

**MALTON**

**Malton Berhad**

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT**  
**30 JUNE 2016**

# MALTON BERHAD

(Company No: 320888-T)

## Interim Financial Report – 30 JUNE 2016

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# MALTON BERHAD

(Company No : 320888-T)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2016 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Revenue	220,444	148,521	632,216	503,444
Operating Expenses	(181,681)	(125,712)	(566,357)	(438,827)
Other Operating Income	14,341	18,372	23,854	28,938
Finance Costs	(4,434)	(4,801)	(16,814)	(16,896)
Share in Results of Associated Companies	(2,134)	(696)	(1,999)	(959)
Profit before Taxation	46,536	35,684	70,900	75,700
Taxation	(24,532)	(16,252)	(33,764)	(29,853)
Net Profit for the Period/Year	22,004	19,432	37,136	45,847
Other Comprehensive Income				
Change in fair value of available-for-sale financial assets	57	(122)	845	59
	22,061	19,310	37,981	45,906
<b>Attributable to:</b>				
Owners of the Company	22,086	19,432	37,240	45,847
Non-Controlling Interests	(82)	-	(104)	-
Net Profit for the Period/Year	22,004	19,432	37,136	45,847
<b>Earnings per Share Attributable to Equity Holders of the Company (Sen)</b>				
Basic	4.93	4.33	8.30	10.47
Fully Diluted	4.26	3.68	7.64	9.22

*(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**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30.6.2016</b>	<b>30.6.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	9,560	10,370
Investment Properties	113,717	51,127
Land held for Property Development	106,662	154,650
Investment in Associated Companies	2,413	4,412
Other Investments	245	1,227
Deferred Tax Assets	8,505	6,157
Other Receivable	-	16,030
	241,102	243,973
<b>Current Assets</b>		
Property Development	1,107,380	575,609
Inventories	105,688	71,376
Trade Receivables	97,731	92,070
Accrued Billings	25,198	27,864
Amount due from contract customer	1,116	42,544
Other Receivables and Prepaid Expenses	418,893	285,426
Tax recoverable	574	1,140
Short term funds	1,421	1,346
Fixed Deposits with Licensed Banks	4,092	856
Cash and Bank Balances	93,051	79,372
	1,855,144	1,177,603
<b>Assets classified as held for sale</b>	-	154,000
	1,855,144	1,331,603
<b>TOTAL ASSETS</b>	2,096,246	1,575,576
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	448,416	448,416
Share Premium	6	6
Other Reserves	25,828	26,740
Retained Earnings	267,801	239,515
	742,051	714,677
<b>Non-Controlling Interests</b>	187,118	-
<b>Total Equity</b>	929,169	714,677
<b>Non-Current Liabilities</b>		
RCCLS - Liability component	64,856	85,403
Redeemable Preference Shares	3,340	3,000
Bank Borrowings	286,320	253,506
Hire-Purchase Payables	1,728	1,678
Deferred Tax Liabilities	58,564	5,703
	414,808	349,290
<b>Current Liabilities</b>		
Trade Payables	386,000	217,213
Amount Owing to Contract Customers	-	-
Advance Billings	7,107	89,269
Other Payables and Accrued Expenses	133,818	39,817
RCCLS - Liability component	25,667	22,907
Bank Borrowings	179,752	124,024
Hire-Purchase Payables	628	857
Tax Liabilities	19,297	17,522
	752,269	511,609
<b>TOTAL EQUITY AND LIABILITIES</b>	2,096,246	1,575,576
<b>Net Assets Per Share Attributable to Equity Holders of the Company (RM)</b>	1.65	1.59

*(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 YEAR ENDED 30 JUNE 2016  
(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
<b>Balance as at 1.7.2014</b>	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
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(12,852)	-	(12,852)
Total comprehensive income	-	-	-	59	-	-	-	45,847	-	45,906
<b>Balance as at 30.6.2015</b>	<b>448,416</b>	<b>2,887</b>	<b>6</b>	<b>(793)</b>	<b>20,546</b>	<b>2,065</b>	<b>2,035</b>	<b>239,515</b>	<b>-</b>	<b>714,677</b>
<b>Balance as at 1.7.2015</b>	448,416	2,887	6	(793)	20,546	2,065	2,035	239,515	-	714,677
Adjustment on redemption of RCSLS	-	278	-	-	-	-	-	2,209	-	2,487
Share options lapsed under ESOS	-	-	-	-	-	-	(2,035)	2,035	-	-
Effect of dilution in equity interest of a subsidiary	-	-	-	-	-	-	-	254	-	254
Non-controlling interest arising from subscription of shares in subsidiary companies	-	-	-	-	-	-	-	-	187,222	187,222
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(13,452)	-	(13,452)
Total comprehensive income	-	-	-	845	-	-	-	37,240	(104)	37,981
<b>Balance as at 30.6.2016</b>	<b>448,416</b>	<b>3,165</b>	<b>6</b>	<b>52</b>	<b>20,546</b>	<b>2,065</b>	<b>-</b>	<b>267,801</b>	<b>187,118</b>	<b>929,169</b>

*(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 YEAR ENDED 30 JUNE 2016****(These figures have not been audited)**

	<b>30.6.2016</b>	<b>30.6.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM/(USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Profit before Taxation	70,900	75,700
Adjustments for :		
Finance costs	16,814	16,896
Share in results of associated companies	1,999	959
Depreciation of property, plant & equipment	2,732	2,898
Loss on fair value adjustment of other investment	78	-
Write-offs of property, plant and equipment	24	-
Gain on fair value adjustment of investment properties	(400)	(15,200)
Distribution income on short term funds	(87)	(90)
Gain on disposal of property, plant & equipment	(266)	(242)
Reversal of provision for foreseeable losses	(3,161)	(106)
Interest income	(7,568)	(11,016)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>81,065</b>	<b>69,799</b>
<b>CHANGES IN WORKING CAPITAL</b>		
(Increase)/Decrease:		
Property development - current portion	(117,690)	8,422
Inventories	(34,311)	(35,564)
Receivables	(38,344)	(99,607)
Accrued billings	2,666	2,188
Amount owing by/(to) contract customers	41,428	863
Increase/(Decrease) in:		
Payables	105,004	2,664
Advance billing	(82,162)	67,878
<b>CASH (USED IN)/FROM OPERATIONS</b>	<b>(42,344)</b>	<b>16,643</b>
Income tax paid net of refund	(39,183)	(27,244)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(81,527)</b>	<b>(10,601)</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	1,741	1,929
Distribution income from short term funds received	87	90
(Increase)/Decrease in:		
Property development - non-current portion	(17,616)	(85,383)
Short term funds	(46)	(48)
Additional of Investment properties	(41,525)	(275)
Proceeds of private placement	-	20,000
Proceeds from disposal of property, plant & equipment	408	350
Proceeds from disposal of other investment	1,719	-
Proceeds from exercise of Put Option	154,000	-
(Placement)/Withdrawal of fixed deposit	(1,006)	2,224
Addition to property, plant & equipment	(1,210)	(2,015)
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>96,552</b>	<b>(63,128)</b>
<b>FINANCING ACTIVITIES</b>		
Finance costs paid	(24,963)	(28,429)
Proceeds from long-term loan	217,982	193,263
Redemption of preference shares	(41,000)	-
Additional subscription of shares in subsidiary company	(181)	-
Acquisition of subsidiary, net of cash and cash equivalents	54	-
Dividend paid	(13,452)	(12,852)
Repayment of borrowings	(148,689)	(84,831)
Repayment of hire purchase payables	(1,058)	(1,130)
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(11,307)</b>	<b>66,021</b>
Net increase in cash and cash equivalents	3,718	(7,708)
Cash and cash equivalents at the beginning of the year	45,990	53,698
Cash and cash equivalents at the end of the year	<u>49,708</u>	<u>45,990</u>
<b>Cash and cash equivalents comprise the followings :</b>		
Fixed deposits net of amounts pledged	2,230	-
Cash and bank balances	64,850	54,612
Bank overdrafts	(17,372)	(8,622)
	<u>49,708</u>	<u>45,990</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 FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2016**

**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.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2016**

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

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

<sup>2</sup> 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)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2016**

**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 30 June 2016.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2016**

**8 Segmental Reporting**

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

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>						
External Sales	412,740	214,363	4,421	692		632,216
Internal Sales	-	289,393	-	39,162	(328,555)	-
	<u>412,740</u>	<u>503,756</u>	<u>4,421</u>	<u>39,854</u>	<u>(328,555)</u>	<u>632,216</u>
<b>Results</b>						
Segmental operating profit	<u>74,494</u>	<u>33,396</u>	<u>248</u>	<u>19,610</u>	<u>(45,690)</u>	<u>82,058</u>
Interest and distribution income						7,655
Profit from operations						89,713
Finance costs						(16,814)
Share in results of associated companies						(1,999)
Profit before tax						<u>70,900</u>
Income tax expense						(33,764)
Net profit for the year						<u>37,136</u>

b) Analysis by business segments for the financial year ended 30 June 2015:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>						
External Sales	252,293	244,003	6,440	708		503,444
Internal Sales	-	126,916	-	28,583	(155,499)	-
	<u>252,293</u>	<u>370,919</u>	<u>6,440</u>	<u>29,291</u>	<u>(155,499)</u>	<u>503,444</u>
<b>Results</b>						
Segmental operating profit	<u>67,402</u>	<u>28,136</u>	<u>2,782</u>	<u>10,700</u>	<u>(26,570)</u>	<u>82,450</u>
Interest and distribution income						11,105
Profit from operations						93,555
Finance costs						(16,896)
Share in results of associated companies						(959)
Profit before tax						<u>75,700</u>
Income tax expense						(29,853)
Net profit for the year						<u>45,847</u>

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 30 JUNE 2016**

**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 except for the investment properties which were stated at fair value and a gain on fair value adjustments of RM400,000 was recognized for the current quarter ended 30 June 2016.

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

There were no material events subsequent to the current quarter ended 30 June 2016 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 Significant Related Party Transactions**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
<b>Progress billings received/Receivable:</b>				
Impian Ekspresi Sdn Bhd	4,232	-	21,942	-
Harmoni Perkasa Sdn Bhd	19,412	-	42,516	-
<b>Exercise of Put Option:</b>				
Impian Ekspresi Sdn Bhd	-	-	154,000	-
<b>Rental paid/payable to:</b>				
Pavilion REIT #	744	674	3,015	2,357
<b>Purchase of gifts and hampers:</b>				
Crabtree & Evelyn (Malaysia) Sdn Bhd	16	91	430	706

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

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
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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 rose by 25.6% to RM632.2 million for the current financial year as compared to RM503.4 million reported in the previous financial year while pre-tax profit declined by 6.3% to RM70.9 million for the current financial year as compared to RM75.7 million reported in the previous financial year. The increase in revenue was attributed substantially to the increase in billings particularly from new launches of the Bukit Jalil's Signature Shops and The Park Sky Residence during the current financial year and the new billings from SK One Residences in Seri Kembangan and Rapid City Centre in Johor as works progressed. The decline in pre-tax profit despite the higher revenue was mainly attributed to recognition of gain on fair value adjustments of investment properties of RM0.4 million in current financial year as compared to RM15.2 million in previous financial year coupled with higher marketing expenses for property projects launched during the financial year.

The Group's revenue for the current quarter rose by 48.4% to RM220.4 million as compared to RM148.5 million reported in the previous corresponding quarter while pre-tax profit for the current quarter improved by 30.3% to RM46.5 million as compared to RM35.7 million reported in the previous corresponding quarter. Revenue and pre-tax from the property development division improved during the current quarter as compared to the previous corresponding quarter due to higher progress billings from Bukit Jalil City Signature Shops, The Park Sky Residence in Bukit Jalil City, Rapid City Centre in Johor and SK One Residence in Seri Kembangan as work progressed. 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 Wangsa 118 project in June 2015 and lower billings for the Da:Men project which is nearing completion.

The share of results of associated companies during the quarter showed a loss of RM2.1 million as compared to a loss RM0.7 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 RM220.4 million for the current quarter as compared to RM155.3 million for the immediate preceding quarter. The Group recorded a pre-tax profit of RM46.5 million for the current quarter as compared to the pre-tax profit of RM12.7 million for the immediate preceding quarter. The higher turnover for the current quarter was due to higher work progress for the on-going projects and recognition of revenue arising from compulsory acquisition of the Sg. Buloh land while the construction division recorded higher contributions arising from higher progress billings from its external projects. The higher pre-tax profit during the current quarter were mainly due to gain arising from compulsory acquisition of Sg. Buloh land and higher billings of the property and constructions divisions during the quarter.

**3 Prospects for the next Financial Year Ending 30 June 2017**

The Malaysian real GDP expanded by 4.0% in the second quarter of 2016 as compared to 4.2% recorded in the first quarter of 2016, supported mainly by private sector demand.

Going forward, the Malaysian economy is expected to remain on the current growth trajectory of 4 - 4.5%, despite the challenging economic environment globally and domestically. The downside risks to growth will however remain, given the continued uncertainty in the external environment.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
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The reduction of the OPR by 25 basis points to 3% by Bank Negara Malaysia on 13 July 2016 will have a positive effect for the property sectors.

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, Rapid City Centre in Johor 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 2017.

**4 Profit Forecast or Profit Guarantee**

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

**5 Taxation**

Details of taxation are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2016 RM'000	Preceding Year Corresponding Quarter 30.6.2015 RM'000	Current Year To-Date 30.6.2016 RM'000	Preceding Year Corresponding Year To-Date 30.6.2015 RM'000
Current taxation	19,961	10,804	40,394	29,306
(Over)/Under provision in prior year	1,248	872	1,130	1,715
Deferred taxation	3,323	4,576	(7,760)	(1,168)
	<u>24,532</u>	<u>16,252</u>	<u>33,764</u>	<u>29,853</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**

Details of purchases and disposal of quoted securities by the Group for the current financial quarter under review are as follows:-

	Current Year Quarter 30.6.2016 RM'000	Current Year To-Date 30.6.2016 RM'000
Total purchases at cost	-	-
Disposal proceeds	1,719	1,719
Net gain on disposal	814	814
	=====	=====

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**8 Status of Corporate Proposals**

On 28 June 2016, Silver Setup Sdn Bhd (“SSSB”), an indirect wholly-owned subsidiary of the Company, had entered into a conditional Revocation Agreement with Batu Kawan Development Sdn Bhd (“BKDSB”) and Eco Horizon Sdn Bhd (“EHSB”), a wholly-owned subsidiary of Eco World Development Group Berhad (“Eco World”), to revoke and rescind the Joint Development Agreement entered between SSSB and BKDSB on 10 October 2012 for the joint development of a piece of land measuring approximately 300 acres situated at Batu Kawan, Mukim 13, Seberang Perai Selatan, Negeri Pulau Pinang (the “Land”), for a revocation sum amounting to RM50,000,000.

The Revocation Agreement is conditional upon the followings:

- (a) the approval of the Penang Development Corporation for the sale of the Land to EHSB by BKDSB;
- (b) the approval of the State Authority of Pulau Pinang for the transfer of the Land to EHSB;
- (c) the approval of the shareholders of Eco World for the acquisition of the Land and a portion of another parcel of land held under H.S.(D) 45956 for PT 5258 in Mukim 13, Daerah Seberang Selatan, Negeri Pulau Pinang measuring approximately 74.491 acres (“74.491 acres Land”);
- (d) the approval of the Economic Planning Unit of the Prime Minister’s Department, Malaysia for the purchase of the Land and the 74.491 acres Land by EHSB.

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	90,523
Term Loans	268,760
Revolving Credits	85,438
Bridging Loans	94,502
Redeemable Preference Shares	3,340
Bank Overdrafts	17,372
Hire Purchase Payables	2,356
Total	<u>562,291</u>
Repayment due within next 12 months	<u>206,047</u>
Repayment due after 12 months	<u>356,244</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.

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**11 Dividend**

No interim dividend has been recommended for the financial quarter ended 30 June 2016.

**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 RM22,086,000 and RM37,240,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial year ended 30 June 2016.

**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 financial year ended 30 June 2016.

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 RM23,183,000 and RM41,629,000 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 30.6.2016	Preceding Year Corresponding Qtr 30.6.2015	Current Year To Date 30.6.2016	Preceding Year to Date 30.6.2015
Profit attributable to equity holders of the Company (RM’000)	22,086	19,432	37,240	45,847
Weighted average number of shares in issue (’000)	448,416	448,416	448,416	437,899
Basic earnings per share (sen)	4.93	4.33	8.30	10.47

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<b>(b) Diluted EPS</b>	Current Quarter 30.6.2016	Preceding Year Corresponding Qtr 30.6.2015	Current Year To Date 30.6.2016	Preceding Year to Date 30.6.2015
Profit attributable to equity holders of the Company (RM'000)	22,086	19,432	37,240	45,847
Effects on earnings upon conversion of RCSLS (RM'000)	1,097	1,299	4,389	5,198
	<u>23,183</u>	<u>20,731</u>	<u>41,629</u>	<u>51,045</u>
Weighted average number of shares in issue ('000)	448,416	448,416	448,416	437,899
Effects of RCSLS	96,253	115,503	96,253	115,503
	<u>544,669</u>	<u>563,919</u>	<u>544,669</u>	<u>553,402</u>
Adjusted weighted average number of shares in issue and issuable ('000)				
Diluted earnings per share (sen)	4.26	3.68	7.64	9.22

**13 Profit Before Tax**

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

<b>After charging:</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Quarter 30.6.2016 RM'000	Preceding Year Corresponding Qtr 30.6.2015 RM'000	Current Year To Date 30.6.2016 RM'000	Preceding Year to Date 30.6.2015 RM'000
Interest expense	4,434	4,801	16,814	16,896
Depreciation and Amortization	660	725	2,732	2,898
Impairment loss on other investment	-	-	-	-
<b>After crediting:</b>				
Gain on fair value adjustments of investment properties	400	15,200	400	15,200
Interest income	767	2,541	7,568	11,016
Gain on disposal of property, plant and equipment	(3)	94	266	242
Other income	13,155	364	15,533	2,390
Distribution income from short term funds	22	25	87	90



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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 year ended 30 June 2016.

**14 Realised and Unrealised Retained Earnings**

	As at 30.6.2016 RM'000	As at 31.3.2016 RM'000
<b>Total share of retained earnings:</b>		
Company and subsidiaries		
-realised	519,761	483,336
-unrealised	21,051	15,324
	<u>540,812</u>	<u>498,660</u>
Associated companies		
-realised	2,413	4,547
-unrealised	-	-
	<u>2,413</u>	<u>4,547</u>
Less: Consolidation adjustments	(275,424)	(262,278)
Total group retained earnings as per unaudited consolidated financial statements	<u><u>267,801</u></u>	<u><u>240,929</u></u>