

MALTON

Malton Berhad

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT
31 DECEMBER 2011**

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 31 December 2011

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MALTON BERHAD

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2011
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2010 RM'000	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.12.2010 RM'000
Revenue	77,742	109,288	177,016	178,074
Operating Expenses	(67,909)	(96,449)	(149,288)	(158,003)
Other Operating Income	2,279	6,465	4,325	7,346
Finance Costs	(3,768)	(2,013)	(7,885)	(2,730)
Share in Results of Associated Companies	2,319	907	3,162	1,406
Profit before Taxation	10,663	18,198	27,330	26,093
Taxation	(3,479)	(4,295)	(8,034)	(6,644)
Net Profit for the Period	7,184	13,903	19,296	19,449
Other Comprehensive Income Change in fair value of available-for-sale Investments	(46)	-	(419)	-
	7,138	13,903	18,877	19,449
Attributable to:				
Owners of the Company	7,184	13,903	19,296	19,449
Non-Controlling Interests	-	-	-	-
Net Profit for the Period	7,184	13,903	19,296	19,449
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	1.72	3.99	4.62	5.58
Fully Diluted	1.57	3.33	4.02	4.65

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD
(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As At	As At
	31.12.2011	30.06.2011
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	9,961	10,554
Investment Properties	43,696	43,696
Land held for Property Development	187,024	191,899
Investment in Associated Companies	25,874	22,712
Other Investments	1,171	1,589
Deferred Tax Assets	6,581	5,131
Other Receivable	21,709	20,775
	<u>296,016</u>	<u>296,356</u>
Current Assets		
Property Development	209,200	196,779
Inventories	32,614	39,343
Trade Receivables	61,176	94,124
Accrued Billings	33,412	56,862
Amount due from Contract Customer	5,211	1,179
Other Receivables and Prepaid Expenses	71,915	50,308
Short Term Funds	140,799	-
Fixed Deposits with Licensed Banks	9,865	17,260
Cash and Bank Balances	101,211	207,155
	<u>665,403</u>	<u>663,010</u>
TOTAL ASSETS	<u><u>961,419</u></u>	<u><u>959,366</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	418,104	348,353
Share Premium	7	255
Other Reserves	34,935	1,762
Retained Earnings	108,632	158,759
	<u>561,678</u>	<u>509,129</u>
Non-Controlling Interests	-	-
Total Equity	<u><u>561,678</u></u>	<u><u>509,129</u></u>
Non-Current Liabilities		
RCSLS - Debt component	94,512	-
Bank Borrowings	45,767	47,395
Hire-Purchase Payables	1,788	2,014
Deferred Tax Liabilities	11,203	55
	<u>153,270</u>	<u>49,464</u>
Current Liabilities		
Trade Payables	37,947	62,322
Advance Billings	4,541	5,018
Other Payables and Accrued Expenses	149,045	251,889
Bank Borrowings	43,189	67,794
Hire-Purchase Payables	652	805
Tax Liabilities	11,097	12,945
	<u>246,471</u>	<u>400,773</u>
TOTAL EQUITY AND LIABILITIES	<u><u>961,419</u></u>	<u><u>959,366</u></u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u><u>1.34</u></u>	<u><u>1.46</u></u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2011 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 PERIOD ENDED 31 DECEMBER 2011**

(These figures have not been audited)

	Attributable to Owners of the Company									
	Share Capital RM'000	RCSLS Equity Component RM'000	Non-Distributable					Distributable	Non- Controlling Interests RM'000	Total RM'000
			Share Premium RM'000	Available- for-sale Reserve RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Option Reserve RM'000	Retained Earnings RM'000		
Balance as at 1.7.2010	348,353	-	255	-	-	-	190	90,911	-	439,709
Effects of adopting FRS 139	-	-	-	(493)	-	-	-	(927)	-	(1,420)
Balance as at 1.7.2010 (Restated)	348,353	-	255	(493)	-	-	190	89,984	-	438,289
Total comprehensive income	-	-	-	-	-	-	-	19,449	-	19,449
Balance as at 31.12.2010	348,353	-	255	(493)	-	-	190	109,433	-	457,738
Balance as at 1.7.2011	348,353	-	255	(493)	-	2,065	190	158,759	-	509,129
Bonus issue	69,671	-	(255)	-	-	-	-	(69,416)	-	-
Issuance of RCSLS	-	15,020	-	-	18,582	-	-	-	-	33,602
Issuance of shares										
- Conversion of RCSLS	40	(4)	7					(7)		36
- Exercise of Warrants	40				(6)					34
Total comprehensive income	-	-	-	(419)	-	-	-	19,296	-	18,877
Balance as at 31.12.2011	418,104	15,016	7	(912)	18,576	2,065	190	108,632	-	561,678

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

(These figures have not been audited)

	31.12.2011 RM'000	31.12.2010 RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	27,330	26,093
Adjustments for :		
Finance costs	7,885	2,730
Write off of:		
Development expenditure	-	65
Gain on fair value adjustment	(78)	(1,816)
Share in results of associated companies	(3,162)	(1,406)
Depreciation of property, plant & equipment	1,121	1,086
Gain on disposal of property, plant & equipment	-	(14)
Interest income	(3,490)	(472)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>29,606</u>	<u>26,266</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development - current portion	(7,237)	16,791
Inventories	8,613	12,752
Receivables	35,203	(9,709)
Amount owing by contract customers	(4,032)	(3,763)
Increase/(Decrease) in:		
Payables	(14,075)	(4,436)
Amount owing to contract customers	-	(930)
CASH USED IN OPERATIONS	<u>48,078</u>	<u>36,971</u>
Income tax paid net of refund	(12,726)	(3,796)
NET CASH USED IN OPERATING ACTIVITIES	<u>35,352</u>	<u>33,175</u>
INVESTING ACTIVITIES		
Interest received	3,490	472
(Increase)/Decrease in:		
Property development - non-current portion	285	(2,085)
Withdrawal/(Placement) of fixed deposit	(1,939)	-
Proceeds from disposal of property, plant & equipment	-	14
Addition to property, plant & equipment	(445)	(1,847)
Purchase of other investment	-	(55)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	<u>1,391</u>	<u>(3,501)</u>
FINANCING ACTIVITIES		
Finance costs paid	(10,285)	(4,796)
Proceeds from RCCLS	139,341	-
Proceeds from exercise of warrant	40	-
Proceeds from borrowings	2,552	23,000
Repayment of borrowings	(28,609)	(15,266)
Repayment of hire purchase payables	(462)	(595)
NET CASH USED IN FINANCING ACTIVITIES	<u>102,577</u>	<u>2,343</u>
Net increase/(decrease) in cash and cash equivalents	139,320	32,017
Cash and cash equivalents at the beginning of the period	92,087	39,127
Cash and cash equivalents at the end of the period	<u>231,407</u>	<u>71,144</u>
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	5,834	164
Cash and bank balances	225,634	83,625
Bank overdrafts	(61)	(12,645)
	<u>231,407</u>	<u>71,144</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 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 2011.

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 2011 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") and Issues Committee Interpretations ("IC Interpretation") issued by the Malaysian Accounting Standards Board ("MASB") effective for the financial period beginning on or after 1 July 2011:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for First-time Adopters)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to improvements to FRS 2010)
FRS 2	Share-based Payment (Amendments relating to group cash-settled share based payment transaction)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
Improvements to FRS 2010	
IC Interpretation 4	Determining whether an arrangement contains a lease
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

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

The adoption of these standards and IC Interpretations has no material impact on the financial statements of the Group in the period of initial application.

The following FRS and IC Interpretation have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group:

FRS 7	Financial Instruments: Disclosures (Amendments relating to transfers of financial assets) ¹
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ⁴
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ⁴
FRS 10	Consolidated Financial Statements ⁴
FRS 11	Joint Arrangements ⁴
FRS 13	Fair value measurement ⁴
FRS 101	Presentation of Financial Statements (Amendment relating to presentation of items of other comprehensive income) ³
FRS 112	Amendments to FRS 112 (Deferred Tax: Recovery of underlying Assets) ¹
FRS 119 (2011)	Employee Benefits (as amended in November 2011) ⁴

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**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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FRS 124 (2010)	Related Party Disclosures ¹
FRS 127 (2011)	Separate Financial Statements (as amended in November 2011) ³
FRS 128 (2011)	Investment in Associates and Joint Ventures (as amended in November 2011) ³
Improvements to FRS 2010	
IC Interpretation 15	Agreements for the Construction of Real Estate ²
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ⁴

¹ Effective for annual periods beginning on or after 1 January 2012

² Original effective date of 1 July 2010 deferred to 1 January 2012 via amendment issued by MASB on 31 August 2010

³ Effective for annual periods beginning on or after 1 July 2012

⁴ Effective for annual periods beginning on or after 1 January 2013

The directors anticipate that the adoption of the above Standards and Interpretations, when they become effective, are not expected to have material impact on the financial statements of the Group and of the Company in the period of initial application except as follows:

In addition, on 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”) in conjunction with its planned convergence of FRSs with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board on 1 January 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also includes those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012.

The Group which is a Transitioning Entity will therefore be allowed to defer adoption of the new MFRS for an additional year.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2014.

2 Audit Report

The auditors’ report on preceding year’s annual financial statements of the Company and of the Group was not qualified.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

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 except as follows:-

On 23 December 2011, the Company issued 80,000 new ordinary shares of RM1.00 each pursuant to conversion of RM40,000 Redeemable Convertible Secured Loan Stocks ("RCSLS") into 40,000 shares of RM1.00 each and exercise of 40,000 warrants into 40,000 shares of RM1.00 each.

Accordingly, the outstanding RCSLS as at 31 December 2011 was reduced from RM139,341,169 to RM139,301,169.

7 Dividend Paid

On 16 January 2012, the Company paid a final dividend of 0.85%, less tax, and a final tax exempt dividend of 1.15% in respect of the year ended 30 June 2011 as approved by the shareholders at the Annual General Meeting of the Company held on 24 November 2011.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

8 Segmental Reporting

a) Analysis by business segments for the quarter ended 31 December 2011:

	Property development	Construction & project management	Property trading	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External Sales	116,658	49,258	10,870	230		177,016
Internal Sales	-	46,172	-	2,829	(49,001)	-
	<u>116,658</u>	<u>95,430</u>	<u>10,870</u>	<u>3,059</u>	<u>(49,001)</u>	<u>177,016</u>
Results						
Segmental operating profit/(loss)	<u>25,840</u>	<u>5,064</u>	<u>2,290</u>	<u>(6,458)</u>	<u>1,827</u>	<u>28,563</u>
Interest income						3,490
Profit from operations						<u>32,053</u>
Finance costs						(7,885)
Share in results of associated companies						3,162
Profit before tax						<u>27,330</u>
Income tax expense						(8,034)
Net profit for the period						<u>19,296</u>

b) Analysis by business segments for the quarter ended 31 December 2010:

	Property development	Construction & project management	Property trading	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External Sales	154,829	8,033	14,771	441		178,074
Internal Sales	-	83,967	-	51,117	(135,084)	-
	<u>154,829</u>	<u>92,000</u>	<u>14,771</u>	<u>51,558</u>	<u>(135,084)</u>	<u>178,074</u>
Results						
Segmental operating profit/(loss)	<u>26,777</u>	<u>4,431</u>	<u>601</u>	<u>45,757</u>	<u>(50,621)</u>	<u>26,945</u>
Interest income						472
Profit from operations						<u>27,417</u>
Finance costs						(2,730)
Share in results of associated companies						1,406
Profit before tax						<u>26,093</u>
Income tax expense						(6,644)
Net profit for the period						<u>19,449</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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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 2011.

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

There were no material events subsequent to the current quarter ended 31 December 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 Significant Related Party Transactions

The significant transactions with a company in which certain Directors have indirect financial interests are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Rental paid to:				
Capital Flagship Sdn Bhd	535	-	1,070	-

14 Capital Commitments

There is no outstanding capital commitment as at the end of the current quarter.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

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

1 Review of Performance

During the financial quarter under review, local property market remained stable despite general expectations of a slowdown amid an increasingly challenging global economic environment as a result of the on-going Eurozone sovereign debt crisis.

The Group revenue decreased by 28.9% to RM77.7 million for the current quarter as compared to RM109.3 million reported in the previous corresponding quarter while pre-tax profit reduced by 41.2% to RM10.7 million for the current quarter from RM18.2 million reported in the previous corresponding quarter. Revenue and profit from the property development division declined as compared to the previous corresponding quarter due to the completion of Amaya Saujana and Mutiara Indah projects while the on-going projects namely Bukit Rimau, V Square, Amaya Maluri and Mutiara Residence continued to contribute positively to current quarter revenue and profit. Revenue and profit from construction and project management division improved as compared to previous corresponding quarter contributed mainly from construction progress of Jaya Shopping Centre and other external projects.

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

Group revenue decreased to RM77.7 million for the current quarter as compared to RM99.3 million for the immediate preceding quarter. The 21.8% decrease was mainly attributed to lower billings from property development division following the completion of The Grove and Phase 1 of V Square projects during the current quarter. The Group recorded a pre-tax profit of RM10.7 million for the current quarter as compared to the pre-tax profit of RM16.7 million for the immediate preceding quarter. The lower pre-tax profit for the current quarter was mainly due to corresponding reduction in revenue in the current quarter as compared to the last quarter.

3 Prospects for the current Financial Year Ending 30 June 2012

Despite the concerns over global economic condition, the Government has taken further measures to curb property speculation activities by increasing the real property gain tax rate from 5% to 10% for the first two years and tightening the financing rules on loan applications effective 1 January 2012. The outlook of the local property market remains positive as these measures will not have significant effect on genuine property purchasers and investors. At the meantime, the on-going development projects of the Group namely, Bukit Rimau, V Square Phase 2 and Amaya Maluri together with the on-going construction contracts in hand will continue to contribute positively to the earnings of the Group for the financial year ending 30 June 2012. In the coming quarters, the Group has planned to launch its high end condominium project at Cantonment Road, Penang and its SOHO service apartments project in Seri Kembangan.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2012.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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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
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Current taxation	4,782	4,159	10,385	6,524
(Over)/Under provision in prior year	-	16	(56)	120
Deferred taxation	(1,303)	120	(2,295)	-
	<u>3,479</u>	<u>4,295</u>	<u>8,034</u>	<u>6,644</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.

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.

8 Status of Corporate Proposals

On 10 November 2011, Gapadu Harta Sdn Bhd (“GHSB”), an indirect wholly-owned subsidiary company, entered into a Sale and Purchase Agreement (“SPA”) with Ukay Spring Development Sdn Bhd (“USDSB”) for the acquisition of land located in Mukim Bandar Ulu Kelang, Daerah Gombak, Negeri Selangor measuring approximately 56.05 acres held under 161 land titles (“Land Titles”) for total purchase consideration of RM105 million.

The SPA is conditional upon USDSB securing the written approval of the State Authority for the sale and transfer of the Land Titles in favour of GHSB.

Save as mentioned above, there is no other outstanding corporate proposal for the Group.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 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
RCSLS – Liabilities component	94,512
Revolving Credits	8,000
Term Loans	80,895
Bank overdrafts	61
Hire Purchase Payables	2,440
Total	<u>185,908</u>
Repayment due within next 12 months	<u>43,841</u>
Repayment due after 12 months	<u>142,067</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 31 December 2011.

13 Earnings Per Share (“EPS”)

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 Company of RM7,184,000 and RM19,296,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the financial period.

Fully Diluted

Under FRS 133 on Earnings Per Share, the options pursuant to the Employee Shares Option Scheme and Warrants have no dilutive effect as the exercise price of the options is above the average market value of the Company's shares during the period ended 31 December 2011.

The diluted earnings per ordinary share of the Group for the current quarter and current year-to-date has been calculated based on the Group's adjusted profit attributable to equity holders of the Company of RM8,751,000 and RM22,431,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the financial period assuming full conversation of RCSLS.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2011	Preceding Year Corresponding Qtr 31.12.2010	Current Year To Date 31.12.2011	Preceding Year to Date 31.12.2010
Profit attributable to equity holders of the Company (RM'000)	7,184	13,903	19,296	19,449
Weighted average number of shares in issue ('000)	418,031	348,353	418,027	348,353
Basic earnings per share (sen)	1.72	3.99	4.62	5.58
(b) Diluted EPS				
	Current Quarter 31.12.2011	Preceding Year Corresponding Qtr 31.12.2010	Current Year To Date 31.12.2011	Preceding Year to Date 31.12.2010
Profit attributable to equity holders of the Company (RM'000)	7,184	13,903	19,296	19,449
Effects on earnings upon conversion of RCSLS (RM'000)	1,567	-	3,135	-
	<u>8,751</u>	<u>13,903</u>	<u>22,431</u>	<u>19,449</u>
Weighted average number of shares in issue ('000)	418,031	348,353	418,027	348,353
Effects of dilution	139,301	69,671	139,301	69,671
Adjusted weighted average number of shares in issue and issuable ('000)	<u>557,332</u>	<u>418,024</u>	<u>557,328</u>	<u>418,024</u>
Diluted earnings per share (sen)	1.57	3.33	4.02	4.65

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

14 Profit Before Tax

The following items have been included in arriving at profit before tax:

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year	Current Year	Preceding
	31.12.2011	Corresponding Qtr	To Date	Year to Date
	RM'000	31.12.2010	31.12.2011	31.12.2010
		RM'000	RM'000	RM'000
Interest expense	3,768	2,013	7,885	2,730
Depreciation and amortisation	572	527	1,121	1,086
After crediting:				
Interest income	1,831	221	3,490	472
Other income	448	1,161	835	1,791
Gain on fair value changes of investment properties	-	5,083	-	5,083

There were no provision for write off of receivables, provision for write off of inventories, gain or loss on disposal of quoted or unquoted investment or properties, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current quarter under review and financial period ended 31 December 2011.

15 Realised and Unrealised Retained Earnings

	As at 31.12.2011 RM'000	As at 30.9.2011 RM'000
Total retained earnings:		
Company and subsidiaries		
-realised profit	323,289	319,929
-unrealised loss	(875)	(1,385)
	<u>322,414</u>	<u>318,544</u>
Associated companies		
-realised profit	8,256	5,937
-unrealised loss	(2,982)	(2,982)
	<u>5,274</u>	<u>2,955</u>
Less: Consolidation adjustments	(219,056)	(220,044)
Total group retained earnings as per unaudited consolidated financial statements	<u>108,632</u>	<u>101,455</u>