



Malton Berhad

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT**  
**31 MARCH 2017**

# MALTON BERHAD

(Company No: 320888-T)

## Interim Financial Report – 31 MARCH 2017

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# MALTON BERHAD

(Company No : 320888-T)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2017 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER  31.03.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2016 RM'000	CURRENT YEAR TO DATE 31.03.2017 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.03.2016 RM'000
Revenue	156,366	155,285	482,381	411,772
Operating Expenses	(145,296)	(141,175)	(456,564)	(384,676)
Other Operating Income	1,952	2,993	10,301	9,513
Finance Costs	(4,909)	(4,383)	(13,123)	(12,380)
Share in Results of Associated Companies	(590)	29	(485)	135
Profit before Taxation	7,523	12,749	22,510	24,364
Taxation	(3,722)	(6,244)	(8,333)	(9,232)
Net Profit for the Period	3,801	6,505	14,177	15,132
Other Comprehensive Income				
Change in fair value of available-for-sale financial assets	(2)	264	(1)	787
	3,799	6,769	14,176	15,919
<b>Attributable to:</b>				
Owners of the Company	3,923	6,511	14,348	15,154
Non-Controlling Interests	(122)	(6)	(171)	(22)
Net Profit for the Period	3,801	6,505	14,177	15,132
<b>Earnings per Share Attributable to Equity Holders of the Company (Sen)</b>				
Basic	0.87	1.45	3.19	3.37
Fully Diluted	0.89	1.40	3.21	3.38

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2016 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 As At 31.3.2017 RM'000</b>	<b>Audited As At 30.06.2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	12,450	9,560
Investment Properties	140,520	114,770
Land held for Property Development	77,653	85,238
Investment in Associated Companies	1,929	2,413
Other Investments	245	245
Deferred Tax Assets	12,316	7,871
	245,113	220,097
<b>Current Assets</b>		
Property Development	1,086,511	1,174,844
Inventories	103,429	105,688
Trade Receivables	116,677	105,108
Accrued Billings	95,692	25,198
Amount due from contract customers	-	1,116
Other Receivables and Prepaid Expenses	365,898	370,152
Tax recoverable	1,382	633
Short term funds	1,458	1,421
Fixed Deposits with Licensed Banks	8,818	4,092
Cash and Bank Balances	68,184	93,051
	1,848,049	1,881,303
<b>TOTAL ASSETS</b>	2,093,162	2,101,400
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	482,282	448,416
Share Premium	-	6
Other Reserves	28,758	25,550
Retained Earnings	267,661	264,525
	778,701	738,497
<b>Non-Controlling Interests</b>	189,341	187,110
<b>Total Equity</b>	968,042	925,607
<b>Non-Current Liabilities</b>		
RCSLS - Liability component	26,630	68,014
Redeemable Preference Shares	3,000	3,000
Bank Borrowings	266,245	168,895
Hire-Purchase Payables	3,962	1,636
Deferred Tax Liabilities	61,891	62,692
	361,728	304,237
<b>Current Liabilities</b>		
Trade Payables	284,927	390,103
Amount Owing to Contract Customers	16,461	-
Advance Billings	13,157	7,107
Other Payables and Accrued Expenses	145,788	131,670
RCSLS - Liability component	13,114	25,667
Bank Borrowings	276,789	296,506
Hire-Purchase Payables	1,813	720
Tax Liabilities	11,343	19,783
	763,392	871,556
<b>TOTAL EQUITY AND LIABILITIES</b>	2,093,162	2,101,400
<b>Net Assets Per Share Attributable to Equity Holders of the Company (RM)</b>	1.61	1.65

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)*

**MALTON BERHAD**

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2017  
(These figures have not been audited)**

	Share Capital RM'000	Equity Component of RCSLS RM'000	Share Premium RM'000	Available- for-sale Reserve RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Option Reserve RM'000	Retained Earnings RM'000	Non- Controlling Interests RM'000	Total RM'000
<b>Balance as at 1.7.2015</b>	448,416	2,887	6	(793)	20,546	2,065	2,035	239,515	-	714,677
Redemption of RCSLS	-	(396)	-	-	-	-	-	(3,153)	-	(3,549)
Share options lapsed under ESOS	-	-	-	-	-	-	(2,035)	2,035	-	-
Effect of dilution in equity interest of a subsidiary	-	-	-	-	-	-	-	830	-	830
Non-controlling interest arising from subscription of shares in subsidiary companies	-	-	-	-	-	-	-	-	19,627	19,627
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(13,452)	-	(13,452)
Total comprehensive income	-	-	-	787	-	-	-	15,154	(22)	15,919
<b>Balance as at 31.3.2016</b>	<b>448,416</b>	<b>2,491</b>	<b>6</b>	<b>(6)</b>	<b>20,546</b>	<b>2,065</b>	<b>-</b>	<b>240,929</b>	<b>19,605</b>	<b>734,052</b>
<b>Balance as at 1.7.2016</b>	448,416	2,887	6	52	20,546	2,065	-	264,525	187,110	925,607
Issuance of ordinary shares:										
- Conversion of RCSLS	31,245	-	-	-	-	-	-	-	-	31,245
- Employees' Share Option Scheme ("ESOS")	2,019	-	-	-	-	-	-	-	-	2,019
Share option granted under ESOS	-	-	-	-	-	-	3,805	-	-	3,805
Transfer arising from ESOS exercised	596	-	-	-	-	-	(596)	-	-	-
Effects from adoption of Companies Act 2016	6	-	(6)	-	-	-	-	-	-	-
Non-controlling interest arising from subscription of shares in subsidiary companies	-	-	-	-	-	-	-	-	2,402	2,402
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(11,212)	-	(11,212)
Total comprehensive income	-	-	-	(1)	-	-	-	14,348	(171)	14,176
<b>Balance as at 31.3.2017</b>	<b>482,282</b>	<b>2,887</b>	<b>-</b>	<b>51</b>	<b>20,546</b>	<b>2,065</b>	<b>3,209</b>	<b>267,661</b>	<b>189,341</b>	<b>968,042</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 2016 and the accompanying explanatory notes attached to the interim financial statements)*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2017**

(These figures have not been audited)

	<b>31.3.2017</b>	<b>31.3.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM/(USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Profit before Taxation	22,510	24,364
Adjustments for :		
Finance costs	13,123	12,380
Reversal of impairment loss of inventories	(3,399)	-
Share in results of associated companies	485	(135)
Depreciation of property, plant & equipment	2,715	2,072
Share options granted under ESOS	3,805	-
Distribution income on short term funds	(45)	(65)
Loss/(gain) on disposal of property, plant & equipment	418	(269)
Interest income	(3,718)	(6,801)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>35,894</u>	<u>31,546</u>
<b>CHANGES IN WORKING CAPITAL</b>		
(Increase)/Decrease:		
Property development - current portion	99,880	16,160
Inventories	5,658	(4,655)
Receivables	(13,646)	(14,168)
Accrued billings	(70,494)	17,543
Amount owing by contract customers	17,577	40,030
Increase/(Decrease) in:		
Payables	(88,656)	(49,215)
Advance/(accrued) billing	6,050	(29,225)
<b>CASH FROM/(USED IN) OPERATIONS</b>	<u>(7,737)</u>	<u>8,016</u>
Income tax paid net of refund	(23,004)	(28,160)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(30,741)</u>	<u>(20,144)</u>
<b>INVESTING ACTIVITIES</b>		
Interest received	9,779	1,226
Distribution income from short term funds received	45	65
(Increase)/Decrease in:		
Property development - non-current portion	7,585	(43,608)
Short term funds	(38)	(30)
Additional of Investment properties	(25,750)	(30,771)
Proceeds from disposal of property, plant & equipment	38	408
Proceeds from exercise of Put Option	-	154,000
(Placement)/Withdrawal of fixed deposit	(226)	(962)
Addition to property, plant & equipment	(1,221)	(971)
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<u>(9,788)</u>	<u>79,357</u>
<b>FINANCING ACTIVITIES</b>		
Finance costs paid	(21,190)	(17,542)
Proceeds from long-term loan	247,474	106,986
Withdrawal/(Placement) of RCSLS Debts Service Reserve and Disbursement	9,937	-
Redemption of redeemable convertible secured loan stocks	(25,667)	-
Redemption of preference shares	-	(27,800)
Acquisition of subsidiary, net of cash and cash equivalents	-	54
Dividend paid	(11,212)	(13,452)
Repayment of borrowings	(178,671)	(89,543)
Repayment of hire purchase payables	(1,421)	(859)
Proceeds from issuance of shares pursuant to ESOS	2,019	-
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<u>21,269</u>	<u>(42,156)</u>
Net increase in cash and cash equivalents	(19,260)	17,057
Cash and cash equivalents at the beginning of the period	47,478	45,990
Cash and cash equivalents at the end of the period	<u>28,218</u>	<u>63,047</u>
<b>Cash and cash equivalents comprise the followings :</b>		
Fixed deposits net of amounts pledged	4,500	11,230
Cash and bank balances	49,920	66,640
Bank overdrafts	(26,202)	(14,823)
	<u>28,218</u>	<u>63,047</u>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)*

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2017**

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**1 Accounting Policies and Method of Computation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2016.

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 2016.

**Adoption of Malaysian Financial Reporting Standards**

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

TEs, being entities within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that TEs which have chosen to continue with the FRS Framework are now required to adopt the MFRS Framework latest by 1 January 2017.

On 8 September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted.

The Group falls within the scope definition of TEs and has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group will be required to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* in its financial statements for the financial year ending 30 June 2019, being the first set of financial statements prepared in accordance with the new MFRS Framework.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2017**

**Standards and Amendments to FRSs in issue but not yet effective**

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

FRS 9	Financial Instruments <sup>3</sup>
FRS 14	Regulatory Deferral Accounts <sup>1</sup>
Amendments to FRS 2	Classification and Measurements of Shared-based Payment Transactions <sup>3</sup>
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint venture <sup>4</sup>
Amendments to FRS 101	Disclosure Initiative <sup>1</sup>
Amendments to FRS 107	Disclosure Initiative <sup>2</sup>
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses <sup>2</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 FRSs 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 2017, with earlier application permitted

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018, with limited exceptions. Earlier application is permitted

<sup>4</sup> Effective date deferred to a date to be determined and announced, with earlier application still permitted.

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



**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2017**

**4 Unusual Items**

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

**5 Changes in Estimates**

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

**6 Debt and Equity Securities**

The following are the changes in debt and equity securities that were issued by the Company during the current quarter ended 31 March 2017:

During the quarter, the Company issued 31,244,349 new ordinary shares pursuant to conversion of RM31,244,349 nominal value Redeemable Convertible Secured Loan Stock.

During the quarter, the Company issued 2,524,000 new ordinary shares pursuant to the exercise of options under the Employees' Share Option Scheme.

Accordingly, the issued share capital of the Company has increased from 448,415,812 ordinary shares to 482,184,161 ordinary shares as at 31 March 2017 and the outstanding RCSLS has reduced from RM70,585,567 to RM39,341,218 as at 31 March 2017.

Save as disclosed above, there were no cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Company.

**7 Dividend Paid**

There were no dividends paid during the quarter ended 31 March 2017.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2017**

**8 Segmental Reporting**

a) Analysis by business segments for the 9-months period ended 31 March 2017:

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

b) Analysis by business segments for the 9-months period ended 31 March 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	258,601	152,291	350	530		411,772
Internal Sales	-	129,301	-	33,571	(162,872)	-
	<u>258,601</u>	<u>281,592</u>	<u>350</u>	<u>34,101</u>	<u>(162,872)</u>	<u>411,772</u>
<b>Results</b>						
Segmental operating profit/(loss)	<u>33,588</u>	<u>14,339</u>	<u>(54)</u>	<u>18,169</u>	<u>(36,299)</u>	<u>29,743</u>
Interest and distribution income						6,866
Profit from operations						<u>36,609</u>
Finance costs						(12,380)
Share in results of associated companies						135
Profit before tax						<u>24,364</u>
Income tax expense						(9,232)
Net profit for the period						<u>15,132</u>

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
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**9 Revaluation of Property, Plant and Equipment and Investment Properties**

The valuation of property, plant and equipment and investment properties have been brought forward without any amendments from the annual financial statements for the financial year ended 30 June 2016.

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

There were no material events subsequent to the current quarter ended 31 March 2017 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

**11 Changes in the Composition of the Group**

There were no material changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings and discontinued operations for the Group for the quarter under review except as follows:

On 12 January 2017, Khuan Choo Realty Sdn Bhd, a wholly-owned subsidiary of Malton Berhad, acquired the entire issued and paid-up capital of Amberstraits Sdn Bhd (“Amberstraits”), a company incorporated in Malaysia, comprising 2 ordinary shares for a total consideration of RM2.00. Amberstraits, in turn, owned a wholly-owned subsidiary, Regal Path Sdn Bhd.

**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 31.3.2017 RM'000	Preceding Year Corresponding Quarter 31.3.2016 RM'000	Current Year To-Date 31.3.2017 RM'000	Preceding Year Corresponding Year To-Date 31.3.2016 RM'000
<b>Progress billings received/Receivable:</b>				
Impian Ekspresi Sdn Bhd	15,641	2,786	24,318	17,710
Harmoni Perkasa Sdn Bhd	8,078	11,614	44,781	23,104
<b>Exercise of Put Option:</b>				
Impian Ekspresi Sdn Bhd	-	-	-	154,000
<b>Rental paid/payable to:</b>				
Pavilion REIT #	744	758	2,232	2,271
<b>Purchase of gifts and hampers</b>				
Crabtree & Evelyn (Malaysia) Sdn Bhd	30	237	126	414

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

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2017**

**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 0.7% to RM156.4 million as compared to RM155.3 million reported in the previous corresponding quarter while pre-tax profit for the current quarter declined by 40.9% to RM7.5 million as compared to RM12.7 million reported in the previous corresponding quarter. Revenue from the property development division was lower during the current quarter as compared to the previous corresponding quarter due to completion of Nova Saujana and the Phase 1 of Rapid City Centre in Johor with lower corresponding profit recognised. Revenue and profits from construction and project management division was higher in the current quarter as compared to the previous corresponding quarter due to work progress of the external projects.

The share of results of associated companies during the quarter showed a loss of RM0.6 million in the current quarter as compared to a gain of RM0.03 million in the previous corresponding quarter due to higher expenses during current quarter.

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

The Group's revenue decreased to RM156.4 million for the current quarter as compared to RM196.0 million for the immediate preceding quarter. The Group recorded a pre-tax profit of RM7.5 million for the current quarter as compared to the pre-tax profit of RM5.1 million for the immediate preceding quarter. The lower turnover for the current quarter was due to lower work progress for the on-going projects under property development division and the construction division recorded higher contributions arising from higher progress billings from its projects. The higher pre-tax profit during the current quarter were mainly due to higher billings from Bukit Jalil City Signature Shops with higher margins.

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

The Malaysian real GDP expanded by 5.6% in the first quarter of 2017 as compared to 4.5% recorded in the fourth quarter of 2016, fuelled by private sector-led investments, consumption and exports.

The Malaysian economy is expected to expand by 4.3-4.8% in 2017 with domestic demand remaining as the key driver of growth and exports are expected to benefit from the improvement in global growth.

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 2017. In April 2017, the Group launched Tower 1 of The Park 2 Residence in Bukit Jalil with encouraging take-up rates.

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.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2017**

**5 Taxation**

Details of taxation are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2017 RM'000	Preceding Year Corresponding Quarter 31.3.2016 RM'000	Current Year To-Date 31.3.2017 RM'000	Preceding Year Corresponding Year To-Date 31.3.2016 RM'000
Current taxation	6,357	10,024	15,739	20,433
Over provision in prior year	(2,161)	(488)	(2,161)	(118)
Deferred taxation	(474)	(3,292)	(5,245)	(11,083)
	<u>3,722</u>	<u>6,244</u>	<u>8,333</u>	<u>9,232</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**

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”) which was obtained on 20 February 2017;

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(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 which was obtained on 2 March 2017.

On 28 February 2017, EHSB and BKDSB had mutually agreed to further extend the expiry of the Approval Period under the Sale and Purchase Agreement of the Land (the “SPA”) from 28 February 2017 to 31 May 2017.

On 26 May 2017, EHSB and BKDSB had mutually agreed to further extend the expiry of the Approval Period under the SPA from 31 May 2017 to 30 August 2017. Accordingly, the expiry of the period for the fulfilment of the condition precedent under the Revocation Agreement is extended from 31 May 2017 to 30 August 2017.

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	39,744
Term Loans	330,480
Revolving Credits	138,057
Bridging Loans	48,296
Redeemable Preference Shares	3,000
Bank Overdrafts	26,201
Hire Purchase Payables	5,775
Total	<u>591,553</u>
Repayment due within next 12 months	<u>291,716</u>
Repayment due after 12 months	<u>299,837</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**

No interim dividend has been recommended for the financial quarter ended 31 March 2017.

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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 RM3,923,000 and RM14,348,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter.

**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 RM4,371,000 and RM15,692,000 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 ESOS options.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2017	Preceding Year Corresponding Qtr 31.3.2016	Current Year To Date 31.3.2017	Preceding Year to Date 31.3.2016
Profit attributable to equity holders of the Company (RM’000)	3,923	6,511	14,348	15,154
Weighted average number of shares in issue (’000)	450,929	448,416	449,658	448,416
Basic earnings per share (sen)	0.87	1.45	3.19	3.37
(b) Diluted EPS	Current Quarter 31.3.2017	Preceding Year Corresponding Qtr 31.3.2016	Current Year To Date 31.3.2017	Preceding Year to Date 31.3.2016
Profit attributable to equity holders of the Company (RM’000)	3,923	6,511	14,348	15,154
Effects on earnings upon conversion of RCSLS (RM’000)	448	1,097	1,344	3,291
	<u>4,371</u>	<u>7,608</u>	<u>15,692</u>	<u>18,445</u>
Weighted average number of shares in issue (’000)	450,929	448,416	449,658	448,416
Effects of RCSLS	39,341	96,253	39,341	96,253
Effects of unexercised ESOS	<u>1,884</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted weighted average number of shares in issue and issuable (’000)	<u>492,154</u>	<u>544,669</u>	<u>488,999</u>	<u>544,669</u>
Diluted earnings per share (sen)	0.89	1.40	3.21	3.38

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**13 Profit Before Tax**

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year	Current Year	Preceding
	31.3.2017	Corresponding Qtr	To Date	Year to Date
	RM'000	31.3.2016	31.3.2017	31.3.2016
		RM'000	RM'000	RM'000
Interest expense	4,909	4,383	13,123	12,380
Depreciation and Amortization	909	671	2,715	2,072
Loss on disposal of property, plant and equipment	-	-	418	-
Impairment loss on other investment	-	-	-	-
<b>After crediting:</b>				
Reversal of impairment loss of inventories	-	-	3,399	-
Interest income	720	2,037	3,718	6,801
Gain on disposal of property, plant and equipment	-	1	-	269
Other income	1,218	930	3,139	2,378
Distribution income from short term funds	14	25	45	65

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 March 2017.

**14 Realised and Unrealised Retained Earnings**

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
<b>Total share of retained earnings:</b>		
Company and subsidiaries		
-realised	538,056	520,630
-unrealised	14,194	25,858
	<u>552,250</u>	<u>546,488</u>
Associated companies		
-realised	1,929	2,518
-unrealised	-	-
	<u>1,929</u>	<u>2,518</u>
Less: Consolidation adjustments	<u>(286,518)</u>	<u>(285,269)</u>
Total group retained earnings as per unaudited consolidated financial statements	<u>267,661</u>	<u>263,737</u>