

**THE AYER HITAM PLANTING SYNDICATE BERHAD**  
 (Company No : 37-K)  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
 AS AT 31 DECEMBER 2005

	As At 31.12.2005	As At 31.03.2005
	RM'000	RM'000
Property, plant and equipment	9,382	9,670
Jointly controlled entity	115,665	103,088
Investments	192	192
Land held for property development	3,144	3,199
	128,383	116,149
<b>Current assets</b>		
Inventories	9,303	10,291
Receivables	21,704	11,351
Current tax assets	1,704	1,577
Short-term investments	20,000	20,000
Deposit, cash and bank balances	109,571	127,206
	162,282	170,425
<b>Current liabilities</b>		
Bank overdraft	920	163
Amount due to customers for contract works	47	813
Payables	6,750	8,118
Current tax liabilities	-	3,006
	7,717	12,100
<b>Net current assets</b>	154,565	158,325
<b>Long-term liabilities</b>		
Deferred tax liabilities	(16)	(16)
	282,932	274,458
<b>Share capital</b>	74,853	74,853
<b>Reserves</b>	208,079	199,605
<b>Shareholders' equity</b>	282,932	274,458
<b>Net Assets per share (RM) *</b>	3.78	3.67

\* The net assets per share is based on the computation of total assets (including intangibles) minus total liabilities divided by total number of ordinary shares in circulation.

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 31 March 2005 and the accompanying notes.

**THE AYER HITAM PLANTING SYNDICATE BERHAD**  
 (Company No : 37-K)  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2005**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2005 RM'000	Preceding Year Quarter 31 Dec 2004 RM'000	Current Year To Date 31 Dec 2005 RM'000	Preceding Year To Date 31 Dec 2004 RM'000
Revenue	4,720	7,752	11,874	21,565
Cost of Sales	(3,740)	(5,683)	(9,316)	(17,784)
Gross profit	980	2,069	2,558	3,781
Other operating income	1,066	1,101	3,277	4,396
Administration expenses	(1,336)	(1,191)	(6,228)	(5,094)
Profit/(Loss) from operations	711	1,979	(393)	3,083
Share of profit of jointly controlled entity	10,987	6,979	20,246	16,864
Profit before taxation	11,698	8,958	19,853	19,947
Taxation	(3,443)	(2,502)	(6,439)	(6,084)
Profit after taxation	8,255	6,456	13,414	13,863
<b>Earnings per share (sen)</b>				
Basic	11.03	8.62	17.92	18.52
Fully diluted	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2005 and the accompanying notes.

**THE AYER HITAM PLANTING SYNDICATE BERHAD**  
 (Company No : 37-K)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTH ENDED 31 DECEMBER 2005**

	Share capital	Share premium account	General reserve	Unappropriated profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 April 2005</b>	74,853	92	250	199,263	274,458
Net profit for the period	-	-	-	13,414	13,414
Dividends paid				(4,940)	(4,940)
<b>Balance as at 31 Dec 2005</b>	74,853	92	250	207,737	282,932
<b>Balance as at 1 April 2004</b>	74,853	92	250	191,635	266,830
Net profit for the period	-	-	-	13,863	13,863
Dividends paid				(4,566)	(4,566)
<b>Balance as at 31 Dec 2004</b>	74,853	92	250	200,932	276,127

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2005 and the accompanying notes.

THE AYER HITAM PLANTING SYNDICATE BERHAD  
(Company No : 37-K)  
CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE NINE MONTH ENDED 31 DECEMBER 2005

	For the 9 months ended	
	31 Dec	
	2005	2004
	RM'000	RM'000
Net cash inflow/(outflow) from operating activities	(4,971)	2,174
Net cash inflow/(outflow) from investing activities	(9,681)	(156)
Net cash inflow/(outflow) from financing activities	<u>(4,940)</u>	<u>(4,566)</u>
Net increase/(decrease) in cash and cash equivalents	(19,592)	(2,548)
Cash and cash equivalents at 1 April	<u>145,543</u>	<u>146,527</u>
Cash and cash equivalents at 31 Dec	<u><u>125,951</u></u>	<u><u>143,979</u></u>

**Cash and cash equivalents comprise :**

Short-term deposits	107,028	145,389
Cash and bank balances	2,543	867
Bank overdraft	(920)	(777)
Treasury unit trusts	<u>20,000</u>	<u>-</u>
	128,651	145,479
Pledged short-term deposits	<u>(2,700)</u>	<u>(1,500)</u>
Cash and cash equivalents	<u><u>125,951</u></u>	<u><u>143,979</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2005 and the accompanying notes.

**Part A – Explanatory Notes Pursuant to FRS134**

**1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2005. 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 financial year ended 31 March 2005.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 March 2005.

**2 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 March 2005 was not qualified.

**3 Seasonal or cyclical factors**

The Group's results for the current financial quarter were not materially impacted by any seasonal or cyclical factors apart from the plantation segment which is influenced by general climatic conditions, age profile of the oil palms and cyclical production.

**4 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 31 December 2005.

**5 Changes in estimates**

Not applicable.

**6 Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

**7 Dividends paid**

The first and final dividend totaling RM4,940,303 for the year ended 31 March 2005 was paid on 6 October 2005; comprising a tax exempt dividend of 3 sen gross per share amounting to RM2,245,592 and a dividend of 5 sen gross per share less 28% tax amounting to RM2,694,711.

**8 Segmental information**

	Current quarter 3 months ended 31 December 2005		Year to date 9 months ended 31 December 2005	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
By business segments:				
Property development	1,599	1,031	2,862	1,827
Construction	2,597	(597)	7,250	(3,145)
Plantation	524	246	1,600	763
Investment holding	-	-	162	162
Share of profits in jointly controlled entity	-	10,988	-	20,246
	<u>4,720</u>	<u>11,698</u>	<u>11,874</u>	<u>19,853</u>

**9 Carrying amount of revalued assets**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial report for the year ended 31 March 2005.

**10 Subsequent events**

There were no material events subsequent to the end of the current quarter except for the following:

On 1 July 2005, the Company announced that it proposed to acquire 20,000,001 shares or 50% interest in its jointly controlled entity, Bukit Hitam Development Sdn. Bhd., for a cash consideration of RM104 million. The acquisition was completed on 25 January 2006 and consequently the jointly controlled entity became a wholly-owned subsidiary of the Company.

**11 Changes in composition of the Group**

There were no changes in the composition of the Group during the current quarter. However, subsequent to the quarter ended 31 December 2005, as mentioned in Note 10, Bukit Hitam Development Sdn. Bhd. became a wholly-owned subsidiary of the Company on 25 January 2006.

**12 Changes in contingent liabilities and contingent assets**

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2005, except for a fixed deposit of RM1.2 million pledged by a subsidiary company, The Ayer Hitam Development Sdn Bhd., as security to a bank for the issuance of performance bonds for contract jobs of its construction subsidiary, Cendana Maju Construction Sdn. Bhd.

**13 Capital commitments**

None.

**14 Significant Related Party Transactions**

	9 months ended
Group	31.12.2005
	RM'000
Rendering of construction services to a jointly controlled entity Bukit Hitam Development Sdn. Bhd.	
- progress billings certified	11,209

**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia**

**15 Review of performance (current quarter and year to date)**

In the third quarter ended 31 December 2005, the Group recorded a revenue of RM4.72 million and a net profit of RM8.25 million. The net results for the third quarter were largely contributed by the Group's core activities in property development through its jointly controlled entity and its subsidiary. The share of profits in the jointly controlled entity increased in the third quarter arising from a gain of RM6.3 million through compensation received for compulsory acquisition of land.

For the nine months ended 31 December 2005, revenue decreased significantly by 45 percent to RM11.87 million from RM21.56 million in 2004. The net profit decreased marginally to RM13.41 million compared to RM13.87 million in 2004. The lower revenue compared to 2004 is attributed to the completion of projects by the construction subsidiary and the absence of new jobs. However, the higher profit contribution from the jointly controlled entity enabled the Group to sustain its net profit level similar to 2004.

**16 Material changes in profit/(loss) before taxation vs. preceding quarter**

For the third quarter ended 31 December 2005, the Group recorded an increase of RM8.9 million in profit before taxation to RM11.7 million from RM2.8 million achieved in the preceding quarter. The increase in the profit before taxation was mainly due to higher share of profits from the jointly controlled entity.

**17 Current year prospects**

The overall performance of the Group will depend substantially on the performance of the property development business units. The completion of the acquisition of 50% interest in the jointly controlled entity will allow the Group to consolidate the results of Bukit Hitam Development Sdn. Bhd. in the fourth quarter. This is expected to contribute positively to the consolidated results of the Group in the current financial year ending 31 March 2006.

**18 Variance of actual profit from forecast profit or profit guarantee**

Not applicable.

**19 Taxation**

	Quarter 3 months ended 31.12.2005 RM'000	Year to date 9 months ended 31.12.2005 RM'000
Malaysian income tax	366	770
Share of taxation of jointly controlled entity	<u>3,077</u>	<u>5,669</u>
	<u>3,443</u>	<u>6,439</u>

The effective tax rates of Group for the periods presented are higher than the statutory tax rate principally due to losses of the construction subsidiary which cannot be set off against taxable profits made by other subsidiaries, and certain expenses that are not deductible for tax purposes.

**20 Sale of unquoted investments and/or properties**

There was no sale of any unquoted investments or properties.

**21 Quoted securities**

There were no purchases or sales of quoted securities for the current quarter and financial year to date.

	As at 31.12.2005 RM'000
Investment in quoted securities:	
At cost	106
At carrying value/book value	106
At market value	<u>2,249</u>

**22 Corporate proposals**

(a) Status of corporate proposals

Proposed acquisition of 50% equity in Bukit Hitam Development Sdn. Bhd. [BHD]

On 6 September 2005, the Company entered into a conditional sale and purchase agreement with Perbadanan Kemajuan Negeri Selangor to acquire 20,000,001 shares or 50% equity in BHD, a jointly controlled entity of the Company, for a cash consideration of RM104 million. Shareholders' approval was obtained on 5 December 2005. The proposed acquisition was completed on 25 January 2006 and BHD became a wholly-owned subsidiary of the Company.

(b) Status of utilisation of proceeds

Not applicable.

**23 Group borrowings and debt securities**

	As at 31.12.2005 RM'000
Short term borrowings:	
Secured – Bank overdrafts	920
Unsecured	<u>-</u>
	<u>920</u>

**24 Off balance sheet financial instruments**

Not applicable.

**25 Material litigation**

There were no changes in material litigation since the date of the last annual balance sheet on 31 March 2005.

**26 Dividend**

The Board of Directors does not recommend the payment of any dividend for the current quarter.

**27 Earnings per share**

Basic

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares in issue during the period.

	Quarter 3 months ended 31.12.2005	Year to date 9 months ended 31.12.2005
Net profit for the period (RM'000)	8,255	13,414
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	11.03	17.92

**28 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 27 February 2006.