



UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2009

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/03/2009 RM '000	PRECEDING YEAR QUARTER 31/03/2008 RM '000 (restated)	CURRENT YEAR TO DATE 31/03/2009 RM '000	PRECEDING YEAR TO DATE 31/03/2008 RM '000 (restated)
Continuing Operations				
Revenue	14,565	12,007	46,938	36,813
Cost of sales	(12,692)	(10,845)	(40,868)	(33,793)
Gross profit	1,873	1,162	6,070	3,020
Other income	918	(23)	2,146	187
Administration expenses	(3,551)	(1,131)	(7,102)	(3,518)
Finance costs	(1,030)	(255)	(2,962)	(659)
Loss before tax	(1,790)	(247)	(1,848)	(970)
Income tax expense	(94)	-	(331)	(252)
Loss for the period from continuing operations	(1,884)	(247)	(2,179)	(1,222)
Discontinued Operations				
Loss for the period from discontinued operations	(1,839)	(738)	(5,211)	(1,059)
Net Loss for the period	(3,723)	(985)	(7,390)	(2,281)
Attributable to:				
Equity holders of the Company	(3,698)	(985)	(7,510)	(2,281)
Minority interest	(25)	-	120	-
	(3,723)	(985)	(7,390)	(2,281)
Loss per share (sen) attributed to equity holder of the Company :				
Basic, for loss from continuing operations *	(4.49)	(0.59)	(5.19)	(2.91)
Basic, for loss from discontinued operations *	(4.38)	(1.76)	(12.41)	(2.51)
Basic, for loss for the period *	(8.86)	(2.35)	(17.60)	(5.43)
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 31 MARCH 2009

	AS AT 31/03/2009 RM '000 (unaudited)	AS AT 30/06/2008 RM '000 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	142,945	67,236
Prepaid land lease payments	3,381	4,176
Investment properties	11,402	11,631
Goodwill	25,185	-
	<u>182,913</u>	<u>83,043</u>
Current assets		
Inventories	9,196	17,006
Trade receivables	2,364	16,125
Other receivables	3,673	4,989
Tax recoverables	694	1,282
Cash and bank balances	2,619	3,097
Assets of disposal group classified as held for sale	57,195	-
	<u>75,741</u>	<u>42,499</u>
TOTAL ASSETS	<u>258,654</u>	<u>125,542</u>
EQUITY AND LIABILITIES		
Share capital	41,999	41,999
Share premium	9,532	9,532
Foreign exchange reserve	3,672	2,530
Retained profit	3,584	11,094
Amount recognised directly in equity relating to assets held for sale	513	-
Equity attributable to equity holderst of the Company	<u>59,300</u>	<u>65,155</u>
Minority interest	<u>11,758</u>	<u>-</u>
Total equity	<u>71,058</u>	<u>65,155</u>
Non-current liabilities		
Borrowings	94,517	9,375
Deferred tax liabilities	3,414	3,414
	<u>97,931</u>	<u>12,789</u>
Current liabilities		
Borrowings	11,465	24,991
Trade payables	899	13,954
Other payables	50,206	7,973
Tax payable	606	680
Liabilities directly associated with the assets classified as held for sale	26,489	-
	<u>89,665</u>	<u>47,598</u>
Total liabilities	<u>187,596</u>	<u>60,387</u>
TOTAL EQUITY AND LIABILITIES	<u>258,654</u>	<u>125,542</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.4119</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 MARCH 2009

	← Atttributable to Equity Holders of the Company →						Minority Interest RM '000	Total Equity RM '000
	← 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		
At 1 July 2007	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)
At 31 March 2008	41,999	9,532	802	-	21,583	73,916	-	73,916
At 1 July 2008	41,999	9,532	2,530	-	11,094	65,155	-	65,155
Foreign exchange translation	-	-	1,655	-	-	1,655	-	1,655
Acquisition of a subsidiary	-	-	-	-	-	-	11,638	11,638
Net loss for the period	-	-	-	-	(7,510)	(7,510)	120	(7,390)
Amount recognised directly in equity relating to the assets classified as held for sale	-	-	(513)	513	-	-	-	-
At 31 March 2009	41,999	9,532	3,672	513	3,584	59,300	11,758	71,058

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 MARCH 2009**

	9 months ended	
	31/03/2009	31/03/2008
	RM '000	RM '000
Net cash generated from operating activities	9,271	749
Net cash used in investing activities	(2,998)	(5,970)
Net cash used in financing activities	(3,649)	6,060
Net increase in cash and cash equivalents	<u>2,624</u>	<u>839</u>
Effects of exchange rate changes	(2,353)	(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>(497)</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
	31/03/2009	31/03/2008
	RM '000	RM '000
Cash and bank balances	2,619	2,080
Bank overdrafts	<u>(2,469)</u>	<u>(4,023)</u>
	150	(1,943)
Cash and cash equivalents classified as held for sale	<u>(647)</u>	<u>1,484</u>
Total cash and cash equivalents	<u><u>(497)</u></u>	<u><u>(459)</u></u>



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 31 MARCH 2009**

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 PRECEDING 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	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Manufacturing	5,750	13,884	32,677	41,349
Oil and gas	9,409	-	17,761	-
Others	34	44	123	135
Total revenue including inter-segment sales	15,193	13,928	50,561	41,484
Elimination of inter-segment sales	(628)	(1,921)	(3,623)	(4,671)
Total revenue from continuing operations	14,565	12,007	46,938	36,813
Revenue from discontinued operation	5,270	12,248	24,641	33,474
Total	19,835	24,255	71,579	70,287

Segment Results

Results from continuing operations:				
Manufacturing	(1,686)	415	(1,708)	(14)
Oil and gas	1,044	-	1,437	-
Others	(131)	(431)	(797)	(1,189)
	(773)	(16)	(1,068)	(1,203)
Eliminations	(1,111)	(231)	(1,111)	(19)
Total results from continuing operations	(1,884)	(247)	(2,179)	(1,222)
Results from discontinued operation	(1,839)	(738)	(5,211)	(1,059)
Total	(3,723)	(985)	(7,390)	(2,281)



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 31 MARCH 2009**

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 March 2009.

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 with the exception of the current global economic downturn.

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.

The 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 were accepted. None of the ESOS has been exercised and has subsequent lapsed. The ESOS scheme has expired 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 March 2009, the group has given guarantee to banks and financial institutions for subsidiaries banking facilities totalling to RM30.07 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 MARCH 2009**

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 was completed on 13 May 2009. As at 31 March 2009, 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	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM'000	RM'000	RM'000	RM'000
Revenue	5,270	12,248	24,641	33,474
Loss before tax	(1,839)	(738)	(5,202)	(1,059)
Income tax expense	-	-	(9)	-
Loss for the period from a discontinued operation	<u>(1,839)</u>	<u>(738)</u>	<u>(5,211)</u>	<u>(1,059)</u>
Cash flows from operating activities	(541)	1,930	(867)	2,797
Cash flows from investing activities	(24)	(1,487)	(647)	(5,192)
Cash flows from financing activities	(64)	1,010	450	3,562
Total cash flows	<u>(629)</u>	<u>1,453</u>	<u>(1,064)</u>	<u>1,167</u>

The major classes of assets and liabilities of the subsidiaries classified as held for sale as at 31 March 2009 are as follows:

	RM'000
Assets:	
Property, plant and equipment	40,354
Prepaid land lease payments	623
Inventories	5,451
Trade and other receivables	10,656
Cash and bank balances	111
Assets of disposal group classified as held for sale	<u>57,195</u>
Liabilities:	
Borrowings	16,081
Bank overdrafts	758
Trade and other payables	9,650
Liabilities directly associated with the assets classified as held for sale	<u>26,489</u>
Net assets attributable to discontinued operations	<u>30,706</u>



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 31 MARCH 2009**

15) SUBSEQUENT EVENTS

- a) Upon the completion of the disposal of Heng Huat Plastic Industries (S) Pte. Ltd. and Changhuat Plastic Industries (Rayong) Co. Ltd. on 13 May 2009, these two companies have ceased to be subsidiaries of Changhuat Corporation Berhad.
- b) On 17 April 2009, the Company has obtained a secured bridging loan facility of RM8.5 million from a local licensed institution.

16) PERFORMANCE REVIEW

As compared against the corresponding quarter of the last financial year, revenue increased by RM2.56 million. This was due to the net effect of RM9.41 million turnover newly consolidated from Arus Dermaga Sdn. Bhd. (a subsidiary acquired in the second quarter of this financial year) and the overall decrease in turnover reported by the Group's existing businesses amounting to approximately RM7 million.

The Group reported a loss before tax of RM1.79 million from the continuing operations for the current quarter as compared to a loss before tax of RM247,000 in the corresponding quarter of the last financial year. This was mainly due to uncontrollable fixed overhead costs.

Net loss for the period, from the continuing and discontinued operations, were recorded at RM3.72 million as compared to RM1.00 million in the corresponding quarter of the last financial year. These were mainly due to fixed overhead costs and foreign currency translation losses.

17) COMMENT ON MATERIAL CHANGE IN LOSS BEFORE TAXATION

The Group recorded a revenue from continuing operations of RM14.57 million and a loss before taxation of RM1.79 million for the current quarter as compared to a turnover from continuing operations of RM18.99million and a loss before tax of RM46,000 in the immediate preceding quarter.

18) COMMENTARY ON PROSPECTS

There are signs of business recovery but the outlook of the global economic condition is still very fluid. Until the market condition stabilised, the Board will continue to exercise prudence and caution in managing the business of the Group.

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	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM '000	RM '000	RM '000	RM '000
Current tax :				
Current tax	94	-	331	-
Prior Year Underprovision	-	-	-	252
Deferred tax	-	-	-	-
Total income tax expense	94	-	331	252



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 31 MARCH 2009**

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 the disposal of its two foreign subsidiaries, namely Heng Huat Plastic Industries (S) Pte. Ltd. and Changhuat Plastic Industries (Rayong) Co. Ltd. The disposal was completed on 13 May 2009.

b) Status of Utilisation of Proceeds

Not applicable

24) GROUP BORROWINGS

	As at 31/03/2009 RM '000	As at 30/06/2008 RM '000
Short term borrowings		
Secured	9,808	22,125
Unsecured	1,657	2,866
	<u>11,465</u>	<u>24,991</u>
Long term borrowings		
Secured	94,517	9,375
Unsecured	-	-
	<u>94,517</u>	<u>9,375</u>
Total	<u>105,982</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 some ex-employees against the Company for unfair dismissal. The case is pending disposal by the court.



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 31 MARCH 2009**

27) LOSS PER SHARE

a) Basic

Basic loss per share amounts are calculated by dividing loss 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 March 2009.

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 21 May 2009.

By Order of the Board

LIM LAI HUAT
Group Managing Director
Date : 22 May 2009