

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2010**

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 nine months ended 31 March 2010:

	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	222,329	691	35,865	81	1,934		260,900
Internal Sales	-	702	92,520	31,635	-	(124,857)	-
	<u>222,329</u>	<u>1,393</u>	<u>128,385</u>	<u>31,716</u>	<u>1,934</u>	<u>(124,857)</u>	<u>260,900</u>
Results							
Segmental operating profit/(loss)	35,272	343	7,947	56,303	12,373	(82,464)	29,774
Profit before tax							25,336
Income tax expense							(8,183)
Net profit for the period							<u>16,523</u>

b) Analysis by business segments for the nine months ended 31 March 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	82,978	371	227,166	211	2,817		313,543
Internal Sales	-	270	95,819	3,639	-	(99,728)	-
	<u>82,978</u>	<u>641</u>	<u>322,985</u>	<u>3,850</u>	<u>2,817</u>	<u>(99,728)</u>	<u>313,543</u>
Results							
Segmental operating profit/(loss)	3,875	569	12,233	564	363	(6,494)	11,110
Profit before tax							7,799
Income tax expense							(3,279)
Net profit for the period							<u>4,520</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 March 2010 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 except for the following:-

On 16 March 2010, Kumpulan Gapadu Sdn Bhd (“KGSB”), a wholly-owned subsidiary of Malton Berhad, acquired 51 Ordinary Shares of RM1.00 each, representing 51% of the issued and paid-up share capital of Pioneer Haven Sdn Bhd (“PHSB”) for a cash consideration of RM51.00. On 17 March 2010, KGSB acquired the remaining 49 Ordinary Shares of RM1.00 each, representing 49% of the issued and paid-up share capital of PHSB for a cash consideration of RM49.00 resulting in PHSB becoming a wholly-owned subsidiary.

12 Contingent Liabilities

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

- a) 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	73,175
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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 22.6% to RM64.9 million for the current quarter as compared to RM83.9 million reported in the previous corresponding quarter while pre-tax profit improved by 162.5% to RM6.3 million for the current quarter from RM2.4 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 due to higher contributions from the Group's property division which has a higher margin as compared to the construction and project management division. 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 the share of results in AHSB amounting to RM0.3 million in the current quarter.

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

Group revenue decreased to RM64.9 million for the current quarter as compared to RM116.3 million for the immediate preceding quarter. The decrease was mainly attributed to lower billings from both property development and construction divisions. The Group recorded a pre-tax profit of RM6.3 million for the current quarter as compared to the pre-tax profit of RM10.5 million for the immediate preceding quarter. The lower profit achieved for the current quarter was mainly attributed to completion of Pearl Villas and Bayu Villas which were handed over to the purchasers in the previous quarter. Contributions from the construction division also reduced due to the completion of the Carrefour Hypermarket Project in previous quarter.

3 Prospects for the current Financial Year Ending 30 June 2010

During the quarter under review, the Group continued to register favourable take-up rates for the launched projects. 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.

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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
	31.3.2010 RM'000	31.3.2009 RM,000	31.3.2010 RM'000	31.3.2009 RM'000
Current taxation	2,672	319	7,432	2,256
Under/(Over) provision in prior year	(19)	423	(19)	423
Deferred taxation	-	600	1,400	600
	<u>2,653</u>	<u>1,342</u>	<u>8,813</u>	<u>3,279</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.

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 31.3.2010 RM'000	Current Year To-Date 31.3.2010 RM'000
Total purchases at cost	-	3,734
Disposal proceeds	-	2,798
Net gain on disposal	-	804
	=====	=====

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

	As at 31.3.2010 RM'000
Total investments at cost	1,719
Total investments at carrying value	1,384
Total investments at market value	1,384
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8 Status of Corporate Proposals

There is no outstanding corporate proposal for the Group.

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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	10,740
Bank Overdrafts	22,147
Term Loans	114,702
Bridging Loans	3,738
Hire Purchase Payables	1,547
Total	<u>152,874</u>
Repayment due within next 12 months	<u>59,206</u>
Repayment due after 12 months	<u>93,668</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 except for the following:

On 29 April 2010, Ho Hup Construction Company Berhad ("Plaintiff") had served a legal suit filed in the Kuala Lumpur High Court ("Court") in respect of the Joint Development Agreement dated 16 March 2010 entered into by Pioneer Haven Sdn Bhd ("PHSB"), a wholly-owned subsidiary of Malton Berhad with Bukit Jalil Development Sdn Bhd ("JDA") on PHSB amongst others, seeking inter alia, a declaration that the JDA is void and to expunge the private caveat lodged by PHSB pursuant to the JDA on a piece of land held by Bukit Jalil Development Sdn Bhd under individual title Geran 42277, Lot No. 36101, Mukim of Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan.

An injunction application which was also filed by the Plaintiff was heard on 5 May 2010, and the judge granted an interim order restraining PHSB from acting on the JDA. The inter-parte injunction application is fixed for hearing on 17 & 18 June 2010 and allowed PHSB to file and serve the affidavit in reply within 14 days i.e. by 19 May 2010.

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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 31 March 2010 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 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	(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.

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 March 2010.

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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 profit attributable to equity holders of the parent of RM3.6 million and RM16.5 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 March 2010.

	Current Quarter 31.3.2010	Preceding Year Corresponding Qtr 31.3.2009	Current Year To Date 31.3.2010	Preceding Year to Date 31.3.2009
Profit attributable to equity holders of the Company (RM'000)	3,646	1,048	16,523	4,657
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)	1.05	0.30	4.74	1.34
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A