

MALTON

Malton Berhad

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT
31 DECEMBER 2019**

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 31 DECEMBER 2019

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MALTON BERHAD

(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2019 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2018 RM'000	CURRENT YEAR TO DATE 31.12.2019 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.12.2018 RM'000
Revenue	701,865	252,931	817,783	410,867
Operating expenses	(680,951)	(240,855)	(786,334)	(389,427)
Other operating income	2,491	2,566	6,764	5,606
Finance costs	(9,606)	(5,720)	(20,979)	(10,225)
Share in results of joint venture	(578)	-	(578)	-
Profit before taxation	13,221	8,922	16,656	16,821
Taxation	(5,213)	(6,884)	(7,451)	(10,335)
Net profit for the period	8,008	2,038	9,205	6,486
Other comprehensive income				
Change in fair value of available-for-sale financial assets	-	2	-	5
	8,008	2,040	9,205	6,491
Attributable to:				
Owners of the company	8,125	2,587	9,434	7,035
Non-controlling interests	(117)	(549)	(229)	(549)
Net profit for the period	8,008	2,038	9,205	6,486
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	1.54	0.49	1.79	1.33
Fully Diluted	1.54	0.49	1.79	1.33

(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 31.12.2019 RM'000	Audited As At 30.06.2019 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	37,177	40,189
Investment properties	179,533	174,883
Land held for property development	192,792	191,269
Investment in joint venture	97,800	-
Other investments	245	245
Deferred tax assets	21,212	17,211
	528,759	423,797
Current Assets		
Property development costs	1,399,962	1,796,070
Inventories	141,195	152,379
Trade receivables	208,636	133,184
Contract assets	58,116	306,663
Other receivables and prepaid expenses	114,414	97,208
Tax recoverable	394	121
Short-term funds	480	473
Fixed deposits with licensed banks	82,742	40,005
Cash and bank balances	278,498	81,026
	2,284,437	2,607,129
TOTAL ASSETS	2,813,196	3,030,926
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	393,840	392,328
	925,610	924,098
Non-controlling Interests	46,616	132,343
Total Equity	972,226	1,056,441
Non-Current Liabilities		
Other payables	11,105	11,105
Redeemable preference shares	3,000	3,000
Bank borrowings - non-current portion	104,648	124,013
Hire-purchase payables - non-current portion	1,608	1,988
Deferred tax liabilities	58,800	58,800
	179,161	198,906
Current Liabilities		
Trade payables	462,780	575,418
Other payables and accrued expenses	290,064	588,705
Contract liabilities	437,808	8,863
Bank borrowings - current portion	447,772	578,273
Hire-purchase payables - current portion	1,265	1,786
Tax liabilities	22,120	22,534
	1,661,809	1,775,579
TOTAL EQUITY AND LIABILITIES	2,813,196	3,030,926
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	1.75	1.75

(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 DECEMBER 2019
(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	-	5	-	-	7,035	(549)	6,491
Dividend to equity holders of the Company	-	-	-	-	(10,563)	-	(10,563)
Balance as at 31.12.2018	<u>528,552</u>	<u>51</u>	<u>2,065</u>	<u>1,153</u>	<u>372,978</u>	<u>134,618</u>	<u>1,039,417</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	-	-	-	-	9,434	(229)	9,205
Redemption of redeemable preference shares	-	-	-	-	-	(85,498)	(85,498)
Dividend to equity holders of the Company	-	-	-	-	(7,922)	-	(7,922)
Balance as at 31.12.2019	<u>528,552</u>	<u>-</u>	<u>2,065</u>	<u>1,153</u>	<u>393,840</u>	<u>46,616</u>	<u>972,226</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 DECEMBER 2019**

(These figures have not been audited)

	31.12.2019 RM'000	31.12.2018 RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	16,656	16,821
Adjustments for :		
Finance costs	20,979	10,225
Reserve on consolidation	(3,181)	-
Share in results of joint venture	578	-
Depreciation of property, plant and equipment	5,026	2,631
Gain on disposal of property, plant and equipment	(30)	-
Distribution income on short term funds	(8)	(24)
Interest income	(2,081)	(2,332)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>37,939</u>	<u>27,321</u>
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development costs - current portion	399,713	44,537
Inventories	11,185	(28,745)
Receivables	(130,658)	1,923
Contract assets	281,081	18,564
Increase/(Decrease) in:		
Payables	(402,637)	(125,847)
Contract liabilities	428,947	9,227
CASH GENERATED FROM/(USED IN) OPERATIONS	<u>625,570</u>	<u>(53,020)</u>
Income tax paid net of refund	(12,137)	(10,948)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>613,433</u>	<u>(63,968)</u>
INVESTING ACTIVITIES		
Interest received	2,080	855
Distribution income from short term funds received	8	24
(Increase)/Decrease in:		
Land held for property development costs - non-current portion	(1,523)	1,744
Short term funds	(7)	(23)
Additions to investment properties	(4,649)	(4,323)
Subscription of shares in joint venture	(98,377)	-
Proceeds from disposal of property, plant and equipment	32	-
Redemption of redeemable preference shares from non-controlling interest	(85,498)	-
(Placement)/Withdrawal of fixed deposit	(1,737)	28,505
Additions to property, plant and equipment	(2,016)	(2,487)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	<u>(191,687)</u>	<u>24,295</u>
FINANCING ACTIVITIES		
Interest paid	(24,584)	(11,492)
Proceeds from bank borrowings	240,442	186,548
Dividends paid	(7,922)	(10,563)
Repayments of bank borrowings	(391,044)	(156,083)
Repayments of hire purchase payables	(901)	(1,388)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>(184,009)</u>	<u>7,022</u>
Net increase/(decrease) in cash and cash equivalents	<u>237,737</u>	<u>(32,651)</u>
Cash and cash equivalents at the beginning of the period	88,011	101,411
Cash and cash equivalents at the end of the period	<u>325,748</u>	<u>68,760</u>
Cash and cash equivalents comprise the followings :		
Cash and bank balances	347,498	89,487
Bank overdrafts	(21,750)	(20,727)
	<u>325,748</u>	<u>68,760</u>

(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 SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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	Lease
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 SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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 December 2019.

7 Dividend Paid

On 31 December 2019, the Company paid a first and final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 June 2019 as approved by the shareholders at the Annual General Meeting of the Company held on 22 November 2019.

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

8 Segmental Reporting

a) Analysis by business segments for the period ended 31 December 2019:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	746,957	13,709	55,848	1,269		817,783
Internal Sales	-	-	181,781	6,783	(188,564)	-
	<u>746,957</u>	<u>13,709</u>	<u>237,629</u>	<u>8,052</u>	<u>(188,564)</u>	<u>817,783</u>
Results						
Segmental operating profit/(loss)	<u>26,860</u>	<u>1,937</u>	<u>2,440</u>	<u>(3,357)</u>	<u>8,244</u>	<u>36,124</u>
Interest and distribution income						<u>2,089</u>
Profit from operations						<u>38,213</u>
Finance costs						<u>(20,979)</u>
Share in results of Joint venture						<u>(578)</u>
Profit before tax						<u>16,656</u>
Income tax expense						<u>(7,451)</u>
Net profit for the period						<u>9,205</u>

b) Analysis by business segments for the period ended 31 December 2018:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	223,973	16,171	170,256	467		410,867
Internal Sales	-	-	153,111	6,512	(159,623)	-
	<u>223,973</u>	<u>16,171</u>	<u>323,367</u>	<u>6,979</u>	<u>(159,623)</u>	<u>410,867</u>
Results						
Segmental operating profit/(loss)	<u>21,747</u>	<u>3,509</u>	<u>2,877</u>	<u>(4,714)</u>	<u>1,271</u>	<u>24,690</u>
Interest and distribution income						<u>2,356</u>
Profit from operations						<u>27,046</u>
Finance costs						<u>(10,225)</u>
Share in results of associated companies						<u>-</u>
Profit before tax						<u>16,821</u>
Income tax expense						<u>(10,335)</u>
Net profit for the period						<u>6,486</u>

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

The valuation of property, plant and equipment and investment properties have been brought forward without any amendments from the annual financial statements for the financial year ended 30 June 2019.

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

There were no material events subsequent to the current quarter ended 31 December 2019 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 SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Progress billings received/receivable:				
Impian Ekspresi Sdn Bhd	20,795	27,084	52,338	97,551
Harmoni Perkasa Sdn Bhd	11	12,269	494	61,349
Rental received/receivable:				
WCT Holdings Berhad	98	-	164	-
Pavilion REIT Management Sdn Bhd #	98	-	164	-
Progress billings paid/payable:				
SECG Bina Sdn Bhd*	2,983	-	6,322	-
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 SECOND QUARTER
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**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 31.12.2019 RM'000	Preceding Year Corresponding Quarter 31.12.2018 RM'000 (Restated)		Current Year To-Date 31.12.2019 RM'000	Preceding Year Corresponding Year To-Date 31.12.2018 RM'000 (Restated)	
Revenue						
Property development	646,069	105,009		746,957	223,973	
Completed properties	13,709	13,898		13,709	16,171	
Sub-Total	659,778	118,907	454.9	760,666	240,144	216.8
Construction	41,367	133,942	(69.1)	55,848	170,256	(67.2)
Others	720	82	778.0	1,269	467	171.7
Total	701,865	252,931	177.5	817,783	410,867	99.0
Profit Before Tax ("PBT")						
Property development	9,455	4,594		11,986	12,992	
Completed properties	2,006	3,156		2,006	3,584	
Sub-Total	11,461	7,750	47.9	13,992	16,576	15.6
Construction	8,186	5,552	47.4	17,224	11,597	48.5
Others	(6,426)	(4,380)	(46.7)	(14,560)	(11,352)	(28.3)
Total	13,221	8,922	48.2	16,656	16,821	(1.0)

The Group's revenue for the current quarter increased by 177.5% to RM701.9 million as compared to RM252.9 million reported in the previous corresponding quarter while PBT for the current quarter increased by 48.2% to RM13.2 million as compared to RM8.9 million reported in the previous corresponding quarter. The increase in revenue and PBT was attributed to the initial billings and profits recognised for Pavilion Bukit Jalil Mall during the current quarter.

Property Development

Revenue from the property development division increased by 454.9% during the current quarter as compared to the previous corresponding quarter mainly due to the initial recognition of billings from Pavilion Bukit Jalil Mall and the final billings for The Park Sky Residence @ Bukit Jalil. PBT increased by 47.9% to RM11.5 million as compared to RM7.8 million reported in the previous corresponding quarter arising from initial billings and profits recognised for Pavilion Bukit Jalil Mall albeit higher finance costs for the Group's ongoing projects.

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Construction

Revenue from construction division declined by 69.1% to RM41.4 million in the current quarter and as compared to RM133.9 million recorded in the previous corresponding quarter while PBT improved by 47.4% to RM8.2 million as compared to RM5.6 million recorded in the previous corresponding quarter as a result of continuous costs containment exercise.

Share of Results of Joint Venture

The Group recognised an initial 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 31.12.2019 RM'000	Immediate Preceding Quarter 30.9.2019 RM'000	Change %
Revenue			
Property development	646,069	100,888	
Completed properties	13,709	-	
Sub-Total	659,778	100,888	554.0
Construction	41,367	14,481	185.7
Others	720	549	31.1
Total	701,865	115,918	505.5
Profit Before Tax ("PBT")			
Property development	9,455	2,531	
Completed properties	2,006	-	
Sub-Total	11,461	2,531	352.8
Construction	8,186	9,038	(9.4)
Others	(6,426)	(8,134)	118.0
Total	13,221	3,435	284.9

The Group's revenue improved by 505.5% to RM701.9 million for the current quarter as compared to RM115.9 million for the immediate preceding quarter. The Group recorded a 284.9% increase in PBT of RM13.2 million for the current quarter as compared to the PBT of RM3.4 million for the immediate preceding quarter. The higher property development turnover for the current quarter was mainly due to initial billings of Pavilion Bukit Jalil Mall and higher billings from The Park Sky Residence @ Bukit Jalil and Duta Park @ Jalan Kuching projects during the current quarter. The higher property development PBT for the current quarter was due to initial profits recognised for Pavilion Bukit Jalil Mall. The construction division also recorded higher turnover arising from higher progress billings from its projects during the current quarter as compared to the immediate preceding quarter while PBT was marginally lower to RM8.2 million recorded in the current quarter as compared to RM9.0 million recorded in the immediate preceding quarter.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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3 Prospects for the next Financial Year Ending 30 June 2020

Malaysia's economy recorded a slower growth of 3.6% in the fourth quarter of 2019 as compared to 4.4% recorded in the third quarter of 2019 as a result of supply disruptions in the commodities sector.

The Malaysian economy registered an average growth of 4.3% in 2019. Moving forward, growth in 2020 is expected to be impacted by the outbreak of Covid-2019, particularly in the first quarter of 2020. The property development and construction industries are expected to remain very competitive.

In the meantime, 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 RM0.8 billion as of 31 December 2019 together with the on-going construction contracts in hand and in particular 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 2020.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2020.

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	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Current taxation	6,513	8,184	11,451	12,435
Under/(Over) provision in prior year	-	-	-	-
Deferred taxation	(1,300)	(1,300)	(4,000)	(2,100)
	<u>5,213</u>	<u>6,884</u>	<u>7,451</u>	<u>10,335</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.

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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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 December 2019		
	Long-term	Short-term	Total
	RM'000	RM'000	RM'000
Secured			
Term Loans	49,138	22,605	71,743
Revolving Credits	46,915	295,950	342,865
Bridging Loans	8,595	5,867	14,462
Redeemable Preference Shares	3,000	-	3,000
Trade facilities	-	51,600	51,600
Bank Overdrafts	-	21,750	21,750
Hire Purchase Payables	1,608	1,265	2,873
	<u>109,256</u>	<u>399,037</u>	<u>508,293</u>
Unsecured			
Revolving credit	-	50,000	50,000
	<u>109,256</u>	<u>449,037</u>	<u>558,293</u>
	As at 31 December 2018		
	Long-term	Short-term	Total
	RM'000	RM'000	RM'000
Secured			
Term Loans	80,867	194,183	275,050
Revolving Credits	-	151,863	151,863
Bridging Loans	2,388	13,780	16,168
Redeemable Preference Shares	3,000	-	3,000
Bank Overdrafts	-	16,223	16,223
Trade facilities	-	20,728	20,728
Hire Purchase Payables	1,755	2,011	3,766
	<u>88,010</u>	<u>398,788</u>	<u>486,798</u>
Unsecured			
Revolving credit	-	80,000	80,000
	<u>88,010</u>	<u>478,788</u>	<u>566,798</u>

All borrowings are denominated in Ringgit Malaysia.

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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.

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 December 2019.

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12 Earnings Per Share (“EPS”)

Basic

The basic earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group’s profit attributable to owners of the Company of RM8,125,000 and RM9,434,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial period ended 31 December 2019.

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 RM8,125,000 and RM9,434,000 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 December 2019 after adjustment for the effects of all dilutive potential ordinary shares.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2019	Preceding Year Corresponding Qtr 31.12.2018	Current Year To Date 31.12.2019	Preceding Year to Date 31.12.2018
Profit attributable to owners of the Company (RM’000)	8,125	2,587	9,434	7,035
Weighted average number of shares in issue (’000)	528,141	528,141	528,141	528,141
Basic earnings per share (sen)	1.54	0.49	1.79	1.33
(b) Diluted EPS	Current Quarter 31.12.2019	Preceding Year Corresponding Qtr 31.12.2018	Current Year To Date 31.12.2019	Preceding Year to Date 31.12.2018
Profit attributable to owners of the Company (RM’000)	8,125	2,587	9,434	7,035
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)	1.54	0.49	1.79	1.33

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13 Profit Before Tax

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2019 RM'000	Preceding Year Corresponding Qtr 31.12.2018 RM'000	Current Year To Date 31.12.2019 RM'000	Preceding Year to Date 31.12.2018 RM'000
Interest expense	9,606	5,720	20,979	10,225
Depreciation and amortization	2,546	1,332	5,026	2,631
After crediting:				
Interest income	861	1,094	2,081	2,332
Gain on disposal of property, plant and equipment	30	-	30	-
Other income	1,595	1,488	4,645	3,250
Distribution income from short term funds	5	(16)	8	24

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 December 2019.