

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2008**

**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 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 2008.

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 2008.

As at the date of this report, the Group has not applied FRS 139 Financial Instruments: Recognition and Measurement which is effective for accounting periods beginning on or after 1 January 2010. This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group will apply this standard when it becomes effective.

**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 6 months ended 31 December 2008:

	Property Development RM'000	Property Investment RM'000	Construction & Project Management RM'000	Investment Holding RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>							
External Sales	55,782	431	171,187	-	2,254		229,654
Internal Sales	-	546	68,694	1,969	-	(71,209)	-
	<u>55,782</u>	<u>977</u>	<u>239,881</u>	<u>1,969</u>	<u>2,254</u>	<u>(71,209)</u>	<u>229,654</u>
<b>Results</b>							
Segmental operating profit/(loss)	(2,382)	825	13,576	(1,390)	183	(2,908)	7,904
Profit before tax							5,419
Income tax expense							(1,937)
Net profit for the period							<u>3,482</u>

b) Analysis by business segments for 6 months ended 31 December 2007:

	Property Development RM'000	Property Investment RM'000	Construction & Project Management RM'000	Investment Holding RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>							
External Sales	53,140	356	143,141	-	41		196,678
Internal Sales	-	390	11,446	3,210	-	(15,046)	-
	<u>53,140</u>	<u>746</u>	<u>154,587</u>	<u>3,210</u>	<u>41</u>	<u>(15,046)</u>	<u>196,678</u>
<b>Results</b>							
Segmental operating profit/(loss)	(2,141)	202	12,154	(660)	(98)	(2,198)	7,259
Profit before tax							3,891
Income tax expense							(2,493)
Net profit for the period							<u>1,398</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 2008.

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

There were no material events subsequent to the current quarter ended 31 December 2008 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**

There were no material changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings and discontinued operations for the Group for the quarter under review.

**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 RM10.9 million given to financial institutions for credit facilities granted to joint venture partners of certain subsidiary companies.
- b) A bank guarantee of up to RM5.6 million for the due performance and completion of the proposed construction work at Lutheran Bible Institute.
- c) Legal claim of RM1.3 million filed by a third party against a subsidiary company for disputed outstanding sum in respect of work done as a sub-contractor, and the subsidiary has filed its defense together with a counter claim.

**13 Capital Commitments**

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

	RM'000
Approved and contracted for:	
Proprietor's entitlement	64,482
Purchase of lands	10,022
	<u>74,504</u>

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**1 Review of Performance**

The Group's revenue increased by 45.9% to RM133.6 million for the current quarter as compared to RM91.6 million reported in the previous corresponding quarter while the pre-tax profit increased by 100.0% to RM3.4 million for the current quarter from RM1.7 million reported in the previous corresponding quarter. Revenue from the property development division decreased marginally as compared to the previous corresponding quarter due to lower billings while total revenue from construction and project management division improved as compared to the previous corresponding quarter. The overall improved Group's results were attributed to higher

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profit contribution from construction and project management division as a result of higher revenue and improved margin.

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

The Group's revenue increased 39.2% to RM133.6 million for the current quarter as compared to RM96.0 million for the immediate preceding quarter. The increased was contributed by higher billings from construction and project management division while revenue from property development division dropped marginally. The Group recorded a pre-tax profit of RM3.4 million for the current quarter as compared to the pre-tax profit of RM2.1 million for the immediate preceding quarter. The higher profit achieved for the current quarter was due to higher recognition of income and improved margin from construction and project management division coupled with the on-going cost control measures undertaken by the Group.

**3 Prospects for the current Financial Year Ending 30 June 2009**

The on-going development projects of the Group namely, Amaya Saujana, V Square, Pearl Villas and Bayu Villas, together with the on-going construction & project management contracts are expected to contribute positively to the earnings of the Group for the financial year ending 30 June 2009. The construction and property markets are expected to remain challenging for the forthcoming period as a result of the current global financial crises and economic uncertainties. Bearing any unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the current financial year ending 30 June 2009.

**4 Profit Forecast or Profit Guarantee**

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

**5 Taxation**

Details of taxation are as follows: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	31.12.2008 RM'000	31.12.2007 RM,000	31.12.2008 RM'000	31.12.2007 RM'000
Current taxation	1,112	1,598	1,937	2,793
Under provision in prior year	-	-	-	-
Deferred taxation	-	-	-	(300)
	<u>1,112</u>	<u>1,598</u>	<u>1,937</u>	<u>2,493</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.

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**7 Purchases or Disposals of Quoted Securities**

There were no purchases and/or disposals of quoted securities during the quarter under review.

**8 Status of Corporate Proposals**

On 8 October 2008, Malton Berhad entered into a Shares Sale Agreement (“SSA”) 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.

The SSA of AHSB is conditional upon the approval of the Foreign Investment Committee for the acquisition which was obtained on 24 November 2008. The acquisition will be completed upon payment of the balance of the purchase consideration.

Save as mentioned above, there is no other 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	17,500
Bank Overdrafts	46,765
Term Loans	122,496
Bridging Loans	8,540
Hire Purchase Payables	5,151
Total	<u>200,452</u>
Repayment due within next 12 months	<u>63,868</u>
Repayment due after 12 months	<u>136,584</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 Bursa Malaysia Securities Berhad Listing Requirements, 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 30 June 2008 RM	Net movement for the period RM	Balance as at 31 December 2008 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.	28,000,000	-	28,000,000
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 RM16,699,510 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.	16,699,510	-	16,699,510
		<b>TOTAL</b>	<b>44,699,510</b>	<b>-</b>	<b>44,699,510</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 2009.

**13 Dividend**

No interim dividend has been recommended for the financial period ended 31 December 2008.

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**14 Earnings per Share**

**Basic**

The basic earnings per ordinary share of the Group for the current quarter and current year-to-date has been calculated based on the Group's loss attributable to equity holders of the parent of RM2.3 million and RM3.6 million respectively 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 31 December 2008.

	Current Quarter 31/12/08	Preceding Year Corresponding Qtr 31/12/07	Current Year To Date 31/12/08	Preceding Year to Date 31/12/07
Profit attributable to equity holders of the Company (RM'000)	2,347	123	3,609	1,404
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)	0.67	0.04	1.04	0.40
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A