

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 six months ended 31 December 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
Revenue							
External Sales	163,510	352	30,155	54	1,934		196,005
Internal Sales	-	468	63,980	29,816	-	(94,264)	-
	<u>163,510</u>	<u>820</u>	<u>94,135</u>	<u>29,870</u>	<u>1,934</u>	<u>(94,264)</u>	<u>196,005</u>
Results							
Segmental operating profit/(loss)	26,462	124	7,697	57,298	12,804	(82,619)	21,766
Profit before tax							19,037
Income tax expense							(6,160)
Net profit for the period							<u>12,877</u>

b) Analysis by business segments for the six months ended 31 December 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
Revenue							
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>
Results							
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>

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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 31 December 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

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) A bank guarantee of up to RM1.35 million for the due performance and completion of the proposed construction work at Lutheran Bible Institute.
- b) 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	72,406
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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 13.0% to RM116.3 million for the current quarter as compared to RM133.6 million reported in the previous corresponding quarter while pre-tax profit improved by 208.8% to RM10.5 million for the current quarter from RM3.4 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 completion of sizable external project in mid 2009. The improved Group's profit was attributed to good take-up rates of the Group's on-going projects such as Amaya Saujana and achievement of nearly 100% sale from Pearl Villas and Bayu Villas which were completed at the end of the quarter. Further to the completion of the acquisition of 20% equity interest in Austin Heights Sdn Bhd ("AHSB") at the end of previous quarter, the Group recognized its maiden share of results in AHSB amounting to RM0.5 million in the current quarter.

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

Group revenue increased to RM116.3 million for the current quarter as compared to RM79.7 million for the immediate preceding quarter. The increase was mainly attributed to higher billings from both property development and construction divisions. The significant increase from construction division was contributed by the completion of Carrefour Hypermarket Project in Bukit Rimau at the end of the quarter at a record time of 5 months. The Group recorded a pre-tax profit of RM10.5 million for the current quarter as compared to the pre-tax profit of RM8.5 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 of which Pearl Villas and Bayu Villas have achieved nearly 100% sale and handed over to the purchasers during the quarter. Contributions from the construction division also improved arising mainly from the completion of the Carrefour Hypermarket Project. The Group also recognised its maiden share of results in AHSB with a pre-tax profit of RM0.5 million.

3 Prospects for the current Financial Year Ending 30 June 2010

Further to the re-introduction of Real Properties Gains Tax (“RPGT”) under the 2010 budget, the Government has on December 2009 announced the amendment to the RPGT, where the 5% tax would now only be imposed on properties sold within five years of the date of purchase would augur well for the property industry. The demand for properties continued to improve during the quarter under review in line with the economic recovery. Nevertheless, the operating environment especially the property and construction sectors remain 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.

5 Taxation

Details of taxation are as follows: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2009 RM'000	Preceding Year Corresponding Quarter 31.12.2008 RM,000	Current Year To-Date 31.12.2009 RM'000	Preceding Year Corresponding Year To-Date 31.12.2008 RM'000
Current taxation	3,615	1,112	4,760	1,937
Under provision in prior year	-	-	-	-
Deferred taxation	450	-	1,400	-
	<u>4,065</u>	<u>1,112</u>	<u>6,160</u>	<u>1,937</u>

The effective tax rate for the current quarter and current year to-date is higher than the statutory tax rate due to the incurrence of certain expenses that are not deductible for tax purposes.

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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:-

	Current Year Quarter 31.12.2009 RM'000	Current Year To-Date 31.12.2009 RM'000
Total purchases at cost	-	3,734
Disposal proceeds	959	2,798
Net gain on disposal	113	804
	<u>=====</u>	<u>=====</u>

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

	As at 31.12.2009 RM'000
Total investments at cost	1,719
Total investments at carrying value	1,719
Total investments at market value	1,913
	<u>=====</u>

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	12,185
Bank Overdrafts	27,993
Term Loans	116,267
Bridging Loans	3,738
Hire Purchase Payables	1,795
Total	<u>161,978</u>
Repayment due within next 12 months	<u>55,428</u>
Repayment due after 12 months	<u>106,550</u>

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

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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.

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 31 December 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	(2,597,646)	-
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 Altira 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	(1,289,520)	-
		TOTAL	3,887,166	(3,887,166)	-

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.

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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 31 December 2009.

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 profit attributable to equity holders of the parent of RM6.5 million and RM12.9 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 2009.

	Current Quarter 31/12/09	Preceding Year Corresponding Qtr 31/12/08	Current Year To Date 31/12/09	Preceding Year to Date 31/12/08
Profit attributable to equity holders of the Company (RM'000)	6,472	2,347	12,877	3,609
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)	1.86	0.67	3.70	1.04
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A