



Malton Berhad

(Company No: 320888-T)

INTERIM FINANCIAL REPORT
31 MARCH 2016

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 31 MARCH 2016

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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 2016 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2015 RM'000	CURRENT YEAR TO DATE 31.03.2016 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.03.2015 RM'000
Revenue	155,285	132,140	411,772	354,923
Operating Expenses	(141,175)	(122,037)	(384,676)	(313,115)
Other Operating Income	2,993	3,236	9,513	10,566
Finance Costs	(4,383)	(4,735)	(12,380)	(12,095)
Share in Results of Associated Companies	29	(67)	135	(263)
Profit before Taxation	12,749	8,537	24,364	40,016
Taxation	(6,244)	(3,326)	(9,232)	(13,601)
Net Profit for the Period	6,505	5,211	15,132	26,415
Other Comprehensive Income Change in fair value of available-for-sale financial assets	264	275	787	181
	6,769	5,486	15,919	26,596
Attributable to:				
Owners of the Company	6,511	5,211	15,154	26,415
Non-Controlling Interests	(6)	-	(22)	-
Net Profit for the Period	6,505	5,211	15,132	26,415
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	1.45	1.16	3.37	6.08
Fully Diluted	1.40	1.15	3.38	5.51

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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
	31.3.2016	30.06.2015
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	9,573	10,370
Investment Properties	102,563	51,127
Land held for Property Development	169,320	154,650
Investment in Associated Companies	4,547	4,412
Other Investments	2,008	1,227
Deferred Tax Assets	12,496	6,157
Other Receivable	16,030	16,030
	<u>316,537</u>	<u>243,973</u>
Current Assets		
Property Development	599,049	575,609
Inventories	76,031	71,376
Trade Receivables	105,694	92,070
Accrued Billings	10,322	27,864
Amount due from contract customer	2,513	42,544
Other Receivables and Prepaid Expenses	363,053	285,426
Tax recoverable	4,164	1,140
Short term funds	1,382	1,346
Fixed Deposits with Licensed Banks	13,049	856
Cash and Bank Balances	81,898	79,372
	<u>1,257,155</u>	<u>1,177,603</u>
Assets classified as held for sale	-	154,000
	<u>1,257,155</u>	<u>1,331,603</u>
TOTAL ASSETS	<u>1,573,692</u>	<u>1,575,576</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	448,416	448,416
Share Premium	6	6
Other Reserves	25,096	26,740
Retained Earnings	240,929	239,515
	<u>714,447</u>	<u>714,677</u>
Non-Controlling Interests	19,605	-
Total Equity	<u>734,052</u>	<u>714,677</u>
Non-Current Liabilities		
RCSLS - Liability component	67,541	85,403
Redeemable Preference Shares	3,364	3,000
Bank Borrowings	259,075	253,506
Hire-Purchase Payables	1,474	1,678
Deferred Tax Liabilities	50	5,703
	<u>331,504</u>	<u>349,290</u>
Current Liabilities		
Trade Payables	204,170	217,213
Advance Billings	60,044	89,269
Other Payables and Accrued Expenses	48,541	39,817
RCSLS - Liability component	29,484	22,907
Bank Borrowings	152,599	124,024
Hire-Purchase Payables	646	857
Tax Liabilities	12,652	17,522
	<u>508,136</u>	<u>511,609</u>
TOTAL EQUITY AND LIABILITIES	<u>1,573,692</u>	<u>1,575,576</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.59</u>	<u>1.59</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 2016
(These figures have not been audited)**

	Share Capital RM'000	Equity Component of RCSLS 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	Non- Controlling Interests RM'000	Total RM'000
Balance as at 1.7.2014	422,550	3,286	6	(852)	20,546	2,065	2,035	209,690	-	659,326
Issuance of shares:										
- Conversion of RCSLS	5,866	(399)	-	-	-	-	-	(3,170)	-	2,297
- Private placement	20,000	-	-	-	-	-	-	-	-	20,000
Dividends to equity holders of the Company								(12,852)		(12,852)
Total comprehensive income	-	-	-	182	-	-	-	26,415	-	26,597
Balance as at 31.3.2015	448,416	2,887	6	(670)	20,546	2,065	2,035	220,083	-	695,368
Balance as at 1.7.2015	448,416	2,887	6	(793)	20,546	2,065	2,035	239,515	-	714,677
Redemption of RCSLS	-	(396)	-	-	-	-	-	(3,153)	-	(3,549)
Share options lapsed under ESOS	-	-	-	-	-	-	(2,035)	2,035	-	-
Effect of dilution in equity interest of a subsidiary	-	-	-	-	-	-	-	830	-	830
Non-controlling interest arising from subscription of shares in subsidiary companies	-	-	-	-	-	-	-	-	19,627	19,627
Dividends to equity holders of the Company								(13,452)		(13,452)
Total comprehensive income	-	-	-	787	-	-	-	15,154	(22)	15,919
Balance as at 31.3.2016	448,416	2,491	6	(6)	20,546	2,065	-	240,929	19,605	734,052

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 MARCH 2016****(These figures have not been audited)**

	31.3.2016	31.3.2015
	RM'000	RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	24,364	40,016
Adjustments for :		
Finance costs	12,380	12,095
Share in results of associated companies	(135)	263
Depreciation of property, plant & equipment	2,072	2,173
Distribution income on short term funds	(65)	(65)
Gain on disposal of property, plant & equipment	(269)	(148)
Interest income	(6,801)	(8,475)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	31,546	45,859
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development - current portion	16,160	8,913
Inventories	(4,655)	3,555
Receivables	(14,168)	(125,271)
Accrued billings	17,543	(5,799)
Amount owing by contract customers	40,030	276
Increase/(Decrease) in:		
Payables	(49,215)	(20,200)
Advance billing	(29,225)	75,581
CASH FROM/(USED IN) OPERATIONS	8,016	(17,086)
Income tax paid net of refund	(28,160)	(18,631)
NET CASH USED IN OPERATING ACTIVITIES	(20,144)	(35,717)
INVESTING ACTIVITIES		
Interest received	1,226	1,500
Distribution income from short term funds received	65	65
(Increase)/Decrease in:		
Property development - non-current portion	(43,608)	(62,666)
Short term funds	(30)	(40)
Additional of Investment properties	(30,771)	-
Proceeds of private placement	-	20,000
Proceeds from disposal of property, plant & equipment	408	256
Proceeds from exercise of Put Option	154,000	-
(Placement)/Withdrawal of fixed deposit	(962)	2,248
Addition to property, plant & equipment	(971)	(311)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	79,357	(38,948)
FINANCING ACTIVITIES		
Finance costs paid	(17,542)	(21,122)
Proceeds from long-term loan	106,986	167,528
Redemption of preference shares	(27,800)	-
Acquisition of subsidiary, net of cash and cash equivalents	54	-
Dividend paid	(13,452)	(12,852)
Repayment of borrowings	(89,543)	(61,163)
Repayment of hire purchase payables	(859)	(870)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(42,156)	71,521
Net increase in cash and cash equivalents	17,057	(3,144)
Cash and cash equivalents at the beginning of the period	45,990	53,697
Cash and cash equivalents at the end of the period	63,047	50,553
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	11,230	-
Cash and bank balances	66,640	60,484
Bank overdrafts	(14,823)	(9,931)
	63,047	50,553

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 2016**

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 2015.

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 2015.

Adoption of Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB" or the "Board") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities ("TEs").

TEs are entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate*, including the parent, significant investors and joint ventures. The Board permitted TEs to defer the adoption of the MFRS Framework in view of the then proposed changes to the revenue and agriculture standards by the IASB. With the issuance of MFRS 15 *Revenue from Contracts with Customers* and the amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141, TEs which have chosen to continue with the FRS Framework is now required to adopt the MFRS Framework latest by 1 January 2017.

A single mandatory effective date (i.e. 1 January 2017) for the changeover to the MFRS Framework applies for the aforementioned entities although the effective date of the amendments to MFRS 116 and MFRS 141 is a year earlier than that of MFRS 15. The Board believes that a single date would mitigate potential complexity in preparing consolidated financial statements by TEs that are involved in both the agriculture and property development industries.

The Group and the Company being TEs have availed themselves of these transitional arrangements and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group and the Company will be required to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* in its financial statements for the financial year ending 30 June 2018, being the first set of financial statements prepared in accordance with new MFRS framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
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Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised FRSs and Issues Committee Interpretations (“IC Interpretations”) and amendments to FRSs and IC Interpretations issued by the MASB that are effective for annual financial periods beginning on or after 1 July 2015.

The adoption of these new and revised FRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performances or positions of the Group and of the Company.

FRSs and IC Interpretations in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and amendments to FRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

FRS 9	Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139) ²
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ²
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ²
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) ²
FRS 14	Regulatory Deferral Accounts ¹
Amendments to FRS 9 and FRS 7	Mandatory Effective Date of FRS 9 (FRS 9 as issued by IASB in November 2009 and October 2010) and Transition Disclosures ²
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception ¹
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to FRS 101	Disclosure Initiative ¹
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to FRS 127	Equity Method in Separate Financial Statements ¹
Amendments to FRSs	Annual Improvements to MFRSs 2012 - 2014 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The directors anticipate that abovementioned FRSs and amendments to FRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these FRSs and amendments to FRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

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

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, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Company during the quarter.

7 Dividend Paid

On 29 January 2016, the Company paid a first and final single-tier dividend of 3% in respect of the financial year ended 30 June 2015 as approved by the shareholders at the Annual General Meeting of the Company held on 25 November 2015.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
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8 Segmental Reporting

a) Analysis by business segments for the 6-months period ended 31 March 2016:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	258,601	152,291	350	530		411,772
Internal Sales	-	129,301	-	33,571	(162,872)	-
	<u>258,601</u>	<u>281,592</u>	<u>350</u>	<u>34,101</u>	<u>(162,872)</u>	<u>411,772</u>
Results						
Segmental operating profit/(loss)	<u>33,588</u>	<u>14,339</u>	<u>(54)</u>	<u>18,169</u>	<u>(36,299)</u>	<u>29,743</u>
Interest and distribution income						6,866
Profit from operations						<u>36,609</u>
Finance costs						(12,380)
Share in results of associated companies						135
Profit before tax						<u>24,364</u>
Income tax expense						(9,232)
Net profit for the period						<u>15,132</u>

b) Analysis by business segments for the 6-months period ended 31 March 2015:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	178,102	169,850	6,440	531		354,923
Internal Sales	-	77,719	-	5,091	(82,810)	-
	<u>178,102</u>	<u>247,569</u>	<u>6,440</u>	<u>5,622</u>	<u>(82,810)</u>	<u>354,923</u>
Results						
Segmental operating profit/(loss)	<u>46,019</u>	<u>8,206</u>	<u>2,552</u>	<u>(8,378)</u>	<u>(4,565)</u>	<u>43,834</u>
Interest and distribution income						8,540
Profit from operations						<u>52,374</u>
Finance costs						(12,095)
Share in results of associated companies						(263)
Profit before tax						<u>40,016</u>
Income tax expense						(13,601)
Net profit for the period						<u>26,415</u>

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9 Revaluation of Property, Plant and Equipment and Investment Properties

The valuation of property, plant and equipment and investment properties have been brought forward without any amendments from the annual financial statements for the financial year ended 30 June 2015.

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

There were no material events subsequent to the current quarter ended 31 March 2016 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 as follows:-.

On 22 January 2016, the Company entered into a conditional subscription agreement with Memang Perkasa Sdn Bhd (“MPSB”) and Tegap Dinamik Sdn Bhd to subscribe for 51,000 new ordinary shares of RM1.00 each representing 51% of the enlarged issued and paid-up share capital in MPSB at an issue price of RM1.00 per MPSB share for a total consideration of RM51,000 (“Proposed Subscription”).

The Proposed Subscription was completed on 27 January 2016 and MPSB is now a 51% owned subsidiary of the Company.

12 Contingent Liabilities

As at this reporting date, the Group does not have any material contingent liabilities.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
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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 31.3.2016 RM'000	Preceding Year Corresponding Quarter 31.3.2015 RM'000	Current Year To-Date 31.3.2016 RM'000	Preceding Year Corresponding Year To-Date 31.3.2015 RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd	2,786	-	17,710	-
Harmoni Perkasa Sdn Bhd	11,614	-	23,104	-
Exercise of Put Option:				
Impian Ekspresi Sdn Bhd	-	-	154,000	-
Rental paid/payable to:				
Pavilion REIT #	758	577	2,271	1,683
Purchase of gifts and hampers:				
Crabtree & Evelyn (Malaysia) Sdn Bhd	237	310	414	615

Pavilion REIT is managed by Pavilion REIT Management Sdn Bhd, a company in which certain Directors of the Company have directorships.

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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

The Group's revenue for the current quarter improved by 17.6% to RM155.3 million as compared to RM132.1 million reported in the previous corresponding quarter while pre-tax profit for the current quarter improved by 49.4% to RM12.7 million as compared to RM8.5 million reported in the previous corresponding quarter. Revenue and pre-tax from the property development division improved during the current quarter as compared to the previous corresponding quarter due to higher progress billings from The Park Sky Residence in Bukit Jalil City and SK One Residence in Seri Kembangan as work progressed. Revenue and profits from construction and project management division was lower in the current quarter as compared to the previous corresponding quarter due to the completion of Wangsa 118 project in June 2015 and lower billings for the Da:Men project which is nearing completion.

The share of results of associated companies during the quarter showed a marginal gain of RM0.03 million as compared to a loss RM0.07 million reported in the previous corresponding quarter.

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

The Group's revenue improved to RM155.3 million for the current quarter as compared to RM133.4 million for the immediate preceding quarter. The Group recorded a pre-tax profit of RM12.7 million for the current quarter as compared to the pre-tax profit of RM6.7 million for the immediate preceding quarter. The higher turnover for the current quarter was mainly due to higher billings from the property development division from The Park Sky Residence in Bukit Jalil City with encouraging take-up rate while the construction division recorded a marginally higher contribution. The higher pre-tax profit during the current quarter were mainly due to higher billings of the property development division during the current quarter.

3 Prospects for the current Financial Year Ending 30 June 2016

The Malaysian real GDP moderated to 4.2% in the first quarter of 2016 as compared to 4.5% recorded in the fourth quarter of 2015, supported mainly by private sector demand.

Going forward, the Malaysian economy is expected to remain on a sustained growth path of 4 - 4.5%, despite the challenging economic environment globally and domestically. The downside risks to growth will however remain, given the continued uncertainty in the external environment and the on-going adjustments in the domestic economy.

In the meantime, the on-going development projects of the Group namely, Bukit Jalil City Signature Shops and The Park Sky Residence in Bukit Jalil, Rapid City Centre in Johor and SK One Residence in Seri Kembangan, together with the on-going construction contracts in hand and in particular Pavilion Damansara Heights and Royale Pavilion Hotel projects, will continue to contribute positively to the earnings of the Group for the financial year ending 30 June 2016.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2016.

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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 31.3.2016 RM'000	Preceding Year Corresponding Quarter 31.3.2015 RM'000	Current Year To-Date 31.3.2016 RM'000	Preceding Year Corresponding Year To-Date 31.3.2015 RM'000
Current taxation	10,024	5,263	20,433	18,502
(Over)/Under provision in prior year	(488)	843	(118)	843
Deferred taxation	(3,292)	(2,780)	(11,083)	(5,744)
	<u>6,244</u>	<u>3,326</u>	<u>9,232</u>	<u>13,601</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

There was no other outstanding corporate proposal for the Group.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
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9 Borrowings and Debt Securities

The Group's borrowings and debt securities as at the end of the current quarter are as follows:

	RM'000
RCSLS – Liability Component	97,025
Term Loans	302,928
Revolving Credits	81,562
Bridging Loans	12,361
Redeemable Preference Shares	3,364
Bank Overdrafts	14,823
Hire Purchase Payables	2,120
Total	<u>514,183</u>
Repayment due within next 12 months	<u>182,729</u>
Repayment due after 12 months	<u>331,454</u>

All borrowings are denominated in Ringgit Malaysia and are secured except for RM30,000,000 revolving credit facilities which are unsecured.

10 Material Litigation

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

11 Dividend

No interim dividend has been recommended for the financial quarter ended 31 March 2016.

12 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 RM6,505,000 and RM15,132,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial period ended 31 March 2016.

Fully Diluted

Under FRS 133 on Earnings Per Share, the Warrants has no dilutive effect as the exercise price of the Warrants is above the average market price of the Company's shares during the quarter and financial period ended 31 March 2016.

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 RM7,602,000 and RM18,423,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the quarter assuming full conversion of the outstanding RCSLS.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2016**

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2016	Preceding Year Corresponding Qtr 31.3.2015	Current Year To Date 31.3.2016	Preceding Year to Date 31.3.2015
Profit attributable to equity holders of the Company (RM'000)	6,505	5,211	15,132	26,415
Weighted average number of shares in issue ('000)	448,416	448,416	448,416	434,406
Basic earnings per share (sen)	1.45	1.16	3.37	6.08
 (b) Diluted EPS	 Current Quarter 31.3.2016	 Preceding Year Corresponding Qtr 31.3.2015	 Current Year To Date 31.3.2016	 Preceding Year to Date 31.3.2015
Profit attributable to equity holders of the Company (RM'000)	6,505	5,211	15,132	26,415
Effects on earnings upon conversion of RCSLS (RM'000)	1,097	1,299	3,291	3,898
	<u>7,602</u>	<u>6,510</u>	<u>18,423</u>	<u>30,313</u>
Weighted average number of shares in issue ('000)	448,416	448,416	448,416	434,406
Effects of RCSLS	96,253	115,503	96,253	115,503
	<u>544,669</u>	<u>563,919</u>	<u>544,669</u>	<u>549,909</u>
Adjusted weighted average number of shares in issue and issuable ('000)				
Diluted earnings per share (sen)	1.40	1.15	3.38	5.51

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2016**

13 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
	31.3.2016	Corresponding Qtr	To Date	Year to Date
	RM'000	31.3.2015	31.3.2016	31.3.2015
		RM'000	RM'000	RM'000
Interest expense	4,383	4,621	12,380	12,095
Depreciation and Amortization	671	611	2,072	2,173
Impairment loss on other investment	-	-	-	-
After crediting:				
Interest income	2,037	3,296	6,801	8,475
Gain on disposal of property, plant and equipment	1	-	269	148
Other income	930	727	2,378	2,026
Distribution income from short term funds	25	19	65	65

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 2016.

14 Realised and Unrealised Retained Earnings

	As at 31.3.2016 RM'000	As at 31.12.2015 RM'000
Total share of retained earnings:		
Company and subsidiaries		
-realised	483,336	486,933
-unrealised	15,324	12,081
	<u>498,660</u>	<u>499,014</u>
Associated companies		
-realised	4,547	4,518
-unrealised	-	-
	<u>4,547</u>	<u>4,518</u>
Less: Consolidation adjustments	(262,278)	(256,064)
Total group retained earnings as per unaudited consolidated financial statements	<u>240,929</u>	<u>247,486</u>