



Malton Berhad

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT
30 SEPTEMBER 2018**

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 30 SEPTEMBER 2018

	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 – 10
Part B: Explanatory Notes Pursuant To Appendix 9B Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad	11 – 17

MALTON BERHAD

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2018
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2017 RM'000 (Restated)	CURRENT YEAR TO DATE 30.09.2018 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30.09.2017 RM'000 (Restated)
Revenue	157,936	124,831	157,936	124,831
Operating expenses	(148,572)	(118,794)	(148,572)	(118,794)
Other operating income	3,040	26,782	3,040	26,782
Finance costs	(4,505)	(3,849)	(4,505)	(3,849)
Share in results of associated companies	-	(114)	-	(114)
Profit before taxation	7,899	28,856	7,899	28,856
Taxation	(3,451)	(2,365)	(3,451)	(2,365)
Net profit for the period	4,448	26,491	4,448	26,491
Other comprehensive income/(loss)				
Change in fair value of available-for-sale financial assets	3	(1)	3	(1)
	4,451	26,490	4,451	26,490
Attributable to:				
Owners of the company	4,661	26,652	4,661	26,652
Non-controlling interests	(213)	(161)	(213)	(161)
Net profit for the period	4,448	26,491	4,448	26,491
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	0.88	5.05	0.88	5.05
Fully Diluted	0.88	4.84	0.88	4.84

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2018 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 30.09.2018 RM'000	As At 30.06.2018 RM'000 (Restated)
ASSETS		
Non-Current Assets		
Property, plant and equipment	15,631	15,230
Investment properties	182,353	178,559
Inventories - Land held for property development	31,917	31,457
Investment in associated companies	-	-
Other investments	245	245
Deferred tax assets	8,615	7,815
	<u>238,761</u>	<u>233,306</u>
Current Assets		
Inventories - Property development costs	1,612,651	1,698,594
Inventories - Completed properties	162,403	125,707
Trade receivables	205,862	190,317
Accrued billings	97,498	67,563
Amount due from contract customer	-	38,553
Other receivables and prepaid expenses	118,445	117,349
Tax recoverable	174	189
Short term funds	1,522	1,508
Fixed deposits with licensed banks	10,462	38,612
Cash and bank balances	88,241	122,757
	<u>2,297,258</u>	<u>2,401,149</u>
TOTAL ASSETS	<u>2,536,019</u>	<u>2,634,455</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	528,552	528,552
Other reserves	3,267	3,264
Retained earnings	390,522	385,861
	<u>922,341</u>	<u>917,677</u>
Non-Controlling Interests	134,954	135,167
Total Equity	<u>1,057,295</u>	<u>1,052,844</u>
Non-Current Liabilities		
Other payables	85,012	101,039
Redeemable preference shares	3,000	3,000
Bank borrowings	91,295	107,569
Hire-purchase payables	1,880	2,464
Deferred tax liabilities	64,928	64,928
	<u>246,115</u>	<u>279,000</u>
Current Liabilities		
Trade payables	431,340	508,970
Amount owing to contract customers	32,909	-
Advance billings	7,481	260
Other payables and accrued expenses	284,198	351,563
Bank borrowings	459,604	422,617
Hire-purchase payables	2,586	2,690
Tax liabilities	14,491	16,511
	<u>1,232,609</u>	<u>1,302,611</u>
TOTAL EQUITY AND LIABILITIES	<u>2,536,019</u>	<u>2,634,455</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.75</u>	<u>1.74</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2018 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 30 SEPTEMBER 2018
(These figures have not been audited)**

	Non-distributable reserves					Distributable reserves	Non-Controlling Interests RM'000	Total RM'000
	Share Capital RM'000	Available-for-sale Reserve RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Option Reserve RM'000	Retained Earnings RM'000 (Restated)		
Balance as at 1.7.2017	528,176	51	20,546	2,065	1,238	318,066	179,505	1,049,647
Issuance of shares:								
- Employees' Share Option Scheme ("ESOS")	92	-	-	-	(21)	-	-	71
Total comprehensive income/(loss) for the period	-	(1)	-	-	-	26,652	(161)	26,490
Balance as at 30.9.2017	<u>528,268</u>	<u>50</u>	<u>20,546</u>	<u>2,065</u>	<u>1,217</u>	<u>344,718</u>	<u>179,344</u>	<u>1,076,208</u>
Balance as at 1.7.2018	528,552	46	-	2,065	1,153	385,861	135,167	1,052,844
Total comprehensive income/(loss) for the period	-	3	-	-	-	4,661	(213)	4,451
Balance as at 30.9.2018	<u>528,552</u>	<u>49</u>	<u>-</u>	<u>2,065</u>	<u>1,153</u>	<u>390,522</u>	<u>134,954</u>	<u>1,057,295</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 2018 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 30 SEPTEMBER 2018
(These figures have not been audited)**

	30.09.2018	30.09.2017
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	7,899	28,856
Adjustments for :		
Finance costs	4,505	3,849
Write off of:		
Property, plant & equipment	-	1
Share in results of associated companies	-	114
Depreciation of property, plant & equipment	1,299	971
(Gain)/loss on disposal of property, plant and equipment	-	(61)
Distribution income on short term funds	(40)	(15)
Interest income	(1,238)	(1,699)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>12,425</u>	<u>32,016</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Inventories - Property development costs - current portion	87,992	20,858
Inventories - Completed properties	(36,696)	1,252
Receivables	(17,433)	238,380
Accrued billings	(29,935)	17,691
Amount owing by contract customers	71,462	25,324
Increase/(Decrease) in:		
Payables	(161,020)	(78,010)
Advance billing	7,221	13,217
CASH FROM/(USED IN) OPERATIONS	<u>(65,984)</u>	<u>270,728</u>
Income tax paid net of refund	(6,257)	(6,445)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>(72,241)</u>	<u>264,283</u>
INVESTING ACTIVITIES		
Interest received	382	3,176
Distribution income from short term funds received	40	15
(Increase)/Decrease in:		
Inventories - Property development costs - non-current portion	(460)	(1,445)
Short term funds	(11)	(14)
Additional of Investment properties	(3,794)	(11,430)
Proceed from disposal of property, plant & equipment	-	64
(Placement)/Withdrawal of fixed deposit	29,151	(13,498)
Addition to property, plant & equipment	(1,700)	(323)
NET CASH USED IN INVESTING ACTIVITIES	<u>23,608</u>	<u>(23,455)</u>
FINANCING ACTIVITIES		
Interest paid	(4,907)	(5,013)
Proceeds from long-term loan	96,299	71,802
Repayment of borrowings	(73,002)	(153,611)
Repayment of hire purchase payables	(688)	(539)
Proceeds from exercise of share options	-	71
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>17,702</u>	<u>(87,290)</u>
Net increase in cash and cash equivalents	(30,931)	153,538
Cash and cash equivalents at the beginning of the period	101,411	44,978
Cash and cash equivalents at the end of the period	<u>70,480</u>	<u>198,516</u>
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	1,000	119,003
Cash and bank balances	88,241	87,258
Bank overdrafts	(18,761)	(7,745)
	<u>70,480</u>	<u>198,516</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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 2018 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 Group is adopting the MFRS framework for the first time in the current financial year beginning 1 July 2018 and MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards has been applied. In presenting its first MFRS financial statements, the Group is required to restate the comparative financial statements to amounts reflecting the application of MFRS framework, as if these policies had always been in effect.

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 2018, 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 2018 as follows:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers (and the related clarifications)
Amendments to MFRS 2	Classification and Measurement of Share-Based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>
Amendments to MFRS 140	Transfers of Investment Property
IC Int. 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2014 - 2016 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 except as follows:

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1 : Identify the contract(s) with a customer
- Step 2 : Identify the performance obligations in the contract
- Step 3 : Determine the transaction price
- Step 4 : Allocate the transaction price to the performance obligations in the contract
- Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The impact of the adoption of MFRS 15 on the Group’s financial statements are as follows:-

Effects on Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter/Current Year-to-date – 30.9.2017		
	As previously reported RM’000	Effects of transition to MFRS RM’000	As restated RM’000
Revenue	125,117	(286)	124,831
Operating expenses	(120,010)	1,216	(118,794)
Profit before tax	27,926	930	28,856
Taxation	(2,158)	(207)	(2,365)
Net profit for the period	25,768	723	26,491
Attributable to:			
Owners of the Company	25,929	723	26,652

Effects on Condensed Consolidated Statement of Financial Position

	As at 30.6.2018		
	As previously reported RM’000	Effects of transition to MFRS RM’000	As restated RM’000
Current Assets			
Inventories – Property development			
Costs	1,686,591	12,003	1,698,594
Accrued billings	63,331	4,232	67,563
Equity and Liabilities			
Retained earnings	377,333	8,528	385,861
Other payables			
- Non-current liabilities	97,758	3,281	101,039
Deferred tax liabilities			
- Non-current liabilities	62,401	2,527	64,928
Other payables			
- Current liabilities	349,664	1,899	351,563

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

Standards, IC Int. 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 16	Lease ¹
MFRS 17	Insurance Contracts ³
Amendments to FRS 9	Prepayments Features with Negative Compensation ¹
Amendments to FRS 10 and MFRS 128	Sales or Contribution of Assets between an investor and Associate or Joint Venture ⁴
Amendments to FRS 119	Plan Amendment, Curtailment or Settlement ¹
Amendments to FRS 128	Long-term interests in Associates and joint Ventures ¹
IC Int. 23	Uncertainty Over Income Tax Treatments ¹
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2015 - 2017 Cycle ¹	
Amendments to References to Conceptual Framework in MFRS Standards ²	

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2020

³ Effective for annual periods beginning on or after 1 January 2021

⁴ Effective date deferred to a date to be announced by MASB

The directors anticipate that the abovementioned Standards, Amendments and IC Int. 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.

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.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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 2018.

7 Dividend Paid

There were no dividends paid during the quarter ended 30 September 2018.

8 Segmental Reporting

a) Analysis by business segments for the period ended 30 September 2018:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	118,964	2,273	36,314	385		157,936
Internal Sales	-	-	53,943	1,409	(55,352)	-
	<u>118,964</u>	<u>2,273</u>	<u>90,257</u>	<u>1,794</u>	<u>(55,352)</u>	<u>157,936</u>
Results						
Segmental operating profit/(loss)	<u>12,638</u>	<u>391</u>	<u>231</u>	<u>(4,433)</u>	<u>2,299</u>	<u>11,126</u>
Interest and distribution income						<u>1,278</u>
Profit from operations						<u>12,404</u>
Finance costs						<u>(4,505)</u>
Share in results of associated companies						<u>-</u>
Profit before tax						<u>7,899</u>
Income tax expense						<u>(3,451)</u>
Net profit for the Period						<u>4,448</u>

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

b) Analysis by business segments for the period ended 30 September 2017:

	Property development RM'000 (Restated)	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000 (Restated)
Revenue						
External Sales	86,648	1,435	36,349	399		124,831
Internal Sales	-	-	21,773	1,279	(23,052)	-
	<u>86,648</u>	<u>1,435</u>	<u>58,122</u>	<u>1,678</u>	<u>(23,052)</u>	<u>124,831</u>
Results						
Segmental operating profit/(loss)	<u>32,168</u>	<u>85</u>	<u>3,442</u>	<u>(7,183)</u>	<u>2,592</u>	<u>31,104</u>
Interest and distribution income						<u>1,715</u>
Profit from operations						<u>32,819</u>
Finance costs						<u>(3,849)</u>
Share in results of associated companies						<u>(114)</u>
Profit before tax						<u>28,856</u>
Income tax expense						<u>(2,365)</u>
Net profit for the Period						<u>26,491</u>

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 2018.

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

There were no material events subsequent to the current quarter ended 30 September 2018 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 (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

13 Capital Commitments

	As at 30.9.2018 RM'000	As at 30.6.2018 RM'000
Approved and contracted for		
- Construction of investment property	-	554

14 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 30.9.2018 RM'000	Preceding Year Corresponding Quarter 30.9.2017 RM'000	Current Year To-Date 30.9.2018 RM'000	Preceding Year Corresponding Year To-Date 30.9.2017 RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd	70,467	36,016,	70,467	36,,016
Harmoni Perkasa Sdn Bhd	49,080	6,569	49,080	6,569
Rental paid/payable to:				
Pavilion REIT #	761	790	761	790
Director of the Company	48	48	48	48
Dream Domain Sdn Bhd^	48	-	48	-
Purchase of gifts and hampers				
Crabtree & Evelyn (Malaysia) Sdn Bhd	32	33	32	33
Sale of property to director and family members of director of the Company	-	3,976	-	3,976

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 FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

**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	Preceding Year Corresponding Quarter		Current Year To-Date	Preceding Year Corresponding Year To-Date	
	30.9.2018 RM'000	30.9.2017 RM'000 (Restated)		30.9.2018 RM'000	30.9.2017 RM'000 (Restated)	
Revenue						
Property development	118,964	86,648		118,964	86,648	
Completed properties	2,273	1,435		2,273	1,435	
Sub-Total	121,237	88,083	37.6	121,237	88,083	37.6
Construction	36,314	36,349	(0.1)	36,314	36,349	(0.1)
Others	385	399	(3.5)	385	399	(3.5)
Total	157,936	124,831	26.5	157,936	124,831	26.5
Profit Before Tax ("PBT")						
Property development	8,398	26,751		8,398	26,751	
Completed properties	428	95		428	95	
Sub-Total	8,826	26,846	(67.1)	8,826	26,846	(67.1)
Construction	6,045	7,969	(24.1)	6,045	7,969	(24.1)
Others	(6,972)	(5,959)	(17.0)	(6,972)	(5,959)	(17.0)
Total	7,899	28,856	(72.6)	7,899	28,856	(72.6)

The Group's revenue for the current quarter increased by 26.5% to RM157.9 million as compared to RM124.8 million reported in the previous corresponding quarter while PBT for the current quarter declined by 72.6% to RM7.9 million as compared to RM28.9 million reported in the previous corresponding quarter. The significant decline in PBT was due to one-off recognition of group gain of RM23.8 million on revocation of joint development agreement of a subsidiary company, Silver Setup Sdn Bhd, during the preceding corresponding quarter.

Property Development

Revenue from the property development division improved by 37.6% during the current quarter as compared to the previous corresponding quarter due to higher billings from The Park Sky Residence and The Park 2 Residence in Bukit Jalil and the initial recognition of revenue of Duta Park Residence @ Jalan Kuching. After excluding the one-off group gain of RM23.8 million in previous corresponding quarter, PBT improved by 193.3% to RM8.8 million as compared to RM3.0 million reported in the previous corresponding quarter due to higher billings of the on-going projects and the initial recognition of profits of Duta Park Residence @ Jalan Kuching during the quarter.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

Construction

Revenue from construction division was maintained at RM36.3 million in the current quarter and the previous corresponding quarter while PBT declined by 24.1% to RM6.0 million as compared to RM8.0 million recorded in the previous corresponding quarter due to current projects with lower margins and higher labour and construction costs.

Share of Results of Associated Companies

There was no share of results of associated companies during the quarter as a result of completion of the project undertaken by the associated company and the investment has been fully impaired as of 30 June 2018.

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

	Current Quarter 30.9.2018 RM'000	Immediate Preceding Quarter 30.6.2018 RM'000 (Restated)	Change %
Revenue			
Property development	118,964	128,131	
Completed properties	2,273	1,052	
Sub-Total	121,237	129,183	(6.2)
Construction	36,314	144,693	(74.9)
Others	385	393	(2.0)
Total	<u>157,936</u>	<u>274,269</u>	(42.4)
Profit Before Tax ("PBT")			
Property development	8,398	2,721	
Completed properties	428	182	
Sub-Total	8,826	2,903	204.0
Construction	6,045	18,601	(67.5)
Others	(6,972)	(3,991)	(74.7)
Total	<u>7,899</u>	<u>17,513</u>	(54.9)

The Group's revenue declined by 42.4% to RM157.9 million for the current quarter as compared to RM274.3 million for the immediate preceding quarter. The Group recorded a 54.9% decline in PBT of RM7.9 million for the current quarter as compared to the PBT of RM17.5 million for the immediate preceding quarter. The lower property development turnover for the current quarter was mainly due to final billings from Rapid City Phase 1 Shops and SK One Residence in the immediate preceding quarter, cushioned by increase in billings in current quarter from The Park Sky Residence and The Park 2 in Bukit Jalil. The higher property development PBT for the current quarter was due to higher contribution from Bukit Jalil City The Park Shops with higher margin in the current quarter. The construction division also recorded lower contributions arising from lower progress billings from its projects during the current quarter as compared to the immediate preceding quarter.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

3 Prospects for the next Financial Year Ending 30 June 2019

The Malaysian real GDP is expected to have pick up in the third quarter of 2018 as compared to 4.5% recorded in the second quarter of 2018, underpinned by strong growth in private consumption following the three-month GST zero-rated period.

The Malaysian economy is expected to remain on a steady growth path with domestic demand remaining as the key driver of growth.

In the meantime, the on-going development projects of the Group namely, The Park Sky Residence and The Park 2 Residence in Bukit Jalil, Duta Park Residence @ Jalan Kuching and Rapid City Centre in Johor, with a total unbilled sales of RM1.2 billion as of 30 September 2018 together with the on-going construction contracts in hand and in particular Pavilion Damansara Heights, Pavilion Ceylon Hill and Pavilion Embassy projects, will continue to contribute positively to the earnings of the Group for the financial year ending 30 June 2019.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2019.

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 30.9.2018 RM'000	Preceding Year Corresponding Quarter 30.9.2017 RM'000 (Restated)	Current Year To-Date 30.9.2018 RM'000	Preceding Year Corresponding Year To-Date 30.9.2017 RM'000 (Restated)
Current taxation	4,251	3,408	4,251	3,408
Under/(Over) provision in prior year	-	-	-	-
Deferred taxation	(800)	(1,043)	(800)	(1,043)
	<u>3,451</u>	<u>2,365</u>	<u>3,451</u>	<u>2,365</u>

The effective tax rate for the current year to-date is higher than the statutory tax rate due to the incurrance 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.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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:

	<u>As at 30 September 2018</u>		
	Long-term	Short-term	Total
	RM'000	RM'000	RM'000
Secured			
Term Loans	51,484	222,450	273,934
Revolving Credits	29,811	118,678	148,489
Bridging Loans	10,000	-	10,000
Redeemable Preference Shares	3,000	-	3,000
Trade facilities	-	19,715	19,715
Bank Overdrafts	-	18,761	18,761
Hire Purchase Payables	1,880	2,586	4,466
	96,175	382,190	478,365
Unsecured			
Revolving credit	-	80,000	80,000
	96,175	462,190	558,365
	<u>As at 30 September 2017</u>		
	Long-term	Short-term	Total
	RM'000	RM'000	RM'000
Secured			
Term Loans	40,646	202,714	243,360
Revolving Credits	14,261	93,743	108,004
Bridging Loans	36,434	-	36,434
Redeemable Preference Shares	3,000	-	3,000
Bank Overdrafts	-	7,745	7,745
Trade facilities	-	14,350	14,350
Hire Purchase Payables	4,058	2,583	6,641
	98,399	321,135	419,534
Unsecured			
Revolving credit	-	80,000	80,000
	98,399	401,135	499,534

All borrowings are denominated in Ringgit Malaysia.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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 Malton Berhad 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 15 November 2017, the Kuala Lumpur High Court allowed MPSB’s application to intervene and be added as the 4th Respondent in the Judicial Review proceeding.

The Judicial Review proceeding that was scheduled on 26 and 27 September 2018 has been postponed to 28 and 29 November 2018. The legal counsel acting for MPSB is of the opinion that MPSB has a strong defence in the Judicial Review.

11 Dividend

The Directors have proposed a first and final single-tier dividend of 2 sen per share in respect of the financial year ended 30 June 2018, for approval of the shareholders at the forthcoming Annual General Meeting of the Company to be held on 23 November 2018.

The dividend if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 28 December 2018 and entitlement to dividends will be determined on the basis of the record of depositors as at 30 November 2018.

No interim dividend has been recommended for the financial quarter ended 30 September 2018.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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 RM4,661,000 and RM4,661,000 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 2018.

Fully Diluted

The diluted earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group’s adjusted profit attributable to equity holders of the Company of RM4,661,000 and RM4,661,000 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 2018 after adjustment for the effects of all dilutive potential ordinary shares.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.9.2018	Preceding Year Corresponding Qtr 30.9.2017 (Restated)	Current Year To Date 30.9.2018	Preceding Year to Date 30.9.2017 (Restated)
Profit attributable to owners of the Company (RM’000)	4,661	26,652	4,661	26,652
Weighted average number of shares in issue (’000)	528,141	527,809	528,141	527,809
Basic earnings per share (sen)	0.88	5.05	0.88	5.05
(b) Diluted EPS	Current Quarter 30.9.2018	Preceding Year Corresponding Qtr 30.9.2017 (Restated)	Current Year To Date 30.9.2018	Preceding Year to Date 30.9.2017 (Restated)
Profit attributable to owners of the Company (RM’000)	4,661	26,652	4,661	26,652
Weighted average number of shares in issue (’000)	528,141	527,809	528,141	527,809
Effects of Warrants	-	21,283	-	21,283
Effects of unexercised ESOS	-	1,578	-	1,578
Adjusted weighted average number of shares in issue and issuable (’000)	528,141	550,670	528,141	550,670
Diluted earnings per share (sen)	0.88	4.84	0.88	4.84

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

13 Profit Before Tax

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.9.2018 RM'000	Preceding Year Corresponding Qtr 30.9.2017 RM'000 (Restated)	Current Year To Date 30.9.2018 RM'000	Preceding Year to Date 30.9.2017 RM'000 (Restated)
Interest expense	4,505	3,849	4,505	3,849
Depreciation and Amortization	1,299	971	1,299	971
After crediting:				
Gain on revocation of joint development agreement of a subsidiary	-	23,808	-	23,808
Interest income	1,238	1,699	1,238	1,699
Gain on disposal of property, plant and Equipment	-	61	-	61
Other income	1,762	1,199	1,762	1,199
Distribution income from short term funds	40	15	40	15

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 2018.