

**APP INDUSTRIES BERHAD**

(Company No. 504718-U)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS****FOR THE 1st QUARTER ENDED 31 MARCH 2007**

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER 31.03.2007	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2006	CURRENT YEAR TO DATE 31.03.2007	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2006
		RM'000	RM'000	RM'000	RM'000
Revenue	15	10,503	10,197	10,503	10,197
Cost of sales		(7,646)	(8,415)	(7,646)	(8,415)
Gross profit		2,857	1,782	2,857	1,782
Other operating income		294	78	294	78
Operating expenses		(2,367)	(2,564)	(2,367)	(2,564)
Other operating expenses		(550)	(216)	(550)	(216)
Finance costs		(196)	(151)	(196)	(151)
Profit/(Loss) before taxation	16	38	(1,071)	38	(1,071)
Taxation	19	(44)	353	(44)	353
Loss for the period		(6)	(718)	(6)	(718)
Attributable to:					
Equity holders of parent		(6)	(718)	(6)	(718)
Minority interest		-	-	-	-
		(6)	(718)	(6)	(718)
Earnings per share attributable to equity holders of the parent (Sen):	27	(0.008)	(0.897)	(0.008)	(0.897)

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)

**APP INDUSTRIES BERHAD**  
 (Company No. 504718-U)  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
 AS AT 31 MARCH 2007

	Note	AS AT END OF CURRENT QUARTER (Unaudited) 31.03.2007	AUDITED AS AT FINANCIAL YEAR ENDED 31.12.2006
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		39,827	47,672
Goodwill on consolidation		2,657	2,657
Prepaid land lease payments		7,269	-
Deferred tax assets		1,376	1,355
		51,129	51,684
<b>Current assets</b>			
Inventories		11,284	11,521
Trade receivables		6,266	6,580
Other receivables and prepaid expenses		1,217	1,137
Tax recoverable		699	698
Deposits with financial institutions		100	100
Cash and bank balances		2,166	507
		21,732	20,543
<b>TOTAL ASSETS</b>		72,861	72,227
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		40,000	40,000
Share Premium		11,661	11,661
Other Reserves		1,214	1,231
Retained Loss		(7,130)	(7,124)
		45,745	45,768
<b>Minority interest</b>		-	-
<b>Total equity</b>		45,745	45,768
<b>Non-current liabilities</b>			
Borrowings	23	5,243	5,259
Deferred tax liabilities		5,072	5,007
		10,315	10,266
<b>Current liabilities</b>			
Borrowings	23	6,701	6,111
Trade payables		3,603	3,275
Other payables and accrued expenses		6,497	6,807
		16,801	16,193
<b>Total liabilities</b>		27,116	26,459
<b>TOTAL EQUITY AND LIABILITIES</b>		72,861	72,227

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 1st QUARTER ENDED 31 MARCH 2007**

	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 2006	40,000	11,661	-	(5,079)	46,582
Revaluation surplus	-	-	1,261	-	1,261
Foreign currency translation	-	-	(30)	-	(30)
Effect of adopting FRS 3				2,657	2,657
Loss for the period	-	-	-	(4,702)	(4,702)
At 31 December 2006	<u>40,000</u>	<u>11,661</u>	<u>1,231</u>	<u>(7,124)</u>	<u>45,768</u>
At 1 January 2007	40,000	11,661	1,231	(7,124)	45,768
Foreign currency translation	-	-	(17)	-	(17)
Loss for the period	-	-		(6)	(6)
At 31 March 2007	<u>40,000</u>	<u>11,661</u>	<u>1,214</u>	<u>(7,130)</u>	<u>45,745</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the year ended 31 December 2006 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 1st QUARTER ENDED 31 MARCH 2007**

	CUMULATIVE PERIOD	
	31.03.2007	31.12.2006
	RM'000	RM'000
<b>Net profit/(loss) before tax</b>	38	(4,875)
Adjustment for non-cash flow:-		
Non-cash items	638	2,964
Non-operating items	175	613
Operating profit/(loss) before changes in working capital	851	(1,298)
Changes in working capital		
Net changes in current assets	471	(77)
Net changes in current liabilities	18	3,774
Cash flows from operating activities	1,340	2,399
Interest paid	(196)	(693)
Income tax paid	(1)	(141)
Income tax refunded	-	69
Net cash flows generated from operating activities	1,143	1,634
Investing Activities		
- Other investment	(58)	(3,860)
- Interest Received	8	19
Net cash flow used in investing activities	(50)	(3,841)
Financing Activities		
- Bank borrowings	319	1,921
Net cash flow generated from financing activities	319	1,921
Net Changes in Cash & Cash Equivalents	1,412	(286)
Cash & Cash Equivalents at beginning of year	(2,166)	(1,850)
Effects of exchange rate changes	(9)	(30)
Cash & Cash Equivalents at end of period	(763)	(2,166)
Cash and cash equivalents at end of financial period comprise the following:		
Cash and bank balances	2,266	607
Less: Bank overdrafts (included within short term borrowings in Note 23.)	(3,029)	(2,773)
	(763)	(2,166)

**(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)**