



CHANGHUAT CORPORATION BERHAD (Incorporated in Malaysia)
(Company No : 333769-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2010

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/09/2010 (Unaudited) RM '000	PRECEDING YEAR QUARTER 30/09/2009 (Unaudited) RM '000	CURRENT YEAR TO DATE 30/09/2010 (Unaudited) RM '000	PRECEDING YEAR TO DATE 30/09/2009 (Unaudited) RM '000
Continuing Operations				
Revenue	7,636	7,240	7,636	7,240
Cost of sales	<u>(9,758)</u>	<u>(4,422)</u>	<u>(9,758)</u>	<u>(4,422)</u>
Gross (Loss)/profit	(2,122)	2,818	(2,122)	2,818
Other income	22	104	22	104
Administration expenses	(1,444)	(1,876)	(1,444)	(1,876)
Finance costs	(1,068)	(964)	(1,068)	(964)
Gain on disposal of subsidiaries	3,030	-	3,030	-
(Loss)/Profit before tax	<u>(1,582)</u>	<u>82</u>	<u>(1,582)</u>	<u>82</u>
Income tax expense	<u>1,053</u>	<u>-</u>	<u>1,053</u>	<u>-</u>
(Loss)/Profit for the period from continuing operations	(529)	82	(529)	82
Discontinued Operations				
Profit/(Loss) for the period from discontinued operations	87	(289)	87	(289)
Net loss for the period	<u><u>(442)</u></u>	<u><u>(207)</u></u>	<u><u>(442)</u></u>	<u><u>(207)</u></u>
Attributable to:				
Equity holders of the Company	(68)	(379)	(68)	(379)
Minority interest	<u>(374)</u>	<u>172</u>	<u>(374)</u>	<u>172</u>
	(442)	(207)	(442)	(207)
Other comprehensive income :				
Foreign currency translation	<u>(19)</u>	<u>-</u>	<u>(19)</u>	<u>-</u>
Total comprehensive income for the period	<u><u>(461)</u></u>	<u><u>(207)</u></u>	<u><u>(461)</u></u>	<u><u>(207)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(87)	(379)	(87)	(379)
Minority interest	<u>(374)</u>	<u>172</u>	<u>(374)</u>	<u>172</u>
Total comprehensive income for the period	<u><u>(461)</u></u>	<u><u>(207)</u></u>	<u><u>(461)</u></u>	<u><u>(207)</u></u>



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	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30/09/2010 (Unaudited) RM '000	30/09/2009 (Unaudited) RM '000	30/09/2010 (Unaudited) RM '000	30/09/2009 (Unaudited) RM '000
(Loss)/Earning per share (sen) attributed to equity holder of the Company :				
Basic, for loss from continuing operations *	(0.15)	(0.82)	(0.15)	(0.82)
Basic, for profit from discontinued operations *	0.19	(0.63)	0.19	(0.63)
Basic, for loss for the period *	<u>0.04</u>	<u>(1.45)</u>	<u>0.04</u>	<u>(1.45)</u>
Diluted	N/A	N/A	N/A	N/A
Dividends per share (sen)	-	-	-	-

* Based on 46,198,845 ordinary shares

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



CHANGHUAT CORPORATION BERHAD (Incorporated in Malaysia)
(Company No : 333769-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 30 SEPTEMBER 2010

	AS AT 30/09/2010 (Unaudited) RM '000	AS AT 30/06/2010 (Audited) RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	170,014	186,369
Deferred tax assets	651	-
Goodwill	27,917	27,917
	<u>198,582</u>	<u>214,286</u>
Current assets		
Trade and other receivables	35,978	10,212
Tax recoverables	153	467
Cash and bank balances	446	107
Assets classified as held for sale	-	46,453
	<u>36,577</u>	<u>57,239</u>
TOTAL ASSETS	<u><u>235,159</u></u>	<u><u>271,525</u></u>
EQUITY AND LIABILITIES		
Share capital	46,199	46,199
Share premium	10,834	10,834
Reserve	(14,941)	1,669
Equity attributable to equity holders of the Company	<u>42,092</u>	<u>58,702</u>
Minority interest	-	9,850
Total equity	<u><u>42,092</u></u>	<u><u>68,552</u></u>
Non-current liabilities		
Borrowings	82,081	97,362
Amount due to a director	13,620	13,168
Deferred tax liabilities	5,200	5,612
	<u>100,901</u>	<u>116,142</u>
Current liabilities		
Borrowings	49,027	47,346
Trade and other payables	43,139	17,665
Liabilities classified as held for sale	-	21,820
	<u>92,166</u>	<u>86,831</u>
Total liabilities	<u>193,067</u>	<u>202,973</u>
TOTAL EQUITY AND LIABILITIES	<u><u>235,159</u></u>	<u><u>271,525</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		
	<u>0.9111</u>	<u>1.2706</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



CHANGHUAT CORPORATION BERHAD (Incorporated in Malaysia)
(Company No : 333769-X)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Attributable to Equity Holders of the Company					Minority Interest	Total Equity
	Share Capital	Share Premium	Translation reserve	Distributable Retained Profits	Sub-total		
(Unaudited)	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 July 2009	41,999	9,532	-	6,125	57,656	10,694	68,350
Issued of shares	4,200	1,302	-	-	5,502	-	5,502
Total comprehensive income	-	-	-	(379)	(379)	172	(207)
At 30 September 2009	<u>46,199</u>	<u>10,834</u>	<u>-</u>	<u>5,746</u>	<u>62,779</u>	<u>10,866</u>	<u>73,645</u>
 (Unaudited)							
At 1 July 2010	46,199	10,834	(1,757)	3,426	58,702	9,850	68,552
Total comprehensive income	-	-	(19)	(68)	(87)	(374)	(461)
Acquisition of minority interest	-	-	-	(16,523)	(16,523)	(9,476)	(25,999)
At 30 September 2010	<u>46,199</u>	<u>10,834</u>	<u>(1,776)</u>	<u>(13,165)</u>	<u>42,092</u>	<u>-</u>	<u>42,092</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	3 months ended	
	30/09/2010 (Unaudited) RM '000	30/09/2009 (Unaudited) RM '000
Net cash generated from operating activities	2,604	(1,999)
Net cash used in investing activities	-	(742)
Net cash used in financing activities	(2,265)	(2,289)
Net increase/(decrease) in cash and cash equivalents	339	(5,030)
Cash and cash equivalents at beginning of financial period	107	4,004
Cash and cash equivalents at end of financial period	446	(1,026)

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

	As at 30/09/2010 (Unaudited) RM '000	As at 30/09/2009 (Unaudited) RM '000
	Cash and bank balances	446
Bank overdrafts	-	-
	446	1,577
Cash and cash equivalents classified as held for sale	-	(2,603)
Total cash and cash equivalents	446	(1,026)

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

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 2010. 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 2010.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and method of computation adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the year ended 30 June 2010 except for the adoption of the following new/revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations, which were effective for this financial period beginning 1 July 2010:

FRS 4, Insurance Contracts
FRS 7, Financial Instruments: Disclosures
FRS 101, Presentation of Financial Statements (revised)
FRS 123, Borrowing Costs (revised)
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 and Cancellations
Amendments to FRS 7, Financial Instruments: Disclosures
Amendments to FRS 101, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132, Financial Instruments: Presentation
- Puttable Financial Instruments and Obligations Arising on Liquidation
- Separation of Compound Instruments
Amendments to FRS 139, Financial Instruments: Recognition and Measurement
- Reclassification of Financial Assets
- Collective Assessment of Impairment for Banking Institutions
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
Amendments to FRS 132, Financial Instruments: Presentation – Classification of Rights Issues
FRS 1: First-time Adoption of Financial Reporting Standards
FRS 3: Business Combinations (revised)
FRS 127: Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138: Intangible Assets
IC Interpretation 12: Service Concession Arrangements
The adoption of the above new/revised FRSs, Amendments to FRSs and interpretations will not have significant impact on the financial statements of the Group and Company. The principal effects of the changes in accounting policies resulting from the adoption of the above new/revised FRSs, Amendments to FRSs and Interpretations are summarized below:

FRS 101: Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows and notes to the financial statements.



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2010

FRS 101: Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The gains/(losses) that were recognised directly in equity in the preceding year/corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income is presented separately in the statement of comprehensive income and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests.

The total comprehensive income is presented as a one-line item in the statement of changes in equity and the comparative information has been re-presented in order to conform with the revised standard. This standard only affects the presentation aspects and will not have any impact on the earnings per share.

FRS 139, Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives and their corresponding gains/(losses) were only recognized on their settlement dates. Outstanding derivatives at the reporting date were not recognized. With the adoption of FRS 139, such financial derivatives will be recognized at contract dates as financial assets or financial liabilities and the measurement of such contracts would be at fair value through profit and loss. In accordance with the transitional provisions of this standard, the required changes are applied prospectively and the comparative information are not



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs, Interpretations, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRS and Interpretations	Effective for financial periods beginning on or after
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters - Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 7, Financial Instrument: Disclosure - Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 2, Group Cash-settled Share-based Payment Transactions	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011

The new FRSs, Interpretations, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 30 June 2010 was not qualified.

4. SEGMENTAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR TO DATE	CURRENT YEAR TO DATE
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Manufacturing	-	-	-	-
Oil and gas	7,636	7,240	7,636	7,240
Others	-	-	-	-
Total revenue from continuing operations	<u>7,636</u>	<u>7,240</u>	<u>7,636</u>	<u>7,240</u>
Revenue from discontinued operation	3,229	10,405	3,229	10,405
Total	<u><u>10,865</u></u>	<u><u>17,645</u></u>	<u><u>10,865</u></u>	<u><u>17,645</u></u>

Segment Results

Results from continuing operations:				
Manufacturing	-	-	-	-
Oil and gas	(3,403)	464	(3,403)	464
Others	2,874	(382)	2,874	(382)
Total results from continuing operations	<u>(529)</u>	<u>82</u>	<u>(529)</u>	<u>82</u>
Results from discontinued operation	87	(289)	87	(289)
Total	<u><u>(442)</u></u>	<u><u>(207)</u></u>	<u><u>(442)</u></u>	<u><u>(207)</u></u>



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

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 September 2010.

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. 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.

10. CAPITAL COMMITMENTS

There were no changes in capital commitments since the last annual balance sheet as at 30 June 2010.

11. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 September 2010, the Group has given guarantee to banks and financial institutions for subsidiaries banking facilities totalling to RM158 million.

12. CHANGES IN COMPOSITION OF THE GROUP

On 7 October 2009, the Company entered into two separate share sale agreements for the proposed disposal of the entire equity interest of its wholly owned subsidiaries, Changhuat Plastic Industries (Senai) Sdn Bhd and Changhuat Plastic Industries Sdn Bhd for a total cash consideration of RM23,100,015 and RM5,084,139 (after settlement of intercompany loans) respectively. The disposal of these two subsidiaries was completed on 11 August 2010.

On 7 December 2009, the Group entered into a share sale agreement for the proposed acquisition of the remaining 37% equity interest in its subsidiary Arus Dermaga Sdn Bhd for cash consideration of RM26,000,000. The acquisition was completed on 20 August 2010.



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

13. DISCONTINUED OPERATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR	TO DATE
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM'000	RM'000	RM'000	RM'000
Revenue	<u>3,229</u>	<u>10,405</u>	<u>3,229</u>	<u>10,405</u>
Profit/(Loss) before tax	87	(289)	87	(289)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the period from discontinued operations	<u>87</u>	<u>(289)</u>	<u>87</u>	<u>(289)</u>

14. PERFORMANCE REVIEW

The Group revenue from continuing operation has increased by RM396,000 as compared to the corresponding quarter of the last financial period.

The Group net loss from continuing operation in the current quarter is RM529,000 as compared to profit of RM82,000 reported in the corresponding quarter of the last financial year. The loss was mainly due to reduced contribution from the oil and gas division.

15. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

There were no material changes in profit before taxation at the date of this quarterly report.

16. COMMENTARY ON PROSPECTS

The Board is cautiously optimistic of the market condition as demand for floating storage for oil and oil product remains robust in the coming quarter.

17. PROFIT FORECAST OR PROFIT GUARANTEE

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

18. INCOME TAX EXPENSE

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR	TO DATE
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM '000	RM '000	RM '000	RM '000
Income tax	-	-	-	-
Deferred tax	<u>(1,053)</u>	<u>-</u>	<u>(1,053)</u>	<u>-</u>
Total income tax expense	<u>(1,053)</u>	<u>-</u>	<u>(1,053)</u>	<u>-</u>



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

19. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and properties of the Group for the current quarter.

20. QUOTED SECURITIES

There were no purchases and disposals of quoted securities for the current quarter.

21. GROUP BORROWINGS

	As at 30/09/2010 RM '000	As at 30/06/2010 RM '000
Short term borrowings		
Secured	49,027	47,346
Long term borrowings		
Secured	82,081	97,362
Total	<u>131,108</u>	<u>144,708</u>

22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

23. CHANGES IN MATERIAL LITIGATION

Save as disclosed below, our Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or the business of our Group:

(i) JB High Court MT4-27-1-2009

Claim by K.S Marine Offshore Pte Ltd (the Plaintiff) against ADSB on 29 September 2009.

The Plaintiff commenced an admiralty action against ADSB as the owner of the Vessel for services rendered by them to the Vessel. A warrant of arrest was issued against the Taurus on 29 September 2009.

ADSB's applications to strike out the Plaintiff's claim and to set aside the warrant of arrest were heard on 4 November 2009. The court dismissed ADSB's application to strike out the Plaintiff's claim, but allowed ADSB's application to set aside the warrant of arrest conditional upon the payment by ADSB of SGD239,344 as form of security in which ADSB had duly complied with and effectively, the warrant of arrest had been set aside.

The amount claimed by the Plaintiff against ADSB in this suit is SGD701,844.

Based on legal advice, the Directors are confident that ADSB has a reasonable chance of success during a full trial in light of the fact that the actual contract sum agreed upon by the parties is only SGD239,344 and not SGD701,844 as claimed by the Plaintiff



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

24. 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 46,198,845 during the reporting period.

b) Diluted

There is no dilution in earnings per share as there was no dilutive potential ordinary shares as at 30 June 2010.

25. 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 29 November 2010.

By Order of the Board

MOHAMAD REEZAL SIDDIQ
Executive Director
Date : 30 November 2010