

THE AYER HITAM PLANTING SYNDICATE BERHAD (37-K)

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

	Unaudited As at 31.12.2006 RM'000	Audited As at 31.03.2006 RM'000 (restated)
Property, plant and equipment	37,084	38,273
Investments	5,192	192
Investment property	3,182	3,196
Land held for property development	171,383	161,995
	<u>216,841</u>	<u>203,656</u>
Current assets		
Property development costs	13,116	28,656
Inventories	21,198	26,116
Receivables	26,555	46,492
Current tax assets	2,276	2,671
Short-term investments	20,000	10,697
Deposits, cash and bank balances	117,834	117,069
	<u>200,979</u>	<u>231,701</u>
Current liabilities		
Bank overdraft	1,302	607
Payables	19,424	41,715
Current tax liabilities	1,379	6,198
	<u>22,105</u>	<u>48,520</u>
Net current assets	178,874	183,181
Long-term liabilities		
Deferred tax liabilities	(21,897)	(22,142)
	<u>373,818</u>	<u>364,695</u>
Share capital	74,853	74,853
Reserves	298,965	289,842
Total equity attributable to equity holders of the Company	<u>373,818</u>	<u>364,695</u>
Net Assets per share (RM) *	<u>4.99</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 NINE MONTHS ENDED 31 DECEMBER 2006

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2006 RM'000	Preceding Year Quarter 31 Dec 2005 RM'000 (restated)	Current Year To Date 31 Dec 2006 RM'000	Preceding Year To Date 31 Dec 2005 RM'000 (restated)
Revenue	9,917	4,720	78,497	11,874
Cost of Sales	(2,673)	(3,740)	(45,235)	(9,316)
Gross profit	7,244	980	33,262	2,558
Other income	1,480	1,066	4,590	3,277
Administration expenses	(4,443)	(1,335)	(12,892)	(6,228)
Share of profit in jointly controlled entity	-	7,910	-	14,577
Profit before taxation	4,281	8,621	24,960	14,184
Taxation	(3,418)	(366)	(9,400)	(770)
Profit for the period	863	8,255	15,560	13,414
Attributable to equity holders of the Company	863	8,255	15,560	13,414
Earnings per share attributable to equity holders of the Company	sen	sen	sen	sen
Basic	1.15	11.03	20.78	17.92
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 NINE MONTHS ENDED 31 DECEMBER 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					15,560	15,560
Dividends					(6,437)	(6,437)
Balance as at 31 December 2006	74,853	92	28,153	250	270,470	373,818
Balance as at 1 April 2005	74,853	92	-	250	199,263	274,458
Profit for the period					13,414	13,414
Dividends					(4,940)	(4,940)
Balance as at 31 December 2005	74,853	92	-	250	207,737	282,932

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 NINE MONTHS ENDED 31 DECEMBER 2006**

	9 months ended	
	31 Dec 2006	31 Dec 2005
	RM'000	RM'000
Net cash inflow/(outflow) from operating activities	32,752	(4,971)
Net cash inflow/(outflow) from investing activities	(16,943)	(9,681)
Net cash inflow/(outflow) from financing activities	(6,437)	(4,940)
Net increase/(decrease) in cash and cash equivalents	9,372	(19,592)
Cash and cash equivalents at 1 April	124,459	145,543
Cash and cash equivalents at 30 September	133,831	125,951
Cash and cash equivalents comprise :		
Short-term deposits	95,858	107,028
Cash and bank balances	21,975	2,543
Bank overdraft	(1,302)	(920)
Treasury unit trusts	20,000	20,000
	136,531	128,651
Pledged short-term deposits	(2,700)	(2,700)
Cash and cash equivalents	133,831	125,951

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 THIRD QUARTER ENDED 31 DECEMBER 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
9 months ended 31 December 2005			
Individual quarter			
Share of profits in jointly-controlled entity	10,987	(3,077)	7,910
Profit before taxation	11,698	(3,077)	8,621
Taxation	(3,443)	3,077	(366)
Cumulative quarter			
Share of profits in jointly-controlled entity	20,246	(5,669)	14,577
Profit before taxation	19,853	(5,669)	14,184
Taxation	(6,439)	5,669	(770)

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 31 December 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

The first and final dividend totalling RM6,437,365 for the financial year ended 31 March 2006 was paid on 5 October 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.

8 Segmental information

	Current quarter 3 months ended 31 December 2006		Year to date 9 months ended 31 December 2006	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
By business segments:				
Property development	7,632	3,632	70,026	25,712
Construction	2,470	(139)	7,478	(394)
Plantation	750	382	2,059	1,067
Investment holding	-	(473)	8,253	6,954
Consolidation adjustments	(935)	879	(9,319)	(8,379)
	<u>9,917</u>	<u>4,281</u>	<u>78,497</u>	<u>24,960</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

On 30 November 2006, the Company's wholly-owned subsidiary, Bukit Hitam Development Sdn. Bhd., acquired 2 ordinary shares of RM1.00 each representing 100% equity interest in BBP Management Services Sdn. Bhd whose intended principal activity is to provide property management services.

The Company had on 8 December 2006 acquired 2 ordinary shares of RM1.00 each representing 100% equity interest in Ayer Hitam Resorts Sdn. Bhd. ["AH Resorts"] whose intended principal activity is to build, own and operate hotels, resorts, villas and spas.

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)

In the third quarter ended 31 December 2006, the Group recorded a revenue of RM9.92 million and a net profit of RM4.28 million. Sales were generally slower towards the year end and during the festive season. The results for the year to date were largely derived from the sales of completed residential properties 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 third quarter ended 31 December 2006, the Group recorded an decrease of RM10.30 million in profit before taxation from RM14.58 million in the preceding quarter to RM4.82 million. Fewer completed units were sold compared to the previous quarter and progress billings were lower 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 31.12.2006 RM'000	Year to date 9 months ended 31.12.2006 RM'000
Malaysian income tax	<u>3,418</u>	<u>9,400</u>

The effective tax rates of Group for the periods presented are higher than the statutory tax rate principally due to the under provision for prior year's tax of RM2.47 million charged in the current quarter.

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 31.12.2006 RM'000
Investment in quoted securities:	
At cost	106
At carrying value/book value	106
At market value	<u>2,992</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. Subsequently, on 12 December 2006 the Company entered into a joint venture agreement with YAM Tengku Abdullah ibni Al-Marhum Sultan Abu Bakar to develop a luxury boutique hotel resort through AH Resorts.

(b) Status of utilisation of proceeds

Not applicable.

23 Group borrowings and debt securities

	As at
	31.12.2006
	RM'000
Short term borrowings:	
Secured – Bank overdrafts	1,302
Unsecured	-
	<u>1,302</u>

24 Off balance sheet financial instruments

There were no off balance sheet financial instruments as at 22 December 2006.

25 Material litigation

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

26 Dividend

No interim ordinary dividend has been declared for the financial period ended 31 December 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 31.12.2006	Year to date 9 months ended 31.12.2006
Net profit for the period (RM'000)	863	15,560
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	1.15	20.78

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 February 2007.