

**PART A: NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR  
THE SECOND QUARTER ENDED 30 JUNE 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
<b>Asset</b>			
Fair value adjustment on other investment		1	1
<b>Liability</b>			
<b>Non-current liabilities</b>			
Fair value adjustment on loan creditor		1,443	1,443
<b>Equity</b>			
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 performance is directly related to the level of market activity which invariably experiences slowdown during the festive seasons.

**A6. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence that had effected the second quarter and period ended 30 June 2010.

**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

There were no dividends paid during by the Company during the financial period ended 30 June 2010.

#### A10. SEGMENTAL REPORTING

Segment Information by activity:

##### The Group – 30.06.2010

	Manufacturing RM'000	Trading RM'000	Property RM'000	Contracting RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>							
External Revenue	2,591	531	3,008	-	-	-	6,130
Inter-segment Revenue	935	228	-	812	-	(1,975)	-
Total Revenue	3,526	759	3,008	812	-	(1,975)	6,130
<b>Results</b>							
Profit/(Loss) from operations	2,958	724	195	2	6,119	-	9,998
Provision for corporate guarantee	-	-	-	-	(276)	-	(276)
Finance Cost	(187)	-	(9)	-	-	-	(196)
(Loss)/Profit before tax	2,771	724	186	2	5,843	-	9,526
Income tax expense	-	-	(59)	-	-	-	(59)
(Loss)/Profit after tax	2,771	724	127	2	5,843	-	9,467

##### The Group - 30.06.2009

	Manufacturing RM'000	Trading RM'000	Property RM'000	Contracting RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>							
External Revenue	1,898	658	1,142	-	-	-	3,698
Inter-segment Revenue	804	474	-	819	125	(2,222)	-
Total Revenue	2,702	1,132	1,142	819	125	(2,222)	3,698
<b>Results</b>							
Profit/(Loss) from operations	160	465	(343)	57	(50)	2	291
Provision for corporate guarantee	-	-	-	-	(161)	-	(161)
Finance Cost	(654)	(139)	(20)	-	(327)	-	(1,140)
(Loss)/Profit before tax	(494)	326	(363)	57	(538)	2	(1,010)
Income tax expense	-	-	1	-	-	-	1
(Loss)/Profit after tax	(494)	326	(362)	57	(538)	2	(1,009)

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 26 May 2010, 31 May 2010, 09 June 2010, 30 June 2010, 09 July 2010 and 06 August 2010 and the material litigation as disclosed herein from page 13 to page 14 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 for the current quarter and financial period ended 30 June 2010.

**A14. CONTINGENT LIABILITIES**

	<b>As at 30/6/2010 RM'000</b>	<b>As at 30/6/2009 RM'000</b>
Financial guarantees granted for subsidiaries ' credit facilities	6,700	20,700

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 66% or approximately RM2.43million 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 RM9.53million for the current quarter ended 30 June 2010 as compared to a loss before tax of RM1.01 million for the same period last financial year. The increase in profit before tax is mainly due to lower finance cost, waiver of debts and waiver of interests from bank.

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

Turnover for the current financial quarter ended 30 June 2010 increased by RM10,500 to RM3.07 million as compared to RM3.06 million. The Group has recorded a pre-tax profit of RM9.24million as compared to the immediate preceding quarter's pre-tax of RM0.28million. The higher profitability was mainly due to lower finance cost, waiver of debts and waiver of interests from bank.

**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	
	30/6/2010 RM'000	30/6/2009 RM'000	30/6/2010 RM'000	30/6/2009 RM'000
- Current Income Tax	59	-	59	-
- Under /(Over) provision of taxation in prior years	-	(1)	-	(1)
Total	<u>59</u>	<u>(1)</u>	<u>59</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 30 June 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 30 June 2010 are as follows:-

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

**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 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 BANK BORROWINGS**

Group bank borrowings as at 30 June 2010 are as follows:

<b><u>Short Term Bank Borrowings</u></b>	<b>RM'000</b>
Bank Overdrafts	
- secured	260
- unsecured	3,712
Total	<u>3,972</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 2009 and as the date of this quarterly report:

### **A) Penang High Court**

**OCBC Bank (Malaysia) Berhad (plaintiff) –v- the Company and its subsidiaries companies (defendant) :**

**Revolving Credit Facility of RM5 million  
Borrower: Multi-Usage Holdings Berhad**

**Bankers' Acceptance & Revolving Credit Facility of RM2 million  
Borrower: Multi-Mix Sdn Bhd  
Guarantor: Multi-Usage Holdings Berhad**

**Overdraft Facility of RM1 million & Revolving Credit Facility of RM4,094,936.32  
Borrower: Multi-Usage Cement Products Sdn Bhd  
Guarantor: Multi-Usage Holdings Berhad**

**Tradelines Facilities of RM4 million converted to Revolving Credit Facility  
Borrower: Multi-Usage Trading Sdn Bhd  
Guarantor: Multi-Usage Holdings Berhad**

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.

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.

On 30 June 2010, the Company and its subsidiary companies had finalised its debt settle arrangement with OCBC and Notice of Discontinuance was filed by OCBC.

- 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.

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 does not recommend any dividend for the period ended 30 June 2010.

**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.

	<b>Current Year Quarter 30-06-2010</b>	<b>Preceding Year Quarter 30-06-2009</b>	<b>Current Year to Date 30-06-2010</b>	<b>Preceding Year to Date 30-06-2009</b>
<b>Earnings</b>				
Net profit /(loss) for the year (RM'000)	9,187	(327)	9,468	(1,009)
<b>Weighted average number of shares (‘000)</b>				
<b>Basic</b> Weighted average number of ordinary shares (‘000)	52,728	52,728	52,728	52,728
<b>Basic profit /(loss) per share (sen)</b>	17.42	(0.62)	17.96	(1.91)

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 25 August 2010.

BY ORDER OF THE BOARD

LAM VOON KEAN  
COMPANY SECRETARY  
25 AUGUST 2010