

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**1 Accounting Policies and Method of Computation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the year ended 30 June 2009.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual audited financial statements for the financial year ended 30 June 2009.

**2 Audit Report**

The auditors’ report on preceding year’s annual financial statements of the Company and of the Group was not qualified.

**3 Seasonal or Cyclical Factors**

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

**4 Unusual Items**

There were no material items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

**5 Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**6 Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter.

**7 Dividend Paid**

There were no dividends paid during the quarter under review.

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**8 Segmental Reporting**

a) Analysis by business segments for the quarter ended 30 September 2009:

	Property Development	Property Investment	Construction & Project Management	Investment Holding	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
External Sales	73,439	124	4,913	27	1,214		79,717
Internal Sales	-	234	35,826	1,166	-	(37,226)	-
	<u>73,439</u>	<u>358</u>	<u>40,739</u>	<u>1,193</u>	<u>1,214</u>	<u>(37,226)</u>	<u>79,717</u>
<b>Results</b>							
Segmental operating profit/(loss)	6,909	71	802	(751)	773	1,273	9,077
Profit before tax							8,500
Income tax expense							(2,095)
Net profit for the period							<u>6,405</u>

b) Analysis by business segments for the quarter ended 30 September 2008:

	Property Development	Property Investment	Construction & Project Management	Investment Holding	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
External Sales	34,549	124	61,349	-	4		96,026
Internal Sales	-	90	37,543	1,114	-	(38,747)	-
	<u>34,549</u>	<u>214</u>	<u>98,892</u>	<u>1,114</u>	<u>4</u>	<u>(38,747)</u>	<u>96,026</u>
<b>Results</b>							
Segmental operating profit/(loss)	(1,203)	393	6,514	(789)	(21)	(1,645)	3,249
Profit before tax							2,069
Income tax expense							(825)
Net profit for the period							<u>1,244</u>

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**9 Revaluation of Property, Plant and Equipment**

The valuation of property, plant and equipment has been brought forward without any amendments from the annual financial statements for the financial year ended 30 June 2009.

**10. Material Events Subsequent to the end of the Reporting Period**

There were no material events subsequent to the current quarter ended 30 September 2009 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

**11 Changes in the Composition of the Group**

- i) On 20 March 2009 and 30 March 2009, Silver Setup Sdn Bhd (“SSSB”), a wholly-owned subsidiary of Malton Berhad, entered in two agreements with the existing shareholders of Perak Fruits & Development Corporation Sdn Bhd (“PFDC”) to acquire 1,274,000 ordinary shares of RM1.00 each representing the remaining 49% equity interest in PFDC for a total cash consideration of RM6,306,300. The acquisition was completed as of 30 September 2009 and PFDC became a wholly-owned subsidiary of SSSB.
- ii) On 8 October 2008, Malton Berhad entered into a Shares Sale Agreement with Southcon Builders Sdn Bhd (“SBSB”) for the acquisition of the entire issued and paid-up share capital of Austin Heights Sdn Bhd (“AHSB”) comprising 5,000,000 ordinary shares of RM1.00 each for cash consideration of RM103,000,000.

On 29 September 2009, Malton Berhad entered into a Supplemental Agreement with SBSB which revises the said acquisition to 20% of the total issued and paid-up share capital of AHSB for a cash consideration of RM20,600,000. On 29 September 2009, the purchase consideration was fully settled and accordingly, AHSB became an associated company of Malton Berhad.

**12 Contingent Liabilities**

As at this reporting date, the Group does not have any contingent liabilities, other than:-

- a) Corporate guarantee and indemnity not exceeding RM999,099 given to financial institutions for credit facilities granted to joint venture partners of certain subsidiary companies.
- b) A bank guarantee of up to RM1.35 million for the due performance and completion of the proposed construction work at Lutheran Bible Institute.
- c) Legal claim of RM841,000 filed by a third party against a subsidiary company for alleged damages to a third party’s building during the construction project.

**13 Capital Commitments**

The outstanding capital commitments as at the end of the current quarter are as follows:

	RM’000
Purchase of land	69,162
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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**1 Review of Performance**

Group revenue decreased by 17.0% to RM79.7 million for the current quarter as compared to RM96.0 million reported in the previous corresponding quarter while pre-tax profit improved by 304.8% to RM8.5 million for the current quarter from RM2.1 million reported in the previous corresponding quarter. Revenue from the property development division improved as compared to the previous corresponding quarter resulting from revenue recognition from on-going projects while total revenue from construction and project management division declined as compared to the previous corresponding quarter due to projects completion. The improved Group's profit was attributed to good take-up rates of the Group's on-going projects such as Amaya Saujana, Pearl Villas, and Bayu Villas. These projects are already in advance stages of construction.

**2 Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

Group revenue decreased to RM79.7 million for the current quarter as compared to RM104.1 million for the immediate preceding quarter. The decrease was mainly attributed to lower billings from construction and project management division. The Group recorded a pre-tax profit of RM8.5 million for the current quarter as compared to the pre-tax profit of RM4.0 million for the immediate preceding quarter. The higher profit achieved for the current quarter was mainly attributed to improved contributions from the property development division and the positive effects of costs containment measures undertaken by the Group. There is also an excess of net assets over cost of acquisition of remaining interest in an indirect subsidiary company of RM1.5 million. In addition, the Group realized a gain of RM0.69 million from the sale of quoted investment during the current quarter.

**3 Prospects for the current Financial Year Ending 30 June 2010**

The acquisition of 20% equity interest in Austin Heights Sdn Bhd completed at the end of the quarter is expected to contribute to the medium and long term profitability of the Group. With the various measures undertaken by the Government to boost the economy, the demand for properties has improved during the quarter. Nevertheless, the operating environment especially the property and construction sector remains challenging. Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the current financial year ending 30 June 2010.

**4 Profit Forecast or Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee for the financial year under review.

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**5 Taxation**

Details of taxation are as follows: -

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Year Quarter 30.09.2009 RM'000	Preceding Year Corresponding Quarter 30.09.2008 RM,000	Current Year To-Date 30.09.2009 RM'000	Preceding Year Corresponding Year To-Date 30.09.2008 RM'000
Current taxation	1,145	825	1,145	825
Under provision in prior year	-	-	-	-
Deferred taxation	950	-	950	-
	<u>2,095</u>	<u>825</u>	<u>2,095</u>	<u>825</u>

The effective tax rate for the current quarter is higher than the statutory tax rate due to the incurrence of certain expenses that are not deductible for tax purposes and losses incurred by certain subsidiary companies which do not qualify for group relief.

**6 Profits /(Loss) on Sale of Unquoted Investments and/or Properties**

There was no disposal of unquoted investment and/or properties for the quarter under review.

**7 Purchases or Disposals of Quoted Securities**

Details of purchases and disposal of quoted securities by the Group for the current financial quarter under review are as follows:-

	<b>Current Year Quarter 30.9.2009 RM'000</b>	<b>Current Year To-Date 30.9.2009 RM'000</b>
Total purchases at cost	3,734	3,734
Disposal proceeds	1,851	1,851
Net gain on disposal	691	691
	<u>=====</u>	<u>=====</u>

Details of investments in quoted securities as at end of current financial quarter are as follows:-

	<b>As at 30.9.2009 RM'000</b>
Total investments at cost	2,574
Total investments at carrying value	2,574
Total investments at market value	4,098
	<u>=====</u>

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**8 Status of Corporate Proposals**

There is no outstanding corporate proposal for the Group.

**9 Borrowings and Debt Securities**

The Group's borrowings and debt securities as at the end of the quarter are as follows:

	Total RM'000
Revolving Credits	14,795
Bank Overdrafts	41,594
Term Loans	124,307
Bridging Loans	7,123
Hire Purchase Payables	2,079
Total	<u>189,898</u>
Repayment due within next 12 months	<u>73,811</u>
Repayment due after 12 months	<u>116,087</u>

All borrowings are denominated in Ringgit Malaysia and are fully secured except for RM30,000,000 term loan which is unsecured.

**10 Off Balance Sheet Financial Instruments**

There were no off balance sheet arrangements entered into nor were there any off balance sheet financial instruments issued as at the date of this report.

**11 Material Litigation**

There is no pending material litigation as at the date of this announcement.

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**12 Financial Assistance**

**a) Details of financial assistance**

Pursuant to Paragraphs 8.23(1)(ii) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial assistance provided by the Group during the year is set out as follows:

Type of financial assistance	Involved parties	Nature of relationship	Balance as at 1 July 2009 RM	Net movement for the period RM	Balance as at 30 September 2009 RM
Malton Berhad - Corporate Guarantee	Malton Berhad issued Corporate Guarantee ("CG") in favour of Malayan Banking Berhad in consideration of the Bank granting a Term Loan Facility of RM28,000,000 to Darul Omni Sdn. Bhd. ("DOSB").  The CG was provided pursuant to the Joint Venture to develop the land.	Ehsan Armada Sdn Bhd a wholly owned subsidiary company of Malton Bhd, entered into a Joint Venture Agreement with DOSB, the land owner of a piece of leasehold land, to jointly develop the said piece of land in Puchong.	2,597,646	(2,107,172)	490,474
Malton Berhad - Corporate Guarantee	Malton Berhad issued Corporate Guarantee ("CG") in favour of Alliance Bank Malaysia Berhad in consideration of the Bank granting Loan Facilities totalling RM15,081,800 to Altiara Capital Sdn. Bhd. ("ACSB").  The CG was provided pursuant to the Joint Venture to develop the land.	Asia-Condo Corporation Sdn Bhd an indirect wholly owned subsidiary company of Malton Bhd, entered into a Joint Venture Agreement with ACSB, the land owner of a piece of freehold land, to jointly develop the said piece of land in Section 16, Petaling Jaya.	1,289,520	(780,895)	508,625
		<b>TOTAL</b>	<b>3,887,166</b>	<b>(773,175)</b>	<b>999,099</b>

The Board of Directors is of the opinion that the abovementioned financial assistance transactions are fair and reasonable and are in the best interests of the Group.

**b) Financial Effects**

The financial assistance provided during the quarter will not have any material effect on the earnings, net tangible assets and the liquidity of the Group for the financial year ending 30 June 2010.

**13 Dividend**

No interim dividend has been recommended for the financial period ended 30 September 2009.

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**14 Earnings per Share**

**Basic**

The basic earnings per ordinary share of the Group has been calculated based on the Group's profit attributable to equity holders of the Company of RM6,405,000 and on the number of ordinary shares in issue and ranking for dividend of 348,352,928 during the quarter.

**Fully Diluted**

Under FRS 133 on Earnings Per Share, the options pursuant to the Employee Shares Option Scheme has no dilutive effect as the exercise price of the options is above the average market value of the Company's shares during the quarter ended 30 September 2009.

	Current Quarter 30/09/09	Preceding Year Corresponding Qtr 30/09/08	Current Year To Date 30/09/09	Preceding Year to Date 30/09/08
Profit attributable to equity holders of the Company (RM'000)	6,405	1,210	6,405	1,210
Weighted average number of shares in issue ('000)				
- basic	348,353	348,353	348,353	348,353
- fully diluted	N/A	N/A	N/A	N/A
Basic earnings per share (sen)	1.84	0.35	1.84	0.35
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A