



Malton Berhad

(Company No: 320888-T)

INTERIM FINANCIAL REPORT
31 MARCH 2020

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 31 MARCH 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

(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND PERIOD ENDED 31 MARCH 2020

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2019 RM'000	CURRENT YEAR TO DATE 31.03.2020 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.03.2019 RM'000
Revenue	301,629	193,892	1,119,412	604,759
Operating expenses	(278,204)	(165,053)	(1,064,538)	(554,480)
Other operating income	2,562	3,048	9,326	8,654
Finance costs	(8,722)	(19,554)	(29,701)	(29,779)
Share in results of joint venture	(640)	-	(1,218)	-
Profit before taxation	16,625	12,333	33,281	29,154
Taxation	(9,981)	(6,637)	(17,432)	(16,972)
Net profit for the period	6,644	5,696	15,849	12,182
Other comprehensive income				
Change in fair value of available-for-sale financial assets	-	2	-	(62)
	6,644	5,698	15,849	12,120
Attributable to:				
Owners of the company	6,743	6,006	16,177	12,492
Non-controlling interests	(99)	(310)	(328)	(310)
Net profit for the period	6,644	5,696	15,849	12,182
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	1.28	1.14	3.06	2.37
Fully Diluted	1.28	1.14	3.06	2.37

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD
(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31.03.2020 RM'000	Audited As At 30.06.2019 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	35,652	40,189
Investment properties	179,655	174,883
Land held for property development	193,086	191,269
Investment in joint venture	107,559	-
Other investments	245	245
Right-of-use-assets	8,158	-
Deferred tax assets	22,601	17,211
	<u>546,956</u>	<u>423,797</u>
Current Assets		
Property development costs	1,385,123	1,796,070
Inventories	150,253	152,379
Trade receivables	162,691	133,184
Contract assets	115,682	306,663
Other receivables and prepaid expenses	98,514	97,208
Tax recoverable	491	121
Short-term funds	484	473
Fixed deposits with licensed banks	53,137	40,005
Cash and bank balances	174,574	81,026
	<u>2,140,949</u>	<u>2,607,129</u>
TOTAL ASSETS	<u><u>2,687,905</u></u>	<u><u>3,030,926</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	528,552	528,552
Other reserves	3,218	3,218
Retained earnings	400,583	392,328
	<u>932,353</u>	<u>924,098</u>
Non-controlling Interests	19,568	132,343
Total Equity	<u>951,921</u>	<u>1,056,441</u>
Non-Current Liabilities		
Other payables	11,105	11,105
Redeemable preference shares	3,000	3,000
Bank borrowings - non-current portion	117,788	124,013
Hire-purchase payables - non-current portion	1,330	1,988
Lease liabilities	4,625	-
Deferred tax liabilities	57,599	58,800
	<u>195,447</u>	<u>198,906</u>
Current Liabilities		
Trade payables	471,576	575,418
Other payables and accrued expenses	257,330	588,705
Contract liabilities	402,186	8,863
Bank borrowings - current portion	392,904	578,273
Hire-purchase payables - current portion	1,099	1,786
Lease liabilities	3,581	-
Tax liabilities	11,861	22,534
	<u>1,540,537</u>	<u>1,775,579</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,687,905</u></u>	<u><u>3,030,926</u></u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.76</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 2019 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 2020
(These figures have not been audited)

	Share Capital RM'000	Non-distributable reserves			Distributable reserves	Non- Controlling Interests RM'000	Total RM'000
		Available- for-sale Reserve RM'000	Revaluation Reserve RM'000	Option Reserve RM'000	Retained Earnings RM'000		
Balance as at 1.7.2018	528,552	46	2,065	1,153	376,506	135,167	1,043,489
Total comprehensive income/(loss) for the period	-	(62)	-	-	12,492	(310)	12,120
Redemption of redeemable preference shares	-	-	-	-	-	(2,530)	(2,530)
Acquisition of additional interest in an existing Subsidiary Company	-	-	-	-	-	155	155
Dividend to equity holders of the Company	-	-	-	-	(10,563)	-	(10,563)
Balance as at 31.3.2019	<u>528,552</u>	<u>(16)</u>	<u>2,065</u>	<u>1,153</u>	<u>378,435</u>	<u>132,482</u>	<u>1,042,671</u>
Balance as at 1.7.2019	528,552	-	2,065	1,153	392,328	132,343	1,056,441
Total comprehensive income/(loss) for the period	-	-	-	-	16,177	(328)	15,849
Redemption of redeemable preference shares	-	-	-	-	-	(112,447)	(112,447)
Dividend to equity holders of the Company	-	-	-	-	(7,922)	-	(7,922)
Balance as at 31.3.2020	<u>528,552</u>	<u>-</u>	<u>2,065</u>	<u>1,153</u>	<u>400,583</u>	<u>19,568</u>	<u>951,921</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 2019 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020****(These figures have not been audited)**

	31.03.2020	31.03.2019
	RM'000	RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	33,281	29,154
Adjustments for :		
Finance costs	29,592	29,779
Reserve on consolidation	(3,181)	-
Write down of inventories	4,368	-
Share in results of joint venture	1,218	-
Depreciation of property, plant and equipment	7,631	3,870
Depreciation of right-of-use-assets	742	-
Gain on disposal of property, plant and equipment	(30)	(4)
Excess of cost of acquisition over net assets of the remaining interest in subsidiary company	-	155
Interest on lease liabilities	109	-
Distribution income on short term funds	(12)	(36)
Interest income	(3,193)	(3,511)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	70,525	59,407
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development costs - current portion	416,109	(17,740)
Inventories	(2,241)	(14,659)
Receivables	(68,831)	18,920
Contract assets	286,301	(46,567)
Increase/(Decrease) in:		
Payables	(426,573)	(182,278)
Contract liabilities	330,540	19,712
CASH GENERATED FROM/(USED IN) OPERATIONS	605,830	(163,205)
Income tax paid net of refund	(35,064)	(25,832)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	570,766	(189,037)
INVESTING ACTIVITIES		
Interest received	3,209	1,539
Distribution income from short term funds received	12	36
(Increase)/Decrease in:		
Land held for property development costs - non-current portion	(1,817)	10,613
Short term funds	(11)	925
Additions to investment properties	(4,772)	(4,786)
Subscription of shares in joint venture	(108,776)	-
Proceeds from disposal of property, plant and equipment	32	4
Redemption of redeemable preference shares from non-controlling interest	(112,448)	(2,530)
Withdrawal of fixed deposit	24,887	24,946
Withdrawal/(placement) of restricted cash at banks	5,572	(3,906)
Additions to property, plant and equipment	(3,096)	(3,190)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(197,208)	23,651
FINANCING ACTIVITIES		
Interest paid	(34,753)	(30,848)
Proceeds from bank borrowings	352,016	468,318
Dividends paid	(7,923)	(10,563)
Repayments of bank borrowings	(543,995)	(329,104)
Repayments of hire purchase payables	(1,345)	(2,048)
Payment of lease liabilities	(803)	-
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(236,803)	95,755
Net increase/(decrease) in cash and cash equivalents	136,755	(69,631)
Cash and cash equivalents at the beginning of the period	46,239	91,553
Cash and cash equivalents at the end of the period	182,994	21,922
Cash and cash equivalents comprise the followings :		
Cash and bank balances	204,394	41,387
Bank overdrafts	(21,400)	(19,465)
	182,994	21,922

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2019 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 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 2019 which were prepared under Financial Reporting Standards.

Adoption of Malaysian Financial Reporting Standards (“MFRS”), Amendments to Financial Reporting Standards and Issues Committee Interpretations (“IC Int.”)

The accounting policies and presentation adopted for this interim report are consistent with those adopted for audited financial for the financial year ended 30 June 2019, 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 2019 as follows:

MFRS 16	Leases
Amendments to MFRS 9	Prepayments Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term interests in Associates and joint Ventures
IC Int. 23	Uncertainty Over Income Tax Treatments
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2015 - 2017 Cycle	

The adoption of these MFRSs, amendments to MFRSs and IC Int. 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 10 and MFRS 128	Sales or Contribution of Assets between an investor and Associate or Joint Venture ³
Amendments to MFRS 101 and MFRS 108	Definition of Material ¹
Amendments to References to Conceptual Framework in MFRS Standards ¹	

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

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, Amendments and IC Int. 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 THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

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 ended 31 March 2020.

7 Dividend Paid

There were no dividends paid during the quarter ended 31 March 2020.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

8 Segmental Reporting

a) Analysis by business segments for the period ended 31 March 2020:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	1,013,367	13,709	90,064	2,272		1,119,412
Internal Sales	-	-	311,697	10,605	(322,302)	-
	<u>1,013,367</u>	<u>13,709</u>	<u>401,761</u>	<u>12,877</u>	<u>(322,302)</u>	<u>1,119,412</u>
Results						
Segmental operating profit/(loss)	<u>40,550</u>	<u>1,937</u>	<u>8,429</u>	<u>(3,097)</u>	<u>13,176</u>	<u>60,995</u>
Interest and distribution income						3,205
Profit from operations						<u>64,200</u>
Finance costs						(29,701)
Share in results of Joint venture						(1,218)
Profit before tax						<u>33,281</u>
Income tax expense						(17,432)
Net profit for the Period						<u>15,849</u>

b) Analysis by business segments for the period ended 31 March 2019:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	342,942	33,915	227,277	625		604,759
Internal Sales	-	-	249,851	11,696	(261,547)	-
	<u>342,942</u>	<u>33,915</u>	<u>477,128</u>	<u>12,321</u>	<u>(261,547)</u>	<u>604,759</u>
Results						
Segmental operating profit/(loss)	<u>38,463</u>	<u>7,848</u>	<u>12,674</u>	<u>(5,186)</u>	<u>1,587</u>	<u>55,386</u>
Interest and distribution income						3,547
Profit from operations						<u>58,933</u>
Finance costs						(29,779)
Share in results of associated companies						-
Profit before tax						<u>29,154</u>
Income tax expense						(16,972)
Net profit for the period						<u>12,182</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 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 2019.

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

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

13 Capital Commitments

There were no material capital commitments for the Group for the quarter under review.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

14 Significant Related Party Transactions

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	31.3.2020 RM'000	31.3.2019 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
Progress billings received/receivable:				
Impian Ekspresi Sdn Bhd	26,223	27,084	78,561	97,551
Harmoni Perkasa Sdn Bhd	-	12,269	494	61,349
Rental received/receivable:				
WCT Holdings Berhad	98	-	262	-
Pavilion REIT Management Sdn Bhd #	98	-	262	-
Progress billings paid/payable:				
SECG Bina Sdn Bhd*	368	-	6,690	-
Property management fees paid/payable:				
Kuala Lumpur Pavilion Sdn Bhd^	28	-	57	-
Rental paid/payable to:				
Pavilion REIT #	836	820	1,606	1,581
Director of the Company	-	48	-	96
Dream Domain Sdn Bhd^	48	48	96	96
Sale of property to director and family members of director of the Company	-	-	-	-

* 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 (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 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 31.3.2020 RM'000	Preceding Year Corresponding Quarter 31.3.2019 RM'000 (Restated)		Current Year To-Date 31.3.2020 RM'000	Preceding Year Corresponding Year To-Date 31.3.2019 RM'000 (Restated)	
Revenue						
Property development	266,410	118,969		1,013,367	342,942	
Completed properties	-	17,744		13,709	33,915	
Sub-Total	266,410	136,713	94.9	1,027,076	376,857	172.5
Construction	34,216	57,021	(40.0)	90,064	227,277	(60.4)
Others	1,003	158	534.8	2,272	625	263.5
Total	301,629	193,892	55.6	1,119,412	604,759	85.1
Profit Before Tax ("PBT")						
Property development	10,746	(552)		22,732	12,440	
Completed properties	-	4,377		2,006	7,961	
Sub-Total	10,746	3,825	180.9	24,738	20,401	21.3
Construction	13,952	11,066	26.1	31,176	22,663	37.6
Others	(8,073)	(2,558)	(215.6)	(22,633)	(13,910)	(62.7)
Total	16,625	12,333	34.8	33,281	29,154	14.2

The Group's revenue for the current quarter increased by 55.6% to RM301.6 million as compared to RM193.9 million reported in the previous corresponding quarter while PBT for the current quarter increased by 34.8% to RM16.6 million as compared to RM12.3 million reported in the previous corresponding quarter. The increase in revenue was attributed to the new billings from Pavilion Bukit Jalil Mall during the current quarter as well as increase in billings from The Park 2 @ Bukit Jalil. The increase in PBT in current quarter was attributed to contributions from increased billings from property development division and reduction in finance expenses incurred due to lower bank borrowings. In addition, in the previous corresponding quarter, the Group adopted the International Financial Reporting Standard Interpretation Committee conclusion pursuant to the Agenda Decision 4 whereby the finance cost in relation to construction totaling RM13.8 million were charged out to the income statement. The PBT in current period were reduced to a certain extent by provisions for impairment losses from its inventories of RM4.4 million.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

Property Development

Revenue from the property development division increased by 94.9% during the current quarter as compared to the previous corresponding quarter mainly due to the recognition of billings from Pavilion Bukit Jalil Mall and increase in billings from The Park 2 @ Bukit Jalil. PBT increased by 180.9% to RM10.7 million as compared to RM3.8 million reported in the previous corresponding quarter arising from increase in billings from the projects.

Construction

Revenue from construction division declined by 40.0% to RM34.2 million in the current quarter and as compared to RM57.0 million recorded in the previous corresponding quarter while PBT improved by 26.1% to RM14.0 million as compared to RM11.1 million recorded in the previous corresponding quarter as a result of continuous costs containment exercise undertaken and write back of costs no longer required for the completed projects.

Share of Results of Joint Venture

The Group recognised a share of loss of Joint Venture of RM0.6 million during the quarter as the Joint Venture has not commenced commercial operations.

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

	Current Quarter 31.3.2020 RM'000	Immediate Preceding Quarter 31.12.2019 RM'000	Change %
Revenue			
Property development	266,410	646,069	
Completed properties	-	13,709	
Sub-Total	266,410	659,778	(59.6)
Construction	34,216	41,367	(17.3)
Others	1,003	720	39.3
Total	<u>301,629</u>	<u>701,865</u>	(57.0)
Profit Before Tax ("PBT")			
Property development	10,746	9,455	
Completed properties	-	2,006	
Sub-Total	10,746	11,461	(6.2)
Construction	13,952	8,186	70.4
Others	(8,073)	(6,426)	(25.6)
Total	<u>16,625</u>	<u>13,221</u>	25.7

The Group's revenue declined by 57.0% to RM301.6 million for the current quarter as compared to RM701.9 million for the immediate preceding quarter. The Group recorded a 25.7% increase in PBT of RM16.6 million for the current quarter as compared to the PBT of RM13.2 million for the immediate preceding quarter. The lower property development turnover for the current quarter was mainly due to lower billings of Pavilion Bukit Jalil Mall due to Chinese New Year holidays and the imposition of the Movement Control Order ("MCO") by the Government on 18 March 2020 and the completion and handover of The Park Sky Residence @ Bukit Jalil in the immediate preceding quarter.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

Despite the decline in turnover for both property and construction divisions, PBT increased in current quarter mainly due to reversal of construction costs no longer required for its completed projects and continuous construction cost containment exercises undertaken as well as lower finance costs due to drop in interest rates and lower borrowings. During the quarter, impairment losses of RM4.4 million was provided for the Group's inventory to reflect current market condition.

The lower property development PBT for the current quarter was due to lower billings for the Group's on-going development projects. The construction division also recorded lower turnover arising from lower progress billings from its projects during the current quarter as compared to the immediate preceding quarter while PBT was higher to RM14.0 million recorded in the current quarter as compared to RM8.2 million recorded in the immediate preceding quarter as a result of continuous costs containment exercise and costs reversals.

3 Prospects for the next Financial Year Ending 30 June 2020

Malaysia's economy moderated sharply to 0.7% in the first quarter of 2020 as compared to 3.6% recorded in the fourth quarter of 2019, impacted by the imposition of the Movement Control Order ("MCO") by the Government to contain the spread of the Covid-19 pandemic.

The Malaysian economy is expected to contract in the second quarter. This reflects the longer duration of containment measures both globally and domestically. As these containment measures are eased and the domestic MCO is lifted, economic activity is expected to gradually improve in second half of 2020. The property development and construction industries are expected to remain very competitive.

The on-going development projects of the Group namely, The Park 2 Residence in Bukit Jalil, Duta Park Residence @ Jalan Kuching, Rapid City Centre @ Johor and BAC Tower with a total unbilled sales of RM1.1 billion as of 31 March 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 2020.

The imposition of the MCO on 18 March 2020 and the subsequent conditional MCO is expected to impact the results of the Group for the next quarter ending June 2020 due to lower projected new sales and slower construction progress of the Group's property development and construction divisions and impairment provisions as a result of the Covid-19 pandemic.

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 2020**

5 Taxation

Details of taxation are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2020 RM'000	Preceding Year Corresponding Quarter 31.3.2019 RM'000	Current Year To-Date 31.3.2020 RM'000	Preceding Year Corresponding Year To-Date 31.3.2019 RM'000
Current taxation	9,747	9,883	21,198	22,318
Under/(Over) provision in prior year	2,824	(2,346)	2,824	(2,346)
Deferred taxation	(2,590)	(900)	(6,590)	(3,000)
	<u>9,981</u>	<u>6,637</u>	<u>17,432</u>	<u>16,972</u>

The effective tax rate for the current year to-date 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

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 quarter and preceding corresponding quarter are as follows:

	As at 31 March 2020		
	Long-term RM'000	Short-term RM'000	Total RM'000
Secured			
Term Loans	49,138	15,630	71,743
Revolving Credits	46,915	190,522	237,437
Bridging Loans	21,735	15,375	37,110
Redeemable Preference Shares	3,000	-	3,000
Trade facilities	-	99,977	99,977
Bank Overdrafts	-	21,400	21,400
Hire Purchase Payables	1,330	1,099	2,429
	<u>122,118</u>	<u>344,003</u>	<u>466,121</u>
Unsecured			
Revolving credit	-	50,000	50,000
	<u>122,118</u>	<u>394,003</u>	<u>516,121</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

	<u>As at 31 March 2019</u>		
	Long-term	Short-term	Total
	RM'000	RM'000	RM'000
Secured			
Term Loans	42,883	271,754	314,637
Revolving Credits	31,315	141,006	172,321
Bridging Loans	25,737	14,901	40,638
Redeemable Preference Shares	3,000	-	3,000
Bank Overdrafts	-	40,459	40,459
Trade facilities	-	19,465	19,465
Hire Purchase Payables	1,401	1,704	3,105
	<u>104,336</u>	<u>489,289</u>	<u>593,625</u>
Unsecured			
Revolving credit	-	80,000	80,000
	<u>104,336</u>	<u>569,289</u>	<u>673,625</u>

All borrowings are denominated in Ringgit Malaysia.

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 has been postponed to 22 November 2019.

The hearing continued on 22 November 2019, 7 February 2020, 20 February 2020 and will continue on 20 March 2020.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

Due to implementation of MCO by the Government since 18 March 2020, the hearing on 20 March 2020 was postponed to 5 June 2020.

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 31 March 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 owners of the Company of RM6,743,000 and RM16,177,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial period ended 31 March 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 RM6,743,000 and RM16,177,000 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 31 March 2020 after adjustment for the effects of all dilutive potential ordinary shares.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2020	Preceding Year Corresponding Qtr 31.3.2019	Current Year To Date 31.3.2020	Preceding Year to Date 31.3.2019
Profit attributable to owners of the Company (RM’000)	6,743	6,006	16,177	12,492
Weighted average number of shares in issue (’000)	528,141	528,141	528,141	528,141
Basic earnings per share (sen)	1.28	1.14	3.06	2.37

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

(b) Diluted EPS	Current Quarter 31.3.2020	Preceding Year Corresponding Qtr 31.3.2019	Current Year To Date 31.3.2020	Preceding Year to Date 31.3.2019
Profit attributable to owners of the Company (RM'000)	6,743	6,006	16,177	12,492
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 per share (sen)	1.28	1.14	3.06	2.37

13 Profit Before Tax

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2020 RM'000	Preceding Year Corresponding Qtr 31.3.2019 RM'000	Current Year To Date 31.3.2020 RM'000	Preceding Year to Date 31.3.2019 RM'000
Interest expense	8,613	19,554	29,592	29,779
Write down of inventories	4,368	-	4,368	-
Depreciation and amortization	2,605	1,239	7,631	3,870
After crediting:				
Interest income	1,112	1,179	3,193	3,511
Gain on disposal of property, plant and equipment	-	4	30	4
Other income	1,416	1,853	6,061	5,103
Distribution income from short term funds	4	12	12	36

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 31 March 2020.