

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

SUMMARY OF KEY FINANCIAL INFORMATION 30/09/2006

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Comparative	6 Months	Comparative
	Ended 30/09/2006	Quarter Ended 30/09/2005	Cumulative 30/09/2006	6 Months Cumulative 30/09/2005
	RM' 000	RM' 000	RM' 000	RM' 000
1 Revenue	11,541	14,219	27,357	28,081
2 Profit before tax	458	1,058	1,086	1,915
3 Profit after tax	418	825	870	1,502
4 Net profit for the period	418	825	870	1,502
5 Earnings per shares (sen)	0.48	1.26	0.99	2.28
6 Dividend per share (sen)	1	-	1	-
7 Net assets per share (sen)	27.69	21.93	27.69	21.93

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 30/09/

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30/09/2006	Comparative Quarter Ended 30/09/2005	6 Months Cumulative 30/09/2006	Comparative 6 Months Cumulative 30/09/2005
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue	11,541	14,219	27,357	28,081
Cost of sales	(9,686)	(12,247)	(23,349)	(23,966)
Gross profit	1,855	1,972	4,008	4,115
Selling and marketing expenses	(405)	(284)	(986)	(696)
Administration expenses	(864)	(400)	(1,684)	(909)
Profit from operations	586	1,288	1,338	2,510
Finance costs	(128)	(230)	(252)	(595)
Profit before tax	458	1,058	1,086	1,915
Tax expenses	(40)	(233)	(216)	(413)
Profit after tax	418	825	870	1,502
Earnings per share (sen)	0.48	1.25	0.99	2.28

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 SEPTEMBER 2006

	(Unaudited) As At 30/09/2006	(Audited) As At 31/03/2006
	RM ' 000	RM' 000
PROPERTY , PLANT & EQUIPMENT	18,812	18,213
CURRENT ASSETS		
Inventories	9,388	9,114
Trade receivables	10,956	10,563
Other receivables and prepayments	1,859	1,519
Fixed deposit with a licensed bank	208	208
Cash and bank balances	4,224	4,976
	<u>26,635</u>	<u>26,380</u>
CURRENT LIABILITIES		
Trade payables	11,340	8,902
Other payables and accrued expenses	783	709
Short-term borrowings	6,800	9,656
Term loan - current portion	147	267
Hire purchase payables - current portion	55	14
	<u>19,125</u>	<u>19,548</u>
NET CURRENT ASSETS	7,510	6,832
	<u>26,322</u>	<u>25,045</u>
LONG-TERM AND DEFERRED LIABILITIES		
Hire purchase payables - non-current portion	414	7
Term loan - non-current portion	273	273
Deferred tax liabilities	1,289	1,289
	<u>1,976</u>	<u>1,569</u>
	<u>24,346</u>	<u>23,476</u>
REPRESENTED BY		
Issue capital	8,791	8,791
Reserves	15,555	14,685
	<u>24,346</u>	<u>23,476</u>
Net assets per share (sen)	27.69	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 SEPTEMBER 2006

	Share Capital	Non- Distributable Share Premium	Distributable Reserve on Consolidation	Distributable Retained Earnings	Total
	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	-	-	-	870	870
Balance as of 30 September 2006	8,791	4,223	-	11,332	24,346

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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 SEPTEMBER 2006

	6 Months Ended 30/09/2006 RM' 000	Comparative 6 Months Ended 30/09/2005 RM' 000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	1,086	1,915
Adjustments for :		
Depreciation of property, plant and equipment	751	673
Finance costs	252	595
	<hr/>	
Operating Profit before working capital changes	2,089	3,183
(Increase) / Decrease in :		
Inventories	(274)	9,109
Trade receivables	(393)	2,292
Other receivables and prepaid expenses	(310)	308
Increase / (Decrease) in :		
Trade payables	2,438	(5,861)
Other payables and accrued expenses	74	(141)
Short-term borrowings	(2,856)	(8,061)
	<hr/>	
Cash generated from Operations	768	829
Income tax paid	(246)	(425)
	<hr/>	
Net Cash From Operating Activities	522	404
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(879)	(1,732)
	<hr/>	
Net Cash Used In Investing Activities	(879)	(1,732)

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

UNAUDITED CONDENSED CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2006

	6 Months Ended 30/09/2006 RM' 000	Comparative 6 Months Ended 30/09/2005 RM' 000
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment from term loans	(120)	(586)
Payment for hire purchase payables	(23)	(7)
Finance costs paid	(252)	-
Net Cash Used In Financing Activities	<u>(395)</u>	<u>(593)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(752)	(1,921)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	<u>4,984</u>	<u>4,036</u>
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	<u><u>4,232</u></u>	<u><u>2,115</u></u>
Cash and cash equivalents comprise :-		
	RM ' 000	RM ' 000
Fixed deposit with a licensed bank	208	200
Cash and bank balances	4,224	2,115
	<u>4,432</u>	<u>2,315</u>
Less : Fixed deposit pledged to a licenced bank	200	200
	<u><u>4,232</u></u>	<u><u>2,115</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 2nd Quarter ended 30.09.2006

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 year 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 recognised 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

A final dividend of 10% tax exempt amounting to RM879,150, in respect of the financial year ended 31 March 2005 was approved by the shareholders at the Annual General Meeting held on 23 August 2006. The entitlement to the dividend which were determined on the basis of records of depositors as at 30 August 2006 was paid on 7 September 2006.

A8 Segment informationBusiness segments

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

	2nd Qtr ended 30/09/2006 RM ' 000				
	Investment holding division	Manufacturing division	Trading division	Eliminations	Consolidated
Revenue	-	<u>10,336</u>	<u>1,205</u>	-	<u>11,541</u>
Results					
Profit from operations	-	<u>524</u>	<u>62</u>	-	586
Finance costs					(128)
Profit before tax					458
Income tax expense					(40)
Net profit for the quarter					<u>418</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 September 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 was 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

	30.09.2006
	RM ' 000
Contracted but not provided for:	
Acquisition of property, plant and equipment	<u>1,175</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 July 2006 to 30 September 2006, the Group generated revenue of RM11.541 million and achieved an unaudited profit before taxation of RM 0.458 million compared to a revenue of RM14.219 million and a profit before taxation of RM1.058 million in the corresponding quarter last year. The decrease in revenue by 18.8% was mainly due to decrease in trading activities. The lower profit before taxation was mainly due to increase in advertising and promotion expenses and increase in payroll.

For the first six (6) months ended 30 September 2006, the Group recorded revenue of RM27.357 million, which is 2.6% lower than the preceding cumulative six (6) months ended 30 September 2005. The Group's profit before taxation of RM1.086 million for the six (6) months ended 30 September 2006 also recorded a decrease of approximately 43.3% compared to the cumulative six (6) months ended 30 September 2005. The decrease in revenue and profit before taxation was mainly attributable to the same reasons mentioned above.

B2 Variation of result against preceding quarter

	2nd Qtr (30/09/06)	1st Qtr (30/06/06)
	RM ' 000	RM ' 000
Revenue	<u>11,541</u>	<u>15,816</u>
Profit before tax	<u>458</u>	<u>628</u>

The revenue for the 2nd Quarter ended 30 September 2006 decreased by approximately RM4.275 million or 27.03% due to lower trading sales as the group is focusing more on the manufacturing division. The profit before tax for the 2nd Quarter ended 30 September 2006 declined by RM170,000 or 27.07% which was in line with decrease in revenue.

B3 Business prospects

The Group expects the market to be tough and the manufacturing margin will be further eroded due to increasing MMA and raw materials prices besides increases in utilities costs and market selling price resistance. Hence, going forward, the management anticipates that the profitability of the Group for the remaining quarters of the financial year will be affected. Barring any unforeseen circumstances, the management anticipates that the Group will remain profitable in the financial year ending 31 March 2007.

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 lower than the statutory tax rate of 28% due to utilisation of reinvestment allowances.

B6 Sales of unquoted investment and/or properties

There were no disposal of investments and/or properties during the quarter 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

(i) As at 30 September 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 * RM ' 000	Actual RM ' 000	Balance RM ' 000	To be utilised by financial 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	2,794	-	
Estimate listing expenses	1,100	1,100	-	
	<hr/>	<hr/>	<hr/>	
TOTAL	7,541	6,634	907	
	=====	=====	=====	

* 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.

(ii) During the financial quarter ended 30 September 2006, the Group has made an announcement on the (a) collaborative agreement between University of Malaya and Asia Poly Industrial Sdn. Bhd. (a wholly-owned subsidiary of Asia Poly) on the project of " production and commercialization of proprietary polyol esters using nanohydroxalcites and microbial nanocomposite additives 'polyon' " (b) cooperation agreement between Asia Poly Industrial Sdn. Bhd. and Nanoc Sdn. Bhd. on the project. Kindly refer to the Company announcement dated 20 September 2006.

B9 Borrowings and debt securities - secured

All the borrowings as at 30 September 2006 are secured and there are no borrowings denominated in foreign currency.

	30.09.2006 RM ' 000
Current :	
Bankers Acceptance	6,800
Term loan	147
Non-current :	
Term loan – non current portion	273
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	7,220
	=====

B10 Off balance sheet financial instruments

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

B11 Material litigation

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

B12 Dividends

No dividends has been proposed or declared during the current quarter ended 30 September 2006.

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 excluding extraordinary item :-

	Current Quarter 2nd Qtr (30/09/2006) RM ' 000	Comparative Quarter 2nd Qtr (30/09/2005) RM ' 000
Net Profit after tax for the financial period (RM ' 000)	418	825
Number of ordinary shares (' 000)	87,915	65,736
Earnings per share (sen)	<u>0.48</u>	<u>1.26</u>

By Order of the Board

Teoh Cheng Chuan
Chief Executive Officer

Date : 23 November 2006