



Malton Berhad

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT**  
**30 SEPTEMBER 2016**

# MALTON BERHAD

(Company No: 320888-T)

## Interim Financial Report – 30 SEPTEMBER 2016

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# MALTON BERHAD

(Company No : 320888-T)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2016 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER  30.09.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2015 RM'000	CURRENT YEAR TO DATE 30.09.2016 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30.09.2015 RM'000
Revenue	130,041	123,075	130,041	123,075
Operating Expenses	(119,767)	(117,419)	(119,767)	(117,419)
Other Operating Income	3,718	3,328	3,718	3,328
Finance Costs	(4,054)	(4,019)	(4,054)	(4,019)
Share in Results of Associated Companies	(65)	(81)	(65)	(81)
Profit before Taxation	9,873	4,884	9,873	4,884
Taxation	(3,639)	(554)	(3,639)	(554)
Net Profit for the Period	6,234	4,330	6,234	4,330
Other Comprehensive Income				
Change in fair value of available-for-sale financial assets	2	(149)	2	(149)
	6,236	4,181	6,236	4,181
<b>Attributable to:</b>				
Owners of the Company	6,259	4,334	6,259	4,334
Non-Controlling Interests	(25)	(4)	(25)	(4)
Net Profit for the Period	6,234	4,330	6,234	4,330
<b>Earnings per Share Attributable to Equity Holders of the Company (Sen)</b>				
Basic	1.39	0.97	1.39	0.97
Fully Diluted	1.36	1.00	1.36	1.00

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2016 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 As At 30.09.2016 RM'000</b>	<b>Audited As At 30.06.2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	14,047	9,560
Investment Properties	123,998	114,770
Land held for Property Development	85,769	85,238
Investment in Associated Companies	2,349	2,413
Other Investments	245	245
Deferred Tax Assets	9,271	7,871
	235,679	220,097
<b>Current Assets</b>		
Property Development	1,103,521	1,174,844
Inventories	105,688	105,688
Trade Receivables	86,647	105,108
Accrued Billings	29,977	25,198
Amount due from contract customer	-	1,116
Other Receivables and Prepaid Expenses	368,041	370,152
Tax recoverable	848	633
Short term funds	1,434	1,421
Fixed Deposits with Licensed Banks	14,187	4,092
Cash and Bank Balances	74,200	93,051
	1,784,543	1,881,303
<b>TOTAL ASSETS</b>	<b>2,020,222</b>	<b>2,101,400</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	448,416	448,416
Share Premium	6	6
Other Reserves	25,552	25,550
Retained Earnings	270,783	264,525
	744,757	738,497
<b>Non-Controlling Interests</b>	189,487	187,110
<b>Total Equity</b>	934,244	925,607
<b>Non-Current Liabilities</b>		
RCSLS - Liability component	43,248	68,014
Redeemable Preference Shares	3,000	3,000
Bank Borrowings	239,454	168,895
Hire-Purchase Payables	4,776	1,636
Deferred Tax Liabilities	61,717	62,692
	352,195	304,237
<b>Current Liabilities</b>		
Trade Payables	237,336	390,103
Amount Owing to Contract Customers	15,663	-
Advance Billings	11,193	7,107
Other Payables and Accrued Expenses	155,707	131,670
RCSLS - Liability component	25,667	25,667
Bank Borrowings	267,344	296,506
Hire-Purchase Payables	1,814	720
Tax Liabilities	19,059	19,783
	733,783	871,556
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,020,222</b>	<b>2,101,400</b>
<b>Net Assets Per Share Attributable to Equity Holders of the Company (RM)</b>	<b>1.66</b>	<b>1.65</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2016 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 30 SEPTEMBER 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
<b>Balance as at 1.7.2015</b>	448,416	2,887	6	(793)	20,546	2,065	2,035	239,515	-	714,677
Redemption of of RCSLS	-	(397)	-	-	-	-	-	(3,153)	-	(3,550)
Effect of dilution in equity interest of a subsidiary	-	-	-	-	-	-	-	(2,116)	-	(2,116)
Non-controlling interest arising from subscription of shares in a subsidiary	-	-	-	-	-	-	-	-	210	210
Total comprehensive income	-	-	-	(149)	-	-	-	4,334	(4)	4,181
<b>Balance as at 30.9.2015</b>	<u>448,416</u>	<u>2,490</u>	<u>6</u>	<u>(942)</u>	<u>20,546</u>	<u>2,065</u>	<u>2,035</u>	<u>238,580</u>	<u>206</u>	<u>713,402</u>
<b>Balance as at 1.7.2016</b>	448,416	2,887	6	52	20,546	2,065	-	264,525	187,110	925,607
Non-controlling interest arising from subscription of shares in a subsidiary	-	-	-	-	-	-	-	-	2,402	2,402
Total comprehensive income	-	-	-	2	-	-	-	6,258	(25)	6,235
<b>Balance as at 30.9.2016</b>	<u>448,416</u>	<u>2,887</u>	<u>6</u>	<u>54</u>	<u>20,546</u>	<u>2,065</u>	<u>-</u>	<u>270,783</u>	<u>189,487</u>	<u>934,244</u>

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2016 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 30 SEPTEMBER 2016**

(These figures have not been audited)

	30.09.2016 RM'000	30.09.2015 RM'000
<b>CASH FLOWS FROM/(USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Profit before Taxation	9,873	4,884
Adjustments for :		
Finance costs	4,054	4,019
Write off of:		
Development expenditure	-	-
Share in results of associated companies	65	81
Depreciation of property, plant & equipment	866	708
Distribution income on short term funds	(11)	(10)
Interest income	(1,459)	(2,492)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>13,388</u>	<u>7,190</u>
<b>CHANGES IN WORKING CAPITAL</b>		
(Increase)/Decrease:		
Property development - current portion	75,516	5,095
Inventories	-	-
Receivables	18,804	(6,948)
Accrued billings	(4,779)	(9,298)
Amount owing by contract customers	16,779	42,332
Increase/(Decrease) in:		
Payables	(125,980)	(17,038)
Advance billing	4,086	(12,827)
<b>CASH (USED IN)/FROM OPERATIONS</b>	<u>(2,186)</u>	<u>8,506</u>
Income tax paid net of refund	(6,952)	(4,083)
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>	<u>(9,138)</u>	<u>4,423</u>
<b>INVESTING ACTIVITIES</b>		
Interest received	3,228	344
Distribution income from short term funds received	11	10
(Increase)/Decrease in:		
Property development - non-current portion	(531)	23,003
Short term funds	(10)	(9)
Additional of Investment properties	(9,228)	(1,001)
(Placement)/Withdrawal of fixed deposit	(95)	-
Addition to property, plant & equipment	(734)	(224)
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<u>(7,359)</u>	<u>22,123</u>
<b>FINANCING ACTIVITIES</b>		
Finance costs paid	(7,347)	(5,391)
Proceeds from long-term loan	18,522	9,472
Redemption of preference shares	-	(10,500)
Acquisition of subsidiary, net of cash and cash equivalents	-	(1)
Repayment of borrowings	14,383	(16,679)
Repayment of hire purchase payables	(386)	(406)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<u>25,172</u>	<u>(23,505)</u>
Net increase in cash and cash equivalents	8,675	3,041
Cash and cash equivalents at the beginning of the period	47,478	45,990
Cash and cash equivalents at the end of the period	<u>56,153</u>	<u>49,031</u>
<b>Cash and cash equivalents comprise the followings :</b>		
Fixed deposits net of amounts pledged	10,000	5,060
Cash and bank balances	72,015	51,964
Bank overdrafts	(25,862)	(7,993)
	<u>56,153</u>	<u>49,031</u>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)*

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 2016.

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 2016.

**Adoption of Malaysian Financial Reporting Standards**

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") 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 should apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that TEs which have chosen to continue with the FRS Framework are now required to adopt the MFRS Framework latest by 1 January 2017.

On 8 September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted.

The Group falls within the scope definition of TEs and has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group 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 2019, being the first set of financial statements prepared in accordance with the new MFRS Framework.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

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**Standards and Amendments to FRSs in issue but not yet effective**

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

FRS 9	Financial Instruments <sup>3</sup>
FRS 14	Regulatory Deferral Accounts <sup>1</sup>
Amendments to FRS 2	Classification and Measurements of Shared-based Payment Transactions <sup>3</sup>
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint venture <sup>4</sup>
Amendments to FRS 101	Disclosure Initiative <sup>1</sup>
Amendments to FRS 107	Disclosure Initiative <sup>2</sup>
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses <sup>2</sup>
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to FRS 127	Equity Method in Separate Financial Statements <sup>1</sup>
Amendments to FRSs	Annual Improvements to FRSs 2012 – 2014 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018, with limited exceptions. Earlier application is permitted

<sup>4</sup> Effective date deferred to a date to be determined and announced, with earlier application still permitted.

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



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**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**

The following are the changes in debt and equity securities that were issued by the Company during the current quarter ended 30 September 2016:

- (i) On 1 July 2016, the Company had redeemed and cancelled RM25,667,357 Nominal Value 7-year 6% Redeemable Convertible Secured Loan Stocks (“RCSLS”) pursuant to the scheduled redemption in accordance with the provisions under the Trust Deed dated 27 May 2011 constituting the RCSLS.

Accordingly, the outstanding RCSLS has reduced from RM96,252,924 to RM70,585,567 as at 30 September 2016.

Save as disclosed above, there were no cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Company.

**7 Dividend Paid**

There were no dividends paid during the quarter ended 30 September 2016.

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**8 Segmental Reporting**

a) Analysis by business segments for the 3-months period ended 30 September 2016:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>						
External Sales	110,204	19,658	-	179		130,041
Internal Sales	-	41,009	-	1,249	(42,258)	-
	<u>110,204</u>	<u>60,667</u>	<u>-</u>	<u>1,428</u>	<u>(42,258)</u>	<u>130,041</u>
<b>Results</b>						
Segmental operating profit/(loss)	<u>17,694</u>	<u>1,389</u>	<u>(16)</u>	<u>(4,388)</u>	<u>(2,157)</u>	<u>12,522</u>
Interest and distribution income						1,470
Profit from operations						13,992
Finance costs						(4,054)
Share in results of associated companies						(65)
Profit before tax						9,873
Income tax expense						(3,639)
Net profit for the period						<u>6,234</u>

b) Analysis by business segments for the 3-months period ended 30 September 2015:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>						
External Sales	70,191	52,708	-	176		123,075
Internal Sales	-	33,811	-	1,218	(35,029)	-
	<u>70,191</u>	<u>86,519</u>	<u>-</u>	<u>1,394</u>	<u>(35,029)</u>	<u>123,075</u>
<b>Results</b>						
Segmental operating profit/(loss)	<u>6,577</u>	<u>5,336</u>	<u>(41)</u>	<u>(3,440)</u>	<u>(1,950)</u>	<u>6,482</u>
Interest and distribution income						2,502
Profit from operations						8,984
Finance costs						(4,019)
Share in results of associated companies						(81)
Profit before tax						4,884
Income tax expense						(554)
Net profit for the period						<u>4,330</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 2016.

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

There were no material events subsequent to the current quarter ended 30 September 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.

**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 30.9.2016 RM'000	Preceding Year Corresponding Quarter 30.9.2015 RM'000	Current Year To-Date 30.9.2016 RM'000	Preceding Year Corresponding Year To-Date 30.9.2015 RM'000
<b>Progress billings received/Receivable:</b>				
Impian Ekspresi Sdn Bhd	2,370	-	2,370	-
Harmoni Perkasa Sdn Bhd	14,547	-	14,547	-
<b>Rental paid/payable to:</b>				
Pavilion REIT #	830	591	830	591
<b>Purchase of gifts and hampers</b>				
Crabtree & Evelyn (Malaysia) Sdn Bhd	55	144	55	144

# 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 5.6% to RM130.0 million as compared to RM123.1 million reported in the previous corresponding quarter while pre-tax profit for the current quarter improved by 102.0% to RM9.9 million as compared to RM4.9 million reported in the previous corresponding quarter. Revenue from the property development division improved during the current quarter as compared to the previous corresponding quarter due to higher billings from Bukit Jalil Shops and The Park Sky Residence in Bukit Jalil City which was launched in July 2015 with higher corresponding profit recognised. Revenue and profits from construction and project management division declined in the current quarter as compared to the previous corresponding quarter due to lower billings from Da:Men project which is nearing completion.

The share of results of associated companies during the quarter showed a marginal loss of RM0.07 million as compared to a loss RM0.08 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 declined to RM130.0 million for the current quarter as compared to RM220.4 million for the immediate preceding quarter. The Group recorded a pre-tax profit of RM9.9 million for the current quarter as compared to the pre-tax profit of RM46.5 million for the immediate preceding quarter. The lower turnover for the current quarter was due to lower work progress for the on-going projects and recognition of revenue arising from compulsory acquisition of the Sg. Buloh land during the last quarter while the construction division also recorded lower contributions arising from lower progress billings from its external projects. The lower pre-tax profit during the current quarter were mainly due to gain arising from compulsory acquisition of Sg. Buloh land and higher billings of the property and constructions divisions during the last preceding quarter.

**3 Prospects for the current Financial Year Ending 30 June 2017**

The Malaysian real GDP expanded by 4.3% in the third quarter of 2016 as compared to 4.0% recorded in the second quarter of 2016, underpinned mainly by continued expansion in private sector spending and additional support from net exports.

The Malaysian economy is expected to expand by 4-4.5% in 2016 with domestic demand remaining as the key driver of growth. The ringgit has come under renewed pressure following the US elections and the global and domestic economic environment remain challenging.

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 2017.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2017.

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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 30.9.2016 RM'000	Preceding Year Corresponding Quarter 30.9.2015 RM'000	Current Year To-Date 30.9.2016 RM'000	Preceding Year Corresponding Year To-Date 30.9.2015 RM'000
Current taxation	6,013	3,479	6,013	3,479
Under provision in prior year	-	343	-	343
Deferred taxation	(2,374)	(3,268)	(2,374)	(3,268)
	<u>3,639</u>	<u>554</u>	<u>3,639</u>	<u>554</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 28 June 2016, Silver Setup Sdn Bhd (“SSSB”), an indirect wholly-owned subsidiary of the Company, had entered into a conditional Revocation Agreement with Batu Kawan Development Sdn Bhd (“BKDSB”) and Eco Horizon Sdn Bhd (“EHSB”), a wholly-owned subsidiary of Eco World Development Group Berhad (“Eco World”), to revoke and rescind the Joint Development Agreement entered between SSSB and BKDSB on 10 October 2012 for the joint development of a piece of land measuring approximately 300 acres situated at Batu Kawan, Mukim 13, Seberang Perai Selatan, Negeri Pulau Pinang (the “Land”), for a revocation sum amounting to RM50,000,000.

The Revocation Agreement is conditional upon the followings:

- (a) the approval of the Penang Development Corporation for the sale of the Land to EHSB by BKDSB;

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- (b) the approval of the State Authority of Pulau Pinang for the transfer of the Land to EHSB;
- (c) the approval of the shareholders of Eco World for the acquisition of the Land and a portion of another parcel of land held under H.S.(D) 45956 for PT 5258 in Mukim 13, Daerah Seberang Selatan, Negeri Pulau Pinang measuring approximately 74.491 acres (“74.491 acres Land”);
- (d) the approval of the Economic Planning Unit of the Prime Minister’s Department, Malaysia for the purchase of the Land and the 74.491 acres Land by EHSB.

Save 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 current quarter are as follows:

	RM’000
RCSLS – Liability Component	68,915
Term Loans	323,548
Revolving Credits	106,966
Bridging Loans	50,422
Redeemable Preference Shares	3,000
Bank Overdrafts	25,862
Hire Purchase Payables	6,590
Total	<u>585,303</u>
Repayment due within next 12 months	<u>294,825</u>
Repayment due after 12 months	<u>290,478</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**

The Directors have proposed a first and final single-tier dividend of 2.5% per share in respect of the financial year ended 30 June 2016, for approval of the shareholders at the forthcoming Annual General Meeting of the Company to be held on 23 November 2016.

The dividend if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 30 December 2016 and entitlement to dividends will be determined on the basis of the record of depositors as at 1 December 2016.

No interim dividend has been recommended for the financial quarter ended 30 September 2016.

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AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 RM6,259,000 and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter.

**Fully Diluted**

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 RM7,064,000 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, and the effects of unexercised Warrants and ESOS options.

(a) <b>Basic EPS</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Quarter 30.9.2016	Preceding Year Corresponding Qtr 30.9.2015	Current Year To Date 30.9.2016	Preceding Year to Date 30.9.2015
Profit attributable to equity holders of the Company (RM’000)	6,259	4,334	6,259	4,334
Weighted average number of shares in issue (’000)	448,416	448,416	448,416	448,416
Basic earnings per share (sen)	1.39	0.97	1.39	0.97
(b) <b>Diluted EPS</b>	Current Quarter 30.9.2016	Preceding Year Corresponding Qtr 30.9.2015	Current Year To Date 30.9.2016	Preceding Year to Date 30.9.2015
Profit attributable to equity holders of the Company (RM’000)	6,259	4,334	6,259	4,334
Effects on earnings upon conversion of RCSLS (RM’000)	805	1,097	805	1,097
	<u>7,064</u>	<u>5,431</u>	<u>7,064</u>	<u>5,431</u>
Weighted average number of shares in issue (’000)	448,416	448,416	448,416	448,416
Effects of RCSLS	70,586	96,253	70,586	96,253
Adjusted weighted average number of shares in issue and issuable (’000)	<u>519,002</u>	<u>544,669</u>	<u>519,002</u>	<u>544,669</u>
Diluted earnings per share (sen)	1.36	1.00	1.36	1.00

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**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
	30.9.2016	Corresponding Qtr	To Date	Year to Date
	RM'000	30.9.2015	30.9.2016	30.9.2015
	RM'000	RM'000	RM'000	RM'000
Interest expense	4,054	4,019	4,054	4,019
Depreciation and Amortization	866	708	866	708
Impairment loss on other investment	-	-	-	-
<b>After crediting:</b>				
Interest income	1,459	2,492	1,459	2,492
Gain on fair value changes of investment properties	-	-	-	-
Other income	2,248	826	2,248	826
Distribution income from short term funds	11	10	11	10

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 30 September 2016.

**14 Realised and Unrealised Retained Earnings**

	As at 30.9.2016 RM'000	As at 30.6.2016 RM'000
<b>Total share of retained earnings:</b>		
Company and subsidiaries		
-realised	525,776	519,761
-unrealised	23,462	21,051
	<u>549,238</u>	<u>540,812</u>
Associated companies		
-realised	2,349	2,413
-unrealised	-	-
	<u>2,349</u>	<u>2,413</u>
Less: Consolidation adjustments	(280,804)	(275,424)
Total group retained earnings as per unaudited consolidated financial statements	<u><u>270,783</u></u>	<u><u>267,801</u></u>