

MALTON

Malton Berhad

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT
31 MARCH 2013**

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 31 MARCH 2013

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MALTON BERHAD

(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2013

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Revenue	73,792	50,475	229,112	227,491
Operating Expenses	(71,111)	(43,017)	(201,483)	(192,305)
Other Operating Income	3,930	2,183	9,121	6,508
Finance Costs	(3,909)	(3,052)	(11,232)	(10,937)
Share in Results of Associated Companies	218	8,693	1,376	11,855
Profit before Taxation	2,920	15,282	26,894	42,612
Taxation	(1,414)	(1,514)	(7,653)	(9,548)
Net Profit for the Period	1,506	13,768	19,241	33,064
Other Comprehensive Income				
Change in fair value of available-for-sale financial assets	121	74	410	(345)
	1,627	13,842	19,651	32,719
Attributable to:				
Owners of the Company	1,506	13,768	19,241	33,064
Non-Controlling Interests	-	-	-	-
Net Profit for the Period	1,506	13,768	19,241	33,064
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	0.36	3.29	4.60	7.91
Fully Diluted	0.55	2.75	4.30	6.78

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2012 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
	31.3.2013	30.06.2012
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	9,662	10,351
Investment Properties	44,818	44,818
Land held for Property Development	205,080	212,574
Investment in Associated Companies	9,775	8,399
Other Investments	1,229	1,006
Deferred Tax Assets	4,281	3,950
Other Receivable	20,137	22,417
	<u>294,982</u>	<u>303,515</u>
Current Assets		
Property Development	115,549	196,780
Inventories	112,172	28,834
Trade Receivables	100,751	72,106
Accrued Billings	21,170	5,314
Amount due from contract customer	1,696	1,017
Other Receivables, JV Deposits and Prepaid Expenses	224,515	51,020
Tax recoverable	12,209	11,341
Short term funds	2,062	149,369
Fixed Deposits with Licensed Banks	615	15,090
Cash and Bank Balances	48,038	65,899
	<u>638,777</u>	<u>596,770</u>
TOTAL ASSETS	<u>933,759</u>	<u>900,285</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	418,104	418,104
Share Premium	6	6
Other Reserves	25,716	25,306
Retained Earnings	152,682	143,894
	<u>596,508</u>	<u>587,310</u>
Non-Controlling Interests	-	-
Total Equity	<u>596,508</u>	<u>587,310</u>
Non-Current Liabilities		
RCSLS - Liability component	113,825	109,732
Bank Borrowings	43,453	44,442
Hire-Purchase Payables	1,599	1,593
Deferred Tax Liabilities	7,184	7,184
	<u>166,061</u>	<u>162,951</u>
Current Liabilities		
Trade Payables	39,853	38,573
Advance Billings	3,746	5,725
Other Payables and Accrued Expenses	102,249	94,739
Bank Borrowings	21,061	2,349
Hire-Purchase Payables	717	599
Tax Liabilities	3,564	8,039
	<u>171,190</u>	<u>150,024</u>
TOTAL EQUITY AND LIABILITIES	<u>933,759</u>	<u>900,285</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.43</u>	<u>1.40</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2012 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 MARCH 2013
(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 1.7.2011	348,353	-	255	(493)	-	2,065	190	158,759	-	509,129	
Bonus issue	69,671	-	(255)	-	-	-	-	(69,416)	-	-	
Issuance of RCSLS	-	3,379	-	-	20,552	-	-	-	-	23,931	
Issuance of shares											
- Conversion of RCSLS	40	(1)	-	-	-	-	-	(6)	-	33	
- Exercise of Warrants	40	-	6	-	-	(6)	-	-	-	40	
Total comprehensive income	-	-	-	(345)	-	-	-	33,064	-	32,719	
Dividends to equity holders	-	-	-	-	-	-	-	(7,473)	-	(7,473)	
Balance as at 31.3.2012	418,104	3,378	6	(838)	20,552	2,059	190	114,928	-	558,379	
Balance as at 1.7.2012	418,104	3,378	6	(873)	20,546	2,065	190	143,894	-	587,310	
Total comprehensive income	-	-	-	410	-	-	-	19,241	-	19,651	
Dividends to equity holders	-	-	-	-	-	-	-	(10,453)	-	(10,453)	
Balance as at 31.3.2013	418,104	3,378	6	(463)	20,546	2,065	190	152,682	-	596,508	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2013**

(These figures have not been audited)

	31.3.2013 RM'000	31.3.2012 RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	26,894	42,612
Adjustments for :		
Finance costs	11,232	10,937
Write off of:		
Development expenditure	37	-
Property, plant and equipment	1	1
Share in results of associated companies	(1,376)	(11,855)
Gain on fair value adjustment	(226)	(78)
Depreciation of property, plant & equipment	1,619	1,666
Reversal of impairment loss on other investment	(223)	-
Distribution income on short term funds	(1,062)	-
Gain on disposal of property, plant & equipment	(97)	-
Interest income	(5,329)	(5,296)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>31,470</u>	<u>37,987</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development - current portion	82,683	(8,780)
Inventories	(83,338)	10,002
Receivables	(215,718)	63,084
Amount owing by contract customers	(679)	(5,066)
Increase/(Decrease) in:		
Payables	6,645	(27,723)
CASH USED IN OPERATIONS	<u>(178,937)</u>	<u>69,504</u>
Income tax paid net of refund	(13,327)	(22,862)
NET CASH USED IN OPERATING ACTIVITIES	<u>(192,264)</u>	<u>46,642</u>
INVESTING ACTIVITIES		
Interest received	5,329	5,296
Distribution income from short term funds received	1,062	-
(Increase)/Decrease in:		
Property development - non-current portion	9,044	(5,643)
Decrease in short term funds	147,716	-
Proceeds from disposal of property, plant and equipment	97	-
Withdrawal/(Placement) of fixed deposit	(2)	(3,482)
Addition to property, plant & equipment	(351)	(1,129)
Purchase of investment properties	-	(1,122)
NET CASH FROM INVESTING ACTIVITIES	<u>162,895</u>	<u>(6,080)</u>
FINANCING ACTIVITIES		
Finance costs paid	(9,951)	(14,315)
Proceeds from RCCLS	-	139,341
Proceeds from exercise of warrant	-	40
Proceeds from borrowings	8,000	9,552
Repayment of borrowings	(2,104)	(73,333)
Repayment of hire purchase payables	(457)	(651)
Dividend paid	(10,453)	(7,473)
NET CASH (USED IN)/ FROM FINANCING ACTIVITIES	<u>(14,965)</u>	<u>53,161</u>
Net increase/(decrease) in cash and cash equivalents	(44,334)	93,723
Cash and cash equivalents at the beginning of the period	65,770	92,087
Cash and cash equivalents at the end of the period	<u>21,436</u>	<u>185,810</u>
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	31	13,602
Cash and bank balances	33,316	173,303
Bank overdrafts	(11,911)	(1,095)
	<u>21,436</u>	<u>185,810</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2013**

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 financial year ended 30 June 2012.

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 2012 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 2012:

FRS 7	Financial Instruments: Disclosures (Amendments relating to transfers of financial assets)
FRS 101	Presentation of Financial Statements (Amendment relating to presentation of items of other comprehensive income)
FRS 112	Amendments to FRS 112 (Deferred Tax: Recovery of underlying Assets)
FRS 124 (2010)	Related Party Disclosures
FRS 127 (2011)	Separate Financial Statements (as amended in November 2011)
FRS 128 (2011)	Investment in Associates and Joint Ventures (as amended in November 2011)

Improvements to FRS 2010

IC Interpretation 15 Agreements for the Construction of Real Estate

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 except as follows:

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 include 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.

On 30 June 2012, MASB has decided to allow Transitioning Entities to defer the adoption of MFRS Framework for another year. Consequently, adoption of the MFRS Framework by the Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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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 2015.

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 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ¹
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ¹
FRS 10	Consolidated Financial Statements ¹
FRS 11	Joint Arrangements ¹
FRS 12	Disclosure of interest in Other Entities ¹
FRS 13	Fair value measurement ¹
FRS 119 (2011)	Employee Benefits (as amended in November 2011) ¹
FRS 127	Separate Financial Statements ¹
FRS 128	Investment in Associate and Joint Venture ¹
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ¹
Amendment to FRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities ¹

¹ 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.

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

On 25 January 2013, the Company paid a first and final tax exempt dividend of 2.5% in respect of the financial year ended 30 June 2012 as approved by the shareholders at the Annual General Meeting of the Company held on 23 November 2012.

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8 Segmental Reporting

a) Analysis by business segments for the period ended 31 March 2013:

	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	109,694	112,452	6,442	524		229,112
Internal Sales	-	19,663	-	22,267	(41,930)	-
	<u>109,694</u>	<u>132,115</u>	<u>6,442</u>	<u>22,791</u>	<u>(41,930)</u>	<u>229,112</u>
Results						
Segmental operating profit/(loss)	<u>21,169</u>	<u>9,356</u>	<u>3,029</u>	<u>10,033</u>	<u>(13,228)</u>	<u>30,359</u>
Interest and distribution income						6,391
Profit from operations						<u>36,750</u>
Finance costs						(11,232)
Share in results of associated companies						1,376
Profit before tax						<u>26,894</u>
Income tax expense						(7,653)
Net profit for the Period						<u>19,241</u>

b) Analysis by business segments for the period ended 31 March 2012:

	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	143,840	67,808	15,535	308		227,491
Internal Sales	-	54,518	-	17,243	(71,761)	-
	<u>143,840</u>	<u>122,326</u>	<u>15,535</u>	<u>17,551</u>	<u>(71,761)</u>	<u>227,491</u>
Results						
Segmental operating profit/(loss)	<u>29,375</u>	<u>9,705</u>	<u>3,652</u>	<u>4,411</u>	<u>(10,745)</u>	<u>36,398</u>
Interest and distribution income						5,296
Profit from operations						<u>41,694</u>
Finance costs						(10,937)
Share in results of associated companies						11,855
Profit before tax						<u>42,612</u>
Income tax expense						(9,548)
Net profit for the Period						<u>33,064</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 2012.

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

Saved for as disclosed in Note 8, Part B of this interim report, there were no other material events subsequent to the current quarter ended 31 March 2013 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 material contingent liabilities.

13 Significant Related Party Transactions

The significant transactions with entities in which certain Directors of the Company are also Directors are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2013 RM'000	Preceding Year Corresponding Quarter 31.3.2012 RM'000	Current Year To-Date 31.3.2013 RM'000	Preceding Year Corresponding Year To-Date 31.3.2012 RM'000
Rental paid/payable to:				
Pavilion REIT	535	535	1,605	535
Capital Flagship Sdn Bhd*	-	-	-	1,070
Purchase of gifts and hampers				
Crabtree & Evelyn (Malaysia) Sdn Bhd	73	-	73	-

* Previously paid/payable to Capital Flagship Sdn Bhd prior to the listing of Pavilion REIT.

14 Capital Commitments

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

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
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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

During the financial period under review, local property market remained positive amid measures undertaken by the Government to curb excessive property speculations. The Malaysian economy recorded a modest growth of 4.1% in the First Quarter of 2013 as compared to 6.5% recorded in the Fourth Quarter of 2012.

The Group's revenue improved by 46.1% to RM73.8 million for the current quarter as compared to RM50.5 million reported in the previous corresponding quarter while pre-tax profit decreased by 81.0% to RM2.9 million for the current quarter as compared to RM15.3 million reported in the previous corresponding quarter. Revenue from the property development division improved marginally as compared to the previous corresponding quarter with contribution from the on-going projects namely Bukit Rimau, Amaya Maluri, The Cantonment @ Penang and Mutiara Residence. Profit from the property development division however declined as compared to the previous corresponding quarter due to completion of commercial projects with better margins. Revenue from construction and project management division showed an increase in current quarter due to contribution from new contracts secured as compared to previous corresponding quarter while profit was marginally lower.

The share of results of associated companies during the quarter also declined to RM0.2 million as compared to RM8.7 million reported in the previous corresponding quarter as a result of the disposal of Austin Heights Sdn Bhd in the last financial year.

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

Group revenue decreased marginally to RM73.8 million for the current quarter as compared to RM77.3 million for the immediate preceding quarter. The 4.5% decline was mainly attributed to lower billings from property development division resulting from completion of VSQ project in August 2012 while the Group started to recognise its initial billings from Nova Saujana in Saujana Subang launched in March 2013. The Group recorded a pre-tax profit of RM2.9 million for the current quarter as compared to the pre-tax profit of RM12.6 million for the immediate preceding quarter. The lower pre-tax profits were mainly due to higher initial overheads incurred for new projects launched and to be launched and lower share of results of the associated companies.

3 Prospects for the current Financial Year Ending 30 June 2013

Malaysian economic prospects and business fundamentals are expected to be stable with a projected growth of between 5.0% to 6.0% for the year 2013 to be driven largely by domestic consumption.

In the meantime, the on-going development projects of the Group namely, Bukit Rimau, The Cantonment @ Penang 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 2013. During the quarter, the Group launched its Nova Saujana service apartment project in Saujana Subang with encouraging take up rates.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2013.

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4 Profit Forecast or Profit Guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee.

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
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Current taxation	2,250	(1,734)	8,487	8,651
Over provision in prior year	(503)	51	(503)	(5)
Deferred taxation	(333)	3,197	(331)	902
	<u>1,414</u>	<u>1,514</u>	<u>7,653</u>	<u>9,548</u>

The effective tax rate for the current year to-date (before share of results of associated companies) 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 May 2013, Khuan Choo Property Management Sdn Bhd (“KCPM”), a wholly-owned subsidiary of the Company had entered into the following agreements:

- (a) Conditional Sale and Purchase Agreement (“**VSQ SPA**”) between KCPM and Bukit Damansara Development Sdn Bhd (“BDDSB”) for the disposal of VSQ Properties comprising one (1) 20-storey office building and 964 car park bays by KCPM to BDDSB for a consideration of RM140,000,000 to be satisfied by BDDSB to KCPM by a written irrevocable absolute assignment of BDDSB’s entitlement comprising 186,667 square feet of office space of an office building to be redeveloped by Impian Ekspresi Sdn Bhd (“IESB”) at Pusat Bandar Damansara Complex, Damansara Heights, Kuala Lumpur (“Subject Entitlement”) to KCPM (“**Proposed VSQ Disposal**”); and
- (b) Conditional Sale and Purchase Agreement (“**Office Entitlement SPA**”) between KCPM and BDDSB for KCPM to acquire the Subject Entitlement from BDDSB for the purchase price of RM140,000,000 to be fully satisfied when the absolute beneficial ownership of VSQ Properties is vested unto BDDSB pursuant to the terms and conditions of the VSQ SPA (“**Proposed Office Entitlement Acquisition**”).

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The Proposed VSQ Disposal and Proposed Office Entitlement Acquisition are hereinafter collectively referred to as the “**Proposed Asset Exchange**”.

Simultaneously with the Proposed Asset Exchange, IESB has agreed to grant KCPM a put option giving KCPM the right to require IESB to acquire the Subject Entitlement from KCPM, subject to terms and conditions of the Put Option.

The Proposals are conditional upon the approvals being obtained from:-

- (a) Board of Directors of the Company (excluding the interested directors);
- (b) the non-interested shareholders of the Company at an Extraordinary General Meeting to be convened;
- (c) Economic Planning Unit of the Prime Minister’s Department, Malaysia, where required; and
- (d) any other necessary approvals by the relevant authorities.

Saved for the above, there was no other 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
RCSLS – Liability component	113,825
Term Loans	44,603
Revolving credits	8,000
Bank overdrafts	11,911
Hire Purchase Payables	2,316
Total	<u>180,655</u>
Repayment due within next 12 months	<u>21,778</u>
Repayment due after 12 months	<u>158,877</u>

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

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
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10 Status of Utilisation of Proceeds raised from Rights Issue

The proposed and actual utilisation of RM139,341,169 proceeds raised from the Rights Issue of RM139,341,169 Nominal Value of 7-Year 6% Redeemable Convertible Secured Loan Stocks (“RCSLS”) together with 139,341,169 free new warrants and 69,670,584 new ordinary bonus shares of RM1.00 each attached thereto (“Rights Issue”) are as follows:-

Description	Proposed Utilisation RM’000	Actual Utilisation RM’000	Reclassifi- cation RM’000	Balance RM’000	Intended timeframe for utilisation
Repayment of existing borrowings	60,000	34,449	(25,551)*	-	
Working capital and/or strategic acquisitions/ investments/ expansion	74,551	94,089	25,925	6,387	24 months from listing of the RCSLS on 8 July 2011 #
Advance deposit of first quarterly interest payment for the RCSLS into debt service reserve account	2,090	2,090	-	-	
Expenses for the Rights Issue	2,700	2,326	(374)*	-	
Total	139,341	132,954	-	6,387	

*The balance unutilized amounts under Repayment of existing borrowings and Expenses for the Rights Issue of RM25,551,000 and RM374,000, respectively had been reclassified for working capital purposes.

#The Board of Directors had extended the period of utilisation of the amount earmarked for working capital and/or strategic acquisitions/investments/expansion from 12 months to 24 months from the date of listing of the RCSLS.

11 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.

12 Material Litigation

There is no pending material litigation as at the date of this report.

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13 Dividend

No interim dividend has been recommended for the financial quarter ended 31 March 2013.

14 Earnings Per Share (“EPS”)

Basic

The basic earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group’s profit attributable to equity holders of the Company of RM1,506,000 and RM19,241,000 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 both the exercise prices of the options and Warrants are above the average market price of the Company’s shares during the quarter ended 31 March 2013.

The diluted earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group’s adjusted profit attributable to equity holders of the Company of RM3,073,000 and RM23,942,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the financial period assuming full conversion of the outstanding RCSLS.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2013	Preceding Year Corresponding Qtr 31.3.2012	Current Year To Date 31.3.2013	Preceding Year to Date 31.3.2012
Profit attributable to equity holders of the Company (RM’000)	1,506	13,768	19,241	33,064
Weighted average number of shares in issue (’000)	418,103	418,103	418,104	418,052
Basic earnings per share (sen)	0.36	3.29	4.60	7.91

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(b) Diluted EPS	Current Quarter 31.3.2013	Preceding Year Corresponding Qtr 31.3.2012	Current Year To Date 31.3.2013	Preceding Year to Date 31.3.2012
Profit attributable to equity holders of the Company (RM'000)	1,506	13,768	19,241	33,064
Effects on earnings upon conversion of RCSLS (RM'000)	1,567	1,567	4,701	4,702
	<u>3,073</u>	<u>15,335</u>	<u>23,942</u>	<u>37,766</u>
Weighted average number of shares in issue ('000)	418,104	418,103	418,104	418,052
Effects of dilution	139,301	139,301	139,301	139,301
Adjusted weighted average number of shares in issue and issuable ('000)	<u>557,405</u>	<u>557,404</u>	<u>557,405</u>	<u>557,353</u>
Diluted earnings per share (sen)	0.55	2.75	4.30	6.78

15 Profit Before Tax

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2013 RM'000	Preceding Year Corresponding Qtr 31.3.2012 RM'000	Current Year To Date 31.3.2013 RM'000	Preceding Year to Date 31.3.2012 RM'000
Interest expense	3,909	3,052	11,232	10,937
Depreciation and Amortization	538	545	1,619	1,666
After crediting:				
Interest income	3,008	1,806	5,329	5,296
Other income	911	377	2,730	1,212
Distribution income from short term funds	11	-	1,062	-

There were no provision for and write off of receivables, provision for and 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 March 2013.

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16 Realised and Unrealised Retained Earnings

	As at 31.3.2013 RM'000	As at 31.12.2012 RM'000
Total retained earnings:		
Company and subsidiaries		
-realised profit	360,646	371,391
-unrealised profit	844	512
	<u>361,490</u>	<u>371,903</u>
Associated companies		
-realised loss	(2,291)	(3,648)
-unrealised profit	12,066	13,205
	<u>9,775</u>	<u>9,557</u>
Less: Consolidation adjustments	(218,583)	(219,832)
Total group retained earnings as per unaudited consolidated financial statements	<u><u>152,682</u></u>	<u><u>161,628</u></u>