

APP INDUSTRIES BERHAD
(Company No. 504718-U)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE 2nd QUARTER ENDED 30 JUNE 2006

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30.06.2006	30.06.2005	30.06.2006	30.06.2005
		RM'000	RM'000	RM'000	RM'000
Revenue	15	6,471	7,322	16,668	17,344
Cost of sales		(5,482)	(5,750)	(13,897)	(13,193)
Gross profit		989	1,572	2,771	4,151
Other operating income		302	122	380	161
Operating expenses		(1,775)	(2,212)	(4,339)	(4,455)
Other operating expenses		(273)	(8)	(489)	(12)
Finance costs		(151)	(116)	(302)	(229)
Loss before taxation	16	(908)	(642)	(1,979)	(384)
Taxation	19	232	7	585	(27)
Loss for the period		(676)	(635)	(1,394)	(411)
Attributable to:					
Equity holders of parent		(676)	(635)	(1,394)	(411)
Minority interest		-	-	-	-
		(676)	(635)	(1,394)	(411)
Earnings per share attributable to equity holders of the parent (Sen):	27	(0.846)	(0.790)	(1.743)	(0.510)

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)

APP INDUSTRIES BERHAD
(Company No. 504718-U)
CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2006

	AS AT END OF CURRENT QUARTER (Unaudited) 30.06.2006	AUDITED AS AT FINANCIAL YEAR ENDED 31.12.2005
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	46,222	44,722
Goodwill on consolidation	268	268
Deferred tax assets	1,676	1,215
	48,166	46,205
Current assets		
Inventories	10,240	11,306
Trade receivables	2,848	6,879
Other receivables and prepaid expenses	1,535	976
Tax recoverable	699	625
Deposits with financial institutions	100	100
Cash and bank balances	1,592	493
	17,014	20,379
TOTAL ASSETS	65,180	66,584
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,000	40,000
Share Premium	11,661	11,661
Other Reserves	126	-
Retained Loss	(6,473)	(5,079)
	45,314	46,582
Minority interest	-	-
Total equity	45,314	46,582
Non-current liabilities		
Borrowings	23 5,703	3,990
Deferred tax liabilities	4,451	4,576
	10,154	8,566
Current liabilities		
Borrowings	23 4,045	5,128
Trade payables	2,510	2,728
Other payables and accrued expenses	3,157	3,580
	9,712	11,436
Total liabilities	19,866	20,002
TOTAL EQUITY AND LIABILITIES	65,180	66,584

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)

APP INDUSTRIES BERHAD

(Company No. 504718 U)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2nd QUARTER ENDED 30 JUNE 2006**

	Attributable to Equity Holders of the Parent				Total Equity RM'000
	Non-Distributable			Distributable	
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Accumulated Losses RM'000	
At 1 January 2005	40,000	11,661	-	1,015	52,676
Loss for the period	-	-	-	(411)	(411)
At 30 June 2005	<u>40,000</u>	<u>11,661</u>	<u>-</u>	<u>604</u>	<u>52,265</u>
At 1 January 2006	40,000	11,661	-	(5,079)	46,582
Revaluation surplus	-	-	122	-	122
Foreign currency translation	-	-	4	-	4
Loss for the period	-	-	-	(1,394)	(1,394)
At 30 June 2006	<u>40,000</u>	<u>11,661</u>	<u>126</u>	<u>(6,473)</u>	<u>45,314</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)

APP INDUSTRIES BERHAD
(Company No. 504718-U)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE 2nd QUARTER ENDED 30 JUNE 2006

CUMULATIVE PERIOD

	<u>30.06.2006</u>	<u>31.12.2005</u>
	RM'000	RM'000
Net (loss)/profit before tax	(1,979)	(8,421)
Adjustment for non-cash flow:-		
Non-cash items	1,284	2,472
Non-operating items	283	457
Operating profit before changes in working capital	<u>(412)</u>	<u>(5,492)</u>
Changes in working capital		
Net changes in current assets	4,538	2,204
Net changes in current liabilities	<u>(641)</u>	<u>(457)</u>
Cash flows from operating activities	3,485	(3,745)
Tax (paid)/refund	(74)	559
Net cash flows generated from operating activities	<u>3,411</u>	<u>(3,186)</u>
Investing Activities		
- Other investment	(2,663)	(1,031)
- Interest Received	13	36
Net cash flow generated from investing activities	(2,650)	(995)
Financing Activities		
- Interest paid	(296)	(493)
- Dividend paid	-	-
- Bank borrowings	420	4,168
Net cash flow generated from/(used in) financing activities	124	3,675
Net Changes in Cash & Cash Equivalents	885	(506)
Cash & Cash Equivalents at beginning of year	(1,850)	(1,344)
Effects of exchange rate changes	4	-
Cash & Cash Equivalents at end of period	<u>(961)</u>	<u>(1,850)</u>
Cash and cash equivalents at end of financial period comprise the following:		
Cash and bank balances	1,692	593
Less: Bank overdrafts (included within short term borrowings in Note 23.)	(2,653)	(2,443)
	<u>(961)</u>	<u>(1,850)</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)