

THE AYER HITAM PLANTING SYNDICATE BERHAD (37-K)

**CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2006**

	Unaudited As at 30.09.2006 RM'000	Audited As at 31.03.2006 RM'000 (restated)
Property, plant and equipment	37,073	38,273
Investments	192	192
Investment property	3,187	3,196
Land held for property development	170,776	161,995
	<u>211,228</u>	<u>203,656</u>
Current assets		
Property development costs	12,247	28,656
Inventories	21,649	26,116
Receivables	27,517	46,492
Current tax assets	2,789	2,671
Short-term investments	20,000	10,697
Deposits, cash and bank balances	135,913	117,069
	<u>220,115</u>	<u>231,701</u>
Current liabilities		
Bank overdraft	1,334	607
Payables	28,767	41,715
Current tax liabilities	6,390	6,198
	<u>36,491</u>	<u>48,520</u>
Net current assets	183,624	183,181
Long-term liabilities		
Deferred tax liabilities	(21,897)	(22,142)
	<u>372,955</u>	<u>364,695</u>
Share capital	74,853	74,853
Reserves	298,102	289,842
Total equity attributable to equity holders of the Company	<u>372,955</u>	<u>364,695</u>
Net Assets per share (RM) *	<u>4.98</u>	<u>4.87</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 2006 and the accompanying notes.

THE AYER HITAM PLANTING SYNDICATE BERHAD (37-K)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2006

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sep 2006 RM'000	Preceding Year Quarter 30 Sep 2005 RM'000 (restated)	Current Year To Date 30 Sep 2006 RM'000	Preceding Year To Date 30 Sep 2005 RM'000 (restated)
Revenue	44,240	3,272	68,580	7,154
Cost of Sales	(28,079)	(2,394)	(42,562)	(5,576)
Gross profit	16,161	878	26,018	1,578
Other income	1,805	1,099	3,110	2,211
Administration expenses	(3,389)	(3,676)	(8,449)	(4,893)
Share of profit in jointly controlled entity	-	3,275	-	6,667
Profit before taxation	14,577	1,576	20,679	5,563
Taxation	(4,213)	(240)	(5,982)	(404)
Profit for the period	10,364	1,336	14,697	5,159
Attributable to equity holders of the Company	10,364	1,336	14,697	5,159
Earnings per share attributable to equity holders of the Company	sen	sen	sen	sen
Basic	13.84	1.78	19.63	6.89
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 2006 and the accompanying notes.

THE AYER HITAM PLANTING SYNDICATE BERHAD (37-K)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006**

	Attributable to equity holders of the Company					Total RM'000
	Share capital	Non-distributable		Distributable		
		Share premium	Revaluation reserve	General reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2006	74,853	92	28,468	250	261,032	364,695
Fair value adjustment for property sold			(315)		315	-
Profit for the period					14,697	14,697
Dividends					(6,437)	(6,437)
Balance as at 30 September 2006	74,853	92	28,153	250	269,607	372,955
Balance as at 1 April 2005	74,853	92	-	250	199,263	274,458
Profit for the period					5,159	5,159
Dividends					(4,940)	(4,940)
Balance as at 30 September 2005	74,853	92	-	250	199,482	274,677

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 2006 and the accompanying notes.

THE AYER HITAM PLANTING SYNDICATE BERHAD (37-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006**

	6 months ended	
	30 Sep 2006	30 Sep 2005
	RM'000	RM'000
Net cash inflow/(outflow) from operating activities	38,520	(2,397)
Net cash inflow/(outflow) from investing activities	(11,100)	(9,670)
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	27,420	(12,067)
Cash and cash equivalents at 1 April	124,459	145,543
Cash and cash equivalents at 30 September	151,879	133,476
Cash and cash equivalents comprise :		
Short-term deposits	115,152	115,938
Cash and bank balances	20,761	478
Bank overdraft	(1,334)	(240)
Treasury unit trusts	20,000	20,000
	154,579	136,176
Pledged short-term deposits	(2,700)	(2,700)
Cash and cash equivalents	151,879	133,476

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2006 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 2006. 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 2006.

1A Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2006 except for the adoption of the new/revised FRSs that are applicable to the Group from the financial period beginning 1 January 2006.

The adoption of the new/revised FRSs does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are as follows:

(a) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, the share of net after-tax results of jointly-controlled entity and other disclosures. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest. The presentation of minority interest is not applicable as all subsidiaries are wholly-owned by the Company.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(b) FRS 140: Investment Property

FRS 140 defines an investment property as a property held for long-term rental yield and/or for capital appreciation and is not occupied by the companies in the Group. Investment property is initially measured at cost, including direct transaction costs. The Group adopted the cost model to measure all its investment properties. Under the cost model, investment property is measured at depreciated cost less any accumulated impairment losses. As a result of the adoption of FRS 140, certain properties of the Group previously classified under property, plant and equipment are now disclosed as Investment Property; a separate line item on the face of the consolidated balance sheet within non-current assets. In line with the revised requirements of FRS 101, the comparatives are restated to conform with the current period's presentation.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2006

The effects on the comparatives resulting from the adoption of FRS 101 and FRS 140 are as follows:

Group	As previously reported RM'000	Effects on adoption of FRSs RM'000	As restated RM'000
At 31 March 2006			
Property, plant and equipment	39,907	(1,634)	38,273
Investment properties	1,562	1,634	3,196
6 months ended 30 September 2005			
Individual quarter			
Share of profits in jointly-controlled entity	4,548	(1,273)	3,275
Profit before taxation	2,849	(1,273)	1,576
Taxation	(1,513)	1,273	(240)
Cumulative			
Share of profits in jointly-controlled entity	9,259	(2,592)	6,667
Profit before taxation	8,155	(2,592)	5,563
Taxation	(2,996)	2,592	(404)

2 Auditors' Report on preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2006 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 30 September 2006.

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 30 September 2006.

8 Segmental information

	Current quarter 3 months ended 30 September 2006		Year to date 6 months ended 30 September 2006	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
By business segments:				
Property development	41,296	15,791	62,394	22,080
Construction	2,445	(148)	5,008	(255)
Plantation	749	426	1,309	685
Investment holding	6,134	5,766	8,253	7,427
Consolidation adjustments				
- Elimination adjustments	<u>(6,384)</u>	<u>(7,258)</u>	<u>(8,384)</u>	<u>(9,258)</u>
	<u>44,240</u>	<u>14,577</u>	<u>68,580</u>	<u>20,679</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 2006.

10 Subsequent events

There were no material events subsequent to the end of the current quarter.

11 Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 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 2006.

13 Capital commitments

None.

14 Significant Related Party Transactions

None.

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)

For the second quarter ended 30 September 2006, the Group recorded a revenue of RM44.24 million and a net profit of RM10.36 million. The results for the quarter and year to date were largely derived from the sales of completed residential property as well as the stage billings and profit recognized on the development projects.

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

For the second quarter ended 30 September 2006, the Group recorded an increase of RM8.48 million in profit before taxation to RM14.58 million from RM6.10 million in the preceding quarter. Residential property sales in the preceding quarter had slowed owing to the softening property market. Sales of completed units improved in the current quarter. The launch of new projects also contributed to the higher profit in the current quarter.

17 Commentary on prospects – current financial year

The overall performance of the Group will depend substantially on the performance of the property development business units. The property market in the Klang Valley is competitive and sales are expected to remain soft. Barring unforeseen circumstances, the Group expects to achieve a satisfactory set of results.

18 Variance of actual profit from forecast profit or profit guarantee

Not applicable.

19 Taxation

	Quarter 3 months ended 30.9.2006 RM'000	Year to date 6 months ended 30.9.2006 RM'000
Malaysian income tax	<u>4,213</u>	<u>5,982</u>

The effective tax rates of Group for the periods presented are marginally higher than the statutory tax rate principally due to the losses in the subsidiaries for which the group relief for tax losses is not applicable.

20 Sale of unquoted investments and/or properties

There was no sale of any unquoted investments. Properties sold were in the ordinary course of business of the Group.

21 Quoted securities

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

	As at 30.9.2006 RM'000
Investment in quoted securities:	
At cost	106
At carrying value/book value	106
At market value	<u>2,374</u>

22 Corporate proposals

(a) Status of corporate proposals

On 15 September 2006, the Company entered into a Memorandum of Understanding (MOU) with Tacorp Holdings Sdn Bhd to jointly develop about four acres of leasehold land in Mukim Sungai Karang, Daerah Kuantan, Pahang as a hotel and resort. The Company has engaged professional consultants to conduct a market and financial feasibility study on the project. Under the MOU, upon mutual agreement, both parties shall by 15 December 2006 enter into a joint venture agreement to establish a joint venture company for the proposed development.

(b) Status of utilisation of proceeds

Not applicable.

23 Group borrowings and debt securities

	As at 30.9.2006 RM'000
Short term borrowings:	
Secured – Bank overdrafts	1,334
Unsecured	<u>-</u>
	<u>1,334</u>

24 Off balance sheet financial instruments

There were no off balance sheet financial instruments as at 21 November 2006.

25 Material litigation

There were no changes in material litigation since the date of the last annual balance sheet on 31 March 2006.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2006

26 Dividend

The first and final dividend totaling RM6,437,365 for the financial year ended 31 March 2006 was approved on 21 September 2006; comprising a tax exempt dividend of 5 sen (2005: 3 sen) gross per share amounting to RM3,742,654 and a dividend of 5 sen (2005: 5 sen) gross per share less 28% tax amounting to RM2,694,711. The first and final dividend was paid on 5 October 2006.

No interim ordinary dividend has been declared for the financial period ended 30 September 2006.

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 30.9.2006	Year to date 6 months ended 30.9.2006
Net profit for the period (RM'000)	10,364	14,697
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	13.84	19.63

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 28 November 2006.