

**MALTON**

**Malton Berhad**

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT**  
**30 JUNE 2011**

# MALTON BERHAD

(Company No: 320888-T)

## Interim Financial Report – 30 JUNE 2011

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## MALTON BERHAD

(Company No : 320888-T)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2011  
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.6.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2010 RM'000	CURRENT YEAR TO DATE 30.6.2011 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30.6.2010 RM'000
Revenue	167,935	86,020	462,392	346,920
Operating Expenses	(132,652)	(75,995)	(370,226)	(311,518)
Other Operating Income	1,734	1,033	10,505	5,131
Finance Costs	(1,236)	(1,326)	(5,201)	(6,288)
Share in Results of Associated Companies	(2,452)	752	537	1,575
Profit before Taxation	33,329	10,484	98,007	35,820
Taxation	(6,516)	(4,940)	(25,458)	(13,753)
Net Profit for the Year	26,813	5,544	72,549	22,067
<b>Attributable to:</b>				
Equity Holders of the Company	26,813	5,544	72,549	22,067
Non-Controlling Interests	-	-	-	-
Net Profit for the Year	26,813	5,544	72,549	22,067
<b>Earnings per Share Attributable to Equity Holders of the Company (Sen)</b>				
Basic	7.70	1.59	20.83	6.33
Fully Diluted	6.41	1.33	17.36	5.28

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)*

## MALTON BERHAD

(Company No : 320888-T)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2011

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.6.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2010 RM'000	CURRENT YEAR TO DATE 30.6.2011 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30.6.2010 RM'000
Net Profit for the Year	26,813	5,544	72,549	22,067
Other comprehensive income/(loss):	-	-	-	-
Total comprehensive income for the year	26,813	5,544	72,549	22,067
<b>Total Comprehensive Income Attributable to:</b>				
Equity Holders of the Company	26,813	5,544	72,549	22,067
Non-Controlling Interests	-	-	-	-
	26,813	5,544	72,549	22,067

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)*

**MALTON BERHAD**  
(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30.6.2011</b>	<b>30.06.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	10,554	18,822
Investment Properties	76,097	21,645
Land held for Property Development	219,869	133,535
Investment in Associated Companies	22,712	22,175
Other Investments	551	1,456
Deferred Tax Assets	4,876	4,439
Other Receivable	20,774	8,000
	<u>355,433</u>	<u>210,072</u>
<b>Current Assets</b>		
Property Development	136,687	214,726
Inventories	39,343	61,558
Trade Receivables	95,874	68,459
Available-for-sale financial assets	1,344	-
Accrued Billings	56,286	61,341
Amount Owing by Contract Customers	726	-
Other Receivables and Prepaid Expenses	45,301	51,438
Tax recoverable	5,007	570
Fixed Deposits with Licensed Banks	17,260	3,961
Cash and Bank Balances	207,155	61,069
	<u>604,983</u>	<u>523,122</u>
<b>TOTAL ASSETS</b>	<u>960,416</u>	<u>733,194</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	348,353	348,353
Share Premium	255	255
Other Reserves	2,255	190
Retained Earnings	158,121	90,911
	<u>508,984</u>	<u>439,709</u>
<b>Non-Controlling Interests</b>	-	-
<b>Total Equity</b>	<u>508,984</u>	<u>439,709</u>
<b>Non-Current Liabilities</b>		
Bank Borrowings	54,365	63,149
Hire-Purchase Payables	2,014	362
Deferred Tax Liabilities	249	55
	<u>56,628</u>	<u>63,566</u>
<b>Current Liabilities</b>		
Trade Payables	64,783	35,528
Amount Owing to Contract Customers	-	930
Advance Billings	5,018	31,103
Other Payables and Accrued Expenses	250,429	78,185
Bank Borrowings	60,824	73,704
Hire-Purchase Payables	805	859
Tax Liabilities	12,945	9,610
	<u>394,804</u>	<u>229,919</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>960,416</u>	<u>733,194</u>
<b>Net Assets Per Share Attributable to Equity Holders of the Company (RM)</b>	<u>1.46</u>	<u>1.26</u>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)*

**MALTON BERHAD**  
(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2011**  
(These figures have not been audited)

	Attributable to the Equity Holders of the Company				Non- Controlling Interests	Total Equity	
	Share Capital RM'000	Non-Distributable		Distributable			
		Share Premium RM'000	Revaluation Reserve RM'000	Option Reserve RM'000			Retained Earnings RM'000
<b>Balance as at 1.7.2009</b>	348,353	255	-	190	68,844	7,769	425,411
Acquisition of remaining interest in an existing subsidiary	-	-	-	-	-	(7,769)	(7,769)
Profit for the year	-	-	-	-	22,067	-	22,067
<b>Balance as at 30.6.2010</b>	<b>348,353</b>	<b>255</b>	<b>-</b>	<b>190</b>	<b>90,911</b>	<b>-</b>	<b>439,709</b>
<b>Balance as at 1.7.2010</b>	348,353	255	-	190	90,911	-	439,709
Effects of adopting FRS 139	-	-	-	-	(1,420)	-	(1,420)
<b>Balance as at 1.7.2010 (Restated)</b>	<b>348,353</b>	<b>255</b>	<b>-</b>	<b>190</b>	<b>89,491</b>	<b>-</b>	<b>438,289</b>
Revaluation surplus	-	-	2,065	-	-	-	2,065
Profit for the year	-	-	-	-	72,549	-	72,549
Dividends	-	-	-	-	(3,919)	-	(3,919)
<b>Balance as at 30.6.2011</b>	<b>348,353</b>	<b>255</b>	<b>2,065</b>	<b>190</b>	<b>158,121</b>	<b>-</b>	<b>508,984</b>

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)*

**MALTON BERHAD**

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30 JUNE 2011**

(These figures have not been audited)

	30.6.2011 RM'000	30.6.2010 RM'000
<b>CASH FLOWS FROM/(USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Profit before Taxation	98,007	35,820
Adjustments for :		
Finance costs	5,201	6,288
Write off of:		
Development expenditure	458	587
Property, plant & equipment	180	56
(Gain)/Loss on fair value adjustment	(842)	2,866
Share in results of associated companies	(537)	(1,575)
Depreciation of property, plant & equipment	2,435	2,176
Allowance for foreseeable loss	4,700	946
Provision for doubtful debts	-	201
Excess of net assets over cost of acquisition remaining interest in subsidiary	-	(1,463)
Gain on disposal of quoted investment	-	(796)
Gain on disposal of property, plant & equipment	(323)	(100)
Interest income	(1,348)	(826)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>107,931</u>	<u>44,180</u>
<b>CHANGES IN WORKING CAPITAL</b>		
(Increase)/Decrease:		
Property development - current portion	80,361	73,603
Inventories	19,533	11,614
Receivables	(30,417)	34,729
Amount owing by contract customers	(726)	13,974
Increase/(Decrease) in:		
Payables	175,533	(37,595)
Amount owing to contract customers	(930)	(938)
<b>CASH USED IN OPERATIONS</b>	<u>351,285</u>	<u>139,567</u>
Income tax paid net of refund	(27,253)	(8,395)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>324,032</u>	<u>131,172</u>
<b>INVESTING ACTIVITIES</b>		
Interest received	1,348	826
Decrease in:		
Property development - non-current portion	(91,150)	(11,573)
Increase in investment properties	(32,401)	-
Withdrawal/(Placement) of fixed deposit	(13,420)	(3,499)
Proceeds from disposal of quoted investment	-	2,811
Proceeds from disposal of property, plant and equipment	333	112
Purchase of investment in Associated Company	-	(8,300)
Acquisition of remaining interest in subsidiary company	-	(5,675)
Purchase of quoted investment	-	(3,734)
Purchase of other investment	(55)	-
Addition to property, plant & equipment	(6,801)	(1,117)
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<u>(142,146)</u>	<u>(30,149)</u>
<b>FINANCING ACTIVITIES</b>		
Finance costs paid	(9,565)	(11,770)
Proceeds from borrowings	34,500	12,500
Repayment of borrowings	(34,067)	(36,893)
Dividend paid	(3,919)	-
Repayment of hire purchase payables	(773)	(987)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>(13,824)</u>	<u>(37,150)</u>
Net decrease in cash and cash equivalents	168,062	63,873
Cash and cash equivalents at the beginning of the year	38,857	(25,016)
Cash and cash equivalents at the end of the year	<u>206,919</u>	<u>38,857</u>
<b>Cash and cash equivalents comprise the followings :</b>		
Fixed deposits net of amounts pledged	-	121
Cash and bank balances	207,155	61,069
Bank overdrafts	(236)	(22,333)
	<u>206,919</u>	<u>38,857</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2011**

**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 2010.

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 2010 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for the financial year beginning 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3	Business Combinations (Revised in 2010)
FRS 4	Insurance Contracts
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)
FRS 7	Financial Instruments: Disclosures
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition)
FRS 101	Presentation of Financial Statements (Revised in 2009)
FRS 123	Borrowing Costs (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010)
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and transitional provision relating to compound instruments)
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of right issue)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
FRS 139	Financial Instruments: Recognition and Measurement
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets – effective date and transition, embedded derivatives and revised FRS 3 and Revised FRS 127)



**MALTON BERHAD** (Company No. 320888-T)  
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Improvements to FRSs (2009)	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3)
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

Consequential amendments were also made to various FRSs as a result of these new/revised FRSs.

Except for FRS 7, 101, 123, 127, 132, and 139, the others FRSs and IC Interpretations are not expected to be relevant to the operations of the Group. The adoption of these standards and interpretations will have no material impact on the financial statements of the Group in the period of initial application except for the following:

**FRS 101 Presentation of Financial Statements (Revised in 2009)**

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's financial statements as this change in accounting policy affects only the presentation of the Group's financial statements.

**FRS 139 Financial Instruments: Recognition and Measurement**

The new standard establishes principles for recognising and measuring financial assets, financial liabilities and certain contracts to buy and sell non-financial items.

FRS 139 establishes principles for recognition and measuring of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 July 2010. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

**Financial assets**

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include loans and receivables and AFS financial assets.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2011**

Non-current receivables, previously measured at invoiced amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Prior to 1 July 2010, AFS financial assets such as investments were accounted for at cost adjusted for amortisation of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial asset is measured at fair value initially. Subsequent gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses. When the investment is disposed off or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in the AFS reserve is reclassified to profit or loss.

**Financial liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables and loans and borrowings.

**Impact on opening balances**

In accordance with the transitional provisions for the first time adoption of FRS 139, the above changes are applied prospectively and the comparatives as at 30 June 2010 are not restated. Instead the changes have been accounted for by restating the opening balances as at 1 July 2010 in the consolidated statement of financial position. The effect of changes in the consolidated statement of financial position is as follows:

	As at 30.06.2010 RM'000	Effects of adopting FRS 139 RM'000	As at 01.07.2010 RM'000
<b>Assets</b>			
Retained earnings b/f	90,911	(1,420)	89,491
Other investments	1,456	(1,266)	190
Other receivables – Non-current	8,000	(1,420)	6,580
AFS financial assets	-	1,266	1,266

Saved as disclosed above, the adoption of FRS 139 does not have an impact on the Group's other opening balances.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
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**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 except as disclosed in this Interim Financial report.

**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.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2011**

**8 Segmental Reporting**

a) Analysis by business segments for year ended 30 June 2011:

	Property development RM'000	Construction & project management RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>						
External Sales	388,197	47,434	25,921	840		462,392
Internal Sales	-	160,360	-	55,596	(215,956)	-
	<u>388,197</u>	<u>207,794</u>	<u>25,921</u>	<u>56,436</u>	<u>(215,956)</u>	<u>462,392</u>
<b>Results</b>						
Segmental operating profit/(loss)	69,287	37,492	(1,177)	42,824	(47,103)	101,323
Interest income						1,348
Profit from operations						<u>102,671</u>
Finance costs						(5,201)
Share in results of associated companies						537
Profit before tax						<u>98,007</u>
Income tax expense						(25,458)
Net profit for the year						<u>72,549</u>

b) Analysis by business segments for year ended 30 June 2010:

	Property development RM'000	Construction & project management RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>						
External Sales	291,168	39,019	15,479	1,254		346,920
Internal Sales	-	138,665	-	54,350	(193,015)	-
	<u>291,168</u>	<u>177,684</u>	<u>15,479</u>	<u>55,604</u>	<u>(193,015)</u>	<u>346,920</u>
<b>Results</b>						
Segmental operating profit/(loss)	30,288	17,910	1,722	43,381	(53,594)	39,707
Interest income						826
Profit from operations						<u>40,533</u>
Finance costs						(6,288)
Share in results of associated companies						1,575
Profit before tax						<u>35,820</u>
Income tax expense						(13,753)
Net profit for the year						<u>22,067</u>

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2011**

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

The investment properties of the Group were revalued by an independent qualified valuer in December 2010 and the revaluation surplus of RM5.1 million is recognized as fair value gain on investment properties in the income statement. The revaluation of property, plant and equipment transferred to investment properties during the year with revaluation surplus of RM2.1 million is recognized as revaluation reserve in the statement of changes in equity in accordance with FRS 116.

Saved as disclosed above, 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 2010.

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

There were no material events subsequent to the current quarter ended 30 June 2011 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) 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**

There were no material capital commitments for the Group for the quarter under review.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2011**

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

**1 Review of Performance**

The Group's revenue improved by 33.3% to RM462.4 million for the current financial year as compared to RM346.9 million reported in the previous financial year while pre-tax profit jumped 173.7% to RM98.0 million for the current financial year from RM35.8 million in the previous financial year. Revenue from property development division improved as compared to the previous financial year resulting from higher revenue recognition from advanced stages of construction of on-going projects and new projects launched during the year with good take up rates. Total revenue from construction and project management division also improved as compared to the previous financial year due to commencement of two new external contracts during the year. The improved Group's earnings was largely due to contributions from the Group's property division which achieved higher sales and better margins from its development projects and continuous cost savings and re-engineering exercise carried by the Group. The Group also recognized its full year share of results in Austin Heights Sdn Bhd, an associated company, amounting to RM4.1 million in the current financial year while share of losses in Inai Berkat Sdn Bhd ("IBSB"), an associated company acquired in August 2010, was RM3.6 million arising mainly from the effects of FRS 139 adopted by IBSB. The profit after tax jumped 228.1% to RM72.5 million for the current financial year from RM22.1 million in the previous financial year.

The Group's revenue improved by 95.2% to RM167.9 million for the current quarter as compared to RM86.0 million reported in the previous corresponding quarter while the Group achieved a pre-tax profit of RM33.3 million for the current quarter as compared to a pre-tax profit of RM10.5 million reported in the previous corresponding quarter. Revenue from property development division improved as compared to the previous corresponding quarter resulting from higher revenue recognition from advanced stages of construction of on-going and new projects launched during the year with good take up rates while total revenue from construction and project management division also improved as compared to the previous corresponding quarter due to recognition of income from commencement of two new external contracts during the year. The higher pre-tax profit achieved for the current quarter was mainly attributed to higher billings from property development division coupled with higher margins from its commercial projects. The cost savings arising from the continuous re-engineering exercise carried out by the Group also contributed to the improved margins of the Group.

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

Group revenue increased to RM167.9 million for the current quarter as compared to RM116.4 million for the immediate preceding quarter. The increase was mainly attributed to higher billings from property and construction and project management divisions. The Group recorded a pre-tax profit of RM33.3 million for the current quarter as compared to the pre-tax profit of RM38.6 million for the immediate preceding quarter. The lower pre-tax profit for the current quarter was mainly due to cost savings from re-engineering exercise which was substantially realised in the last quarter.

**3 Prospects for the Financial Year Ending 30 June 2012**

The outlook of the property market remains positive as can be seen from good take up rates for its launched projects. The on-going development projects of the Group namely, Amaya Maluri, V Square, Bukit Rimau Shops and The Grove together with on-going construction and project management contracts are expected to contribute positively to the earnings of the Group for the

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financial year ending 30 June 2012. With the completion of the Company's Rights Issue of RM139,341,169 nominal value 7-year 6% Redeemable Convertible Secured Loan Stocks in early July 2011, the Group is expected to save interest costs arising from retirement of borrowings with higher interest rates and enhance its earnings through acquisitions of new lands in strategic growth areas such as Klang Valley, Penang and Johor for future development. Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2012.

**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 30.6.2011 RM'000	Preceding Year Corresponding Quarter 30.6.2010 RM'000	Current Year To-Date 30.6.2011 RM'000	Preceding Year Corresponding Year To-Date 30.6.2010 RM'000
Current taxation	7,410	7,255	25,757	14,687
(Over)/Under provision in prior year	(469)	687	(349)	668
Deferred taxation	(425)	(3,002)	50	(1,602)
	<u>6,516</u>	<u>4,940</u>	<u>25,458</u>	<u>13,753</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**

There was no purchase and disposal of quoted securities by the Group for the current financial quarter under review.

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

	As at 30.6.2011 RM'000
Total investments at cost	1,719
Total investments at carrying value	1,344
Total investments at market value	<u>1,344</u>

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**8 Status of Corporate Proposals**

There is no outstanding corporate proposal for the Group following the listing and quotation of RM139,341,169 nominal value 7-year 6% redeemable convertible secured loan stocks at 100% of its nominal value together with 139,341,169 free detachable new warrants and 69,670,584 new ordinary bonus shares of RM1.00 each in the Company on 8 July 2011.

**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	8,000
Bank Overdrafts	236
Term Loans	104,587
Bridging Loans	2,366
Hire Purchase Payables	2,819
Total	<u>118,008</u>
Repayment due within next 12 months	<u>61,629</u>
Repayment due after 12 months	<u>56,379</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.

**12 Dividend**

No interim dividend has been recommended for the financial period ended 30 June 2011.

**13 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 RM26.8 million and RM72.5 million respectively and on the number of ordinary shares in issue and ranking for dividend of 348,352,928 during the quarter and year ended 30 June 2011.



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**Fully Diluted**

The diluted earnings per share has been adjusted to effect the bonus issue of 69,670,584 new ordinary shares of RM1.00 each in July 2011.

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 year ended 30 June 2011.

	Current Quarter 30.6.2011	Preceding Year Corresponding Qtr 30.6.2010	Current Year To Date 30.6.2011	Preceding Year to Date 30.6.2010
Profit attributable to equity holders of the Company (RM'000)	26,813	5,544	72,549	22,067
Weighted average number of shares in issue ('000)				
- basic	348,353	348,353	348,353	348,353
- fully diluted	418,024	418,024	418,024	418,024
Basic earnings per share (sen)	7.70	1.59	20.83	6.33
Diluted earnings per share (sen)	6.41	1.33	17.36	5.28

**14 Realised and Unrealised Retained Earnings**

	As at 30.6.2011 RM'000	As at 31.3.2011 RM'000
<b>Total retained earnings:</b>		
Company and subsidiaries		
-realised profit	147,783	121,286
-unrealised profit	8,371	6,269
	<u>156,154</u>	<u>127,555</u>
Associated companies		
-realised profit	5,094	3,902
-unrealised loss	(2,983)	(5)
	<u>2,111</u>	<u>3,897</u>
Less: Consolidation adjustments	(144)	(144)
Total group retained earnings as per unaudited consolidated financial statements	<u>158,121</u>	<u>131,308</u>