

MALTON

Malton Berhad

(Company No: 320888-T)

INTERIM FINANCIAL REPORT
30 JUNE 2017

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 30 JUNE 2017

	Page No.
Condensed Consolidated Statement Of Comprehensive Income	1
Condensed Consolidated Statement Of Financial Position	2
Condensed Consolidated Statement Of Changes In Equity	3
Condensed Consolidated Statement Of Cash Flows	4
Explanatory Notes To The Interim Financial Statements:	
Part A: Explanatory Notes Pursuant To FRS 134	5 – 10
Part B: Explanatory Notes Pursuant To Appendix 9B Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad	11 – 19

MALTON BERHAD

(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2017

(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
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Revenue	334,699	220,444	817,080	632,216
Operating Expenses	(246,339)	(180,387)	(702,903)	(565,063)
Other Operating Income	3,885	13,339	14,186	22,852
Finance Costs	(3,284)	(4,425)	(16,407)	(16,805)
Share in Results of Associated Companies	304	(2,134)	(181)	(1,999)
Profit before Taxation	89,265	46,837	111,775	71,201
Taxation	(41,025)	(25,654)	(49,358)	(34,886)
Net Profit for the Period	48,240	21,183	62,417	36,315
Other Comprehensive Income				
Change in fair value of available-for-sale financial assets	1	57	-	845
	48,241	21,240	62,417	37,160
Attributable to:				
Owners of the Company	48,175	21,273	62,523	36,427
Non-Controlling Interests	65	(90)	(106)	(112)
Net Profit for the Period	48,240	21,183	62,417	36,315
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	9.34	4.74	13.43	8.12
Fully Diluted	8.23	4.11	13.37	7.49

(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

	Unaudited As At 30.6.2017 RM'000	Audited As At 30.06.2016 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	12,343	9,560
Investment Properties	146,834	114,770
Land held for Property Development	78,888	85,238
Investment in Associated Companies	2,232	2,413
Other Investments	245	245
Deferred Tax Assets	4,454	7,871
Other Receivables	12,807	-
	<u>257,803</u>	<u>220,097</u>
Current Assets		
Property Development	1,432,497	1,174,844
Inventories	101,047	105,688
Trade Receivables	186,397	105,108
Accrued Billings	183,508	25,198
Amount due from contract customers	14,070	1,116
Other Receivables and Prepaid Expenses	353,752	370,152
Tax recoverable	2,081	633
Short term funds	1,472	1,421
Fixed Deposits with Licensed Banks	9,973	4,092
Cash and Bank Balances	73,056	93,051
	<u>2,357,853</u>	<u>1,881,303</u>
TOTAL ASSETS	<u>2,615,656</u>	<u>2,101,400</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	528,176	448,416
Share Premium	-	6
Other Reserves	23,901	25,550
Retained Earnings	317,301	264,525
	<u>869,378</u>	<u>738,497</u>
Non-Controlling Interests	189,406	187,110
Total Equity	<u>1,058,784</u>	<u>925,607</u>
Non-Current Liabilities		
Other payables	155,002	-
RCCLS - Liability component	-	68,014
Redeemable Preference Shares	3,000	3,000
Bank Borrowings	286,631	168,895
Hire-Purchase Payables	3,959	1,636
Deferred Tax Liabilities	62,450	62,692
	<u>511,042</u>	<u>304,237</u>
Current Liabilities		
Trade Payables	399,001	390,103
Advance Billings	9,231	7,107
Other Payables and Accrued Expenses	294,542	131,670
RCCLS - Liability component	-	25,667
Bank Borrowings	305,382	296,506
Hire-Purchase Payables	1,940	720
Tax Liabilities	35,734	19,783
	<u>1,045,830</u>	<u>871,556</u>
TOTAL EQUITY AND LIABILITIES	<u>2,615,656</u>	<u>2,101,400</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.65</u>	<u>1.65</u>

(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 YEAR ENDED 30 JUNE 2017
(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 1.7.2015	448,416	2,887	6	(793)	20,546	2,065	2,035	239,515	-	714,627
Share options lapsed under ESOS	-	-	-	-	-	-	(2,035)	2,035	-	-
Non-controlling interest arising on the acquisition of subsidiary companies	-	-	-	-	-	-	-	-	187,222	187,222
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(13,452)	-	(13,452)
Total comprehensive income	-	-	-	845	-	-	-	36,427	(112)	37,160
Balance as at 30.6.2016	448,416	2,887	6	52	20,546	2,065	-	264,525	187,110	925,607
Balance as at 1.7.2016	448,416	2,887	6	52	20,546	2,065	-	264,525	187,110	925,607
Issuance of ordinary shares:										
- Conversion of RCSLS	68,490	(2,887)	-	-	-	-	-	1,465	-	67,068
- Employees' Share Option Scheme ("ESOS")	8,697	-	-	-	-	-	-	-	-	8,697
Share option granted under ESOS	-	-	-	-	-	-	3,805	-	-	3,805
Transfer arising from ESOS exercised	2,567	-	-	-	-	-	(2,567)	-	-	-
Effects from adoption of Companies Act 2016	6	-	(6)	-	-	-	-	-	-	-
Non-controlling interest arising from subscription of shares in subsidiary companies	-	-	-	-	-	-	-	-	2,402	2,402
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(11,212)	-	(11,212)
Total comprehensive income	-	-	-	-	-	-	-	62,523	(106)	62,417
Balance as at 30.6.2017	528,176	-	-	52	20,546	2,065	1,238	317,301	189,406	1,058,784

(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)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017
(These figures have not been audited)**

	30.6.2017	30.6.2016
	RM'000	RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	111,775	71,201
Adjustments for :		
Finance costs	16,407	16,805
Share in results of associated companies	181	1,999
Depreciation of property, plant & equipment	3,632	2,733
Write-offs of:		
Land held for property development	-	587
Property, plant and equipment	-	23
Receivables	-	1
Share options granted under ESOS	3,805	-
Reversal of Impairment loss of inventories	(3,399)	-
Impairment loss of inventories	2,722	-
Provision for affordable housing obligations	-	(3,161)
Gain on:		
Compulsory acquisition by the State Admin for land held for property development	-	(1,655)
Disposal of other investment	-	(777)
Fair value adjustment of investment properties	931	(400)
Over recognition of accrued costs to completion of project	-	(199)
Distribution income on short term funds	(58)	(86)
Compensation fees received on the compulsory acquisition of land by the State Admin	-	(737)
Loss/(gain) on disposal of property, plant & equipment	411	(266)
Interest income	(6,146)	(7,389)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>130,261</u>	<u>78,679</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development - current portion	(247,571)	(237,985)
Inventories	5,317	(9,392)
Receivables	(85,955)	(55,718)
Accrued billings	(158,310)	2,666
Amount owing by contract customers	(12,953)	41,428
Increase/(Decrease) in:		
Payables	329,173	231,991
Advance/(accrued) billing	2,123	(82,162)
CASH FROM/(USED IN) OPERATIONS	<u>(37,915)</u>	<u>(30,493)</u>
Income tax paid net of refund	(32,625)	(39,243)
NET CASH USED IN OPERATING ACTIVITIES	<u>(70,540)</u>	<u>(69,736)</u>
INVESTING ACTIVITIES		
Interest received	13,264	7,389
Distribution income from short term funds received	58	86
(Increase)/Decrease in:		
Property development - non-current portion	6,350	(17,991)
Short term funds	(51)	(45)
Additional of Investment properties	(32,995)	(16,963)
Proceeds from disposal of property, plant & equipment	45	408
Proceeds from exercise of Put Option	-	154,000
Proceeds from disposal of land held for property development	-	3,889
Proceeds from disposal of other investment	-	2,573
Net cash outflow on acquisition of subsidiary companies (Placement)/Withdrawal of fixed deposit	(381)	(3,236)
Addition to property, plant & equipment	(1,401)	(1,418)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	<u>(15,111)</u>	<u>67,565</u>
FINANCING ACTIVITIES		
Finance costs paid	(23,253)	(27,969)
Proceeds from long-term loan	247,474	229,981
Withdrawal/(Placement) of RCSLS Debts Service Reserve and Disbursement:	28,202	(3,441)
Redemption of redeemable convertible secured loan stocks	(27,762)	(19,251)
Redemption of preference shares	-	-
Dividend paid	(11,212)	(13,452)
Repayment of borrowings	(131,547)	(161,360)
Repayment of hire purchase payables	(1,925)	(849)
Proceeds from issuance of shares pursuant to ESOS	8,697	-
NET CASH FROM FINANCING ACTIVITIES	<u>88,674</u>	<u>3,659</u>
Net increase in cash and cash equivalents	3,023	1,488
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>50,501</u>	<u>47,478</u>
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	5,500	-
Cash and bank balances	73,056	64,850
Bank overdrafts	(28,055)	(17,372)
	<u>50,501</u>	<u>47,478</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 FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

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.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

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 ²
FRS 15	Revenue from Contracts with Customers (and related clarifications) ²
FRS 16	Leases ³
Amendments to FRS 2	Classification and Measurements of Shared-based Payment Transactions ²
Amendments to FRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i> ²
Amendments to FRS 107	Disclosure Initiative ¹
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to FRS 140	Transfers of Investment Property ²
Amendments to FRSs	Annual Improvements to FRSs 2014 – 2016 Cycle ¹
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration ²

¹ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

² Effective for annual periods beginning on or after 1 January 2018, with limited exceptions. Earlier application is permitted

³ Effective for annual periods beginning on or after 1 January 2019, with earlier application 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.

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.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

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 June 2017:

During the quarter, the Company issued 37,246,080 new ordinary shares pursuant to conversion of RM37,246,080 nominal value Redeemable Convertible Secured Loan Stock (“RCSLS”).

During the quarter, the Company issued 8,347,200 new ordinary shares pursuant to the exercise of options under the Employees’ Share Option Scheme.

Accordingly, the issued share capital of the Company has increased from 482,184,161 ordinary shares to 527,777,441 ordinary shares as at 30 June 2017.

On 15 June 2017 the balance of unconverted RCSLS of RM2,095,138 has been fully redeemed.

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 June 2017.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

8 Segmental Reporting

a) Analysis by business segments for the year ended 30 June 2017:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	570,559	35,975	209,386	1,160		817,080
Internal Sales	-	-	364,228	51,570	(415,798)	-
	<u>570,559</u>	<u>35,975</u>	<u>573,614</u>	<u>52,730</u>	<u>(415,798)</u>	<u>817,080</u>
Results						
Segmental operating profit/(loss)	<u>76,911</u>	<u>13,501</u>	<u>32,537</u>	<u>29,665</u>	<u>(30,455)</u>	<u>122,159</u>
Interest and distribution income						6,204
Profit from operations						<u>128,363</u>
Finance costs						(16,407)
Share in results of associated companies						(181)
Profit before tax						<u>111,775</u>
Income tax expense						(49,358)
Net profit for the year						<u>62,417</u>

b) Analysis by business segments for the year ended 30 June 2016:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	412,740	4,420	214,362	694		632,216
Internal Sales	-	-	289,533	39,162	(328,695)	-
	<u>412,740</u>	<u>4,420</u>	<u>503,895</u>	<u>39,856</u>	<u>(328,695)</u>	<u>632,216</u>
Results						
Segmental operating profit/(loss)	<u>74,328</u>	<u>248</u>	<u>33,579</u>	<u>19,811</u>	<u>(45,436)</u>	<u>82,530</u>
Interest and distribution income						7,475
Profit from operations						<u>90,005</u>
Finance costs						(16,805)
Share in results of associated companies						(1,999)
Profit before tax						<u>71,201</u>
Income tax expense						(34,886)
Net profit for the year						<u>36,315</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

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 except for the investment properties which was stated at fair value and a loss on fair value adjustment of RM931,000 was recognized for the current quarter ended 30 June 2017.

10 Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the current quarter ended 30 June 2017 up to the date of this report, which is likely to substantially affect the results of the operations of the Group except for the Revocation Agreement which has become unconditional on 14 August 2017 as disclosed in Part B under Note 8 of the explanatory notes.

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 Capital Commitments

	As at 30.6.2017 RM'000	As at 31.3.2017 RM'000
Approved and contracted for - Construction of investment property	<u>32,274</u>	<u>40,591</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

14 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	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd	37,160	4,232	61,478	21,942
Harmoni Perkasa Sdn Bhd	16,590	19,412	61,371	42,516
Exercise of Put Option:				
Impian Ekspresi Sdn Bhd	-	-	-	154,000
Rental paid/payable to:				
Pavilion REIT #	744	744	3,017	3,015
Purchase of gifts and hampers				
Crabtree & Evelyn (Malaysia) Sdn Bhd	-	16	126	430
Sale of properties to certain directors and family members of certain directors of the Company	30,582	7,320	32,086	7,320

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

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

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

1 Review of Performance

	Individual Quarter		Change %	Cumulative Quarter		Change %
	Current Year Quarter 30.6.2017 RM'000	Preceding Year Corresponding Quarter 30.6.2016 RM'000		Current Year To-Date 30.6.2017 RM'000	Preceding Year Corresponding Year To-Date 30.6.2016 RM'000	
Revenue						
Property development	218,180	154,139		570,559	412,740	
Completed properties	28,761	4,070		35,975	4,420	
Sub-Total	246,941	158,209	56.1	606,534	417,160	45.4
Construction	87,309	62,071	40.7	209,386	214,362	(2.3)
Others	449	164	173.8	1,160	694	67.1
Total	334,699	220,444	51.8	817,080	632,216	29.2
Profit Before Tax ("PBT")						
Property development	42,790	39,047		60,988	71,150	
Completed properties	9,068	302		13,177	248	
Sub-Total	51,858	39,349	31.8	74,165	71,398	3.9
Construction	24,357	11,392	113.8	47,410	21,967	115.8
Others	13,050	(3,904)	434.3	(9,800)	(22,164)	55.8
Total	89,265	46,837	90.6	111,775	71,201	57.0

The Group's revenue for the current quarter improved by 51.8% to RM334.7 million as compared to RM220.4 million reported in the previous corresponding quarter while PBT for the current quarter improved by 90.6% to RM89.3 million as compared to RM46.8 million reported in the previous corresponding quarter.

The Group's revenue for the current financial year improved by 29.2% to RM817.1 million as compared to RM632.2 million reported in the previous corresponding financial year, attributed by significant increase in property turnover while construction turnover saw a marginal decline in current year compared to last year. PBT for the current financial year improved by 57.0% to RM111.8 million as compared to RM71.2 million reported in the previous corresponding financial year in line with the stronger contribution from the property division and positive effects of cost savings measures and value engineering undertaken by the construction division, albeit marginally lower margins recorded by both divisions and reduction in other income.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

Property Development

Revenue and PBT from the property development division improved by 56.1% and 31.8% respectively during the current quarter as compared to the previous corresponding quarter due to recognition of revenue upon completion and sale of remaining units of Bukit Jalil City Signature Shops and initial recognition of revenue of Tower 1 of The Park 2 Residence in Bukit Jalil with an encouraging take up rates of 90% since its launch in April 2017.

Revenue and PBT from the property development division improved by 45.4% and 3.9% during the current financial year as compared to the previous corresponding financial year due to recognition of revenue upon completion and sale of remaining units of Bukit Jalil City Signature Shops and initial recognition of revenue of Tower 1 of The Park 2 Residence in Bukit Jalil. The lower rate of increase in PBT as compared to revenue was mainly due to higher material and labour costs for The Park Sky Residence at Bukit Jalil and impairment loss of certain of the Group's investment properties and inventories.

Construction

Revenue and PBT from construction division improved by 40.7% and 113.8% respectively in the current quarter as compared to the previous corresponding quarter due to higher margin revenue during the current quarter coupled with cost savings measures undertaken.

Revenue from construction division was marginally lower by 2.3% in the current financial year as compared to the previous corresponding financial year due to completion of KPM Lumut project towards end of previously financial year while PBT improved by 115.8% in the current financial year as compared to the previous corresponding financial year due mainly to effects of cost savings measures and value engineering undertaken by the division.

Share of Results of Associated Companies

The share of results of associated companies during the quarter showed a profit of RM0.3 million in the current quarter as compared to a loss of RM2.1 million in the previous corresponding quarter due to lower expenses incurred during the current quarter.

The share of results of associated companies showed a marginal loss of RM0.2 million in the current financial year as compared to a loss of RM2.0 million in the previous corresponding financial year due to lower expenses incurred during the current financial year.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

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

	Current Quarter 30.6.2017 RM'000	Immediate Preceding Quarter 31.3.2017 RM'000	Change %
Revenue			
Property development	218,180	88,070	
Completed properties	28,761	6,864	
Sub-Total	246,941	94,934	160.1
Construction	87,309	61,053	43.0
Others	449	379	18.5
Total	334,699	156,366	114.0
Profit Before Tax (“PBT”)			
Property development	42,790	5,985	
Completed properties	9,068	456	
Sub-Total	51,858	6,441	705.1
Construction	24,357	10,872	124.0
Others	13,050	(9,790)	233.3
Total	89,265	7,523	1,086.6

The Group’s revenue improved by 114.0% to RM334.7 million for the current quarter as compared to RM156.4 million for the immediate preceding quarter. The Group recorded a 1,086.6% improvement in PBT of RM89.3 million for the current quarter as compared to the PBT of RM7.5 million for the immediate preceding quarter. The significantly higher turnover for the current quarter was due to completion and sale of remaining units of Bukit Jalil City Signature Shops and higher work progress for the on-going projects under property development division. The Group also records significant sales for its completed property stocks during the current quarter. The construction division also recorded higher contributions arising from higher progress billings from its projects.

The higher PBT during the current quarter was mainly due to higher billings from completion of Bukit Jalil City Signature Shops with higher margins and higher construction turnover during the current quarter in addition to the cost savings measures and value engineering undertaken by the construction division.

3 Prospects for the next Financial Year Ending 30 June 2018

The Malaysian real GDP expanded by 5.8% in the second quarter of 2017 as compared to 5.6% recorded in the first quarter of 2017 supported by private sector consumption and investment while exports remain robust.

The Malaysian economy is expected to expand by more than 4.8% in 2017 with domestic demand remaining as the key driver of growth and exports are expected to benefit from the improvement in global growth.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

In the meantime, the on-going development projects of the Group namely, The Park Sky Residence and The Park 2 Residence in Bukit Jalil, Rapid City Centre in Johor and SK One Residence in Seri Kembangan, with a total unbilled sales of RM1.08 billion as of 30 June 2017 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 2018. In August 2017, the Group launched Tower 2 of The Park 2 Residence in Bukit Jalil with encouraging take-up rate.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2018.

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 30.6.2017 RM'000	Preceding Year Corresponding Quarter 30.6.2016 RM'000	Current Year To-Date 30.6.2017 RM'000	Preceding Year Corresponding Year To-Date 30.6.2016 RM'000
Current taxation	32,576	20,676	48,315	41,109
Under/(Over) provision in prior year	28	1,020	(2,133)	902
Deferred taxation	8,421	3,958	3,176	(7,125)
	<u>41,025</u>	<u>25,654</u>	<u>49,358</u>	<u>34,886</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.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

8 Status of Corporate Proposals

1. 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;
- (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”) which was obtained on 20 February 2017;
- (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 which was obtained on 2 March 2017.

On 26 May 2017, EHSB and BKDSB had mutually agreed to further extend the expiry of the Approval Period under the Sale and Purchase Agreement of EHSB and BKDSB from 31 May 2017 to 30 August 2017.

The Revocation Agreement has become unconditional on 14 August 2017.

2. On 23 June 2017, Layar Raya Sdn Bhd (“LRSB”), a wholly-owned subsidiary of the Company, had entered into a Joint Venture Agreement (“JVA”) with Fame Action Sdn Bhd (“FASB”) for the purpose of developing seven parcels of freehold land owned by LRSB.

Save for the above, there was no other outstanding corporate proposal for the Group.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

9 Borrowings and Debt Securities

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

	As at 30 June 2017		
	Long-term RM'000	Short-term RM'000	Total RM'000
Secured			
Term Loans	242,411	93,834	336,245
Revolving Credits	8,311	114,839	123,150
Bridging Loans	35,909	8,654	44,563
Redeemable Preference Shares	3,000	-	3,000
Bank Overdrafts	-	28,055	28,055
Hire Purchase Payables	3,959	1,940	5,899
	<u>293,590</u>	<u>247,322</u>	<u>540,912</u>
Unsecured			
Revolving credit	-	60,000	60,000
	<u>293,590</u>	<u>307,322</u>	<u>600,912</u>

	As at 30 June 2016		
	Long-term RM'000	Short-term RM'000	Total RM'000
Secured			
RCSLS – Liability Component	68,014	25,667	93,681
Term Loans	116,244	151,846	268,090
Revolving Credits	10,500	104,937	115,437
Bridging Loans	42,151	2,351	44,502
Redeemable Preference Shares	3,000	-	3,000
Bank Overdrafts	-	17,372	17,372
Hire Purchase Payables	1,636	720	2,356
	<u>241,545</u>	<u>302,893</u>	<u>544,438</u>
Unsecured			
Revolving credit	-	20,000	20,000
	<u>241,545</u>	<u>322,893</u>	<u>564,438</u>

All borrowings are denominated in Ringgit Malaysia.

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 2017.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

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 RM48,175,000 and RM62,523,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial year ended 30 June 2017.

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 RM48,175,000 and RM62,523,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the quarter and financial year ended 30 June 2017 and the effects of unexercised Warrants and ESOS options.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.6.2017	Preceding Year Corresponding Qtr 30.6.2016	Current Year To Date 30.6.2017	Preceding Year to Date 30.6.2016
Profit attributable to equity holders of the Company (RM’000)	48,175	21,273	62,523	36,427
Weighted average number of shares in issue (’000)	515,840	448,416	465,692	448,416
Basic earnings per share (sen)	9.34	4.74	13.43	8.12
(b) Diluted EPS	Current Quarter 30.6.2017	Preceding Year Corresponding Qtr 30.6.2016	Current Year To Date 30.6.2017	Preceding Year to Date 30.6.2016
Profit attributable to equity holders of the Company (RM’000)	48,175	21,273	62,523	36,427
Effects on earnings upon conversion of RCSLS (RM’000)	-	1,097	-	4,389
	<u>48,175</u>	<u>22,370</u>	<u>62,523</u>	<u>40,816</u>
Weighted average number of shares in issue (’000)	515,840	448,416	465,692	448,416
Effects of Warrants	66,463	-	-	-
Effects of RCSLS	-	96,253	-	96,253
Effects of unexercised ESOS	<u>3,405</u>	<u>-</u>	<u>2,032</u>	<u>-</u>
Adjusted weighted average number of shares in issue and issuable (’000)	<u>585,708</u>	<u>544,669</u>	<u>467,724</u>	<u>544,669</u>
Diluted earnings per share (sen)	8.23	4.11	13.37	7.49

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

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
	30.6.2017	Corresponding Qtr	To Date	Year to Date
	RM'000	30.6.2016	30.6.2017	30.6.2016
		RM'000	RM'000	RM'000
Interest expense	3,284	4,425	16,407	16,805
Depreciation and Amortization	917	661	3,632	2,733
Imputed interest on other receivable	3,223	-	3,223	-
Provision for foreseeable loss on affordable housing	3,428	-	3,428	-
Loss on disposal of property, plant and equipment	(7)	-	411	-
Impairment loss on:				
Inventories	2,722	-	2,722	-
Investment properties	931	-	931	-
After crediting:				
Reversal of impairment loss of inventories	-	-	3,399	-
Interest income	2,428	588	6,146	7,389
Gain on disposal of:				
Property, plant and Equipment	-	(3)	-	266
Other investment	-	777	-	777
Other income	1,444	930	4,583	2,378
Distribution income from short term funds	13	21	58	86

There were no other 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, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current quarter under review and financial year ended 30 June 2017.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2017**

14 Realised and Unrealised Retained Earnings

	As at 30.6.2017 RM'000	As at 31.3.2017 RM'000
Total share of retained earnings:		
Company and subsidiaries		
-realised	598,096	538,056
-unrealised	5,312	14,194
	<u>603,408</u>	<u>552,250</u>
Associated companies		
-realised	2,232	1,929
-unrealised	-	-
	<u>2,232</u>	<u>1,929</u>
Less: Consolidation adjustments	<u>(288,339)</u>	<u>(286,518)</u>
Total group retained earnings as per unaudited consolidated financial statements	<u>317,301</u>	<u>267,661</u>