

ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)  
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION 30/06/2006

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30/06/2006	Comparative Quarter Ended 30/06/2005	3 Months Cumulative 30/06/2006	Comparative 3 Months Cumulative 30/06/2005
	RM' 000	RM' 000	RM' 000	RM' 000
1 Revenue	15,816	13,862	15,816	13,862
2 Profit before tax	628	857	628	857
3 Profit after tax	452	677	452	677
4 Net profit for the period	452	677	452	677
5 Weighted average earnings per shares (sen)	0.51	1.03	0.51	1.03
6 Dividend per share (sen)	-	-	-	-
7 Net Assets per share (sen)	27.22	20.68	27.22	20.68

Remarks :

(The accompanying notes form an integral part of, and should be read in conjunction with, this interim financial report)

ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)  
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30/06/2006

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30/06/2006	Comparative Quarter Ended 30/06/2005	3 Months Cumulative 30/06/2006	Comparative 3 Months Cumulative 30/06/2005
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue	15,816	13,862	15,816	13,862
Cost of sales	(13,663)	(11,719)	(13,663)	(11,719)
Gross profit	2,153	2,143	2,153	2,143
Selling and marketing expenses	(581)	(412)	(581)	(412)
Administration expenses	(820)	(509)	(820)	(509)
Profit from operations	752	1,222	752	1,222
Finance costs	(124)	(365)	(124)	(365)
Profit before tax	628	857	628	857
Tax expenses	(176)	(180)	(176)	(180)
Profit after tax	452	677	452	677
Weighted average earnings per share (sen)	0.51	1.03	0.51	1.03

Remarks :

(The accompanying notes form an integral part of, and should be read in conjunction with, this interim financial report)

ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)  
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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2006

	(Unaudited) As At 30/06/2006	(Audited) As At 31/03/2006
	RM ' 000	RM' 000
PROPERTY , PLANT & EQUIPMENT	18,188	18,213
<b>CURRENT ASSETS</b>		
Inventories	10,142	9,114
Trade receivables	12,773	10,563
Other receivables and prepayments	1,788	1,519
Fixed deposit with a licensed bank	208	208
Cash and bank balances	4,650	4,976
	<u>29,561</u>	<u>26,380</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	13,368	8,902
Other payables and accrued expenses	807	709
Short-term borrowings	7,859	9,656
Term loan - current portion	207	267
Hire purchase payables - current portion	11	14
	<u>22,252</u>	<u>19,548</u>
<b>NET CURRENT ASSETS</b>	7,309	6,832
	<u>25,497</u>	<u>25,045</u>
<b>LONG-TERM AND DEFERRED LIABILITIES</b>		
Hire purchase payables - non-current portion	7	7
Term loan - non-current portion	273	273
Deferred tax liabilities	1,289	1,289
	<u>1,569</u>	<u>1,569</u>
	<u>23,928</u>	<u>23,476</u>
<b>REPRESENTED BY</b>		
Issue capital	8,791	8,791
Reserves	15,137	14,685
	<u>23,928</u>	<u>23,476</u>
Net Assets per share (sen)	27.22	26.70

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ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)  
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2006

	Share Capital	Non- Distributable		Distributable	Total
		Share Premium	Reserve on Consolidation	Retained Earnings	
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Balance as at 1 April 2006	8,791	4,223	3,607	6,855	23,476
As previously reported :					
Change in accounting policy arising from the adoption of FRS 3, Business Combination	-	-	(3,607)	3,607	-
As restated	8,791	4,223	-	10,462	23,476
Net profit for the period	-	-	-	452	452
Balance as of 30 June 2006	8,791	4,223	-	10,914	23,928

(The accompanying notes form an integral part of, and should be read in conjunction with, this interim financial report)

ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)  
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UNAUDITED CONDENSED CONSOLIDATED CASHFLOW STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2006

	3 Months Ended 30/06/2006 RM' 000	Comparative 3 Months Ended 30/06/2005 RM' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	628	857
Adjustments for :		
Depreciation of property, plant and equipment	355	330
Finance costs	124	227
	<hr/>	
Operating Profit before working capital changes	1,107	1,414
(Increase) / Decrease in :		
Inventories	(1,028)	(10,878)
Trade receivables	(2,210)	(10,049)
Other receivables and prepaid expenses	(239)	(2,657)
Increase / (Decrease) in :		
Trade payables	4,466	2,018
Other payables and accrued expenses	98	811
Short-term borrowings	(1,797)	19,427
	<hr/>	
Cash generated from Operations	397	86
Income tax paid	(206)	(138)
	<hr/>	
Net Cash (Used in) Operating Activities	191	(52)
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(330)	(757)
Acquisition of a subsidiary company	-	2,779
	<hr/>	
Net Cash From / (Used In) Investing Activities	(330)	2,022

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ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)  
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UNAUDITED CONDENSED CONSOLIDATED CASHFLOW STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2006

	3 Months Ended 30/06/2006 RM' 000	Comparative 3 Months Ended 30/06/2005 RM' 000
CASH FLOWS FROM /(USED IN) FINANCING ACTIVITIES		
Repayment from term loans	(60)	(245)
Payment for hire purchase payables	(3)	(4)
Finance costs paid	(124)	-
Net Cash Used In Financing Activities	<u>(187)</u>	<u>(249)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(326)	1,721
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	<u>4,984</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	<u><u>4,658</u></u>	<u><u>1,721</u></u>
Cash and cash equivalents comprise :-		
	RM ' 000	RM ' 000
Fixed deposit with a licensed bank	208	200
Cash and bank balances	<u>4,650</u>	<u>1,721</u>
	4,858	1,921
Less : Fixed deposit pledged to a licenced bank	<u>200</u>	<u>200</u>
	<u><u>4,658</u></u>	<u><u>1,721</u></u>

Remarks :

(The accompanying notes form an integral part of, and should be read in conjunction with, this interim financial report)

**ASIA POLY HOLDINGS BERHAD**  
Company's No. 619176-A  
(Incorporated in Malaysia)  
**Quarterly report on results for the 1st Quarter ended 30.06.2006**

**NOTES**

**A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING**

**A1 Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with FRS 134: "Interim Financial Reporting" (formerly known as MASB 26) and Appendix 7A of Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The same accounting policies are followed in the quarterly financial report as compared with the Audited Financial Statements for the financial period ended 31 March 2006, except for the adoption of the following new and revised Financial Reporting Standard ("FRS") issued by Malaysian Accounting Standards Board that are effective for the Group from 1 April 2006:-

FRS 3	Business Combination
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosures and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of the above FRS does not have any significant financial impact on the Group except for the adoption of FRS 3 Business Combination. In accordance with the transitional provision of FRS 3, the negative goodwill arising from acquisition, which was previously recognized as reserve on consolidation by the Group of RM3.607 million is transferred to the opening retained earnings.

**A2 Auditors' report of preceding annual financial statements**

There were no audit qualifications on the annual financial statements for the year ended 31 March 2006.

**A3 Seasonal or cyclical factors**

The Group's operations were not subject to any seasonal or cyclical changes.

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial quarter under review.

**A5 Material changes in estimates**

There were no changes in estimates of amounts reported in prior financial years, which may have a material effect on the results for the current financial quarter under review.

**A6 Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

**A7 Dividend paid**

There were no dividends paid by the Company during the current financial quarter.

## A8 Segment information

### Business segments

The Group is primary engaged in manufacturing of cast acrylic sheet and trading business.

	1st Qtr ended 30/06/2006 RM ' 000				
	Investment holding division	Manufacturing division	Trading division	Eliminations	Consolidated
Revenue	-	<u>13,481</u>	<u>2,335</u>	-	<u>15,816</u>
Results					
Profit from operations	-	<u>665</u>	<u>87</u>	-	752
Finance costs					(124)
Profit before tax					628
Income tax expense					(176)
Net profit for the year					<u>452</u>

## A9 Valuation of property, plant and equipment

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have an effect in the current financial quarter under review.

## A10 Material events subsequent to the end of the quarter

Save as disclosed below, there were no material events subsequent to the current financial quarter ended 30 June 2006 up to the date of this report which is likely to substantially affect the results of the operations of the Company.

On 27 October 2005, Asia Poly entered into a memorandum of understanding ("MOU") with Visionglow Global Limited, Australia ("Visionglow") to negotiate the possibility of a comprehensive joint venture agreement for the marketing and distribution of Asia Poly's plastic products utilising Visionglow's photoluminous pigments. The MOU is terminated on 23 August 2006.

Please refer to the Company's Announcement dated 23 August 2006 for full details.

## A11 Changes in the composition of Company

There were no changes in this composition of the Group for the current financial quarter.

## A12 Contingent liabilities

There were no contingent liabilities for the Group as at the date of this announcement.

## A13 Capital commitment

	30.06.2006 RM('000)
Contracted but not provided for:	
Acquisition of property, plant and equipment	<u>939</u>



#### A14 Significant related party transactions

There were no significant related party transactions as at the date of this announcement.

### B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

#### B1 Review of performance

For the quarterly financial period 1 April 2006 to 30 June 2006, the Group generated revenue of RM15.816 million and achieved an unaudited profit after taxation of RM 0.452 million compared to a revenue of RM13.862 million and a profit after taxation of RM0.677 million in the immediate corresponding last year quarter. The increase in revenue is mainly due to increase in sales from the new overseas markets especially the Middle East countries. The lower profit after taxation is mainly due to price increase in our raw material and increase in marketing and administrative costs incurred to further expand overseas market through additional staff costs.

#### B2 Variation of result against preceding quarter

	1st Qtr (30/06/06) RM('000)	4th Qtr (31/03/06) RM('000)
Revenue	<u>15,816</u>	<u>14,328</u>
Profit before tax	<u>628</u>	<u>1,349</u>

The revenue for the 1st Quarter ended 30 June 2006 increased by approximately RM1,488,000 or 10.39 % due to the improvement of overseas sales. However, the profit before tax for the 1st Quarter ended 30 June 2006 reduced by RM721,000 or 53.45 % due to price increase of our main raw material, namely Methyl Methacrylate Monomer (MMA) because of low supply in the market, and also increased in marketing and utilities costs.

#### B3 Business prospects

Going forward, the prospect of the Group for the financial year ending 31 March 2007 is expected to be driven by its manufacturing division. The manufacturing division will be driven by the consolidation of the several new products launched last year. The Group is also expected to penetrate new markets such as Middle East countries, South Africa and India.

The Group will continue its focus on the research and development and overseas sales and marketing effort. Barring any unforeseen events, the management of Asia Poly expects the Group to maintain its performance for the current financial year.

#### B4 Profit forecast and profit guarantee

The Group did not disclose any profit forecast and profit guarantee for this financial period.

#### B5 Taxation

Income tax on the profit for the year comprises current and deferred tax. The effective tax rate of the Group for the current quarter and the financial year-to-date is higher than the statutory tax rate of 28% due to certain expenses being disallowed for taxation purposes.

#### B6 Sales of unquoted investment and/or properties

There were no disposal of investments and/or properties during the quarters under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the financial quarter under review.

B8 Status of corporate proposals

As at 30 June 2006, the proceeds arising from the public issue of 22,179,000 new ordinary shares of 10 sen each pursuant to the listing of the Company on the MESDAQ Market of Bursa Securities amounting to RM7.54 million were utilised as follows:

	Proposed *	Actual	Balance	To be utilised by financial
	RM'000	RM'000	RM'000	year ending
Purchase of lab equipment	494	294	200	31/03/2007
Purchase of plant & machinery	3,153	2,446	707	31/03/2007
Working capital	2,794	2,293	501	
Estimate listing expenses	1,100	1,100	-	
	<u>7,541</u>	<u>6,133</u>	<u>1,408</u>	
	=====	=====	=====	

\* Revision to the proposed utilisation of proceeds has been approved by the Securities Commission. Please refer to the Company's Announcement dated 20 June 2006 for full details.

B9 Borrowings and debt securities - secured

	30.06.2006 RM('000)
Current :	
Bankers Acceptance	7,859
Term loan	207
Non-current :	
Term loan – non current portion	273
	<u>8,339</u>
	=====

B10 Off balance sheet financial instruments

There were no instruments with material off balance sheet risks issued as at the date of this report.

B11 Material litigation

There were no material litigation pending at the date of this announcement.

B12 Dividends

The Board of Directors has recommended a final tax exempt dividend of 1 sen per share for the year ended 31 March 2006, which is subject to shareholders approval at the forthcoming Annual General Meeting. If approved, the dividend will be paid on 7 September 2006. The entitlement date for the dividend payment is 30 August 2006.

A depositor shall qualify for entitlement to the dividend only in respect of :

- a. Shares transferred into the depositor's securities account before 4.00 p.m. on 30 August 2006 in respect of transfer; and
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

B13 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period excluded extraordinary item :-

	Current Quarter 1st (30/06/2006) RM('000)	Comparative Quarter 1st Qtr (30/06/06) RM('000)
Net Profit after tax for the financial period (RM ' 000)	452	677
Number/Weighted average number of ordinary shares ('000)	87,915	65,740
Earnings per share (sen)	<u>0.51</u>	<u>1.03</u>

By Order of the Board

Teoh Cheng Chuan  
Chief Executive Officer

Date : 23 August 2006