



Malton Berhad

(Company No: 320888-T)

INTERIM FINANCIAL REPORT
31 MARCH 2018

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 31 MARCH 2018

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MALTON BERHAD

(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2018 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.3.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2017 RM'000	CURRENT YEAR TO DATE 31.3.2018 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.03.2017 RM'000
Revenue	177,597	156,366	544,218	482,381
Operating Expenses	(169,783)	(145,296)	(512,012)	(456,564)
Other Operating Income	3,084	1,952	38,936	10,301
Finance Costs	(4,165)	(4,909)	(11,959)	(13,123)
Share in Results of Associated Companies	(681)	(590)	7,262	(485)
Profit before Taxation	6,052	7,523	66,445	22,510
Taxation	(365)	(3,722)	(10,942)	(8,333)
Net Profit for the Period	5,687	3,801	55,503	14,177
Other Comprehensive Income/(loss) Change in fair value of available-for-sale financial assets	(4)	(2)	(6)	(1)
	5,683	3,799	55,497	14,176
Attributable to:				
Owners of the Company	5,953	3,923	56,083	14,348
Non-Controlling Interests	(266)	(122)	(580)	(171)
Net Profit for the Period	5,687	3,801	55,503	14,177
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	1.13	0.87	10.62	3.19
Fully Diluted	1.13	0.89	10.45	3.21

(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 31.3.2018 RM'000	Audited As At 30.06.2017 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	12,744	12,339
Investment Properties	172,871	145,679
Land held for Property Development	97,823	78,888
Investment in Associated Companies	9,494	2,232
Other Investments	245	245
Deferred Tax Assets	8,656	4,253
	<u>301,833</u>	<u>243,636</u>
Current Assets		
Property Development	1,525,787	1,467,117
Inventories	94,818	97,615
Trade Receivables	171,908	164,393
Accrued Billings	110,528	173,487
Amount due from contract customer	-	12,558
Other Receivables and Prepaid Expenses	112,786	352,801
Tax recoverable	1,244	231
Short term funds	1,553	1,530
Fixed Deposits with Licensed Banks	8,141	9,915
Cash and Bank Balances	95,562	73,033
	<u>2,122,327</u>	<u>2,352,680</u>
TOTAL ASSETS	<u>2,424,160</u>	<u>2,596,316</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	528,552	528,176
Other Reserves	23,808	23,900
Retained Earnings	360,949	318,066
	<u>913,309</u>	<u>870,142</u>
Non-Controlling Interests	143,176	179,505
Total Equity	<u>1,056,485</u>	<u>1,049,647</u>
Non-Current Liabilities		
Other Payables	135,623	170,202
Redeemable Preference Shares	3,000	3,000
Bank Borrowings	100,812	107,373
Hire-Purchase Payables	3,070	3,737
Deferred Tax Liabilities	62,450	62,450
	<u>304,955</u>	<u>346,762</u>
Current Liabilities		
Trade Payables	322,467	415,529
Amount Owing to Contract Customers	9,184	-
Advance Billings	16,622	8,466
Other Payables and Accrued Expenses	291,661	253,358
Bank Borrowings	411,791	484,640
Hire-Purchase Payables	2,762	2,162
Tax Liabilities	8,233	35,752
	<u>1,062,720</u>	<u>1,199,907</u>
TOTAL EQUITY AND LIABILITIES	<u>2,424,160</u>	<u>2,596,316</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.73</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 31 MARCH 2018
(These figures have not been audited)**

	Share Capital RM'000	Equity Component of RCLS 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
Share option granted under Employee Shares Option Schemes ("ESOS")	-	-	-	-	-	-	3,805	-	-	3,805
Issuance of ordinary shares:										
- Conversion of RCLS	31,245	-	-	-	-	-	-	-	-	31,245
- Employees' Share Option Scheme ("ESOS")	2,615	-	-	-	-	-	(596)	-	-	2,019
Transfer arising from "no-par-value" regime	6	-	(6)	-	-	-	-	-	-	-
Acquisition of additional interests in an existing subsidiary company	-	-	-	-	-	-	-	-	2,402	2,402
Dividend to equity holders of the Company	-	-	-	-	-	-	-	(11,211)	-	(11,211)
Total comprehensive income/(loss) for the year	-	-	-	(1)	-	-	-	14,348	(171)	14,176
Balance as at 31.3.2017	482,282	2,887	-	51	20,546	2,065	3,209	267,662	189,341	968,043
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")	290	-	-	-	-	-	-	-	-	290
Transfer arising from "no-par-value" regime	86	-	-	-	-	-	(86)	-	-	-
Redemption of redeemable preference shares	-	-	-	-	-	-	-	-	(35,749)	(35,749)
Dividend to equity holders of the Company	-	-	-	-	-	-	-	(13,200)	-	(13,200)
Total comprehensive income/(loss) for the year	-	-	-	(6)	-	-	-	56,083	(580)	55,497
Balance as at 31.3.2018	528,552	-	-	45	20,546	2,065	1,152	360,949	143,176	1,056,485

(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)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2018**

(These figures have not been audited)

	31.3.2018	31.3.2017
	RM'000	RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	66,445	22,510
Adjustments for :		
Finance costs	11,959	13,123
Reversal of impairment loss of inventories	(6,112)	(3,399)
Write off of:		
Property, plant & equipment	6	-
Share in results of associated companies	(7,263)	485
Depreciation of property, plant & equipment	3,082	2,715
Share options granted under ESOS	-	3,805
(Gain)/loss on disposal of property, plant & equipment	(106)	418
Distribution income on short term funds	(69)	(45)
Interest income	(4,544)	(3,718)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>63,398</u>	<u>35,894</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development - current portion	(52,180)	99,880
Inventories	8,909	5,658
Receivables	230,451	(13,646)
Accrued billings	62,959	(70,494)
Amount owing by contract customers	21,742	17,577
Increase/(Decrease) in:		
Payables	(89,327)	(88,657)
Advance billing	8,156	6,050
CASH FROM/(USED IN) OPERATIONS	<u>254,108</u>	<u>(7,738)</u>
Income tax paid net of refund	(43,877)	(23,004)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>210,231</u>	<u>(30,742)</u>
INVESTING ACTIVITIES		
Interest received	4,765	9,779
Distribution income from short term funds received	69	45
(Increase)/Decrease in:		
Property development - non-current portion	(18,935)	7,585
Short term funds	(29)	(38)
Additional of Investment properties	(27,192)	(25,750)
Proceed from disposal of property, plant & equipment	113	38
Redemption of redeemable preference shares for non-controlling interes	(35,750)	-
Withdrawal/(Placement) of fixed deposit	1,774	(226)
Addition to property, plant & equipment	(1,652)	(1,221)
NET CASH USED IN INVESTING ACTIVITIES	<u>(76,837)</u>	<u>(9,788)</u>
FINANCING ACTIVITIES		
Interest paid	(16,630)	(21,190)
Proceeds from long-term loan	177,971	247,474
Withdrawal of RCCLS Debts Service Reserve	-	9,937
Redemption of RCCLS	-	(25,667)
Dividend paid	(13,200)	(11,211)
Repayment of borrowings	(250,499)	(178,671)
Repayment of hire purchase payables	(1,916)	(1,421)
Proceeds from exercise of share options	290	2,019
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>(103,984)</u>	<u>21,270</u>
Net increase in cash and cash equivalents	29,410	(19,260)
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>74,388</u>	<u>28,218</u>
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	-	4,500
Cash and bank balances	95,562	49,920
Bank overdrafts	(21,174)	(26,202)
	<u>74,388</u>	<u>28,218</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 THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2018**

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 THIRD 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 THIRD 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.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
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2 Audit Report

The auditors' report on preceding year's annual financial statements of the Company and of the Group was not qualified.

3 Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

4 Unusual Items

There were no material items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

5 Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

6 Debt and Equity Securities

The following are the changes in debt and equity securities that were issued by the Company during the current quarter ended 31 March 2018:

During the quarter, the Company issued 150,000 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 527,990,341 ordinary shares to 528,140,341 ordinary shares as at 31 March 2018.

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 31 March 2018.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2018**

8 Segmental Reporting

a) Analysis by business segments for the period ended 31 March 2018:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	291,001	10,939	241,086	1,192		544,218
Internal Sales	-	-	148,006	11,614	(159,620)	-
	<u>291,001</u>	<u>10,939</u>	<u>389,092</u>	<u>12,806</u>	<u>(159,620)</u>	<u>544,218</u>
Results						
Segmental operating profit/(loss)	<u>20,211</u>	<u>6,791</u>	<u>20,457</u>	<u>(8,420)</u>	<u>27,490</u>	<u>66,529</u>
Interest and distribution income						4,613
Profit from operations						71,142
Finance costs						(11,959)
Share in results of associated companies						7,262
Profit before tax						66,445
Income tax expense						(10,942)
Net profit for the period						<u>55,503</u>

b) Analysis by business segments for the period ended 31 March 2017:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	352,379	7,214	122,077	711		482,381
Internal Sales	-	-	203,140	37,231	(240,371)	-
	<u>352,379</u>	<u>7,214</u>	<u>325,217</u>	<u>37,942</u>	<u>(240,371)</u>	<u>482,381</u>
Results						
Segmental operating profit/(loss)	<u>28,807</u>	<u>4,406</u>	<u>13,017</u>	<u>16,923</u>	<u>(30,798)</u>	<u>32,355</u>
Interest and distribution income						3,763
Profit from operations						36,118
Finance costs						(13,123)
Share in results of associated companies						(485)
Profit before tax						22,510
Income tax expense						(8,333)
Net profit for the period						<u>14,177</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD 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 31 March 2018 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 Capital Commitments

	As at 31.3.2018 RM'000	As at 31.12.2017 RM'000
Approved and contracted for - Construction of investment property	<u>8,217</u>	<u>15,818</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD 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 31.3.2018 RM'000	Preceding Year Corresponding Quarter 31.3.2017 RM'000	Current Year To-Date 31.3.2018 RM'000	Preceding Year Corresponding Year To-Date 31.3.2017 RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd	44,264	15,641	123,979	24,318
Harmoni Perkasa Sdn Bhd	5,669	8,078	28,843	44,781
Rental paid/payable to:				
Pavilion REIT #	853	744	2,460	2,232
Directors of the Company	48	-	96	-
Purchase of gifts and hampers				
Crabtree & Evelyn (Malaysia) Sdn Bhd	21	30	88	126
Sale of property to director and family members of director of the Company	-	-	3,976	-

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

1 Review of Performance

	Individual Quarter		Change %	Cumulative Quarter		Change %
	Current Year Quarter 31.3.2018 RM'000	Preceding Year Corresponding Quarter 31.3.2017 RM'000		Current Year To-Date 31.3.2018 RM'000	Preceding Year Corresponding Year To-Date 31.3.2017 RM'000	
Revenue						
Property development	88,446	88,070		291,001	352,379	
Completed properties	-	6,864		10,939	7,214	
Sub-Total	88,446	94,934	(6.9)	301,940	359,593	(16.0)
Construction	88,754	61,053	45.4	241,086	122,077	97.5
Others	397	379	4.7	1,192	711	67.7
Total	177,597	156,366	13.6	544,218	482,381	12.8
Profit Before Tax ("PBT")						
Property development	(969)	5,985		34,274	18,198	
Completed properties	(207)	456		6,878	4,109	
Sub-Total	(1,176)	6,441		41,152	22,307	84.5
Construction	11,686	10,840	7.8	30,016	23,053	30.2
Others	(4,458)	(9,758)	54.3	(4,723)	(22,850)	79.3
Total	6,052	7,523	(19.6)	66,445	22,510	195.2

The Group's revenue for the current quarter improved by 13.6% to RM177.6 million as compared to RM156.4 million reported in the previous corresponding quarter while PBT for the current quarter declined by 19.6% to RM6.1 million as compared to RM7.5 million reported in the previous corresponding quarter.

The Group's revenue for current year to-date improved by 12.8% to RM544.2 million as compared to RM482.4 million reported in the previous corresponding year to-date, attributed by increase in construction turnover while property development saw a decline in current year to-date compared to previous year to-date due to the completion and hand over of Bukit Jalil City Signature Shops in May 2017 and SK One Residence in Seri Kembangan and offset to a certain extent by the contribution from The Park 2 Residence in Bukit Jalil in current year to-date quarters. PBT for current year-to-date improved by 195.2% to RM66.4 million as compared to RM22.5 million reported in the previous corresponding year to-date. The significant increase in PBT improved by 195.2% in the current year to-date as compared to the corresponding year to-date due to 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 in August 2017. In addition there was an

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increase in contribution for share of associate profits to RM7.3 million in current year to-date compared to a loss of RM0.5 million in previous corresponding year to-date.

Property Development

Revenue from the property development division declined by 6.9% in the current quarter as compared to the previous corresponding quarter due to completion and hand over of Bukit Jalil City Signature Shops in May 2017 and SK One Residence in Seri Kembangan in August 2017 and offset by the contribution from The Park 2 Residence in Bukit Jalil in current quarter. PBT recorded a loss of RM1.2 million in the current quarter as compared to profit of RM6.4 million in the previous corresponding quarter due to higher marketing expenses for new projects and higher proportion of income recognized in respect of residential properties with lower margin as compared to commercial properties with higher margin during the current quarter.

Revenue from the property development division declined by 16.0% in current year to-date as compared to the previous corresponding year to-date due to completion and hand over of Bukit Jalil City Signature Shops and SK One Residence in Seri Kembangan and offset to a certain extent by the contribution from The Park 2 Residence in Bukit Jalil in the current quarter.

Construction

Revenue and PBT from construction division improved by 45.4% and 7.8% respectively in the current quarter as compared to the previous corresponding quarter due to higher work progress and contribution from new external projects during the current quarter.

Revenue and PBT from construction division improved by 97.5% and 30.2% respectively in the current year to-date as compared to the previous corresponding year to-date due to higher work progress and contribution from new external projects and 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 showed a gain of RM7.3 million in the current year to-date as compared to a loss of RM0.5 million in the previous corresponding year to-date as a result of distribution of income upon liquidation of its investment upon completion of the project.

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

	Current Quarter 31.3.2018 RM'000	Immediate Preceding Quarter 31.12.2017 RM'000	Change %
Revenue			
Property development	88,446	115,621	
Completed properties	-	9,504	
Sub-Total	88,446	125,125	(29.3)
Construction	88,754	115,983	(23.5)
Others	397	396	0.3
Total	177,597	241,504	(26.5)
Profit Before Tax (“PBT”)			
Property development	(969)	9,422	
Completed properties	(207)	6,990	
Sub-Total	(1,176)	16,412	
Construction	11,686	10,361	30.0
Others	(4,458)	5,694	
Total	6,052	32,467	(81.4)

The Group’s revenue declined by 29.3% to RM177.6 million for the current quarter as compared to RM241.5 million for the immediate preceding quarter. The Group recorded a 81.4% decline in PBT of RM6.1 million for the current quarter as compared to the PBT of RM32.5 million for the immediate preceding quarter. The lower property development turnover for the current quarter was due to slower work progress of The Park Sky Residence and The Park 2 Residence in Bukit Jalil due to shorter calendar days in the current quarter. The lower property development PBT for the current quarter was due to higher marketing expenses for new projects and higher proportion of income recognized in respect of residential properties with lower margin as compared to commercial properties with higher margin during the current quarter. The construction division recorded higher contributions with lower progress billings from its projects during the current quarter as compared to the immediate preceding quarter due to write back of costs upon completion of certain projects.

3 Prospects for the next Financial Year Ending 30 June 2018

The Malaysian real GDP expanded by 5.4% in the first quarter of 2018 as compared to 5.9% recorded in the fourth quarter of 2017 driven mainly by private sector activity with strong support from net export.

The Malaysian economy is expected to grow favourably in 2018 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 RM1.05 billion as of 31 March 2018 together with the on-going construction contracts in hand and in particular Pavilion Damansara Heights and The Pavilion hotel projects, will continue to contribute positively to the earnings of the Group for the financial year ending 30 June 2018.

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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 31.3.2018 RM'000	Preceding Year Corresponding Quarter 31.3.2017 RM'000	Current Year To-Date 31.3.2018 RM'000	Preceding Year Corresponding Year To-Date 31.3.2017 RM'000
Current taxation	9,440	6,357	20,584	15,739
Under/(Over) provision in prior year	(6,134)	(2,161)	(5,239)	(2,161)
Deferred taxation	(2,941)	(474)	(4,403)	(5,245)
	<u>365</u>	<u>3,722</u>	<u>10,942</u>	<u>8,333</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.

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.

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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 31 March 2018		
	Long-term RM'000	Short-term RM'000	Total RM'000
Secured			
Term Loans	73,002	169,089	242,091
Revolving Credits	27,810	110,528	138,338
Bridging Loans	-	1,000	1,000
Redeemable Preference Shares	3,000	-	3,000
Bank Overdrafts	-	21,174	21,174
Hire Purchase Payables	3,070	2,762	5,832
	<u>106,882</u>	<u>304,553</u>	<u>411,435</u>
Unsecured			
Revolving credit	-	110,000	110,000
	<u>106,882</u>	<u>414,553</u>	<u>521,435</u>

	As at 31 March 2017		
	Long-term RM'000	Short-term RM'000	Total RM'000
Secured			
RCSLS – Liability component	26,630	13,114	39,744
Term Loans	209,638	120,842	330,480
Revolving Credits	8,311	99,746	108,057
Bridging Loans	48,296	-	48,296
Redeemable Preference Shares	3,000	-	3,000
Bank Overdrafts	-	26,201	26,201
Hire Purchase Payables	3,962	1,813	5,775
	<u>299,837</u>	<u>261,716</u>	<u>561,553</u>
Unsecured			
Revolving credit	-	30,000	30,000
	<u>299,837</u>	<u>291,716</u>	<u>591,553</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 2018.

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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 RM5,953,000 and RM56,083,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial period ended 31 March 2018.

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 RM5,953,000 and RM56,083,000 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 31 March 2018 and the effects of unexercised Warrants and ESOS options.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2018	Preceding Year Corresponding Qtr 31.3.2017	Current Year To Date 31.3.2018	Preceding Year to Date 31.3.2017
Profit attributable to owners of the Company (RM’000)	5,953	3,923	56,083	14,348
Weighted average number of shares in issue (’000)	528,117	450,929	527,954	449,658
Basic earnings per share (sen)	1.13	0.87	10.62	3.19
(b) Diluted EPS	Current Quarter 31.3.2018	Preceding Year Corresponding Qtr 31.3.2017	Current Year To Date 31.3.2018	Preceding Year to Date 31.3.2017
Profit attributable to owners of the Company (RM’000)	5,953	3,923	56,083	14,348
Effects on earnings upon conversion of RCSLS (RM’000)	-	448	-	1,344
	<u>5,953</u>	<u>4,371</u>	<u>56,083</u>	<u>15,692</u>
Weighted average number of shares in issue (’000)	528,117	450,929	527,954	449,658
Effects of Warrants	-	-	7,506	-
Effects of RCSLS	-	39,341	-	39,341
Effects of unexercised ESOS	<u>602</u>	<u>1,884</u>	<u>1,219</u>	<u>-</u>
Adjusted weighted average number of shares in issue and issuable (’000)	<u>528,719</u>	<u>492,154</u>	<u>536,679</u>	<u>488,999</u>
Diluted earnings per share (sen)	1.13	0.89	10.45	3.21

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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
	31.3.2018	Corresponding Qtr	To Date	Year to Date
	RM'000	31.3.2017	31.3.2018	31.3.2017
		RM'000	RM'000	RM'000
Interest expense	4,165	4,909	11,959	13,123
Depreciation and Amortization	1,0377	909	2,005	2,715
loss on disposal of property, plant and Equipment	-	-	-	418
After crediting:				
Reversal of impairment loss of inventories	1	-	6,112	3,399
Gain on revocation of joint development agreement of a subsidiary	-	-	23,808	-
Interest income	1,110	730	4,544	3,718
Gain on disposal of property, plant and Equipment	-	-	106	-
Other income	1,959	1,218	4,297	3,139
Distribution income from short term funds	14	14	69	45

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 31 March 2018.

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14 Realised and Unrealised Retained Earnings

	As at 31.3.2018 RM'000	As at 31.12.2017 RM'000
Total share of retained earnings:		
Company and subsidiaries		
-realised	594,592	588,165
-unrealised	6,624	3,683
	<u>601,216</u>	<u>591,848</u>
Associated companies		
-realised	9,471	10,152
-unrealised	23	23
	<u>9,494</u>	<u>10,175</u>
Less: Consolidation adjustments	<u>(249,761)</u>	<u>(247,027)</u>
Total group retained earnings as per unaudited consolidated financial statements	<u>360,949</u>	<u>354,996</u>