



**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/09/2008 RM '000	PRECEDING YEAR QUARTER 30/09/2007 RM '000 (restated)	CURRENT YEAR TO DATE 30/09/2008 RM '000	PRECEDING YEAR TO DATE 30/09/2007 RM '000 (restated)
Continuing Operations				
Revenue	13,386	12,360	13,386	12,360
Cost of sales	(12,368)	(11,809)	(12,368)	(11,809)
Gross profit	1,018	551	1,018	551
Other income	298	76	298	76
Administration expenses	(1,076)	(1,115)	(1,076)	(1,115)
Finance costs	(252)	(313)	(252)	(313)
Loss before tax	(12)	(801)	(12)	(801)
Income tax expense	(96)	(252)	(96)	(252)
Loss for the period from continuing operations	(108)	(1,053)	(108)	(1,053)
Discontinued Operations				
(Loss)/profit for the period from discontinued operations	(271)	166	(271)	166
Net Loss for the period	(379)	(887)	(379)	(887)
Loss per share (sen) :				
Basic, for loss from continuing operations *	(0.26)	(2.51)	(0.26)	(2.51)
Basic, for (loss)/profit from discontinued operations *	(0.64)	0.40	(0.64)	0.40
Basic, for loss for the period *	(0.90)	(2.11)	(0.90)	(2.11)
Diluted	N/A	N/A	N/A	N/A
* Based on 41,998,950 ordinary shares				
Dividends per share (sen)	-	-	-	-

The condensed consolidated income statement should be read in conjunction with the audited financial statement for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	AS AT 30/09/2008 RM '000 (unaudited)	AS AT 30/06/2008 RM '000 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	151,315	67,236
Prepaid land lease payments	3,419	4,176
Investment properties	11,554	11,631
Goodwill	25,186	-
	<u>191,474</u>	<u>83,043</u>
Current assets		
Inventories	12,048	17,006
Trade receivables	6,919	16,125
Other receivables	4,769	4,989
Tax recoverables	1,298	1,282
Cash and bank balances	7,412	3,097
Assets of disposal group classified as held for sale	62,839	-
	<u>95,285</u>	<u>42,499</u>
TOTAL ASSETS	<u><u>286,759</u></u>	<u><u>125,542</u></u>
EQUITY AND LIABILITIES		
Share capital	41,999	41,999
Share premium	9,532	9,532
Foreign exchange reserve	1,692	2,530
Retained profit	10,715	11,094
Amount recognised directly in equity relating to assets held for sale	18	-
Shareholders' equity	<u>63,956</u>	<u>65,155</u>
Minority interest	<u>11,637</u>	<u>-</u>
Total equity	<u><u>75,593</u></u>	<u><u>65,155</u></u>
Non-current liabilities		
Borrowings	104,241	9,375
Deferred tax liabilities	3,414	3,414
	<u>107,655</u>	<u>12,789</u>
Current liabilities		
Borrowings	16,692	24,991
Trade payables	4,897	13,954
Other payables	49,767	7,973
Tax payable	606	680
Liabilities directly associated with the assets classified as held for sale	31,549	-
	<u>103,511</u>	<u>47,598</u>
Total liabilities	<u>211,166</u>	<u>60,387</u>
TOTAL EQUITY AND LIABILITIES	<u><u>286,759</u></u>	<u><u>125,542</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.5228</u>	<u>1.5513</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statement for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Share Capital RM '000	Share Premium RM '000	Foreign Exchange Reserve RM '000	Held for Sale RM '000	Retained Profits RM '000	Total RM '000
At 1 July 2007	41,999	9,532	1,531	-	23,719	76,781
Foreign exchange translation	-	-	(54)	-	-	(54)
Net loss for the period	-	-	-	-	(887)	(887)
At 30 September 2007	<u>41,999</u>	<u>9,532</u>	<u>1,477</u>	<u>-</u>	<u>22,832</u>	<u>75,840</u>
At 1 July 2008	41,999	9,532	2,530	-	11,094	65,155
Foreign exchange translation	-	-	(820)	-	-	(820)
Net loss for the period	-	-	-	-	(379)	(379)
Amount recognised directly in equity relating to the assets classified as held for sale	-	-	(18)	18	-	-
At 30 September 2008	<u>41,999</u>	<u>9,532</u>	<u>1,692</u>	<u>18</u>	<u>10,715</u>	<u>63,956</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statement for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2008

	3 months ended	
	30/09/2008	30/09/07
	RM '000	RM '000
Net cash generated from operating activities	7,530	5,631
Net cash used in investing activities	(365)	(3,440)
Net cash used in financing activities	(152)	(3,604)
Net increase/(decrease) in cash and cash equivalents	7,013	(1,413)
Effects of exchange rate changes	(1,169)	(896)
Cash and cash equivalents at beginning of financial period	(768)	(690)
Cash and cash equivalents at end of financial period	<u>5,076</u>	<u>(2,999)</u>

Cash and cash equivalents at the end of the financial period comprise the following:

	As at	As at
	30/09/2008	30/09/07
	RM '000	RM '000
Cash and bank balances	7,412	3,468
Bank overdrafts	(3,509)	(6,467)
	3,903	(2,999)
Cash and cash equivalents classified as held for sale	1,173	-
Total cash and cash equivalents	<u>5,076</u>	<u>(2,999)</u>



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

1) BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2008. 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 year ended 30 June 2008.

2) CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2008.

The Group and the Company have not early adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date is 1 January 2010. By virtue of the exemption in this standard, the impact of applying FRS 139 on the Group and the Company's financial statements upon first adoption of this standard is not disclosed.

3) AUDITORS' REPORT ON PRECEEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 30 June 2008 was not qualified.

4) SEGMENTAL INFORMATION

	Malaysia	Singapore	Indonesia	Thailand	Elimination	Discontinued operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months for Quarter Ended 30/09/2008							
As at 30 Sept 2008							
Revenue	14,934	-	-	-	(1,548)	13,143	26,529
Profit/(Loss) before tax	(12)	-	-	-	-	(229)	(241)
Total assets employed	<u>333,082</u>	-	-	-	(109,162)	62,839	<u>286,759</u>
As at 30 June 2008(audited)							
Revenue	57,510	-	16,239	30,154	(7,652)	-	96,251
Profit/(loss) before tax	(11,853)	2	(2,473)	(1,216)	3,729	-	(11,811)
Total assets employed	<u>156,419</u>	<u>2,806</u>	<u>19,496</u>	<u>40,724</u>	<u>(93,903)</u>	-	<u>125,542</u>

The Group did not prepare segmental information by activities because the Group's activity is predominantly in manufacturing and processing of plastic injection molded parts.

5) UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 Sept 2008.

6) CHANGES IN ESTIMATES

There were no changes in estimates that had a material effect in the current quarter results.



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

7) COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business of the Group was not affected by any significant seasonal or cyclical fact in the current quarter.

8) DIVIDENDS PAID

There is no dividend has been proposed or paid for the current quarter.

9) CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment have been brought forward without amendment since they were revalued in 2007.

10) DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial year to date.

Employee Share Option Scheme (ESOS) was approved on 15 January 2004 and granted on 18 March 2004. As at 30 September 2006; 2,835,000 share options were offered under ESOS with an exercise price of RM1.092 and 2,433,000 share option accepted. None of the ESOS has been exercised and 1,158,000 ESOS has lapsed. The exercise of the ESOS will expire on 17 March 2009.

11) CAPITAL COMMITMENTS

There were no changes in capital commitments since the last annual balance sheet as at 30 June 2008.

12) CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The contingent liabilities amounting to RM335,410 were not provided in financial statement for the year ended 30 June 2008.

As at 30 September 2008, the group has given guarantee to banks and financial institutions for subsidiaries banking facilities totaling to RM34.41 million.



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2008

13) CHANGES IN COMPOSITION OF THE GROUP

Acquisition of a Subsidiary

On 29 September 2008, a wholly owned subsidiary of the group, Changhuat Manufacturing Sdn. Bhd., acquired 63% equity interest in Arus Dermaga Sdn. Bhd. comprising 12,600,000 ordinary shares of RM1.00 each.

There is no significant impact on the result of the group for the current quarter.

If the acquisition had occurred on 1 July 2008, the Group revenue and loss for the period from 1 July 2008 to 30 September 2008 would have been RM21.74 million and RM5.16 million respectively.

The assets and liabilities arising from the acquisition are as follows:

	Fair Value RM'000	Acquiree's Carrying Amount RM'000
Plant and equipment	126,437	104,212
Trade and other receivables	3,193	3,193
Cash and bank balances	4,653	4,653
Borrowings	(102,000)	(102,000)
Trade and other payables	(832)	(832)
Total net assets	<u>31,451</u>	<u>9,226</u>
Less: Minority interest	(11,637)	
Group's share of net assets	<u>19,814</u>	
Goodwill arising on acquisition	<u>25,186</u>	
	<u>45,000</u>	

The cash outflow on acquisition is as follows:

	3 months ended 30/09/08 RM'000
Purchase consideration	45,000
Purchase consideration to be satisfied by cash	<u>(40,500)</u>
Total cash outflow of the company	4,500
Cash and cash equivalents of subsidiary acquired	<u>(4,653)</u>
Net cash inflow of the Group	<u>(153)</u>

The balance of the purchase consideration of RM40.5 million had not been paid as at the date of this report.



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

14) DISCONTINUED OPERATION

On 11 November 2008, the Group announced to dispose of its two foreign subsidiaries, namely Heng Huat Plastic Industries (S) Pte. Ltd. and Changhuat Plastic Industries (Rayong) Co. Ltd. The disposal would enable the Group to reduce its losses incurred from these foreign operations which had been reported losses for the past years.

The disposal of the subsidiaries is due to be completed by the first quarter of 2009. As at 30 September 2008, the subsidiaries were classified as a disposal group held for sale.

The revenue, results and cash flows of the subsidiaries were as follows:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR TO DATE	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	13,143	10,197	13,143	10,197
(Loss)/profit before tax	(229)	166	(229)	166
Income tax expense	(42)	-	(42)	-
(Loss)/profit for the period from a discontinued operation	(271)	166	(271)	166
Cash flows from operating activities	1,750	1,027	1,750	1,027
Cash flows from investing activities	(244)	(824)	(244)	(824)
Cash flows from financing activities	(980)	1,453	(980)	1,453
Total cash flows	526	1,656	526	1,656

The major classes of assets and liabilities of the subsidiaries classified as held for sale as at 30 September 2008 are as follows:

	RM'000
Assets:	
Property, plant and equipment	41,277
Prepaid land lease payments	756
Inventories	5,675
Trade and other receivables	13,417
Cash and bank balances	1,714
Assets of disposal group classified as held for sale	62,839
Liabilities:	
Borrowings	14,929
Bank overdrafts	541
Trade and other payables	16,079
Liabilities directly associated with the assets classified as held for sale	31,549
Net assets attributable to discontinued operations	31,290



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

15) SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter, other than as disclosed in Note 14.

16) PERFORMANCE REVIEW

The Group's revenue from continuing operations for the reported quarter of RM13.39 million was RM1.03 million higher than a revenue of RM12.36 million reported in the corresponding quarter of the last financial year. A loss before taxation of RM12,000 and gross profit of RM1.02 million recorded from the continuing operations for the 1st quarter of 2009 as compared to loss before taxation of RM0.80 million and gross profit of RM0.55 million reported in the corresponding quarter of last financial year. This was mainly due to the higher sales in conjunction with better gross profit margin and higher foreign exchange gain for the current quarter. Net loss for the period, from the continuing and discontinued operations is recorded at RM0.38 million as compared to RM0.89 million in the corresponding quarter of the last financial year.

17) COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group achieved revenue from continuing operations of RM13.39 million and a loss before tax of RM12,000 in the current quarter as compared to turnover from continuing operations of RM12.36 million and loss before tax of RM 0.80 million in the immediate preceding quarter. This was mainly due to the higher sales in conjunction with better gross profit margin and higher foreign exchange gain for the current quarter. Net loss for the period, from the continuing and discontinued operations is recorded at RM0.38 million as compared to RM0.89 million in the immediate preceding quarter.

18) COMMENTARY ON PROSPECTS

Due to the impending slowdown in global economic, the Group has taken precautionary measures in reducing production costs and improving efficiency. In addition, the Group has diversified into additional revenue stream through the acquisition of Arus Dermaga Sdn Bhd.

19) PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable to the Group as no profit forecast or profit guarantee was published.

20) INCOME TAX EXPENSE

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR	TO DATE
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	RM '000	RM '000	RM '000	RM '000
Current tax :				
Current tax	96	-	96	-
Prior Year Underprovision	-	252	-	252
Deferred tax	-	-	-	-
Total income tax expense	96	252	96	252



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

15) SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter, other than as disclosed in Note 14.

16) PERFORMANCE REVIEW

The Group's revenue from continuing operations for the reported quarter of RM13.39 million was RM1.03 million higher than a revenue of RM12.36 million reported in the corresponding quarter of the last financial year. A loss before taxation of RM12,000 and gross profit of RM1.02 million recorded from the continuing operations for the 1st quarter of 2009 as compared to loss before taxation of RM0.80 million and gross profit of RM0.55 million reported in the corresponding quarter of last financial year. This was mainly due to the higher sales in conjunction with better gross profit margin and higher foreign exchange gain for the current quarter. Net loss for the period, from the continuing and discontinued operations is recorded at RM0.38 million as compared to RM0.89 million in the corresponding quarter of the last financial year.

17) COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group achieved revenue from continuing operations of RM13.39 million and a loss before tax of RM12,000 in the current quarter as compared to turnover from continuing operations of RM12.36 million and loss before tax of RM 0.80 million in the immediate preceding quarter. This was mainly due to the higher sales in conjunction with better gross profit margin and higher foreign exchange gain for the current quarter. Net loss for the period, from the continuing and discontinued operations is recorded at RM0.38 million as compared to RM0.89 million in the immediate preceding quarter.

18) COMMENTARY ON PROSPECTS

Due to the impending slowdown in global economic, the Group has taken precautionary measures in reducing production costs and improving efficiency. In addition, the Group has diversified into additional revenue stream through the acquisition of Arus Dermaga Sdn Bhd.

19) PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable to the Group as no profit forecast or profit guarantee was published.

20) INCOME TAX EXPENSE

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR	TO DATE
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	RM '000	RM '000	RM '000	RM '000
Current tax :				
Current tax	96	-	96	-
Prior Year Underprovision	-	252	-	252
Deferred tax	-	-	-	-
Total income tax expense	96	252	96	252



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

21) SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and properties of the Group for the current quarter and financial period to-date.

22) QUOTED SECURITIES

There were no purchases and disposals of quoted securities for the current quarter and financial period-to-date.

23) CORPORATE PROPOSALS

a) Status of Corporate Proposals

On 11 November 2008, the Group announced to dispose of its two foreign subsidiaries, namely Heng Huat Plastic Industries (S) Pte. Ltd. and Changhuat Plastic Industries (Rayong) Co. Ltd.

The disposal is due to be completed by the first quarter of 2009.

b) Status of Utilisation of Proceeds

Not applicable

24) GROUP BORROWINGS

	As at 30/09/2008 RM '000	As at 30/06/2008 RM '000
Short term borrowings		
Secured	13,910	22,125
Unsecured	2,782	2,866
	<u>16,692</u>	<u>24,991</u>
Long term borrowings		
Secured	104,241	9,375
Unsecured	-	-
	<u>104,241</u>	<u>9,375</u>
Total	<u>120,933</u>	<u>34,366</u>

25) OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet financial instruments at the date of this quarterly report.

26) CHANGES IN MATERIAL LITIGATION

As disclosed during the previous year ended 30 June 2008, there are claims filed by ex-employees against the company for unfair dismissal, pending in the court, the outcome of which is not certain.



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

27) EARNINGS PER SHARE

a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue of 41,998,950 during the reporting period.

a) Diluted

There is no dilution in earnings per share as there was no dilutive potential ordinary shares as at 30 September 2008.

28) AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 November 2008.

By Order of the Board

LIM LAI HUAT
Group Managing Director
Date : 28 November 2008