

MALTON

Malton Berhad

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT
31 DECEMBER 2015**

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 31 DECEMBER 2015

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MALTON BERHAD

(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2015 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2014 RM'000	CURRENT YEAR TO DATE 31.12.2015 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.12.2014 RM'000
Revenue	133,412	111,192	256,487	222,783
Operating Expenses	(126,082)	(100,839)	(243,501)	(191,078)
Other Operating Income	3,192	4,105	6,520	7,330
Finance Costs	(3,978)	(4,621)	(7,997)	(7,360)
Share in Results of Associated Companies	187	(27)	106	(196)
Profit before Taxation	6,731	9,810	11,615	31,479
Taxation	(2,434)	(3,715)	(2,988)	(10,275)
Net Profit for the Period	4,297	6,095	8,627	21,204
Other Comprehensive Income Change in fair value of available-for-sale financial assets	673	(110)	523	(94)
	4,970	5,985	9,150	21,110
Attributable to:				
Owners of the Company	4,303	6,095	8,637	21,204
Non-Controlling Interests	(6)	-	(10)	-
Net Profit for the Period	4,297	6,095	8,627	21,204
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	0.96	1.42	1.92	4.96
Fully Diluted	0.99	1.36	1.99	4.36

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD
(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31.12.2015 RM'000	Audited As At 30.06.2015 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	9,750	10,370
Investment Properties	98,915	51,127
Land held for Property Development	139,053	154,650
Investment in Associated Companies	4,518	4,412
Other Investments	1,744	1,227
Deferred Tax Assets	9,253	6,157
Other Receivable	16,030	16,030
	<u>279,263</u>	<u>243,973</u>
Current Assets		
Property Development	608,190	575,609
Inventories	71,376	71,376
Trade Receivables	123,491	92,070
Accrued Billings	21,281	27,864
Amount due from contract customer	3,198	42,544
Other Receivables and Prepaid Expenses	302,126	285,426
Tax recoverable	522	1,140
Short term funds	11,372	1,346
Fixed Deposits with Licensed Banks	82,831	856
Cash and Bank Balances	61,075	79,372
	<u>1,285,462</u>	<u>1,177,603</u>
Assets classified as held for sale	-	154,000
	<u>1,285,462</u>	<u>1,331,603</u>
TOTAL ASSETS	<u>1,564,725</u>	<u>1,575,576</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	448,416	448,416
Share Premium	6	6
Other Reserves	24,831	26,740
Retained Earnings	247,468	239,515
	<u>720,721</u>	<u>714,677</u>
Non-Controlling Interests	198	-
Total Equity	<u>720,919</u>	<u>714,677</u>
Non-Current Liabilities		
RCCLS - Liability component	66,376	85,403
Redeemable Preference Shares	3,000	3,000
Bank Borrowings	252,127	253,506
Hire-Purchase Payables	1,635	1,678
Deferred Tax Liabilities	50	5,703
	<u>323,188</u>	<u>349,290</u>
Current Liabilities		
Trade Payables	198,260	217,213
Advance Billings	70,611	89,269
Other Payables and Accrued Expenses	47,707	39,817
RCCLS - Liability component	29,484	22,907
Bank Borrowings	152,926	124,024
Hire-Purchase Payables	711	857
Tax Liabilities	20,919	17,522
	<u>520,618</u>	<u>511,609</u>
TOTAL EQUITY AND LIABILITIES	<u>1,564,725</u>	<u>1,575,576</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.61</u>	<u>1.59</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015
(These figures have not been audited)**

	Share Capital RM'000	Equity Component of RCSLS RM'000	Share Premium RM'000	Available- for-sale Reserve RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Option Reserve RM'000	Retained Earnings RM'000	Non- Controlling Interests RM'000	Total RM'000
Balance as at 1.7.2014	422,550	3,286	6	(852)	20,546	2,065	2,035	209,690	-	659,326
Issuance of shares:										
- Conversion of RCSLS	5,866	(399)	-	-	-	-	-	(3,170)	-	2,297
- Private placement	20,000	-	-	-	-	-	-	-	-	20,000
Total comprehensive income	-	-	-	(94)	-	-	-	21,204	-	21,110
Balance as at 31.12.2014	448,416	2,887	6	(946)	20,546	2,065	2,035	227,724	-	702,733
Balance as at 1.7.2015	448,416	2,887	6	(793)	20,546	2,065	2,035	239,515	-	714,677
Redemption of RCSLS	-	(397)	-	-	-	-	-	(3,153)	-	(3,550)
Share options lapsed under ESOS	-	-	-	-	-	-	(2,035)	2,035	-	-
Effect of dilution in equity interest of a subsidiary	-	-	-	-	-	-	-	434	-	434
Non-controlling interest arising from subscription of shares in a subsidiary	-	-	-	-	-	-	-	-	208	208
Total comprehensive income	-	-	-	523	-	-	-	8,637	(10)	9,150
Balance as at 31.12.2015	448,416	2,490	6	(270)	20,546	2,065	-	247,468	198	720,919

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2015****(These figures have not been audited)**

	31.12.2015	31.12.2014
	RM'000	RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	11,615	31,479
Adjustments for :		
Finance costs	7,997	7,360
Write off of:		
Development expenditure	-	217
Share in results of associated companies	(106)	196
Depreciation of property, plant & equipment	1,401	1,237
Distribution income on short term funds	(40)	(46)
Gain on disposal of property, plant & equipment	(268)	(144)
Interest income	(4,764)	(5,985)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>15,835</u>	<u>34,314</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development - current portion	3,737	4,392
Inventories	-	2,826
Receivables	(39,330)	(105,683)
Accrued billings	6,583	(4,424)
Amount owing by contract customers	39,346	(1)
Increase/(Decrease) in:		
Payables	(21,951)	(28,452)
Advance billing	(18,657)	26,696
CASH USED IN OPERATIONS	<u>(14,437)</u>	<u>(70,332)</u>
Income tax paid net of refund	(6,763)	(7,838)
NET CASH USED IN OPERATING ACTIVITIES	<u>(21,200)</u>	<u>(78,170)</u>
INVESTING ACTIVITIES		
Interest received	759	1,165
Distribution income from short term funds received	40	46
(Increase)/Decrease in:		
Property development - non-current portion	(14,575)	(39,348)
Short term funds	(10,020)	(10,025)
Additional of Investment properties	(27,123)	-
Proceeds of private placement	-	20,000
Proceeds from disposal of property, plant & equipment	407	250
Proceeds from exercise of Put Option	154,000	-
(Placement)/Withdrawal of fixed deposit	(10,730)	2,248
Addition to property, plant & equipment	(478)	(274)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	<u>92,280</u>	<u>(25,938)</u>
FINANCING ACTIVITIES		
Finance costs paid	(11,249)	(9,968)
Proceeds from long-term loan	56,498	103,589
Redemption of preference shares	(8,000)	-
Acquisition of subsidiary, net of cash and cash equivalents	(1)	-
Repayment of borrowings	(35,975)	(16,796)
Repayment of hire purchase payables	(633)	(616)
NET CASH FROM FINANCING ACTIVITIES	<u>640</u>	<u>76,209</u>
Net increase in cash and cash equivalents	71,720	(27,899)
Cash and cash equivalents at the beginning of the period	45,990	53,697
Cash and cash equivalents at the end of the period	<u>117,710</u>	<u>25,798</u>
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	71,246	6,000
Cash and bank balances	51,586	34,198
Bank overdrafts	(5,122)	(14,400)
	<u>117,710</u>	<u>25,798</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1 Accounting Policies and Method of Computation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2015.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual audited financial statements for the financial year ended 30 June 2015.

Adoption of Malaysian Financial Reporting Standards

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

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

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

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

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

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

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

FRSs and IC Interpretations in Issue But Not Yet Effective

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

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

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

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

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

MALTON BERHAD (Company No. 320888-T)
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2 Audit Report

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

3 Seasonal or Cyclical Factors

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

4 Unusual Items

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

5 Changes in Estimates

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

6 Debt and Equity Securities

There were no issuance, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Company during the quarter.

7 Dividend Paid

There were no dividends paid during the quarter ended 31 December 2015.

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

a) Analysis by business segments for the 6-months period ended 31 December 2015:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	153,808	102,326	-	353		256,487
Internal Sales	-	76,751	-	30,674	(107,425)	-
	<u>153,808</u>	<u>179,077</u>	<u>-</u>	<u>31,027</u>	<u>(107,425)</u>	<u>256,487</u>
Results						
Segmental operating profit/(loss)	<u>14,675</u>	<u>11,351</u>	<u>(43)</u>	<u>21,040</u>	<u>(32,321)</u>	<u>14,702</u>
Interest and distribution income						4,804
Profit from operations						<u>19,506</u>
Finance costs						(7,997)
Share in results of associated companies						106
Profit before tax						<u>11,615</u>
Income tax expense						(2,988)
Net profit for the period						<u>8,627</u>

b) Analysis by business segments for the 6-months period ended 31 December 2014:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	121,296	95,814	53,198	354		222,783
Internal Sales	-	49,893	-	3,175	(53,068)	-
	<u>121,296</u>	<u>145,707</u>	<u>53,198</u>	<u>3,529</u>	<u>(53,068)</u>	<u>222,783</u>
Results						
Segmental operating profit/(loss)	<u>31,896</u>	<u>5,983</u>	<u>2,475</u>	<u>(5,195)</u>	<u>(2,155)</u>	<u>33,004</u>
Interest and distribution income						6,031
Profit from operations						<u>39,035</u>
Finance costs						(7,360)
Share in results of associated companies						(196)
Profit before tax						<u>31,479</u>
Income tax expense						(10,275)
Net profit for the period						<u>21,204</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND 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 2015.

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

There were no material events subsequent to the current quarter ended 31 December 2015 up to the date of this report, which is likely to substantially affect the results of the operations of the Group except as follows:-

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

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

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.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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13 Significant Related Party Transactions

The significant transactions with entities in which certain Directors of the Company are also Directors are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Current Year To-Date 31.12.2015 RM'000	Preceding Year Corresponding Year To-Date 31.12.2014 RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd	14,924	-	14,924	-
Harmoni Perkasa Sdn Bhd	11,490	-	11,490	-
Exercise of Put Option:				
Impian Ekspresi Sdn Bhd	154,000	-	154,000	-
Rental paid/payable to:				
Pavilion REIT #	751	553	1,513	1,106
Purchase of gifts and hampers:				
Crabtree & Evelyn (Malaysia) Sdn Bhd	33	164	177	305

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 SECOND 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

The Group's revenue for the current quarter improved by 20.0% to RM133.4 million as compared to RM111.2 million reported in the previous corresponding quarter while pre-tax profit for the current quarter was lower at RM6.7 million as compared to RM9.8 million reported in the previous corresponding quarter. Revenue from the property development division improved during the current quarter as compared to the previous corresponding quarter due to higher progress billings from The Park Sky Residence in Bukit Jalil City and SK One Residence in Seri Kembangan as work progress while profit was lower due to higher initial overheads for new projects to be launched. Revenue and profits from construction and project management division was lower in the current quarter as compared to the previous corresponding quarter due to the completion of Jaya 14 project towards end of 2014.

The share of results of associated companies during the quarter showed a marginal gain of RM0.2 million as compared to a loss RM0.03 million reported in the previous corresponding quarter.

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

The Group's revenue improved to RM133.4 million for the current quarter as compared to RM123.1 million for the immediate preceding quarter. The Group recorded a pre-tax profit of RM6.7 million for the current quarter as compared to the pre-tax profit of RM4.9 million for the immediate preceding quarter. The higher turnover for the current quarter was mainly due to higher billings from the property development division from The Park Sky Residence in Bukit Jalil City with encouraging take-up rate while the construction division recorded a marginally lower contribution. The higher pre-tax profit during the current quarter were mainly due to higher billings of the property development division during the current quarter.

3 Prospects for the current Financial Year Ending 30 June 2016

The Malaysian real GDP moderated to 4.5% in the fourth quarter of 2015 as compared to 4.7% recorded in the third quarter of 2015, supported mainly by private sector demand.

The Malaysian economy is expected to face a challenging operating environment in the immediate future with domestic demand remaining as the key driver of growth. The downside risks to growth will however remain, given the continued uncertainty in the external environment and the on-going reforms in the domestic economy.

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

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

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4 Profit Forecast or Profit Guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee.

5 Taxation

Details of taxation are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Current Year To-Date 31.12.2015 RM'000	Preceding Year Corresponding Year To-Date 31.12.2014 RM'000
Current taxation	6,930	6,068	10,409	13,239
Under provision in prior year	27	-	370	-
Deferred taxation	(4,523)	(2,353)	(7,791)	(2,964)
	<u>2,434</u>	<u>3,715</u>	<u>2,988</u>	<u>10,275</u>

The effective tax rate for the current year to-date (before share of results of associated companies) is higher than the statutory tax rate due to the incurrence of certain expenses that are not deductible for tax purposes and losses incurred by certain subsidiary companies which do not qualify for group relief.

6 Profits /(Loss) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investment and/or properties for the quarter under review.

7 Purchases or Disposals of Quoted Securities

There was no purchase and disposal of quoted securities by the Group for the current financial quarter under review.

8 Status of Corporate Proposals

(a) On 7 October 2015, Khuan Choo Property Management Sdn Bhd (“KCPM”), a wholly-owned subsidiary company, has exercised its rights under the Put Option Agreement (“POA”) dated 10 May 2013 to require Impian Ekspresi Sdn Bhd (“IESB”), a related party to acquire from KCPM the entitlement to 186,667 square feet of office space in the Damansara Town Centre redevelopment project for a cash consideration of RM154,000,000 (“Option Price”) in accordance with the terms and conditions of the POA.

The Put Option exercised by KCPM has been duly completed on 30 November 2015 upon the receipt of the full Option Price.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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(b) On 13 October 2015, the Company proposed to establish a new Employees' Share Option Scheme ("ESOS") for up to 15% of the total issued and paid-up share capital of the Company. The ESOS was approved by the shareholders of the Company at an extraordinary general meeting convened on 25 November 2015 and Bursa Securities has also granted its approval for the listing of and quotation for the new Malton Shares to be issued and allotted pursuant to the exercise of the ESOS Options under the proposed new ESOS on the Main Market of Bursa Securities on 26 October 2015. To-date, the Company has not implemented the ESOS.

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

9 Borrowings and Debt Securities

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

	RM'000
RCSLS – Liability Component	95,860
Term Loans	308,721
Revolving Credits	67,097
Bridging Loans	24,113
Redeemable Preference Shares	3,000
Bank Overdrafts	5,122
Hire Purchase Payables	2,346
Total	<u>506,259</u>
Repayment due within next 12 months	<u>183,121</u>
Repayment due after 12 months	<u>323,138</u>

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

10 Material Litigation

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

11 Dividend

The Directors proposed a first and final single-tier dividend of 3% per share in respect of the financial year ended 30 June 2015 which was approved by the shareholders at the Annual General Meeting of the Company held on 25 November 2015.

The dividend was paid on 29 January 2016 to the shareholders of the Company whose names appeared in the Record of Depositors at the close of business on 31 December 2015.

No interim dividend has been recommended for the financial quarter ended 31 December 2015.

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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 equity holders of the Company of RM4,303,000 and RM8,637,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter.

Fully Diluted

Under FRS 133 on Earnings Per Share, the Warrants has no dilutive effect as the exercise price of the Warrants is above the average market price of the Company’s shares during the quarter and year ended 31 December 2015.

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 RM5,400,000 and RM10,831,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the quarter assuming full conversion of the outstanding RCSLS.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2015	Preceding Year Corresponding Qtr 31.12.2014	Current Year To Date 31.12.2015	Preceding Year to Date 31.12.2014
Profit attributable to equity holders of the Company (RM’000)	4,303	6,095	8,637	21,204
Weighted average number of shares in issue (’000)	448,416	429,352	448,416	427,554
Basic earnings per share (sen)	0.96	1.42	1.92	4.96

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(b) Diluted EPS	Current Quarter 31.12.2015	Preceding Year Corresponding Qtr 31.12.2014	Current Year To Date 31.12.2015	Preceding Year to Date 31.12.2014
Profit attributable to equity holders of the Company (RM'000)	4,303	6,095	8,637	21,204
Effects on earnings upon conversion of RCSLS (RM'000)	1,097	1,299	2,194	2,599
	<u>5,400</u>	<u>7,394</u>	<u>10,831</u>	<u>23,803</u>
Weighted average number of shares in issue ('000)	448,416	429,352	448,416	427,554
Effects of RCSLS	96,253	115,503	96,253	115,503
Effects of unexercised Warrants	-	-	-	2,959
Effects of unexercised ESOS	-	-	-	344
Adjusted weighted average number of shares in issue and issuable ('000)	<u>544,669</u>	<u>544,855</u>	<u>544,669</u>	<u>546,360</u>
Diluted earnings per share (sen)	0.99	1.36	1.99	4.36

13 Profit Before Tax

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2015 RM'000	Preceding Year Corresponding Qtr 31.12.2014 RM'000	Current Year To Date 31.12.2015 RM'000	Preceding Year to Date 31.12.2014 RM'000
Interest expense	3,978	4,621	7,997	7,360
Depreciation and Amortization	693	611	1,401	1,237
Impairment loss on other investment	-	-	-	-
After crediting:				
Interest income	2,272	3,296	4,764	5,985
Gain on disposal of property, plant and equipment	268	-	268	144
Other income	622	784	1,448	1,155
Distribution income from short term funds	30	25	40	46

There were no provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investment or properties, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current quarter under review and financial period ended 31 December 2015.

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14 Realised and Unrealised Retained Earnings

	As at 31.12.2015 RM'000	As at 30.9.2015 RM'000
Total share of retained earnings:		
Company and subsidiaries		
-realised	486,933	478,914
-unrealised	12,081	7,558
	<u>499,014</u>	<u>486,472</u>
Associated companies		
-realised	4,518	4,331
-unrealised	-	-
	<u>4,518</u>	<u>4,331</u>
Less: Consolidation adjustments	(256,064)	(252,223)
Total group retained earnings as per unaudited consolidated financial statements	<u>247,486</u>	<u>238,580</u>