

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 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 2007.

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 2007 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for the financial period beginning 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 124	Related Party Disclosures
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
	Amendments to FRS 121: The effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation.

The adoption of the above FRS and Amendments does not have significant financial impact on the Group.

As at the date of this report, the Group has not applied FRS 139 Financial Instruments: Recognition and Measurement as the effective date is yet to be determined by Malaysian Accounting Standards Board. 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.

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**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.

**8 Segmental Reporting**

a) Analysis by business segments for the year ended 30 June 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	93,480	690	300,519	-	78		394,767
Internal Sales	-	570	36,374	10,478	-	(47,422)	-
	<u>93,480</u>	<u>1,260</u>	<u>336,893</u>	<u>10,478</u>	<u>78</u>	<u>(47,422)</u>	<u>394,767</u>
<b>Results</b>							
Segmental operating profit/(loss)	(3,986)	243	11,825	4,622	(858)	(7,273)	4,573
Loss before tax							(355)
Income tax expense							(2,756)
Net loss for the year							<u>(3,111)</u>

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b) Analysis by business segments for the year ended 30 June 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	125,236	713	429,931	-	(346)	-	555,535
Internal Sales	-	780	78,376	12,872	-	(92,028)	-
	<u>125,236</u>	<u>1,493</u>	<u>508,307</u>	<u>12,872</u>	<u>(346)</u>	<u>(92,028)</u>	<u>555,535</u>
<b>Results</b>							
Segmental operating profit/(loss)	1,505	338	9,925	6,006	(320)	(4,839)	12,615
Profit before tax							8,468
Taxation							(3,798)
Net profit for the year							<u>4,670</u>

**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 2007.

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

There were no material events subsequent to the current quarter ended 30 June 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 RM22.6 million given to financial institutions for credit facilities granted to joint venture partners of certain subsidiary companies.
- b) A bank guarantee of up to RM8.2 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.

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**13 Capital Commitments**

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

	RM'000
Approved and contracted for purchase of lands	10,022
Proprietors' entitlement	64,482
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**14 Related Party Transactions**

Transactions with directors and key management personnel of the Company and subsidiary companies for the financial year are as follows:

	RM'000
a) Sale of development properties to a director of the Company	2,165
b) Sale of development properties to key management personnel	2,798
c) Sale of development properties to family member of a director of the Company	1,870
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**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 declined by 28.9% to RM394.8 million for the current financial year compared to RM555.5 million reported in the previous financial year, with pre-tax loss of RM0.4 million and pre-tax profit of RM8.5 million respectively. Both the major contributors to revenue, namely the property development division and construction and project management division, recorded lower revenue compared to the previous financial year. The decline in revenue was attributed to development projects launched during the year which were still in their initial stages of development. Revenue from construction and project management division decreased, mainly due to the completion of certain major projects during the current financial year. The decline in earnings for the financial year was mainly attributed to the drop in revenue coupled with reduction in margins arising from costs escalations as a result of higher construction and energy costs while additional investment in marketing and promotion costs were incurred for newly launched projects. In addition, the Group has made provisions for impairment loss arising from write down of inventories and development expenditures totaling RM7.1 million during the financial year. The Group also recorded a gain of RM2.9 million from the disposal of an investment property.

The Group's revenue declined by 41.1% to RM117.0 million for the current quarter as compared to RM198.5 million reported in the previous corresponding quarter while the Group incurred a pre-tax loss of RM5.1 million for the current quarter as compared to a pre-tax profit of RM5.1 million reported in the previous corresponding quarter.

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

The Group's revenue increased to RM117.0 million for the current quarter as compared to RM81.1 million for the immediate preceding quarter. The increase was mainly attributed to higher billings from construction and project management division. The Group recorded a pre-tax loss of RM5.1 million for the current quarter as compared to the pre-tax profit of RM0.9 million for the immediate preceding quarter. The loss was mainly due to provision for impairment loss arising from write down of inventories and development expenditures totaling RM7.1 million, additional marketing and promotion costs incurred for newly launched projects incurred and off-set against a gain of RM2.9 million arising from the disposal of an investment property.

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

During the current financial year, the Group has launched certain new projects such as Amaya Saujana, V Square, Pearl Villas and Bayu Villas. These projects are expected to contribute positively to the earnings of the Group for the financial year ending 30 June 2009. However, the significant increase in the fuel prices and energy costs and rising building material costs, coupled with the effects of the global credit crises, have diluted the margins for these projects. In order to mitigate these industry risks, the Group is taking various proactive measures to counter such effects. Notwithstanding the above, the Board of Directors envisages the Group to achieve satisfactory results for the next 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 30.06.2008 RM'000	Preceding Year Corresponding Quarter 30.06.2007 RM,000	Current Year To-Date 30.06.2008 RM'000	Preceding Year Corresponding Year To-Date 30.06.2007 RM'000
Current taxation	791	3,208	4,498	5,167
Under provision in prior year	-	43	(232)	134
Deferred taxation	(552)	(503)	(1,510)	(1,503)
	(218)	2,748	2,756	3,798

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**

There were no corporate proposals announced but not completed as of the date of this report.

**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)
Bank Overdrafts	59,715
Term Loans	121,535
Bridging Loans	8,119
Hire Purchase Payables	6,638
Total	<u>196,007</u>
Repayment due within next 12 months	<u>92,835</u>
Repayment due after 12 months	<u>103,172</u>

All borrowings are denominated in Ringgit Malaysia and are fully secured.

**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 to the Group 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 2007 (RM)	Net movement for the year (RM)	Balance as at 30 June 2008 (RM)
Performance Bond (Bank Guarantee)	Pembinaan Gapadu Sdn Bhd ("PGSB"), a wholly owned subsidiary of Malton, pledged a fixed deposit of RM214,994.20 and a Banker Guarantee provided by the sub-contractor, Putra Perdana Construction Sdn Bhd of RM864,487.50 to a financial institution to issue a Performance Bond in favour of Majlis Bandaraya Shah Alam for the benefit of Tegap Dinamik Sdn Bhd ("TDSB") in connection with a construction contract.	TDSB is the main contractor of PGSB.	1,079,482	(1,079,482)	-
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>29,079,482</b>	<b>15,620,028</b>	<b>44,699,510</b>

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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 ended 30 June 2008.

**13 Dividend**

No interim dividend has been recommended for the financial year ended 30 June 2008.

**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 RM6.2 million and RM4.6 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 and year ended 30 June 2008.

	Current Quarter 30/06/08	Preceding Year Corresponding Qtr 30/06/07	Current Year To Date 30/06/08	Preceding Year to Date 30/06/07
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(6,222)	2,473	(4,647)	3,372
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)	(1.79)	0.71	(1.33)	0.97
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A