

THE AYER HITAM PLANTING SYNDICATE BERHAD (37-K)

**CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 MARCH 2006**

	Unaudited As at 31.03.2006 RM'000	Audited As at 31.03.2005 RM'000
Property, plant and equipment	39,907	9,670
Jointly controlled entity	-	103,087
Investments	192	192
Investment property	1,562	-
Land held for property development	161,995	3,199
	<u>203,656</u>	<u>116,148</u>
Current assets		
Property development costs	28,656	-
Inventories	26,116	10,291
Receivables	46,492	11,351
Current tax assets	2,671	1,577
Short-term investments	10,697	20,000
Deposits, cash and bank balances	117,069	127,207
	<u>231,701</u>	<u>170,426</u>
Current liabilities		
Bank overdraft	607	163
Amount due to customers for contract works	-	813
Payables	41,715	8,118
Current tax liabilities	6,198	3,006
	<u>48,520</u>	<u>12,100</u>
Net current assets	183,181	158,326
Long-term liabilities		
Deferred tax liabilities	(22,142)	(16)
	<u>364,695</u>	<u>274,458</u>
Share capital	74,853	74,853
Reserves	289,842	199,605
Shareholders' equity	<u>364,695</u>	<u>274,458</u>
Net Assets per share (RM) *	<u>4.87</u>	<u>3.67</u>

* The net assets per share is based on the computation of total assets (including intangibles) minus total liabilities divided by the 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 (37-K)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2006 RM'000	Preceding Year Quarter 31 Mar 2005 RM'000	Current Year To Date 31 Mar 2006 RM'000	Preceding Year To Date 31 Mar 2005 RM'000
Revenue	37,040	4,521	48,914	26,086
Cost of Sales	(17,944)	(4,502)	(27,260)	(22,286)
Gross profit	19,096	19	21,654	3,800
Other operating income	980	1,076	4,257	5,472
Administration expenses	(1,803)	(2,968)	(8,031)	(8,062)
Profit/(Loss) from operations	18,273	(1,873)	17,880	1,210
Negative goodwill	37,868	-	37,868	-
Share of profit in jointly controlled entity	1,189	3,081	21,435	19,945
Profit before taxation	57,330	1,208	77,183	21,155
Taxation	(4,035)	(2,877)	(10,474)	(8,961)
Profit after taxation	53,295	(1,669)	66,709	12,194
Earnings per share (sen)				
Basic	71.20	(2.23)	89.12	16.29
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 (37-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006

	Share capital RM'000	Non-distributable		Distributable		Total RM'000
		Share premium RM'000	Revaluation reserve RM'000	General reserve RM'000	Unappropriated profits RM'000	
Balance as at 1 April 2005	74,853	92	-	250	199,263	274,458
Arising from acquisition of subsidiary			28,468			28,468
Net profit for the period					66,709	66,709
Dividends paid					(4,940)	(4,940)
Balance as at 31 March 2006	74,853	92	28,468	250	261,032	364,695
Balance as at 1 April 2004	74,853	92	-	250	191,635	266,830
Net profit for the period					12,194	12,194
Dividends paid					(4,566)	(4,566)
Balance as at 31 March 2005	74,853	92	-	250	199,263	274,458

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 (37-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006**

	12 months ended	
	31 March 2006	31 March 2005
	RM'000	RM'000
Net cash inflow/(outflow) from operating activities	18,210	3,565
Net cash inflow/(outflow) from investing activities	(34,354)	17
Net cash inflow/(outflow) from financing activities	(4,940)	(4,566)
Net increase/(decrease) in cash and cash equivalents	(21,084)	(984)
Cash and cash equivalents at 1 April	145,543	146,527
Cash and cash equivalents at 31 March	124,459	145,543

Cash and cash equivalents comprise :

Short-term deposits	58,041	126,238
Cash and bank balances	59,028	968
Bank overdraft	(607)	(163)
Treasury unit trusts	10,697	20,000
	127,159	147,043
Pledged short-term deposits	(2,700)	(1,500)
Cash and cash equivalents	124,459	145,543

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 March 2006 other than the effects of the acquisition of a subsidiary as disclosed in Note 11.

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

There were no dividends paid during the quarter ended 31 March 2006.

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 March 2006		Year to date 12 months ended 31 March 2006	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
By business segments:				
Property development	32,676	12,002	35,538	13,829
Construction	4,184	2,334	11,434	(811)
Plantation	404	(23)	2,004	740
Investment holding	-	(845)	22,162	21,317
Share of profits in jointly controlled entity	-	1,189	-	21,435
Consolidation adjustments				
- Elimination adjustments	(224)	4,805	(22,224)	(17,195)
- Negative goodwill	-	37,868	-	37,868
	<u>37,040</u>	<u>57,330</u>	<u>48,914</u>	<u>77,183</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.

11 Changes in composition of the Group

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 Bukit Hitam Development Sdn. Bhd. ["BHD"], a jointly controlled entity of the Company, for a cash consideration of RM104 million. The acquisition was completed on 25 January 2006 and BHD became a wholly-owned subsidiary of the Company.

The cost of acquisition comprised the following:

	RM'000
Purchase consideration satisfied in cash	104,000
Costs attributable to the acquisition, paid in cash	<u>3,120</u>
Total cost of acquisition of 50% equity in BHD	<u>107,120</u>

BHD contributed the following results to the Group:

	Quarter 3 months ended 31.3.2006 RM'000	Year to date 12 months ended 31.3.2006 RM'000
Revenue	32,631	32,631
Profit for the period	<u>12,850</u>	<u>12,850</u>

If the acquisition had occurred on 1 January 2006, the Group revenue for the period from 1 January 2006 to 31 March 2006 would have been RM44.48 million and the profit for the period would have been RM55.01 million. If the acquisition were completed on 1 April 2005, total Group revenue for the financial year would have been RM143.01 million and the profit for the year would have been RM82.14 million.

The assets and liabilities arising from the acquisition are as follows:

	Fair value RM'000	BHD carrying amount RM'000
Property, plant and equipment	30,443	17,055
Land held for development	125,795	62,470
Property development costs	76,965	76,363
Inventories	4,229	2,467
Trade and other receivables	32,837	32,837
Cash and bank balances	77,755	77,755
Trade and other payables	(35,905)	(35,905)
Deferred tax liabilities	<u>(22,142)</u>	<u>-</u>
Total net assets acquired	289,977	<u>233,042</u>
Share of net assets acquired	(144,989)	
Negative goodwill arising on acquisition	<u>(37,868)</u>	
Cost of acquisition	<u>107,120</u>	

11 Changes in composition of the Group (continued)

The cash outflow on acquisition of the 50% interest in BHD is as follows:

	Year to date 12 months ended 31.3.2006 RM'000
Purchase consideration satisfied in cash	104,000
Costs attributable to the acquisition, paid in cash	<u>3,120</u>
Total cash outflow of the Company	107,120
Cash and cash equivalents of subsidiary acquired	<u>(77,755)</u>
Net cash outflow of the Group	<u>29,365</u>

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

	12 months ended 31.3.2006 RM'000
Group	
Rendering of construction services to a jointly controlled entity Bukit Hitam Development Sdn. Bhd. - progress billings certified	<u>11,209</u>

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 fourth quarter ended 31 March 2006, the Group recorded a revenue of RM37.04 million and a net profit of RM53.30 million. The results for the fourth quarter were largely contributed by the Group's core activities in property development through its acquired subsidiary, BHD. The post-acquisition revenue from BHD was RM32.63 million and the net profit for the period amounted to RM12.85 million. Negative goodwill amounting to RM37.87 million was credited to the income statements after the acquisition; in line with the Company's accounting policy and Financial Reporting Standard 3.

For the year ended 31 March 2006, revenue increased significantly by 88 percent to RM48.91 million from RM26.07 million in 2005. The net profit increased to RM66.71 million compared to RM12.19 million in 2005 primarily due to the consolidation of BHD's results and the recognition of negative goodwill.

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

For the fourth quarter ended 31 March 2006, the Group recorded an increase of RM45.63 million in profit before taxation to RM57.33 million from RM11.70 million achieved in the preceding quarter. The increase in the profit before taxation was mainly due to the consolidation of BHD's results and the recognition of negative goodwill.

17 Commentary on prospects – next financial year

The overall performance of the Group will depend substantially on the performance of the property development business units. With the completion of the acquisition of Bukit Hitam Development, the management is focusing on re-planning and developing Bandar Bukit Puchong into a premier township development. Bandar Bukit Puchong is strategically located in Puchong, within close proximity to Cyberjaya and Putrajaya, and is among the few remaining large parcels of land available for development in the southern corridor of the Klang Valley.

18 Variance of actual profit from forecast profit or profit guarantee

Not applicable.

19 Taxation

	Quarter 3 months ended 31.3.2006 RM'000	Year to date 12 months ended 31.3.2006 RM'000
Malaysian income tax	3,703	4,473
Share of taxation of jointly controlled entity	<u>332</u>	<u>6,001</u>
	<u>4,035</u>	<u>10,474</u>

The effective tax rates of Group for the periods presented are lower than the statutory tax rate principally due to effects of the recognition of negative goodwill that is not subject to tax.

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 31.3.2006 RM'000
Investment in quoted securities:	
At cost	106
At carrying value/book value	106
At market value	<u>2,241</u>

22 Corporate proposals

(a) Status of corporate proposals

There were no outstanding corporate proposals as at 24 May 2006.

(b) Status of utilisation of proceeds

Not applicable.

23 Group borrowings and debt securities

	As at 31.3.2006 RM'000
Short term borrowings:	
Secured – Bank overdrafts	607
Unsecured	<u>-</u>
	<u>607</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.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006

26 Dividend

The Board of Directors recommends the payment of a first and final dividend of 8.6 sen per share, net of tax, (2005: 6.6 sen per share, net of tax) for the financial year ended 31 March 2006 amounting to RM6.44 million. The proposed dividend is subject to approval of shareholders at the forthcoming Annual General Meeting.

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 31.3.2006	Year to date 12 months ended 31.3.2006
Net profit for the period (RM'000)	53,295	66,709
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	71.20	89.12

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 25 May 2006.