



Malton Berhad

(Company No: 320888-T)

INTERIM FINANCIAL REPORT
31 DECEMBER 2014

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 31 DECEMBER 2014

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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 2014
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2013 RM'000	CURRENT YEAR TO DATE 31.12.2014 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.12.2013 RM'000
Revenue	111,192	204,407	222,783	295,514
Operating Expenses	(100,839)	(157,068)	(191,078)	(243,289)
Other Operating Income	4,105	3,742	7,330	8,195
Finance Costs	(4,621)	(4,215)	(7,360)	(8,396)
Share in Results of Associated Companies	(27)	1,615	(196)	2,461
Profit before Taxation	9,810	48,481	31,479	54,485
Taxation	(3,715)	(12,017)	(10,275)	(13,958)
Net Profit for the Period	6,095	36,464	21,204	40,527
Other Comprehensive Income				
Change in fair value of available-for-sale financial assets	(110)	25	(94)	(274)
	5,985	36,489	21,110	40,253
Attributable to:				
Owners of the Company	6,095	36,464	21,204	40,527
Non-Controlling Interests	-	-	-	-
Net Profit for the Period	6,095	36,464	21,204	40,527
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	1.42	8.72	4.96	9.69
Fully Diluted	1.36	6.82	4.36	7.83

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2014 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 31.12.2014 RM'000	Audited As At 30.06.2014 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	9,911	10,386
Investment Properties	189,652	189,652
Land held for Property Development	276,920	248,980
Investment in Associated Companies	5,175	5,371
Other Investments	1,089	1,182
Deferred Tax Assets	4,733	2,417
Other Receivable	19,592	15,070
	<u>507,072</u>	<u>473,058</u>
Current Assets		
Property Development	114,816	102,738
Inventories	32,986	35,813
Trade Receivables	124,428	122,886
Accrued Billings	34,476	30,052
Amount due from contract customer	864	864
Other Receivables and Prepaid Expenses	545,657	441,760
Tax recoverable	3,069	3,677
Short term funds	11,307	1,283
Fixed Deposits with Licensed Banks	6,831	16,343
Cash and Bank Balances	58,726	69,622
	<u>933,160</u>	<u>825,038</u>
TOTAL ASSETS	<u>1,440,232</u>	<u>1,298,096</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	448,416	422,550
Share Premium	6	6
Other Reserves	26,587	27,080
Retained Earnings	227,724	209,690
	<u>702,733</u>	<u>659,326</u>
Non-Controlling Interests	-	-
Total Equity	<u>702,733</u>	<u>659,326</u>
Non-Current Liabilities		
RCCLS - Liability component	87,702	100,169
Redeemable Preference Shares	3,000	3,000
Bank Borrowings	293,471	226,475
Hire-Purchase Payables	1,896	1,688
Deferred Tax Liabilities	2,483	4,094
	<u>388,552</u>	<u>335,426</u>
Current Liabilities		
Trade Payables	153,878	162,489
Advance Billings	48,087	21,391
Other Payables and Accrued Expenses	39,825	41,344
RCCLS - Liability component	16,896	17,337
Bank Borrowings	68,197	43,498
Hire-Purchase Payables	989	1,003
Tax Liabilities	21,075	16,282
	<u>348,947</u>	<u>303,344</u>
TOTAL EQUITY AND LIABILITIES	<u>1,440,232</u>	<u>1,298,096</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.57</u>	<u>1.56</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2014 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 2014
(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 1.7.2013	418,104	3,378	6	(693)	20,546	2,065	190	168,828	-	612,424
Share options granted under ESOS	-	-	-	-	-	-	1,687	-	-	1,687
Total comprehensive income	-	-	-	(274)	-	-	-	40,527	-	40,253
Balance as at 31.12.2013	<u>418,104</u>	<u>3,378</u>	<u>6</u>	<u>(967)</u>	<u>20,546</u>	<u>2,065</u>	<u>1,877</u>	<u>209,355</u>	<u>-</u>	<u>654,364</u>
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 RCLS	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	<u>448,416</u>	<u>2,887</u>	<u>6</u>	<u>(946)</u>	<u>20,546</u>	<u>2,065</u>	<u>2,035</u>	<u>227,724</u>	<u>-</u>	<u>702,733</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2014 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 2014**

(These figures have not been audited)

	31.12.2014 RM'000	31.12.2013 RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	31,479	54,485
Adjustments for :		
Finance costs	7,360	8,396
Share options granted under ESOS		1,687
Write off of:		
Development expenditure	217	1
Share in results of associated companies	196	(2,461)
Gain on fair value adjustment		(1,146)
Depreciation of property, plant & equipment	1,237	1,119
Distribution income on short term funds	(46)	(204)
Gain on disposal of property, plant & equipment	(144)	(20)
Interest income	(5,985)	(6,055)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>34,314</u>	<u>55,802</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development - current portion	4,392	14,828
Inventories	2,826	76,612
Receivables	(105,683)	(127,473)
Accrued billings	(4,424)	899
Amount owing by contract customers	(1)	(953)
Increase/(Decrease) in:		
Payables	(28,452)	18,227
Advance billing	26,696	(15,928)
CASH FROM/(USED IN) OPERATIONS	<u>(70,332)</u>	<u>22,014</u>
Income tax paid net of refund	(7,838)	(6,187)
NET CASH FROM /(USED IN) OPERATING ACTIVITIES	<u>(78,170)</u>	<u>15,827</u>
INVESTING ACTIVITIES		
Interest received	1,165	5,003
Distribution income from short term funds received	46	204
(Increase)/Decrease in:		
Property development - non-current portion	(39,348)	(11,876)
Short term funds	(10,025)	(10,137)
Addition to investment properties	-	(141,456)
Proceeds from private placement	20,000	-
Proceeds from disposal of property, plant and equipment	250	23
(Placement)/Withdrawal of fixed deposit	2,248	(15,006)
Addition to property, plant & equipment	(274)	(367)
NET CASH USED IN INVESTING ACTIVITIES	<u>(25,938)</u>	<u>(173,612)</u>
FINANCING ACTIVITIES		
Finance costs paid	(9,968)	(9,516)
Proceeds from long-term/bridging loans	103,589	177,005
Proceeds from issuance of redeemable preference shares	-	3,000
Repayment of borrowings	(16,796)	(21,587)
Repayment of hire purchase payables	(616)	(350)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>76,209</u>	<u>148,552</u>
Net increase/(decrease) in cash and cash equivalents	(27,899)	(9,233)
Cash and cash equivalents at the beginning of the period	53,697	62,017
Cash and cash equivalents at the end of the period	<u>25,798</u>	<u>52,784</u>
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	6,000	21,416
Cash and bank balances	34,198	32,004
Bank overdrafts	(14,400)	(636)
	<u>25,798</u>	<u>52,784</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2014 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 2014**

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 2014.

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 2014.

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.

MALTON BERHAD (Company No. 320888-T)
**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 2014.

Amendments to FRS 10, FRS 12 and FRS 127	Consolidated Financial Statements, Disclosure in Interest in Other Entities and Separate Financial Statements - Investment Entities
Amendments to FRS 119	Employee Benefits: Defined Benefit Plans - Employee Contributions
Amendments to FRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies
Amendments to FRSs	Annual Improvements 2010 - 2012 Cycle
Amendments to FRSs	Annual Improvements 2011 - 2013 Cycle

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 revised FRSs and IC Interpretations 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 (IFRS 9 issued by IASB in November 2009) ¹
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ¹
Amendments to FRS 9 and FRS 7	Mandatory Effective Date of FRS 9 (FRS 9 as issued by IASB on November 2009 and October 2010) and Transition Disclosures ¹
FRS 9	Financial Instruments (Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139) ¹
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities ²
Amendments to FRS 11	Joint Arrangements - Accounting for Acquisitions of Interest in Joint Operations ²
FRS 14	Regulatory Deferral Accounts ²

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Amendments to FRS 101	Disclosure Initiative ²
Amendments to FRS 116	Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortisation ²
Amendments to FRS 138	Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation ²

¹ The mandatory effective date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) which was for annual period beginning on or after 1 January 2015, had been removed with the issuance of FRS 9 *Financial Instruments: Hedge Accounting* and amendments to FRS 9, FRS 7 and FRS 139. The effective date of FRS 9 will be decided when IASB's IFRS 9 project is closer to completion. However, each version of the FRS 9 is available for early adoption.

² Effective for annual periods beginning on or after 1 January 2016.

The directors anticipate that abovementioned FRSs and IC Interpretations 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 IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

2 Audit Report

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

3 Seasonal or Cyclical Factors

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

4 Unusual Items

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

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 December 2014:

On 23 October 2014, the Company issued 67,300 new ordinary shares of RM1.00 each pursuant to conversion of RM67,300 nominal value RCSLS.

On 6 November 2014, the Company issued 300,000 new ordinary shares of RM1.00 each pursuant to conversion of RM300,000 nominal value RCSLS.

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On 24 November 2014, the Company issued 400,000 new ordinary shares of RM1.00 each pursuant to conversion of RM400,000 nominal value RCSLS.

On 26 December 2014, the Company issued 20,000,000 new ordinary shares of RM1.00 each pursuant to the private placement.

Accordingly, the issued and paid-up share capital of the Company has increased from RM427,648,512 to RM448,415,812 as at 31 December 2014 and the outstanding RCSLS has reduced from RM116,270,725 to RM115,503,425 as at 31 December 2014.

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 December 2014.

8 Segmental Reporting

a) 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	5,319	354		222,783
Internal Sales	-	49,893	-	3,175	(53,068)	-
	<u>121,296</u>	<u>145,707</u>	<u>5,319</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						<u>6,031</u>
Profit from operations						<u>39,035</u>
Finance costs						<u>(7,360)</u>
Share in results of associated companies						<u>(196)</u>
Profit before tax						<u>31,479</u>
Income tax expense						<u>(10,275)</u>
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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b) Analysis by business segments for the 6-months period ended 31 December 2013:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	201,331	88,987	4,841	355		295,514
Internal Sales	-	18,799	-	57,302	(76,101)	-
	<u>201,331</u>	<u>107,786</u>	<u>4,841</u>	<u>57,657</u>	<u>(76,101)</u>	<u>295,514</u>
Results						
Segmental operating profit/(loss)	<u>51,921</u>	<u>5,042</u>	<u>514</u>	<u>50,314</u>	<u>(53,630)</u>	<u>54,161</u>
Interest and distribution income						<u>6,259</u>
Profit from operations						<u>60,420</u>
Finance costs						<u>(8,396)</u>
Share in results of associated companies						<u>2,461</u>
Profit before tax						<u>54,485</u>
Income tax expense						<u>(13,958)</u>
Net profit for the period						<u>40,527</u>

9 Revaluation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without any amendments from the annual financial statements for the financial year ended 30 June 2014.

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

There were no material events subsequent to the current quarter ended 31 December 2014 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.

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**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 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000	Current Year To-Date 31.12.2014 RM'000	Preceding Year Corresponding Year To-Date 31.12.2013 RM'000
Rental paid/payable to:				
Pavilion REIT #	553	535	1,106	1,070
Purchase of gifts and hampers				
Crabtree & Evelyn (Malaysia) Sdn Bhd	164	49	305	54

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

14 Capital Commitments

There is no outstanding capital commitment as at the end of the current quarter.

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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 of RM111.2 million was lower by 45.6% as compared to RM204.4 million reported in the previous corresponding quarter while pre-tax profit for the current quarter of RM9.8 million was also lower as compared to RM48.5 million reported in the previous corresponding quarter.

The overall lower turnover and pre-tax profit for the current quarter was mainly due to recognition of revenue and profit from the disposal of Block 1 of V Square @ PJ City Centre together with 964 car park bays ("VSQ Disposal") for RM140 million which was completed in the previous corresponding quarter.

With the exclusion of VSQ disposal, revenue and profit from the property development division increased during the current quarter as compared to the previous corresponding quarter mainly attributed to the higher billings from Nova Saujana project in Subang, Bukit Jalil City project in Kuala Lumpur and SK One Residence project in Seri Kembangan. Revenue and profit from construction and project management division also improved in the current quarter as compared to previous corresponding quarter due to higher billings as a result of the construction progress of the current projects on hand.

The share of results of associated companies during the quarter declined to a loss of RM0.03 million as compared to profit RM1.6 million reported in the previous corresponding quarter.

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

The Group's revenue declined marginally to RM111.2 million for the current quarter as compared to RM111.6 million for the immediate preceding quarter. The Group recorded a pre-tax profit of RM9.8 million for the current quarter as compared to the pre-tax profit of RM21.7 million for the immediate preceding quarter. The higher turnover and pre-tax profit for the preceding quarter was mainly due to profit from disposal of certain parcels of land for a total consideration of RM35.7 million which contributed to higher turnover and profits reported in the previous quarter.

3 Prospects for the current Financial Year Ending 30 June 2015

The Malaysian economy registered a higher growth of 5.8% in the fourth quarter of 2014 as compared to 5.6% recorded in the third quarter of 2014 and is expected to remain on a steady path with domestic demand as the key driver of growth.

The recent decline in crude oil prices as well as the depreciation of the ringgit is expected to affect the achievement of the country's growth target although the Government has announced various pre-emptive measures to cushion the impact of the external environment on the local economy.

In the meantime, the on-going development projects of the Group namely The Cantonment in Penang, Nova Saujana in Subang, Bukit Jalil City in Kuala Lumpur and SK One Residence in Seri Kembangan, together with the on-going construction contracts in hand, will continue to contribute positively to the earnings of the Group for the financial year ending 30 June 2015.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2015.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

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 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000	Current Year To-Date 31.12.2014 RM'000	Preceding Year Corresponding Year To-Date 31.12.2013 RM'000
Current taxation	6,068	11,993	13,239	13,618
Under provision in prior year	-	-	-	292
Deferred taxation	(2,353)	24	(2,964)	48
	<u>3,715</u>	<u>12,017</u>	<u>10,275</u>	<u>13,958</u>

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

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

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

7 Purchases or Disposals of Quoted Securities

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

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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8 Status of Corporate Proposals

On 30 May 2014, Rentak Sejati Sdn Bhd (“RSSB”), an indirect wholly-owned subsidiary company of the Company, had entered into a conditional Sale and Purchase Agreement with Hedgeford Ventures Sdn Bhd (“HVSB”) for the proposed disposal of a piece of leasehold land held under Pajakan Negeri No. Hakmilik 77546, Lot No. 43001, Pekan Baru Subang, daerah Petaling, Selangor measuring in area of approximately 12 acres for a cash consideration of RM83,665,642.00 (“RSSB Land”)(“Proposed Disposal”).

The Proposed Disposal is conditional upon the followings:

- (a) RSSB having obtained the approval from the appropriate authorities for the conversion of the RSSB Land use from “Perusahaan” to “Bangunan Perniagaan” (“Conversion”);
- (b) RSSB having paid for the premium for the Conversion;
- (c) RSSB having obtained the written consent from the appropriate authority/(ies) consenting to the transfer of the RSSB Land to HVSB and/or the sale of the RSSB Land to HVSB;
- (d) RSSB having issued a letter of undertaking to HVSB undertaking to terminate all the contracts or letters of appointment entered into with RSSB’s architect, surveyors, consultants, advisers and agents in relation to the project on the RSSB Land; and
- (e) HVSB having obtained the approval of the Economic Planning Unit of the Prime Minister’s Department, Malaysia for the sale and purchase of the RSSB Land by HVSB from RSSB.

Saved 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	104,598
Term Loans	295,643
Revolving Credits	45,000
Bridging Loans	6,625
Redeemable Preference Shares	3,000
Bank Overdrafts	14,400
Hire Purchase Payables	2,885
Total	<u>472,151</u>
Repayment due within next 12 months	<u>86,082</u>
Repayment due after 12 months	<u>386,069</u>

All borrowings are denominated in Ringgit Malaysia and are secured except for RM20,000,000 revolving credit facility which is unsecured.

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 3% per share in respect of the financial year ended 30 June 2014 and the dividend has been approved by the shareholders at the Annual General Meeting of the Company held on 20 November 2014.

The dividend was paid on 30 January 2015 to the shareholders of the Company whose names appeared in the Record of Depositors at the close of business on 31 December 2014.

No interim dividend has been recommended for the financial quarter ended 31 December 2014.

12 Earnings Per Share (“EPS”)

Basic

The basic earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group’s profit attributable to equity holders of the Company of RM6,095,000 and RM21,204,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the financial period.

Fully Diluted

The diluted earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group’s adjusted profit attributable to equity holders of the Company of RM7,394,000 and RM23,803,000 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, and the effects of unexercised Warrants and Employees’ Share Option Scheme (“ESOS”) options.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2014	Preceding Year Corresponding Qtr 31.12.2013	Current Year To Date 31.12.2014	Preceding Year to Date 31.12.2013
Profit attributable to equity holders of the Company (RM’000)	6,095	36,464	21,204	40,527
Weighted average number of shares in issue (’000)	429,352	418,104	427,554	418,104
Basic earnings per share (sen)	1.42	8.72	4.96	9.69

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(b) Diluted EPS	Current Quarter 31.12.2014	Preceding Year Corresponding Qtr 31.12.2013	Current Year To Date 31.12.2014	Preceding Year to Date 31.12.2013
Profit attributable to equity holders of the Company (RM'000)	6,095	36,464	21,204	40,527
Effects on earnings upon conversion of RCSLS (RM'000)	1,299	1,567	2,599	3,134
	<u>7,394</u>	<u>38,031</u>	<u>23,803</u>	<u>43,661</u>
Weighted average number of shares in issue ('000)	429,352	418,104	427,554	418,104
Effects of RCSLS	115,503	139,301	115,503	139,301
Effects of unexercised Warrants	-	-	2,959	-
Effects of unexercised ESOS	-	-	344	-
	<u>544,855</u>	<u>557,405</u>	<u>546,360</u>	<u>557,405</u>
Adjusted weighted average number of shares in issue and issuable ('000)				
Diluted earnings per share (sen)	1.36	6.82	4.36	7.83

13 Profit Before Tax

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2014 RM'000	Preceding Year Corresponding Qtr 31.12.2013 RM'000	Current Year To Date 31.12.2014 RM'000	Preceding Year to Date 31.12.2013 RM'000
Interest expense	4,621	4,215	7,360	8,396
Depreciation and Amortization	611	608	1,237	1,119
Impairment loss on other investment	-	-	-	-
After crediting:				
Interest income	3,296	3,164	5,985	6,055
Gain on fair value changes of investment properties	-	-	-	900
Other income	784	492	1,299	1,036
Distribution income from short term funds	25	86	46	204

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 2014.

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14 Realised and Unrealised Retained Earnings

	As at 31.12.2014 RM'000	As at 30.9.2014 RM'000
Total retained earnings:		
Company and subsidiaries		
-realised profit	451,265	444,381
-unrealised loss	5,127	2,737
	<u>456,392</u>	<u>447,118</u>
Associated companies		
-realised profit	1,625	1,653
-unrealised profit	3,550	3,550
	<u>5,175</u>	<u>5,203</u>
Less: Consolidation adjustments	(233,843)	(230,565)
Total group retained earnings as per unaudited consolidated financial statements	<u>227,724</u>	<u>221,756</u>