



Malton Berhad

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT
30 SEPTEMBER 2017**

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 30 SEPTEMBER 2017

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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 2017 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2016 RM'000	CURRENT YEAR TO DATE 30.09.2017 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30.09.2016 RM'000
Revenue	125,117	130,041	125,117	130,041
Operating Expenses	(120,010)	(119,767)	(120,010)	(119,767)
Other Operating Income	26,782	3,718	26,782	3,718
Finance Costs	(3,849)	(4,054)	(3,849)	(4,054)
Share in Results of Associated Companies	(114)	(65)	(114)	(65)
Profit before Taxation	27,926	9,873	27,926	9,873
Taxation	(2,158)	(3,639)	(2,158)	(3,639)
Net Profit for the Period	25,768	6,234	25,768	6,234
Other Comprehensive Income/(loss) Change in fair value of available-for-sale financial assets	(1)	2	(1)	2
	25,767	6,236	25,767	6,236
Attributable to:				
Owners of the Company	25,929	6,259	25,929	6,259
Non-Controlling Interests	(161)	(25)	(161)	(25)
Net Profit for the Period	25,768	6,234	25,768	6,234
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	4.91	1.39	4.91	1.39
Fully Diluted	4.71	1.36	4.71	1.36

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2017 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 30.09.2017 RM'000	Audited As At 30.06.2017 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	12,968	12,339
Investment Properties	157,109	145,679
Land held for Property Development	80,333	78,888
Investment in Associated Companies	2,118	2,232
Other Investments	245	245
Deferred Tax Assets	5,503	4,253
	<u>258,276</u>	<u>243,636</u>
Current Assets		
Property Development	1,446,943	1,467,117
Inventories	96,363	97,615
Trade Receivables	158,569	164,393
Accrued Billings	155,796	173,487
Amount due from contract customer	-	12,558
Other Receivables and Prepaid Expenses	118,020	352,801
Tax recoverable	215	231
Short term funds	1,543	1,530
Fixed Deposits with Licensed Banks	142,415	9,915
Cash and Bank Balances	87,258	73,033
	<u>2,207,122</u>	<u>2,352,680</u>
TOTAL ASSETS	<u>2,465,398</u>	<u>2,596,316</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	528,268	528,176
Other Reserves	23,878	23,900
Retained Earnings	343,995	318,066
	<u>896,141</u>	<u>870,142</u>
Non-Controlling Interests	179,344	179,505
Total Equity	<u>1,075,485</u>	<u>1,049,647</u>
Non-Current Liabilities		
Other Payables	170,202	170,202
Redeemable Preference Shares	3,000	3,000
Bank Borrowings	91,341	107,373
Hire-Purchase Payables	4,058	3,737
Deferred Tax Liabilities	62,450	62,450
	<u>331,051</u>	<u>346,762</u>
Current Liabilities		
Trade Payables	325,063	415,529
Amount Owing to Contract Customers	12,766	-
Advance Billings	21,683	8,466
Other Payables and Accrued Expenses	265,723	253,358
Bank Borrowings	398,552	484,640
Hire-Purchase Payables	2,583	2,162
Tax Liabilities	32,492	35,752
	<u>1,058,862</u>	<u>1,199,907</u>
TOTAL EQUITY AND LIABILITIES	<u>2,465,398</u>	<u>2,596,316</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.70</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 2017 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 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 1.7.2016	448,416	2,887	6	52	20,546	2,065	-	264,525	187,110	925,607
Issuance of shares:										
- Conversion of RCSLS	68,490	(2,887)	-	-	-	-	-	1,465	-	67,068
- Employees' Share Option Scheme ("ESOS")	11,264	-	-	-	-	-	(2,567)	-	-	8,697
Share option granted under ESOS	-	-	-	-	-	-	3,805	-	-	3,805
Transfer arising from "no-par-value" regime	6	-	(6)	-	-	-	-	-	-	-
Acquisition of additional interests in an existing subsidiary company	-	-	-	-	-	-	-	-	2,401	2,401
Redemption of redeemable preference shares	-	-	-	-	-	-	-	-	(9,900)	(9,900)
Dividend to equity holders of the Company	-	-	-	-	-	-	-	(11,211)	-	(11,211)
Total comprehensive income/(loss) for the year	-	-	-	(1)	-	-	-	63,287	(106)	63,180
Balance as at 30.6.2017	528,176	-	-	51	20,546	2,065	1,238	318,066	179,505	1,049,647
Balance as at 1.7.2017	528,176	-	-	51	20,546	2,065	1,238	318,066	179,505	1,049,647
Issuance of ordinary shares:										
- Employees' Share Option Scheme ("ESOS")	92	-	-	-	-	-	(21)	-	-	71
Total comprehensive income	-	-	-	(1)	-	-	-	25,929	(161)	25,767
Balance as at 30.9.2017	528,268	-	-	50	20,546	2,065	1,217	343,995	179,344	1,075,485

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2017 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 2017**

(These figures have not been audited)

	30.09.2017	30.09.2016
	RM'000	RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	27,926	9,873
Adjustments for :		
Finance costs	3,849	4,054
Write off of:		
Property, plant & equipment	1	-
Share in results of associated companies	114	65
Depreciation of property, plant & equipment	971	866
(Gain)/loss on disposal of PPE	(61)	-
Distribution income on short term funds	(15)	(11)
Interest income	(1,699)	(1,459)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>31,086</u>	<u>13,388</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development - current portion	22,074	75,516
Inventories	1,252	-
Receivables	238,380	18,804
Accrued billings	17,691	(4,779)
Amount owing by contract customers	25,324	16,779
Increase/(Decrease) in:		
Payables	(78,089)	(125,980)
Advance billing	13,217	4,086
CASH FROM/(USED IN) OPERATIONS	<u>270,935</u>	<u>(2,186)</u>
Income tax paid net of refund	(6,652)	(6,952)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>264,283</u>	<u>(9,138)</u>
INVESTING ACTIVITIES		
Interest received	3,176	3,228
Distribution income from short term funds received	15	11
(Increase)/Decrease in:		
Property development - non-current portion	(1,445)	(531)
Short term funds	(14)	(10)
Additional of Investment properties	(11,430)	(9,228)
Proceed from disposal of property, plant & equipment	64	-
(Placement)/Withdrawal of fixed deposit	(13,498)	(95)
Addition to property, plant & equipment	(323)	(734)
NET CASH USED IN INVESTING ACTIVITIES	<u>(23,455)</u>	<u>(7,359)</u>
FINANCING ACTIVITIES		
Interest paid	(5,013)	(7,347)
Proceeds from long-term loan	71,802	18,522
Repayment of borrowings	(153,611)	14,383
Repayment of hire purchase payables	(539)	(386)
Proceeds from exercise of share options	71	-
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>(87,290)</u>	<u>25,172</u>
Net increase in cash and cash equivalents	153,538	8,675
Cash and cash equivalents at the beginning of the period	44,978	47,478
Cash and cash equivalents at the end of the period	<u>198,516</u>	<u>56,153</u>
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	119,003	10,000
Cash and bank balances	87,258	72,015
Bank overdrafts	(7,745)	(25,862)
	<u>198,516</u>	<u>56,153</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2017 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 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 2017.

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 2017.

Adoption of Malaysian Financial Reporting Standards

On 19 November 2011, the 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.

Transitioning Entities, 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 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that Transitioning Entities 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 Transitioning Entities 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 FIRST QUARTER
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Adoption of Amendments to Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the amendments to FRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are relevant to its operations and effective for annual financial periods beginning on or after 1 July 2017 as follows:

Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRSs	Annual Improvements to FRSs 2014 - 2016 Cycle

The adoption of these amendments to FRSs 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 performance or position of the Group and of the Company.

Standards, Issues Committee Interpretations (“IC Int.”) and Amendments in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new Standards, Amendments and IC Int. 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 ¹
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to FRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts ¹
Amendments to FRS 140	Transfers of Investment Property ¹
IC Int. 22	Foreign Currency Transactions and Advance Consideration ¹
IC Int. 23	Uncertainty Over Income Tax Treatments ²
Amendments to FRSs	Annual Improvements to FRSs 2014 - 2016 Cycle ¹

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

² Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

The directors anticipate that the abovementioned Standards, Amendments and IC Int. 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 Standards, Amendments and IC Int. will have no material impact on the financial statements of the Group and of the Company in the period of initial application, except as discussed below:

FRS 9 Financial Instruments

FRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. FRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of FRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (FVTOCI) measurement category for certain simple debt instruments.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
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Key requirements of FRS 9:

- All recognised financial assets that are within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under FRS 9, entities may make an irrevocable election to present subsequent changes in fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regards to the measurement of financial liabilities designated as at fair value through profit or loss, FRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liabilities, be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, FRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 139. Under FRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about any entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of FRS 9 in the future may have a material impact on amounts reported in respect of the Group's and of the Company's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of FRS 9 until the Group and the Company complete a detailed review.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

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

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 87,500 new ordinary shares pursuant to the exercise of options under the Employees' Share Option Scheme and 400 new ordinary shares pursuant to exercise of 400 Warrants 2011/2018.

Accordingly, the issued share capital of the Company has increased from 527,777,441 ordinary shares to 527,865,341 ordinary shares as at 30 September 2017.

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 2017.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

8 Segmental Reporting

a) Analysis by business segments for the period ended 30 September 2017:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	86,934	1,435	36,349	399		125,117
Internal Sales	-	-	21,773	1,279	(23,052)	-
	<u>86,934</u>	<u>1,435</u>	<u>58,122</u>	<u>1,678</u>	<u>(23,052)</u>	<u>125,117</u>
Results						
Segmental operating profit/(loss)	<u>31,238</u>	<u>85</u>	<u>3,442</u>	<u>(7,183)</u>	<u>2,592</u>	<u>30,174</u>
Interest and distribution income						<u>1,715</u>
Profit from operations						<u>31,889</u>
Finance costs						<u>(3,849)</u>
Share in results of associated companies						<u>(114)</u>
Profit before tax						<u>27,926</u>
Income tax expense						<u>(2,158)</u>
Net profit for the period						<u>25,768</u>

b) Analysis by business segments for the period ended 30 September 2016:

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

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
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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 2017.

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

There were no material events subsequent to the current quarter ended 30 September 2017 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 18 September 2017, Khuan Choo Realty Sdn Bhd, a wholly-owned subsidiary of Malton Berhad, acquired the entire issued and paid-up capital of Ambang Suriamas Sdn Bhd, a company incorporated in Malaysia, comprising 1 ordinary share for a total consideration of RM1.00.

12 Contingent Liabilities

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

13 Capital Commitments

	As at 30.9.2017 RM'000	As at 30.6.2017 RM'000
Approved and contracted for		
- Construction of investment property	<u>21,684</u>	<u>32,274</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
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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
	30.9.2017 RM'000	30.9.2016 RM'000	30.9.2017 RM'000	30.9.2016 RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd	36,016	2,370	36,016	2,370
Harmoni Perkasa Sdn Bhd	6,569	14,547	6,569	14,547
Rental paid/payable to:				
Pavilion REIT #	790	830	790	830
Director of the Company	48	-	48	-
Purchase of gifts and hampers				
Crabtree & Evelyn (Malaysia) Sdn Bhd	33	55	33	55
Sale of property to director and family members of director of the Company	3,976	-	3,976	-

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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**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

1 Review of Performance

	Individual Quarter		Change %	Cumulative Quarter		Change %
	Current Year Quarter 30.9.2017 RM'000	Preceding Year Corresponding Quarter 30.9.2016 RM'000		Current Year To-Date 30.9.2017 RM'000	Preceding Year Corresponding Year To-Date 30.9.2016 RM'000	
Revenue						
Property development	86,934	110,204		86,934	110,204	
Completed properties	1,435	-		1,435	-	
Sub-Total	88,369	110,204	(19.8)	88,369	110,204	(19.8)
Construction	36,349	19,658	84.9	36,349	19,658	84.9
Others	399	179	122.9	399	179	122.9
Total	125,117	130,041	(3.8)	125,117	130,041	(3.8)
Profit Before Tax ("PBT")						
Property development	25,821	15,115		25,821	15,115	
Completed properties	95	(16)		95	(16)	
Sub-Total	25,916	15,099	71.6	25,916	15,099	71.6
Construction	7,969	2,512	217.2	7,969	2,512	217.2
Others	(5,959)	(7,738)	23.0	(5,959)	(7,738)	23.0
Total	27,926	9,873	182.9	27,926	9,873	182.9

The Group's revenue for the current quarter declined by 3.8% to RM125.1 million as compared to RM130.0 million reported in the previous corresponding quarter while PBT for the current quarter improved by 182.9% to RM27.9 million as compared to RM9.9 million reported in the previous corresponding quarter. The significant increase in PBT arose from the recognition of group gain of RM23.8 million on revocation of joint development agreement of a subsidiary company, Silver Setup Sdn Bhd, which was completed during the quarter.

Property Development

Revenue from the property development division declined by 19.8% during the current quarter as compared to the previous corresponding quarter due to the completion of Bukit Jalil City Signature Shops in June 2017 and SK One Residence in August 2017 and offset to a certain extent by the initial recognition of revenue of The Park 2 Residence in Bukit Jalil. On the other hand, the PBT improved by 71.6% as a result of the recognition of group gain of RM23.8 million on revocation of joint development agreement of a subsidiary company, Silver Setup Sdn Bhd, which was completed during the quarter.

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

Revenue and PBT from construction division improved by 84.9% and 217.2% respectively in the current quarter as compared to the previous corresponding quarter due to higher margin revenue during the current quarter and effects of cost savings measures undertaken by the division.

Share of Results of Associated Companies

The share of results of associated companies during the quarter showed a loss of RM0.1 million in the current quarter as compared to a loss of RM0.07 million in the previous corresponding quarter.

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

	Current Quarter 30.9.2017 RM'000	Immediate Preceding Quarter 30.6.2017 RM'000	Change %
Revenue			
Property development	86,934	231,889	
Completed properties	1,435	28,761	
Sub-Total	88,369	260,650	(66.1)
Construction	36,349	87,310	(58.4)
Others	399	398	-
Total	125,117	348,358	(64.1)
Profit Before Tax ("PBT")			
Property development	25,821	45,220	
Completed properties	95	5,667	
Sub-Total	25,916	50,887	(49.1)
Construction	7,969	27,815	(71.3)
Others	(5,959)	13,452	(144.3)
Total	27,926	92,154	(69.7)

The Group's revenue declined by 64.1% to RM125.1 million for the current quarter as compared to RM348.4 million for the immediate preceding quarter. The Group recorded a 69.7% decline in PBT of RM27.9 million for the current quarter as compared to the PBT of RM92.2 million for the immediate preceding quarter. The lower property development turnover for the current quarter was due to completion and sale of remaining units of Bukit Jalil City Signature Shops and sales for its completed property stocks during the immediate preceding quarter. The lower property development PBT for the current quarter was due to completion and sale of remaining units of Bukit Jalil City Signature Shops with higher margin in the immediate preceding quarter, offset by the group gain of RM23.8 million on revocation of joint development agreement of a subsidiary, Silver Setup Sdn Bhd which was completed during the quarter. The construction division also recorded lower contributions arising from lower progress billings from its projects during the current quarter as compared to the immediate preceding quarter.

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3 Prospects for the next Financial Year Ending 30 June 2018

The Malaysian real GDP expanded by 6.2% in the third quarter of 2017 as compared to 5.8% recorded in the second quarter of 2017 driven by robust private spending and continued strength in exports.

The Malaysian economy is expected to expand by 5.2-5.7% in 2017 with domestic demand remaining as the key driver of growth and exports are expected to benefit from the favourable global demand conditions.

In the meantime, the on-going development projects of the Group namely, The Park Sky Residence and The Park 2 Residence in Bukit Jalil and Rapid City Centre in Johor, with a total unbilled sales of RM1.2 billion as of 30 September 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 30.9.2017 RM'000	Preceding Year Corresponding Quarter 30.9.2016 RM'000	Current Year To-Date 30.9.2017 RM'000	Preceding Year Corresponding Year To-Date 30.9.2016 RM'000
Current taxation	3,408	6,013	3,408	6,013
Under/(Over) provision in prior year	-	-	-	-
Deferred taxation	(1,250)	(2,374)	(1,250)	(2,374)
	<u>2,158</u>	<u>3,639</u>	<u>2,158</u>	<u>3,639</u>

The effective tax rate for the current year to-date (before share of results of associated companies) is lower than the statutory tax rate due to group gain on revocation that is not taxable at group level.

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.

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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 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 and preceding corresponding quarter are as follows:

	As at 30 September 2017		
	Long-term	Short-term	Total
	RM'000	RM'000	RM'000
Secured			
Term Loans	40,646	202,714	243,360
Revolving Credits	14,261	108,093	122,354
Bridging Loans	36,434	-	36,434
Redeemable Preference Shares	3,000	-	3,000
Bank Overdrafts	-	7,745	7,745
Hire Purchase Payables	4,058	2,583	6,641
	<u>98,399</u>	<u>321,135</u>	<u>419,534</u>
Unsecured			
Revolving credit	-	80,000	80,000
	<u>98,399</u>	<u>401,135</u>	<u>499,534</u>
	As at 30 September 2016		
	Long-term	Short-term	Total
	RM'000	RM'000	RM'000
Secured			
RCSLS – Liability Component	43,248	25,667	68,915
Term Loans	188,578	134,970	323,548
Revolving Credits	454	76,512	76,966
Bridging Loans	50,422	-	50,422
Redeemable Preference Shares	3,000	-	3,000
Bank Overdrafts	-	25,862	25,862
Hire Purchase Payables	4,776	1,814	6,590
	<u>290,478</u>	<u>264,825</u>	<u>555,303</u>
Unsecured			
Revolving credit	-	30,000	30,000
	<u>290,478</u>	<u>294,825</u>	<u>585,303</u>

All borrowings are denominated in Ringgit Malaysia.

10 Material Litigation

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

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11 Dividend

The Directors have proposed a first and final single-tier dividend of 2.5 sen per share in respect of the financial year ended 30 June 2017, for approval of the shareholders at the forthcoming Annual General Meeting of the Company to be held on 22 November 2017.

The dividend if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 29 December 2017 and entitlement to dividends will be determined on the basis of the record of depositors as at 1 December 2017.

No interim dividend has been recommended for the financial quarter ended 30 September 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 owners of the Company of RM25,929,000 and RM25,929,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial period ended 30 September 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 RM25,929,000 and RM25,929,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the quarter and financial period ended 30 September 2017 and the effects of unexercised Warrants and ESOS options.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.9.2017	Preceding Year Corresponding Qtr 30.9.2016	Current Year To Date 30.9.2017	Preceding Year to Date 30.9.2016
Profit attributable to owners of the Company (RM’000)	25,929	6,259	25,929	6,259
Weighted average number of shares in issue (’000)	527,809	448,416	527,809	448,416
Basic earnings per share (sen)	4.91	1.39	4.91	1.39

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(b) Diluted EPS	Current Quarter 30.9.2017	Preceding Year Corresponding Qtr 30.9.2016	Current Year To Date 30.9.2017	Preceding Year to Date 30.9.2016
Profit attributable to owners of the Company (RM'000)	25,929	6,259	25,929	6,259
Effects on earnings upon conversion of RCSLS (RM'000)	-	805	-	805
	<u>25,929</u>	<u>7,064</u>	<u>25,929</u>	<u>7,064</u>
Weighted average number of shares in issue ('000)	527,809	448,416	527,809	448,416
Effects of Warrants	21,283	-	21,283	-
Effects of RCSLS	-	70,586	-	70,586
Effects of unexercised ESOS	<u>1,578</u>	<u>-</u>	<u>1,578</u>	<u>-</u>
Adjusted weighted average number of shares in issue and issuable ('000)	<u>550,670</u>	<u>519,002</u>	<u>550,670</u>	<u>519,002</u>
Diluted earnings per share (sen)	4.71	1.36	4.71	1.36

13 Profit Before Tax

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.9.2017 RM'000	Preceding Year Corresponding Qtr 30.9.2016 RM'000	Current Year To Date 30.9.2017 RM'000	Preceding Year to Date 30.9.2016 RM'000
Interest expense	3,849	4,054	3,849	4,054
Depreciation and Amortization	971	866	971	866
After crediting:				
Gain on revocation of joint development agreement of a subsidiary	23,808	-	23,808	-
Interest income	1,699	1,459	1,699	1,459
Gain on disposal of property, plant and Equipment	61	-	61	-
Other income	1,199	2,248	1,199	2,248
Distribution income from short term funds	15	11	15	11

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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 period ended 30 September 2017.

14 Realised and Unrealised Retained Earnings

	As at 30.9.2017 RM'000	As at 30.6.2017 RM'000
Total share of retained earnings:		
Company and subsidiaries		
-realised	584,929	585,466
-unrealised	3,475	16,925
	<u>588,404</u>	<u>602,391</u>
Associated companies		
-realised	2,095	2,209
-unrealised	23	23
	<u>2,118</u>	<u>2,232</u>
Less: Consolidation adjustments	<u>(246,527)</u>	<u>(286,557)</u>
Total group retained earnings as per unaudited consolidated financial statements	<u><u>343,995</u></u>	<u><u>318,066</u></u>