



**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER ENDED 31 DECEMBER 2008**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2008 RM '000	PRECEDING YEAR QUARTER 31/12/2007 RM '000 (restated)	CURRENT YEAR TO DATE 31/12/2008 RM '000	PRECEDING YEAR TO DATE 31/12/2007 RM '000 (restated)
<b>Continuing Operations</b>				
Revenue	18,988	12,446	32,373	24,806
Cost of sales	(15,808)	(11,140)	(28,176)	(22,948)
Gross profit	3,180	1,306	4,197	1,858
Other income	930	134	1,228	210
Administration expenses	(2,476)	(1,271)	(3,552)	(2,387)
Finance costs	(1,680)	(92)	(1,931)	(404)
<b>(Loss)/Profit before tax</b>	<b>(46)</b>	<b>77</b>	<b>(58)</b>	<b>(723)</b>
Income tax expense	(141)	-	(237)	(252)
<b>(Loss)/Profit for the period from continuing operations</b>	<b>(187)</b>	<b>77</b>	<b>(295)</b>	<b>(975)</b>
<b>Discontinued Operations</b>				
Loss for the period from discontinued operations	(3,101)	(486)	(3,372)	(321)
<b>Net Loss for the period</b>	<b>(3,288)</b>	<b>(409)</b>	<b>(3,667)</b>	<b>(1,296)</b>
Attributable to:				
Equity holders of the Company	(3,433)	(409)	(3,812)	(1,296)
Minority interest	145	-	145	-
	<b>(3,288)</b>	<b>(409)</b>	<b>(3,667)</b>	<b>(1,296)</b>
<b>Loss per share (sen) attributed to equity holder of the Company :</b>				
Basic, for (loss)/profit from continuing operations *	(0.45)	0.18	(0.70)	(2.32)
Basic, for loss from discontinued operations *	(7.37)	(1.16)	(8.02)	(0.76)
Basic, for loss for the period *	<b>(7.83)</b>	<b>(0.97)</b>	<b>(8.73)</b>	<b>(3.09)</b>
Diluted	N/A	N/A	N/A	N/A
* Based on 41,998,950 ordinary shares				
<b>Dividends per share (sen)</b>	-	-	-	-

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 31 DECEMBER 2008**

	AS AT 31/12/2008 RM '000 (unaudited)	AS AT 30/06/2008 RM '000 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	148,156	67,236
Prepaid land lease payments	3,400	4,176
Investment properties	11,478	11,631
Goodwill	25,185	-
	<u>188,219</u>	<u>83,043</u>
<b>Current assets</b>		
Inventories	10,872	17,006
Trade receivables	4,724	16,125
Other receivables	3,578	4,989
Tax recoverables	1,298	1,282
Cash and bank balances	8,683	3,097
Assets of disposal group classified as held for sale	58,160	-
	<u>87,315</u>	<u>42,499</u>
<b>TOTAL ASSETS</b>	<u>275,534</u>	<u>125,542</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	41,999	41,999
Share premium	9,532	9,532
Foreign exchange reserve	2,708	2,530
Retained profit	7,282	11,094
Amount recognised directly in equity relating to assets held for sale	511	-
<b>Equity attributable to equity holderst of the Company</b>	<u>62,032</u>	<u>65,155</u>
<b>Minority interest</b>	<u>11,782</u>	<u>-</u>
<b>Total equity</b>	<u>73,814</u>	<u>65,155</u>
<b>Non-current liabilities</b>		
Borrowings	104,292	9,375
Deferred tax liabilities	3,414	3,414
	<u>107,706</u>	<u>12,789</u>
<b>Current liabilities</b>		
Borrowings	15,131	24,991
Trade payables	2,401	13,954
Other payables	49,209	7,973
Tax payable	606	680
Liabilities directly associated with the assets classified as held for sale	26,667	-
	<u>94,014</u>	<u>47,598</u>
<b>Total liabilities</b>	<u>201,720</u>	<u>60,387</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>275,534</u>	<u>125,542</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.4770</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 31 DECEMBER 2008**

	← Attibutable to Equity Holders of the Company →						Minority Interest	Total Equity
	← Non-distributable →			Distributable				
	Share Capital RM '000	Share Premium RM '000	Foreign Exchange Reserve RM '000	Held for Sale RM '000	Retained Profits RM '000	Sub-total RM '000		
<b>At 1 July 2007</b>	41,999	9,532	1,531	-	23,719	76,781	-	76,781
Foreign exchange translation	-	-	(729)	-	-	(729)	-	(729)
Net loss for the period	-	-	-	-	(1,296)	(1,296)	-	(1,296)
Final dividend	-	-	-	-	(840)	(840)	-	(840)
<b>At 31 December 2007</b>	<b>41,999</b>	<b>9,532</b>	<b>802</b>	<b>-</b>	<b>21,583</b>	<b>73,916</b>	<b>-</b>	<b>73,916</b>
<b>At 1 July 2008</b>	41,999	9,532	2,530	-	11,094	65,155	-	65,155
Foreign exchange translation	-	-	689	-	-	689	-	689
Acquisition of a subsidiary	-	-	-	-	-	-	11,637	11,637
Net loss for the period	-	-	-	-	(3,812)	(3,812)	145	(3,667)
Amount recognised directly in equity relating to the assets classified as held for sale	-	-	(511)	511	-	-	-	-
<b>At 31 December 2008</b>	<b>41,999</b>	<b>9,532</b>	<b>2,708</b>	<b>511</b>	<b>7,282</b>	<b>62,032</b>	<b>11,782</b>	<b>73,814</b>

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 31 DECEMBER 2008**

	6 months ended	
	31/12/2008	31/12/2007
	RM '000	RM '000
Net cash generated from operating activities	5,857	749
Net cash generated from/(used in) investing activities	2,501	(5,970)
Net cash (used in)/generated from financing activities	(743)	6,060
Net increase in cash and cash equivalents	<u>7,615</u>	<u>839</u>
Effects of exchange rate changes	(2,033)	(608)
Cash and cash equivalents at beginning of financial period	<u>(768)</u>	<u>(690)</u>
Cash and cash equivalents at end of financial period	<u><u>4,814</u></u>	<u><u>(459)</u></u>

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

	As at	As at
	31/12/2008	31/12/2007
	RM '000	RM '000
Cash and bank balances	8,683	2,080
Bank overdrafts	<u>(3,854)</u>	<u>(4,023)</u>
	4,829	(1,943)
Cash and cash equivalents classified as held for sale	<u>(15)</u>	<u>1,484</u>
Total cash and cash equivalents	<u><u>4,814</u></u>	<u><u>(459)</u></u>



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE QUARTER ENDED 31 DECEMBER 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**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER		CURRENT YEAR TO DATE	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Manufacturing	12,037	13,814	26,926	27,466
Oil and gas	8,352	-	8,352	-
Others	45	45	90	90
Total revenue including inter-segment sales	20,434	13,859	35,368	27,556
Elimination of inter-segment sales	(1,446)	(1,413)	(2,995)	(2,750)
Total revenue from continuing operations	18,988	12,446	32,373	24,806
Revenue from discontinued operation	6,228	10,891	19,370	21,088
Total	25,216	23,337	51,743	45,894
<b>Segment Results</b>				
Results from continuing operations:				
Manufacturing	(265)	257	(22)	(430)
Oil and gas	393	-	393	-
Others	(315)	(446)	(666)	(758)
Eliminations	(187)	(189)	(295)	(1,188)
Total results from continuing operations	(187)	77	(295)	(975)
Results from discontinued operation	(3,101)	(486)	(3,372)	(321)
Total	(3,288)	(409)	(3,667)	(1,296)



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**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE QUARTER ENDED 31 DECEMBER 2008**

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**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 31 December 2008.

**6) CHANGES IN ESTIMATES**

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

**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 31 December 2008, the group has given guarantee to banks and financial institutions for subsidiaries banking facilities totaling to RM33.78 million.

**13) CHANGES IN COMPOSITION OF THE GROUP**

There were no other business combination, acquisition or disposal of subsidiaries or long term investment, restructuring or discontinuing operation other than as disclosed in Note 14.



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE QUARTER ENDED 31 DECEMBER 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 31 December 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
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	6,228	10,891	19,370	21,088
Loss before tax	(3,134)	(486)	(3,363)	(321)
Income tax expense	33	-	(9)	-
Loss for the period from a discontinued operation	(3,101)	(486)	(3,372)	(321)
Cash flows from operating activities	(2,086)	1,732	(466)	678
Cash flows from investing activities	(399)	(3,311)	(622)	(4,127)
Cash flows from financing activities	1,395	1,617	510	3,096
Total cash flows	(1,090)	38	(578)	(353)

The major classes of assets and liabilities of the subsidiaries classified as held for sale as at 31 December 2008 are as follows:

	RM'000
Assets:	
Property, plant and equipment	40,684
Prepaid land lease payments	638
Inventories	5,338
Trade and other receivables	11,038
Cash and bank balances	462
Assets of disposal group classified as held for sale	58,160
Liabilities:	
Borrowings	16,075
Bank overdrafts	477
Trade and other payables	10,115
Liabilities directly associated with the assets classified as held for sale	26,667
Net assets attributable to discontinued operations	31,493



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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD  
FOR THE QUARTER ENDED 31 DECEMBER 2008**

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**15) SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current quarter.

**16) PERFORMANCE REVIEW**

The Group's revenue from continuing operations for the reported quarter of RM18.99 million was RM6.54 million higher than a revenue of RM12.45 million reported in the corresponding quarter of the last financial year. The increase in revenue is mainly due to the first time inclusion of the financial result from Arus Dermaga Sdn Bhd (a subsidiary acquired in the previous quarter) amounting to RM8.35 million.

A loss before tax of RM187,000 and gross profit of RM3.18 million recorded from the continuing operations for the current quarter as compared to profit before tax of RM77,000 and gross profit of RM1.31 million reported in the corresponding quarter of last financial year.

Net loss for the period, from the continuing and discontinued operations is recorded at RM3.29 million as compared to RM0.41 million in the corresponding quarter of the last financial year. This is mainly due to foreign currency losses incurred during the quarter.

**17) COMMENT ON MATERIAL CHANGE IN LOSS BEFORE TAXATION**

The Group achieved revenue from continuing operations of RM18.99 million and a loss before taxation of RM187,000 for the current quarter as compared to turnover from continuing operations of RM12.45 million and profit before tax of RM 77,000 in the immediate preceding quarter.

Net loss for the period, from the continuing and discontinued operations is recorded at RM3.29 million as compared to RM0.41 million in the corresponding quarter of the last financial year. This is mainly due to foreign currency losses incurred during the period.

**18) COMMENTARY ON PROSPECTS**

The continuing economic climate continue to pose challenges in the coming quarter to the development of the inidustry. The Group is mitigating the effect of the downturn by streamlining its operation capacity and conserving capital.

**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
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM '000	RM '000	RM '000	RM '000
Current tax :				
Current tax	141	-	237	-
Prior Year Underprovision	-	-	-	252
Deferred tax	-	-	-	-
Total income tax expense	141	-	237	252





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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD  
FOR THE QUARTER ENDED 31 DECEMBER 2008**

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**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**

	<b>As at 31/12/2008 RM '000</b>	<b>As at 30/06/2008 RM '000</b>
<b>Short term borrowings</b>		
Secured	11,953	22,125
Unsecured	3,178	2,866
	<u>15,131</u>	<u>24,991</u>
<b>Long term borrowings</b>		
Secured	104,292	9,375
Unsecured	-	-
	<u>104,292</u>	<u>9,375</u>
<b>Total</b>	<u>119,423</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.



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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD  
FOR THE QUARTER ENDED 31 DECEMBER 2008**

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**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.

**b) Diluted**

There is no dilution in earnings per share as there was no dilutive potential ordinary shares as at 31 December 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 24 February 2009.

By Order of the Board

LIM LAI HUAT  
Group Managing Director  
Date : 26 February 2009