



Malton Berhad

Registration No: 199401035205 (320888-T)

INTERIM FINANCIAL REPORT
30 SEPTEMBER 2020

MALTON BERHAD

Registration No: 199401035205 (320888-T)

Interim Financial Report – 30 SEPTEMBER 2020

	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
 Explanatory Notes To The Interim Financial Statements:	
Part A: Explanatory Notes Pursuant To MFRS 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

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2019 RM'000	CURRENT YEAR TO DATE 30.09.2020 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30.09.2019 RM'000
Revenue	259,073	115,918	259,073	115,918
Operating expenses	(253,202)	(105,383)	(253,202)	(105,383)
Other operating income	2,413	4,273	2,413	4,273
Finance costs	(5,764)	(11,373)	(5,764)	(11,373)
Share in results of joint ventures	-	-	-	-
Profit before tax	2,520	3,435	2,520	3,435
Income tax expense	(1,498)	(2,238)	(1,498)	(2,238)
Net profit for the period	1,022	1,197	1,022	1,197
Other comprehensive income				
Change in fair value of available-for-sale Adjustment to non-controlling interest due to increase in shareholding of a subsidiary company	-	-	-	-
financial assets	-	-	-	-
	1,022	1,197	1,022	1,197
Attributable to:				
Owners of the company	1,124	1,309	1,124	1,309
Non-controlling interests	(102)	(112)	(102)	(112)
Net profit for the period	1,022	1,197	1,022	1,197
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	0.21	0.25	0.21	0.25
Fully Diluted	0.21	0.25	0.21	0.25

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30.09.2020 RM'000	Audited As At 30.06.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	36,690	38,078
Right-of-use-assets	8,433	9,544
Investment properties	169,447	169,425
Land held for property development	670,377	670,052
Investment in associated companies	-	-
Investment in joint ventures	-	-
Other investments	144,039	129,054
Deferred tax assets	24,062	22,762
Total non-current assets	<u>1,053,048</u>	<u>1,038,915</u>
Current assets		
Property development costs	399,728	506,453
Inventories	166,551	170,179
Trade receivables	143,179	154,331
Other receivables and prepaid expenses	57,575	47,230
Contract assets	336,260	275,037
Amount owing by joint ventures	-	5,444
Tax recoverable	138	126
Short-term funds	492	489
Fixed deposits with licensed banks	30,058	33,458
Cash and bank balances	138,200	149,256
Total current assets	<u>1,272,181</u>	<u>1,342,003</u>
Total assets	<u>2,325,229</u>	<u>2,380,918</u>
EQUITY AND LIABILITIES		
Share capital	528,552	528,552
Other reserves	3,218	3,218
Retained earnings	394,055	392,931
	<u>925,825</u>	<u>924,701</u>
Non-controlling Interests	19,365	19,467
Total equity	<u>945,190</u>	<u>944,168</u>
Non-current liabilities		
Other payables	5,227	5,227
Redeemable preference shares	18,588	17,818
Bank borrowings - non-current portion	65,347	66,307
Hire-purchase payables - non-current portion	951	743
Lease liabilities - non-current portion	6,018	6,020
Deferred tax liabilities	57,892	57,894
Total non-current liabilities	<u>154,023</u>	<u>154,009</u>
Current liabilities		
Trade payables	497,709	561,885
Other payables and accrued expenses	274,657	268,797
Contract liabilities	18,217	4,478
Amount owing to joint ventures	545	-
Bank borrowings - current portion	413,833	425,054
Hire-purchase payables - current portion	686	1,245
Lease liabilities - current portion	2,609	3,739
Tax liabilities	17,760	17,543
Total current liabilities	<u>1,226,016</u>	<u>1,282,741</u>
Total liabilities	<u>1,380,039</u>	<u>1,436,750</u>
TOTAL EQUITY AND LIABILITIES	<u>2,325,229</u>	<u>2,380,918</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>1.75</u>	<u>1.75</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020
(These figures have not been audited)**

	Non-distributable reserves			Distributable reserves	Non-Controlling Interests RM'000	Total RM'000
	Share Capital RM'000	Revaluation Reserve RM'000	Option Reserve RM'000	Retained Earnings RM'000		
Balance as at 1.7.2019	528,552	2,065	1,153	382,766	132,343	1,046,879
Redemption of redeemable preference shares	-	-	-	-	(77,996)	(77,996)
Total comprehensive income/(loss) for the period	-	-	-	1,309	(112)	1,197
Balance as at 30.09.2019	<u>528,552</u>	<u>2,065</u>	<u>1,153</u>	<u>384,075</u>	<u>54,235</u>	<u>970,080</u>
Balance as at 1.7.2020	528,552	2,065	1,153	392,931	19,467	944,168
Total comprehensive income/(loss) for the period	-	-	-	1,124	(102)	1,022
Balance as at 30.09.2020	<u>528,552</u>	<u>2,065</u>	<u>1,153</u>	<u>394,055</u>	<u>19,365</u>	<u>945,190</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

(These figures have not been audited)

	30.09.2020 RM'000	30.09.2019 RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	2,520	3,435
Adjustments for :		
Finance costs	5,764	11,373
Depreciation of:		
Property, plant & equipment	1,747	2,480
Right-of-use-assets	875	-
Allowance for impairment loss in:		
Trade receivables	1	-
Gain on disposal of property, plant and equipment	(150)	(30)
Loss on fair value adjustments of investment in redeemable preference shares	1,213	-
Effect of dilution in investment in format subsidiary company	-	(3,181)
Distribution income on short term funds	(3)	(3)
Interest income	(757)	(1,220)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	11,210	12,854
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in:		
Property development costs - current portion	106,769	(23,891)
Inventories	3,628	47
Receivables	803	(115,732)
Contract assets	(54,920)	79,181
Amount due from joint ventures	5,992	-
(Decrease)/Increase in:		
Payables	(58,316)	104,202
Contract liabilities	7,435	(1,910)
CASH FROM OPERATIONS	22,601	54,751
Income tax paid/refunded	(2,593)	(7,096)
NET CASH FROM OPERATING ACTIVITIES	20,008	47,655
INVESTING ACTIVITIES		
Interest received	757	1,213
Distribution income on short-term funds received	3	3
Increase in land held for property development	(325)	(301)
Additions to short-term funds	(3)	(3)
Additions to Investment properties	(22)	(4,710)
Subscription to shares in joint venture	-	(51)
Proceeds from disposal of property, plant & equipment	150	32
Withdrawal/(placement) of:		
Fixed deposit	9,413	(844)
Restricted cash at bank	2,528	-
Additions to property, plant & equipment	(358)	(1,188)
Additions to investment in redeemable preference shares	(16,198)	-
NET CASH USED IN INVESTING ACTIVITIES	(4,055)	(5,849)
FINANCING ACTIVITIES		
Interest paid	(5,039)	(13,092)
Proceeds from bank borrowings	111,046	159,954
Repayments of bank borrowings	(120,515)	(108,422)
Repayments of hire-purchase payables	(352)	(460)
Repayment of lease liabilities	(896)	-
Redemption of redeemable preference shares from non-controlling interests	-	(77,996)
NET CASH USED IN FINANCING ACTIVITIES	(15,756)	(40,016)
Net increase in cash and cash equivalents	197	1,790
Cash and cash equivalents at the beginning of the period	134,580	88,011
Cash and cash equivalents at the end of the period	<u>134,777</u>	<u>89,801</u>
Cash and cash equivalents comprise the followings :		
Cash and bank balances	152,494	110,874
Bank overdrafts	(17,717)	(21,073)
	<u>134,777</u>	<u>89,801</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Accounting Policies and Method of Computation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) 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 2020 which were prepared under Financial Reporting Standards.

Adoption of Malaysian Financial Reporting Standards (“MFRS”) and Amendments to Financial Reporting Standards

The accounting policies and presentation adopted for this interim report are consistent with those adopted for audited financial statements for the financial year ended 30 June 2020, except for the adoption of the following MFRSs, amendments to MFRSs and IC Int. issued by MASB that are relevant to its operations and effective for annual financial periods beginning on or after 1 July 2020 as follows:

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to Conceptual Framework in MFRS Standards	

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and has no significant effect on the financial performance or position of the Group.

Standards and Amendments in issue but not yet effective

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

MFRS 17	Insurance Contracts ²
Amendments to MFRS 3	Reference to Conceptual Framework ¹
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an investor and Associate or Joint Venture ³
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ²

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective date deferred to a date to be announced by MASB

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

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

2 Audit Report

The auditors' report on preceding year's annual financial statements of the Company and of the Group was unmodified.

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 ended 30 September 2020.

7 Dividend Paid

There were no dividends paid during the quarter ended 30 September 2020.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

8 Segmental Reporting

a) Analysis by business segments for the period ended 30 September 2020:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	219,273	2,958	35,565	1,277		259,073
Internal Sales	-	-	53,616	1,501	(55,117)	-
	<u>219,273</u>	<u>2,958</u>	<u>89,181</u>	<u>2,778</u>	<u>(55,117)</u>	<u>259,073</u>
Results						
Segmental operating profit/(loss)	<u>8,776</u>	<u>152</u>	<u>4,043</u>	<u>(2,600)</u>	<u>(2,847)</u>	<u>7,524</u>
Interest and distribution income						<u>760</u>
Profit from operations						<u>8,284</u>
Finance costs						<u>(5,764)</u>
Share in results of Joint venture						<u>-</u>
Profit before tax						<u>2,520</u>
Income tax expense						<u>(1,498)</u>
Net profit for the period						<u>1,022</u>

b) Analysis by business segments for the period ended 30 September 2019:

	Property developmen t RM'000	Completed properties RM'000	Constructio n RM'000	Others RM'000	Eliminatio n RM'000	Group RM'000
Revenue						
External Sales	100,888	-	14,481	549		115,918
Internal Sales	-	-	78,282	1,440	(79,722)	-
	<u>100,888</u>	<u>-</u>	<u>92,763</u>	<u>1,794</u>	<u>(79,722)</u>	<u>115,918</u>
Results						
Segmental operating profit/(loss)	<u>12,015</u>	<u>(31)</u>	<u>9,281</u>	<u>(4,783)</u>	<u>(2,897)</u>	<u>13,585</u>
Interest and distribution income						<u>1,223</u>
Profit from operations						<u>14,808</u>
Finance costs						<u>(11,373)</u>
Share in results of associated companies						<u>-</u>
Profit before tax						<u>3,435</u>
Income tax expense						<u>(2,238)</u>
Net profit for the period						<u>1,197</u>

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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 2020.

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

There were no material events subsequent to the current quarter ended 30 September 2020 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.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

13 Significant Related Party Transactions

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	30.9.2020 RM'000	30.9.2019 RM'000	30.9.2020 RM'000	30.9.2019 RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd*	24,254	31,543	24,254	31,543
Harmoni Perkasa Sdn Bhd*	-	483	-	483
Rental received/receivable:				
WCT Holdings Berhad*	98	-	98	-
Pavilion REIT Management Sdn Bhd #	98	-	98	-
Progress billings paid/Payable:				
SECG Bina Sdn Bhd@	57	3,339	57	3,339
Management fees paid/payable:				
Kuala Lumpur Pavilion Sdn Bhd^	29	29	29	29
Rental paid/payable to:				
Pavilion REIT #	706	770	706	770
Dream Domain Sdn Bhd^	34	48	34	48
Sale of property to directors and family members of directors of the Company	-	-	-	-

* A company in which a director of the Company has direct/indirect financial interest.

@ A company in which a director of the Company is related to its director/shareholder.

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

^ A company in which a director of the Company has direct financial interest.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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

1 Review of Performance

	Individual Quarter		Change %	Cumulative Quarter		Change %
	Current Year Quarter 30.9.2020 RM'000	Preceding Year Corresponding Quarter 30.9.2019 RM'000		Current Year To-Date 30.9.2020 RM'000	Preceding Year Corresponding Year To-Date 30.9.2019 RM'000	
Revenue						
Property development	219,273	100,888		219,273	100,888	
Completed properties	2,958	-		2,958	-	
Sub-Total	222,231	100,888	120.3	222,231	100,888	120.3
Construction	35,565	14,481	145.6	35,565	14,481	145.6
Others	1,277	549	132.6	1,277	549	132.6
Total	259,073	115,918	123.5	259,073	115,918	123.5
Profit Before Tax (“PBT”)						
Property development	2,154	2,531		2,154	2,531	
Completed properties	181	-		181	-	
Sub-Total	2,335	2,531	(7.7)	2,335	2,531	(7.7)
Construction	8,948	9,038	(1.0)	8,948	9,038	(1.0)
Others	(8,763)	(8,134)	(7.7)	(8,763)	(8,134)	(7.7)
Total	2,520	3,435	(26.6)	2,520	3,435	(26.6)

The Group’s revenue for the current quarter improved by 123.5% to RM259.1 million as compared to RM115.9 million reported in the preceding corresponding quarter while PBT for the current quarter decreased by 26.6% to RM2.5 million as compared to RM3.4 million reported in the preceding corresponding quarter. The lower PBT was due to recognition of revenue from Pavilion Bukit Jalil Mall with lower margins as compared with other property development mix and loss on fair value adjustments of investment in redeemable preference shares of RM1.2 million in current quarter.

Property Development

Revenue from the property development division improved by 120.3% during the current quarter as compared to the preceding corresponding quarter due to new billings from Pavilion Bukit Jalil Mall and higher billings from The Park 2 Residence @ Bukit Jalil, Duta Park Residence @ Jalan Kuching and Villa 22 @ Bukit Rimau.

PBT from the property development division decreased by 7.7% to RM2.3 million for current quarter as compared to RM2.5 million notwithstanding the higher billings during the current

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

quarter as compared to the preceding corresponding quarter attributed mainly to lower margins recorded in current quarter.

Construction

Revenue from construction division improved by 145.6% to RM35.6 million in the current quarter as compared to RM14.5 million recorded in the preceding corresponding quarter due to higher work progress of Pavilion Damansara Heights and Pavilion Ceylon Hill projects.

PBT for the current quarter decreased marginally by 1.0% to RM8.9 million as compared to RM9.0 million reported in the preceding corresponding financial year. The lower PBT was due to additional costs incurred for site compliance as a result of the COVID-19 pandemic.

Share of Results of Joint Ventures

There was no share of results of Joint Ventures during the quarter as the Group is liable up to the cost of investments in the Joint Ventures. The joint ventures have not commenced commercial operations during the quarter.

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

	Current Quarter 30.9.2020 RM'000	Immediate Preceding Quarter 30.6.2020 RM'000	Change %
Revenue			
Property development	219,273	671,947	
Completed properties	2,958	-	
Sub-Total	222,231	671,947	(66.9)
Construction	35,565	11,753	202.6
Others	1,277	9,735	(86.9)
Total	259,073	693,435	(62.6)
Profit Before Tax ("PBT")			
Property development	2,154	11,262	
Completed properties	181	-	
Sub-Total	2,335	11,262	(79.3)
Construction	8,948	14,399	3.2
Others	(8,763)	(6,906)	(37.9)
Total	2,520	18,755	(86.6)

The Group's revenue declined by 62.6% to RM259.1 million for the current quarter as compared to RM693.4 million for the immediate preceding quarter. The Group recorded a 86.6% decline in PBT of RM2.5 million for the current quarter as compared to the PBT of RM18.8 million for the immediate preceding quarter. The lower turnover and PBT for the current quarter from property division were due to lower billings from Pavilion Bukit Jalil Mall and The Park 2 Residence @ Bukit Jalil. The construction division recorded lower contributions despite higher progress billings due to current projects with lower margins and higher site expenses for compliance with standard operating procedures ("SOP") as a result of COVID-19 pandemic.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

3 Prospects for the current Financial Year Ending 30 June 2021

Malaysia’s economy contracted by 2.7% in the third quarter of 2020 as compared to contraction of 17.1% recorded in the second quarter of 2020, as a result of improving external demand, the easing of movement restrictions and stimulus measures implemented by the Government to boost the economy.

The Malaysian economy is expected to improve in 2021 as economic activity is expected to gradually return to normal with the hopes of availability of effective COVID-19 vaccine. However, prospects of the property development and construction industries are expected to remain challenging. Several measures undertaken by the Government such as lowering of overnight policy rate, reintroduction of Home Ownership Campaign and exemption of real property gain tax for residential properties will help to boost the property sector.

The on-going development projects of the Group namely, Pavilion Bukit Jalil Mall, The Park 2 Residence @ Bukit Jalil, Duta Park Residence @ Jalan Kuching, Rapid City Centre @ Johor, Villa 22 @ Bukit Rimau and BAC Tower with total unbilled sales of RM1.1 billion as of 30 September 2020 together with the on-going construction contracts in hand, will continue to contribute to the earnings of the Group for the financial year ending 30 June 2021.

The re-imposition of the Conditional MCO in October 2020 due to rising cases of COVID-19 is expected to impact the results of the Group for the next quarter ending 31 December 2020 arising from lower projected new sales and delays in launching of new projects although construction progress of the Group’s property development and construction divisions is expected to improve. The Group has also undertaken cost reduction measures to mitigate the impact of COVID-19 pandemic. The Group is committed to strict compliance of the Government’s SOP for all its worksite and premises under the “New Normal” of business operations.

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 30.9.2020 RM’000	Preceding Year Corresponding Quarter 30.9.2019 RM’000	Current Year To-Date 30.9.2020 RM’000	Preceding Year Corresponding Year To-Date 30.9.2019 RM’000
Current taxation	3,898	4,938	3,898	4,938
Under/(Over) provision in prior year	-	-	-	-
Deferred taxation	(2,400)	(2,700)	(2,400)	(2,700)
	<u>1,498</u>	<u>2,238</u>	<u>1,498</u>	<u>2,238</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.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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

There was no 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 year quarter and preceding year corresponding quarter are as follows:

	<u>As at 30 September 2020</u>		
	Long-term	Short-term	Total
	RM'000	RM'000	RM'000
Secured			
Term loans	7,998	10,207	18,205
Revolving credits	30,774	228,255	250,029
Bridging loans	26,575	17,444	44,019
Redeemable preference shares	18,588	-	18,588
Trade facilities	-	90,210	90,210
Bank overdrafts	-	17,717	17,717
Hire-purchase payables	951	686	1,637
	84,886	364,519	449,405
Unsecured			
Revolving credit	-	50,000	50,000
	84,886	414,519	499,405
	<u>As at 30 September 2019</u>		
	Long-term	Short-term	Total
	RM'000	RM'000	RM'000
Secured			
Term loans	49,138	230,785	279,923
Revolving credits	46,915	294,629	341,544
Bridging loans	15,063	10,555	25,618
Redeemable preference shares	3,000	-	3,000
Trade facilities	-	35,718	35,718
Bank overdrafts	-	21,073	21,073
Hire-purchase payables	1,925	1,389	3,314
	116,041	594,149	710,190
Unsecured			
Revolving credit	-	50,000	50,000
	116,041	644,149	760,190

All borrowings are denominated in Ringgit Malaysia.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

10 Material Litigation

Save as disclosed below, neither the Company nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board has no knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceeding which may materially affect the financial position of the Malton Group:

- (a) In connection with the joint venture agreement dated 7 April 2014 between Yayasan Wilayah Persekutuan and Memang Perkasa Sdn Bhd (“MPSB”), a 51% owned subsidiary of the Company for the proposed development of a 12 acre leasehold land located in Taman Tun Dr Ismail, Kuala Lumpur (“Land”), Perbadanan Pengurusan Trellises and 9 Others had on 11 August 2017, filed a Judicial Review proceeding against Datuk Bandar Kuala Lumpur and Dewan Bandaraya Kuala Lumpur for the following Orders:-
- (i) An Order of Certiorari to quash the decision of Datuk Bandar Kuala Lumpur to grant a conditional planning approval dated 28 February 2017 for the proposed development on the Land;
 - (ii) An Order for Certiorari to quash the decision of Datuk Bandar Kuala Lumpur to grant the development order dated 13 July 2017 in relation to the proposed development mentioned in paragraph (i) above; and
 - (iii) An Order on Mandamus for the Datuk Bandar Kuala Lumpur to adopt the draft Kuala Lumpur local plan 2020 and publish the said adoption in the gazette pursuant to Section 16 of the Federal Territory (Planning Act) 1982.

On 28 November 2018, the Judge has denied the Applicants’ Judicial Review proceeding to quash the development order. Subsequent to this, the Applicants filed a notice of appeal with the Court of Appeal on 13 December 2018. The hearing of the Court of Appeal that was scheduled on 10 September 2019 was postponed to 22 November 2019. On 22 November 2019, the Court of Appeal heard the parties on the Preliminary Objections raised by MPSB in respect of the plans proposed to be included by the Appellant. The Court of Appeal, after hearing the submission of all counsels decided that the Appellant’s proposed plans should not be referred to and the Court of Appeal would only refer to the plans in the Bundles of Documents. The full hearing of the substantive appeal was on 5 June 2020 and the Court has adjourned the matter for discussion. No dates for delivery of decision has been fixed.

Based on the opinion of our legal counsel, the management is of the opinion that MPSB has a strong defence of the Judicial Review.

11 Dividend

No interim dividend has been recommended for the financial quarter ended 30 September 2020.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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 RM1,124,000 and RM1,124,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial period ended 30 September 2020.

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 RM1,124,000 and RM1,124,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the quarter and financial period ended 30 September 2020 and the effects of unexercised ESOS options.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.9.2020	Preceding Year Corresponding Qtr 30.9.2019	Current Year To Date 30.9.2020	Preceding Year to Date 30.9.2019
Profit/(Loss) attributable to equity holders of the Company (RM’000)	1,124	1,309	1,124	1,309
Weighted average number of shares in issue (’000)	528,141	528,141	528,141	528,141
Basic earnings/(loss) per share (sen)	0.21	0.25	0.21	0.25
(b) Diluted EPS	Current Quarter 30.9.2020	Preceding Year Corresponding Qtr 30.9.2019	Current Year To Date 30.9.2020	Preceding Year to Date 30.9.2019
Profit/(Loss) attributable to equity holders of the Company (RM’000)	1,124	1,309	1,124	1,309
Weighted average number of shares in issue (’000)	528,141	528,141	528,141	528,141
Effects of unexercised ESOS	-	-	-	-
Adjusted weighted average number of shares in issue and issuable (’000)	528,141	528,141	528,141	528,141
Diluted earnings/(loss) per share (sen)	0.21	0.25	0.21	0.25

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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
	30.9.2020	Corresponding Qtr	To Date	Year to Date
	RM'000	30.9.2019	30.9.2020	30.9.2019
		RM'000	RM'000	RM'000
Interest expense	5,764	11,373	5,764	11,373
Loss on fair value	1,213	-	1,213	-
adjustments of investment in redeemable preference shares				
Depreciation and amortization	1,747	2,480	1,747	2,480
Depreciation of right-of-use assets	875	-	875	-
Allowance for impairment loss:				
Trade receivables	1	-	1	-
Other receivables	-	-	-	-
After crediting:				
Interest income	757	1,220	757	1,220
Gain on disposal of property, plant and equipment	150	30	150	30
Other income	1,503	3,020	1,503	3,020
Distribution income from short term funds	3	3	3	3

There were no other 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, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current quarter under review and financial period ended 30 September 2020.