(1,226)	-
Total Revenue	1,744	423	1,646	473	-	(1,226)	3,060
Results							
Profit/(Loss) from operations	101	(168)	217	(16)	378	-	512
Provision for corporate guarantee	-	-	-	-	(132)	-	(132)
Finance Cost	(92)	-	(7)	-	-	-	(99)
(Loss)/Profit before tax	9	(168)	210	(16)	246	-	281
Income tax expense	-	-	-	-	-	-	-
(Loss)/Profit after tax	9	(168)	210	(16)	246	-	281

The Group - 31.03.2009

	Manufacturing RM'000	Trading RM'000	Property RM'000	Contracting RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
External Revenue	810	306	278	-	-	-	1,394
Inter-segment Revenue	394	163	-	115	63	(735)	-
Total Revenue	1,204	469	278	115	63	(735)	1,394
Results							
Profit/(Loss) from operations	87	230	(323)	(32)	8	-	(30)
Provision for corporate guarantee	-	-	-	-	(80)	-	(80)
Finance Cost	(333)	(68)	(11)	-	(161)	-	(573)
(Loss)/Profit before tax	(246)	162	(334)	(32)	(233)	-	(683)
Income tax expense	-	-	1	-	-	-	1
(Loss)/Profit after tax	(246)	162	(333)	(32)	(233)	-	(682)

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.

A11. VALUATION OF PROPERTY, PLANT & EQUIPMENT

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statement for the year ended 31 December 2009.

A12. MATERIAL SUBSEQUENT EVENTS

Save and except for announcements made by the Company on 24 February 2010, 09 March 2010, 10 April 2010 and 10 May 2010 and the material litigation as disclosed herein from page 13 to page 15 and matters as set out herein, in the opinion of the Directors, the financial statements for the period have not been affected by any material event that has occurred between the end of the period and the date of this report.

A13. CHANGES IN THE COMPOSITION OF COMPANY

There were no changes in the composition of the Group during the interim financial report ended 31 March 2010.

A14. CONTINGENT LIABILITIES

	As at 31/3/2010 RM'000	As at 31/3/2009 RM'000
Financial guarantees granted for subsidiaries ' credit facilities	<u>20,700</u>	<u>20,700</u>

Other than the above, the status of contingent liabilities disclosed in the 2009 Annual Report remains unchanged. No other contingent liability has arisen since the financial year end.

A15. CAPITAL COMMITMENTS

There was no outstanding capital commitment for the quarter under review.

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

B1. REVIEW OF PERFORMANCE

For the current financial year, the Group's revenue increased by more than 100% or approximately RM1.67million as compared to the preceding year. The increase in revenue was mainly from the property and manufacturing division. The property division revenue increased mainly derived from the sales of completed units. The sales from the manufacturing division increased basically due to the higher sales volume. There were no significant changes in the other divisions.

The Group incurred a profit before tax of approximately RM0.28 million for the current quarter ended 31 March 2010 as compared to a loss before tax of RM 0.68 million for the same period last financial year. The increase in profit before tax is mainly due to lower finance cost.

B2. Material Changes in the Quarterly Results Compared to the Results of Immediate Preceding Quarter

Turnover for the current financial quarter ended 31 March 2010 increased by RM0.16 million to RM3.06 million as compared to RM2.9 million reported in the preceding quarter due to the improved in sales of completed properties.

Profit before tax for the current financial quarter was RM0.28 million as compared to profit before tax of RM1.56 million reported in the preceding quarter. The substantial decrease in profit before tax was due to lower debts waiver as the result of less early settlement to loan creditor.

B3. CURRENT YEAR PROSPECTS

The Board of Directors expects the year 2010 to be better in line with the overall expected improved in the Gross Domestic Product (GDP) growth.

In view that market for the property development and construction is sustaining, 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.

Barring any unforeseen circumstances, the Board is optimistic that the Group's overall operations and financial results will improve in the coming of this financial year ending 31 December 2010.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

The disclosure requirements for the explanatory notes for the variance of actual profit after tax and minority interest and shortfall in the profit guarantee are not applicable.

B5. TAXATION

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

	Individual Quarter		Year To Date	
	31/3/2010 RM'000	31/3/2009 RM'000	31/3/2010 RM'000	31/3/2009 RM'000
- Current Income Tax	-	-	-	-
- Under /(Over) provision of taxation in prior years	-	(1)	-	(1)
- Deferred Tax	-	-	-	-
Total	<u>0</u>	<u>(1)</u>	<u>0</u>	<u>(1)</u>

B6. UNQUOTED INVESTMENTS AND PROPERTIES

There were no purchases or sales of unquoted investments and properties for the current quarter ended 31 March 2010.

B7. QUOTED SECURITIES

- (i) There were no purchases and disposals of quoted securities for the current quarter.
- (ii) Total investments in quoted securities as at 31 March 2010 are as follows:-

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
Total quoted investment	<u>20</u>	<u>1</u>	<u>2</u>

B8. STATUS OF CORPORATE PROPOSAL

As mentioned in the 2009 annual financial statements, the Group and the Company had defaulted in interest and principal payments for certain bank borrowings. However, the Company's management had approached and initiated negotiations with the banks on a proposed debts settlement plan. In 2008, the proposed debts settlement plan had been finalised with five out of the eight lenders. In April 2009, one of the subsidiary companies had also finalised its proposed debts settlement plan with a lender. In December 2009, the Group and the Company had entered into a settlement arrangement with one of the remaining two lenders with the financial assistance from Wealthy Achievers Sdn Bhd to finalise its debt restructuring plan with the views to regularise its financial condition. As of the date of the issue of the financial statements, negotiation on the proposed debt settlement plan with the remaining one lender by the the Company and one of the subsidiary company is still ongoing.

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

B9. GROUP BORROWINGS

Group borrowings as at 31 March 2010 are as follows:

<u>Short Term Borrowings</u>		RM'000
Bankers Acceptance	- secured	-
	- unsecured	589
Revolving Credits	- secured	-
	- unsecured	18,865
Bank Overdrafts	- secured	291
	- unsecured	5,278
Short Term Loans	- secured	208
	- unsecured	-
Total		<u>25,231</u>

The above borrowings are denominated in Ringgit Malaysia.

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off-balance sheet financial instruments.

B11. MATERIAL LITIGATIONS

The following are pending material litigation cases as disclosed in the previous year ended 31 December 2008 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. On 10 February 2010, the Court of Appeal had heard our application and had dismissed with cost of RM 7,000.00.

Currently, the Board of Directors is not seeking to file for the stay against the Court of Appeal decision.

- 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.

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. On 15 May 2009, the Company received a letter enclosing the sealed Order and Judgement in defaults both dated 28 November 2008 for the sum of RM4,546,262.83 with interest thereon. The Company had applied for a Stay of the Judgement and also an appeal was submitted to the Penang High Court to set aside the Judgement.

On 15 May 2009, the Company received a letter from our solicitor on the decision made by the Penang High Courts after Hearing submission on 13 May 2009 in respect of Multi-Usage Trading Sdn Bhd that required to pay RM2.005 million with interest thereon plus cost to the OCBC. An appeal was also submitted to the Penang High Court to set aside the claim.

Without prejudice to the right of the Company and one of its subsidiary companies, Multi-Usage Trading Sdn Bhd to dispute or challenge the claim and /or set aside the Judgement, the claims /Judgement has been taken into account as part of the Company’s debt under a restructuring settlement plan and or/ regularization plan being / to be undertake by the Company to regularise its financial condition.

Since July 2004, the Company had approached OCBC to negotiate on the restructuring of the loans of the Company and its subsidiary companies and had also informed OCBC that the Company will be suspending interest payments on its loans from OCBC other than those that are operational in nature. Since then the Company had provided OCBC with a proposal to restructure the said loans, together with various amendments arising from the discussions thereof.

However, on 11 August 2009, OCBC had informed the Company to improve on the quantum of the settlement proposal.

Following the notification by OCBC’s regarding on the Company’s restructuring proposal, the Company and its subsidiary companies are presently in the midst of working out the detail of the revised restructuring proposal and will be presented to the OCBC for further discussion and finalisation.

On 19 November 2009, the Company and its subsidiary companies have received the written approval from OCBC regarding on the Company's restructuring proposal.

Following the written approval from OCBC regarding on the Company's restructuring proposal, the Company and its subsidiary companies had on 08 December 2009 entered into a settlement arrangement with OCBC with the financial assistance from Wealthy Achievers Sdn Bhd to finalise its debt restructuring plan with the views to regularise its financial condition.

The debt restructuring plan will not have any material effect on the earnings and gearing of the Company and its subsidiary companies for the year ended 31 December 2009. However, it is expected that the Company and its subsidiary companies shall be entitled to the interest waiver of approximately RM6.042 million and the cash discount on early settlement of the Outstanding Debt.

In the meantime, OCBC had instructed their solicitor to withhold all legal proceeding against the Company and its subsidiary companies until the final monthly repayments has been paid.

- 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.

The case is still pending in court and DSR's application for discovery and inspection of documents has been fixed on 11 May 2010.

On 11 May 2010, the court had dismissed the said application filed by DSR.

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.

B12. DIVIDEND

The Board of Directors do not recommend any dividend for the quarter under review.

B13. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current Year Quarter 31-03-2010	Preceding Year Quarter 31-03-2009	Current Year to Date 31-03-2010	Preceding Year to Date 31-03-2010
Earnings				
Net profit /(loss) for the year (RM'000)	281	(682)	281	(682)
Weighted average number of shares (‘000)				
Basic Weighted average number of ordinary shares (‘000)	52,728	52,728	52,728	52,728
Basic profit /(loss) per share (sen)	0.53	(1.29)	0.53	(1.29)

There is no diluted earnings per share as there were no potential dilutive ordinary shares outstanding as at the end of reporting period.

B14. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 26 May 2010.

BY ORDER OF THE BOARD

LAM VOON KEAN
COMPANY SECRETARY
26 May 2010