

**MALTON**

**Malton Berhad**

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT  
31 DECEMBER 2013**

# MALTON BERHAD

(Company No: 320888-T)

## Interim Financial Report – 31 DECEMBER 2013

	Page No.
Condensed Consolidated Statement Of Comprehensive Income	1
Condensed Consolidated Statement Of Financial Position	2
Condensed Consolidated Statement Of Changes In Equity	3
Condensed Consolidated Statement Of Cash Flows	4
 <b>Explanatory Notes To The Interim Financial Statements:</b>	
Part A: Explanatory Notes Pursuant To FRS 134	5 – 9
Part B: Explanatory Notes Pursuant To Appendix 9B Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad	10 – 16

# MALTON BERHAD

(Company No : 320888-T)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2013

(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
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Revenue	204,407	77,268	295,514	155,320
Operating Expenses	(157,068)	(64,342)	(243,289)	(130,373)
Other Operating Income	3,742	2,310	8,195	5,191
Finance Costs	(4,215)	(3,647)	(8,396)	(7,323)
Share in Results of Associated Companies	1,615	1,001	2,461	1,158
Profit before Taxation	48,481	12,590	54,485	23,973
Taxation	(12,017)	(3,297)	(13,958)	(6,239)
Net Profit for the Period	36,464	9,293	40,527	17,734
Other Comprehensive Income				
Change in fair value of available-for-sale financial assets	25	-	(274)	289
	36,489	9,293	40,253	18,023
<b>Attributable to:</b>				
Owners of the Company	36,464	9,293	40,527	17,734
Non-Controlling Interests	-	-	-	-
Net Profit for the Period	36,464	9,293	40,527	17,734
<b>Earnings per Share Attributable to Equity Holders of the Company (Sen)</b>				
Basic	8.72	2.22	9.69	4.24
Fully Diluted	6.82	1.95	7.83	3.74

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2013 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>31.12.2013</b>	<b>30.06.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	8,515	9,271
Investment Properties	187,402	45,045
Land held for Property Development	224,383	208,810
Investment in Associated Companies	8,891	6,430
Other Investments	1,073	1,390
Deferred Tax Assets	2,744	2,791
Other Receivable	16,075	16,032
	<u>449,083</u>	<u>289,769</u>
<b>Current Assets</b>		
Property Development	87,711	101,524
Inventories	40,456	117,069
Trade Receivables	98,274	140,065
Accrued Billings	18,269	19,168
Amount due from contract customer	3,594	2,641
Other Receivables, JV Deposits and Prepaid Expenses	405,038	235,079
Tax recoverable	13,995	11,464
Short term funds	11,248	1,067
Fixed Deposits with Licensed Banks	39,113	9,691
Cash and Bank Balances	38,129	79,220
	<u>755,827</u>	<u>716,988</u>
<b>TOTAL ASSETS</b>	<u>1,204,910</u>	<u>1,006,757</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	418,104	418,104
Share Premium	6	6
Other Reserves	26,899	25,486
Retained Earnings	209,355	168,828
	<u>654,364</u>	<u>612,424</u>
<b>Non-Controlling Interests</b>	-	-
<b>Total Equity</b>	<u>654,364</u>	<u>612,424</u>
<b>Non-Current Liabilities</b>		
RCSLS - Liability component	106,702	103,669
Redeemable Preference Shares	3,000	-
Bank Borrowings	205,462	50,043
Hire-Purchase Payables	1,058	1,419
Deferred Tax Liabilities	5,799	5,799
	<u>322,021</u>	<u>160,930</u>
<b>Current Liabilities</b>		
Trade Payables	140,533	138,060
Advance Billings	1,287	17,215
Other Payables and Accrued Expenses	31,072	21,873
RCSLS - current portion	11,524	11,524
Bank Borrowings	27,636	38,526
Hire-Purchase Payables	732	720
Tax Liabilities	15,741	5,485
	<u>228,525</u>	<u>233,403</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,204,910</u>	<u>1,006,757</u>
<b>Net Assets Per Share Attributable to Equity Holders of the Company (RM)</b>	<u>1.57</u>	<u>1.46</u>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2013 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 2013**

(These figures have not been audited)

	Attributable to Owners of the Company							Retained Earnings RM'000	Non-Controlling Interests RM'000	Total RM'000
	Share Capital RM'000	RCSLS Equity Component RM'000	Non-Distributable							
Share Premium RM'000			Available-for-sale Reserve RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Option Reserve RM'000				
<b>Balance as at 1.7.2012</b>	418,104	3,378	6	(873)	20,546	2,065	190	143,894	-	587,310
Total comprehensive income	-	-	-	-	-	-	-	17,734	-	17,734
<b>Balance as at 31.12.2012</b>	<b>418,104</b>	<b>3,378</b>	<b>6</b>	<b>(873)</b>	<b>20,546</b>	<b>2,065</b>	<b>190</b>	<b>161,628</b>	<b>-</b>	<b>605,044</b>
<b>Balance as at 1.7.2013</b>	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
<b>Balance as at 31.12.2013</b>	<b>418,104</b>	<b>3,378</b>	<b>6</b>	<b>(967)</b>	<b>20,546</b>	<b>2,065</b>	<b>1,877</b>	<b>209,355</b>	<b>-</b>	<b>654,364</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 2013 and the accompanying explanatory notes attached to the interim financial statements)*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2013  
(These figures have not been audited)**

	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM/(USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Profit before Taxation	54,485	23,973
Adjustments for :		
Finance costs	8,396	7,323
Share options granted under ESOS	1,687	-
Write off of:		
Property, plant and equipment	1	1
Share in results of associated companies	(2,461)	(1,158)
Gain on fair value adjustment	(1,146)	(147)
Depreciation of property, plant & equipment	1,119	1,081
Impairment loss on other investment	-	(76)
Distribution income on short term funds	(204)	(1,051)
Gain on disposal of property, plant & equipment	(20)	(26)
Interest income	(6,055)	(2,321)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>55,802</u>	<u>27,599</u>
<b>CHANGES IN WORKING CAPITAL</b>		
(Increase)/Decrease:		
Property development - current portion	14,828	77,154
Inventories	76,612	(83,473)
Receivables	(127,473)	(195,774)
Accrued billings	899	-
Amount owing by contract customers	(953)	(334)
Increase/(Decrease) in:		
Payables	18,227	719
Advance billings	(15,928)	-
<b>CASH USED IN OPERATIONS</b>	<u>22,014</u>	<u>(174,109)</u>
Income tax paid net of refund	(6,187)	(7,372)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<u>15,827</u>	<u>(181,481)</u>
<b>INVESTING ACTIVITIES</b>		
Interest received	5,003	2,321
Distribution income from short term funds received	204	1,051
(Increase)/Decrease in:		
Property development - non-current portion	(11,876)	11,206
Decrease in short term funds	(10,137)	143,435
Addition to investment properties	(141,456)	-
Proceeds from disposal of property, plant and equipment	23	26
Withdrawal/(Placement) of fixed deposit	(15,006)	3
Addition to property, plant & equipment	(367)	(227)
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<u>(173,612)</u>	<u>157,815</u>
<b>FINANCING ACTIVITIES</b>		
Finance costs paid	(9,516)	(6,520)
Proceeds from long-term loans/borrowings	177,005	8,000
Proceeds from issuance of redeemable preference shares in a subsidiary company	3,000	-
Repayment of borrowings	(21,587)	(242)
Repayment of hire purchase payables	(350)	(304)
<b>NET CASH (USED IN)/ FROM FINANCING ACTIVITIES</b>	<u>148,552</u>	<u>934</u>
Net increase/(decrease) in cash and cash equivalents	(9,233)	(22,732)
Cash and cash equivalents at the beginning of the period	62,017	65,770
Cash and cash equivalents at the end of the period	<u>52,784</u>	<u>43,038</u>
<b>Cash and cash equivalents comprise the followings :</b>		
Fixed deposits net of amounts pledged	21,416	31
Cash and bank balances	32,004	49,095
Bank overdrafts	(636)	(6,088)
	<u>52,784</u>	<u>43,038</u>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2013 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 2013**

**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 2013.

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 2013.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") had 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, 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 given a transitional period of two years, within which the MFRS Framework is mandatory to be adopted by the TEs. Following the announcement by the MASB on 7 August 2013, the transitional period for TEs has been extended for an additional year. Therefore, the mandatory adoption date of the MFRS Framework for TEs has been extended from annual periods beginning on or after 1 January 2014 to annual periods beginning on or after 1 January 2015.

The Group being a TE has availed itself of these transitional arrangements 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 2016, 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.

The following FRS and IC Interpretation have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendment to Government Loans) <sup>1</sup>
FRS 1	First-time Adoption of Financial Reporting Standards (Amendment to Improvements to FRSs (2012)) <sup>1</sup>
FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Financial Liabilities) <sup>1</sup>
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) <sup>3</sup>
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) <sup>3</sup>
FRS 10	Consolidated Financial Statements <sup>1</sup>

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

FRS 10	Consolidated Financial Statements (Amendments relating to Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance) <sup>1</sup>
FRS 10	Consolidated Financial Statements (Amendments relating to Investment Entities) <sup>2</sup>
FRS 11	Joint Arrangements <sup>1</sup>
FRS 11	Joint Arrangements (Amendments relating to Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance) <sup>1</sup>
FRS 12	Disclosures of Interests in Other Entities <sup>1</sup>
FRS 12	Disclosures of Interests in Other Entities (Amendments relating to Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance) <sup>1</sup>
FRS 12	Disclosures of Interests in Other Entities (Amendments relating to Investment Entities) <sup>2</sup>
FRS 13	Fair Value Measurement <sup>1</sup>
FRS 101	Presentation of Financial Statements [Improvements to FRSs (2012)] <sup>1</sup>
FRS 116	Property, Plant and Equipment [Improvements to FRSs (2012)] <sup>1</sup>
FRS 119	Employee Benefits (2011) <sup>1</sup>
FRS 127	Separate Financial Statements (2011) <sup>1</sup>
FRS 127	Separate Financial Statements (2011) (Amendments relating to Investment Entities) <sup>2</sup>
FRS 128	Investments in Associates and Joint Ventures (2012) <sup>1</sup>
FRS 132	Financial Instruments: Presentation [Amendment relating to Improvements to FRSs (2012)] <sup>1</sup>
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities) <sup>2</sup>
FRS 134	Interim Financial Reporting [Amendment to Improvements to FRSs (2012)] <sup>1</sup>
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2013

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2014

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2015

Consequential amendments were also made to various FRSs as a result of these new/revised FRSs.

The directors anticipate that abovementioned FRSs and IC Interpretations will be adopted in the annual financial statements of the Group 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 in the period of initial application.



**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

**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, repurchases, resale and repayments of debt and equity securities during the quarter.

**7 Dividend Paid**

There were no dividends paid during the quarter under review.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

**8 Segmental Reporting**

a) Analysis by business segments for the period ended 31 December 2013:

	Property development	Construction & project management	Property trading	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
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>
<b>Results</b>						
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						6,259
Profit from operations						<u>60,420</u>
Finance costs						(8,396)
Share in results of associated companies						2,461
Profit before tax						<u>54,485</u>
Income tax expense						(13,958)
Net profit for the period						<u><u>40,527</u></u>

b) Analysis by business segments for the period ended 31 December 2012:

	Property development	Construction & project management	Property trading	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External Sales	84,849	63,683	6,442	346		155,320
Internal Sales	-	1,413	-	20,367	(21,780)	-
	<u>84,849</u>	<u>65,096</u>	<u>6,442</u>	<u>20,713</u>	<u>(21,780)</u>	<u>155,320</u>
<b>Results</b>						
Segmental operating profit/(loss)	<u>21,901</u>	<u>4,777</u>	<u>2,491</u>	<u>12,111</u>	<u>(14,514)</u>	<u>26,766</u>
Interest and distribution income						3,372
Profit from operations						<u>30,138</u>
Finance costs						(7,323)
Share in results of associated companies						1,158
Profit before tax						<u>23,973</u>
Income tax expense						(6,239)
Net profit for the period						<u><u>17,734</u></u>

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

**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 2013.

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

There were no material events subsequent to the current quarter ended 31 December 2013 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:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Rental paid/payable to:				
Pavilion REIT #	535	535	1,070	1,070
Purchase of gifts and hampers				
Crabtree & Evelyn (Malaysia) Sdn Bhd	49	-	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.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

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

**1 Review of Performance**

Under the 2014 Budget and the recent Bank Negara Malaysia's new guidelines on lending to property sectors, several measures have been announced by the Government to curb excessive property speculations. These cooling measures may post potential downside risks for the property sectors. The Malaysian economy recorded a higher growth of 5.1% in the fourth quarter of 2013 as compared to 5.0% recorded in the third quarter of 2013.

The Group's revenue for the current quarter improved by 164.4% to RM204.4 million as compared to RM77.3 million reported in the previous corresponding quarter while pre-tax profit for the current quarter improved by 284.9% to RM48.5 million as compared to RM12.6 million reported in the previous corresponding quarter.

The significant improvement in turnover and pre-tax profit for the current quarter arose from the completion of the disposal of Block 1 of V Square @ PJ City Centre together with 964 car park bays by Khuan Choo Property Management Sdn Bhd, a wholly-owned subsidiary of the Company, to Bukit Damansara Development Sdn Bhd for a total consideration of RM140 million in November 2013.

Revenue and profit from the construction and project management division increased marginally in current quarter due to contribution from new contracts secured as compared to previous corresponding quarter.

The share of results of associated companies during the quarter improved by 60.0% to RM1.6 million as compared to profit RM1.0 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 rose to RM204.4 million for the current quarter as compared to RM91.1 million for the immediate preceding quarter. The 124.4% increase was mainly attributed to completion of the disposal of Block 1 of V Square @ PJ City Centre together with 964 car park bays. The Group recorded a pre-tax profit of RM36.5 million for the current quarter as compared to the pre-tax profit of RM6.0 million for the immediate preceding quarter. The higher pre-tax profit for the current quarter was mainly due to profit from disposal Block 1 of V Square @ PJ City Centre together with 964 car park bays.

**3 Prospects for the current Financial Year Ending 30 June 2014**

In 2014, Malaysia is expected to grow at a stronger pace of 5.0% to 5.5% to be driven by private investment and private consumption. The cooling measures announced by the Government will not have significant effects on the Group's immediate earnings due to high percentage of lock-in sales for launched projects.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

In the meantime, the on-going development projects of the Group namely The Cantonment in Penang and Nova Saujana in Subang, 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 2014. During the financial year ending 30 June 2014, the Group has plans to continue to launch new property projects within the Klang Valley, including the upcoming mixed development project in Bukit Jalil, Kuala Lumpur and apartments in Seri Kembangan, Selangor.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 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 31.12.2013 RM'000	Preceding Year Corresponding Quarter 31.12.2012 RM'000	Current Year To-Date 31.12.2013 RM'000	Preceding Year Corresponding Year To-Date 31.12.2012 RM'000
Current taxation	11,993	1,816	13,618	6,237
Under provision in prior year	-	-	292	-
Deferred taxation	24	1,481	48	2
	<u>12,017</u>	<u>3,297</u>	<u>13,958</u>	<u>6,239</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  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

**8 Status of Corporate Proposals**

(i) Khuan Choo Property Management Sdn Bhd (“KCPM”)

On 10 May 2013, KCPM, a wholly-owned subsidiary of the Company had entered into the following agreements:

- (a) Conditional Sale and Purchase Agreement (“VSQ SPA”) entered into between KCPM and Bukit Damansara Development Sdn Bhd (“BDDSB”) for the proposed disposal of a 20-storey office building and 964 car park bays (“VSQ Properties”), which formed part of a property project undertaken by KCPM known as V Square @ PJ City Centre in Petaling Jaya, Selangor, to BDDSB for a consideration of RM140,000,000 to be satisfied by BDDSB via a written irrevocable absolute assignment of BDDSB’s entitlement comprising office space at Pusat Bandar Damansara Complex in Damansara Heights, Kuala Lumpur which is proposed to be redeveloped/refurbished by Impian Ekspresi Sdn Bhd (“IESB”) (“Subject Entitlement”) to KCPM (“Proposed VSQ Disposal”); and
- (b) Conditional Sale and Purchase Agreement (“Office Entitlement SPA”) between KCPM and BDDSB for KCPM to acquire the Subject Entitlement from BDDSB for the purchase price of RM140,000,000 to be fully satisfied by KCPM when the absolute beneficial ownership of the VSQ Properties is vested unto BDDSB pursuant to the terms and conditions of the VSQ SPA (“Proposed Office Entitlement Acquisition”).

The Proposed VSQ Disposal and Proposed Office Entitlement Acquisition are hereinafter collectively referred to as the “Proposed Asset Exchange”.

Simultaneously with the Proposed Asset Exchange, KCPM and IESB had also entered into an agreement dated 10 May 2013 to vary and/or clarify certain terms of the rights, title, benefits and interest over the Subject Entitlement which are to be assigned by BDDSB to KCPM pursuant to the Proposed Asset Exchange, which included amongst others, fixing the office space in the Redeveloped PBD Complex to be received by KCPM forming the Subject Entitlement at 186,667 square feet in net lettable area.

IESB has also agreed to grant KCPM a conditional put option giving KCPM the right to require IESB to acquire the Subject Entitlement from KCPM, subject to terms and conditions as provided in the Put Option Agreement dated 10 May 2013.

The Proposed Asset Exchange was completed on 29 November 2013 upon the absolute assignment of BDDSB’s rights, title, benefits and interest over the Subject Entitlement by BDDSB to KCPM, as evidenced by the Deed of Assignment dated 29 November 2013 and vesting of the beneficial ownership of the VSQ Properties unto BDDSB on 29 November 2013.

(ii) Layar Raya Sdn Bhd (“LRSB”)

On 9 December 2013, LRSB, a wholly-owned subsidiary company, had entered into a conditional Sale and Purchase Agreement with Fame Action Sdn Bhd (“FASB”) for the proposed disposal of two pieces of freehold land held under Lot 4192 (formerly PT 1495/5) and Lot 1656, measuring 10.3542 hectares (approximately 25.6 acres), both located within Mukim of Cheras, District of Ulu Langat, Selangor for a cash consideration of RM35,664,538 (“Proposed Disposal”).

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

The Proposed Disposal is conditional upon the approvals being obtained from:-

- (a) the Boards of Directors of FASB and its holding company;
- (b) the Boards of Directors of LRSB and Malton Berhad;
- (c) the Economic Planning Unit; and
- (d) any other necessary approvals by the relevant authorities.

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	118,226
Term Loans	199,099
Revolving Credits	27,000
Bridging Loans	6,363
Redeemable Preference Shares	3,000
Bank Overdrafts	636
Hire Purchase Payables	1,790
Total	<u>356,114</u>
Repayment due within next 12 months	<u>39,892</u>
Repayment due after 12 months	<u>316,222</u>

All borrowings are denominated in Ringgit Malaysia and are secured.

**10 Off Balance Sheet Financial Instruments**

There were no off balance sheet arrangements entered into nor were there any off balance sheet financial instruments issued by the Group as at the date of this report.

**11 Material Litigation**

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

**13 Dividend**

The Directors have proposed a first and final single-tier dividend of 2.5% per share in respect of the year ended 30 June 2013 (2012: Tax exempt dividend of 2.5% per share), and the dividend has been approved by the shareholders at the Annual General Meeting of the Company held on 22 November 2013.

The dividend was paid on 27 January 2014 to the shareholders of the Company whose names appeared in the Record of Depositors at the close of business on 31 December 2013.

No interim dividend has been recommended for the financial quarter ended 31 December 2013.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

**14 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 RM36,464,000 and RM40,527,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the financial period.

**Fully Diluted**

Under FRS 133 on Earnings Per Share, the options pursuant to the Employee Shares Option Scheme and Warrants have no dilutive effect as both the exercise prices of the options and Warrants are above the average market price of the Company’s shares during the quarter ended 31 December 2013.

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 RM38,031,000 and RM43,661,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the financial period assuming full conversion of the outstanding RCSLS.

(a) <b>Basic EPS</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Quarter 31.12.2013	Preceding Year Corresponding Qtr 31.12.2012	Current Year To Date 31.12.2013	Preceding Year to Date 31.12.2012
Profit attributable to equity holders of the Company (RM’000)	36,464	9,293	40,527	17,734
Weighted average number of shares in issue (’000)	418,104	418,104	418,104	418,104
Basic earnings per share (sen)	8.72	2.22	9.69	4.24



**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

<b>(b) Diluted EPS</b>	Current Quarter 31.12.2013	Preceding Year Corresponding Qtr 31.12.2012	Current Year To Date 31.12.2013	Preceding Year to Date 31.12.2012
Profit attributable to equity holders of the Company (RM'000)	36,464	9,293	40,527	17,734
Effects on earnings upon conversion of RCSLS (RM'000)	1,567	1,567	3,134	3,134
	<u>38,031</u>	<u>10,860</u>	<u>43,661</u>	<u>20,868</u>
Weighted average number of shares in issue ('000)	418,104	418,104	418,104	418,104
Effects of dilution	139,301	139,301	139,301	139,301
	<u>557,405</u>	<u>557,405</u>	<u>557,405</u>	<u>557,405</u>
Adjusted weighted average number of shares in issue and issuable ('000)				
Diluted earnings per share (sen)	6.82	1.95	7.83	3.74

**15 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 31.12.2013 RM'000	Preceding Year Corresponding Qtr 31.12.2012 RM'000	Current Year To Date 31.12.2013 RM'000	Preceding Year to Date 31.12.2012 RM'000
Interest expense	4,215	3,647	8,396	7,323
Depreciation and Amortization	608	573	1,119	1,081
Impairment loss on other investment	-	7	-	76
<b>After crediting:</b>				
Interest income	3,164	1,087	6,055	2,321
Gain on fair value changes of investment properties	-	-	900	900
Other income	492	991	1,036	1,819
Distribution income from short term funds	86	232	204	1,051

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 2013.

**MALTON BERHAD** (Company No. 320888-T)  
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

**16 Realised and Unrealised Retained Earnings**

	As at 31.12.2013 RM'000	As at 30.9.2013 RM'000
<b>Total retained earnings:</b>		
Company and subsidiaries		
-realised profit	421,203	385,937
-unrealised loss	(178)	(155)
	<u>421,025</u>	<u>385,782</u>
Associated companies		
-realised profit	4,397	2,782
-unrealised profit	4,494	4,494
	<u>8,891</u>	<u>7,276</u>
Less: Consolidation adjustments	(220,561)	(220,167)
Total group retained earnings as per unaudited consolidated financial statements	<u><u>209,355</u></u>	<u><u>172,891</u></u>