



Malton Berhad

Registration No: 199401035205 (320888-T)

INTERIM FINANCIAL REPORT
31 MARCH 2021

MALTON BERHAD

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Interim Financial Report – 31 MARCH 2021

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

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2021
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2020 RM'000	CURRENT YEAR TO DATE 31.03.2021 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.03.2020 RM'000
Revenue	289,384	301,629	765,444	1,119,412
Operating expenses	(276,058)	(278,204)	(739,295)	(1,064,538)
Other operating income	1,909	2,562	10,706	9,326
Finance costs	(9,550)	(8,722)	(24,913)	(29,701)
Share in results of joint ventures	-	(640)	-	(1,218)
Profit before tax	5,685	16,625	11,942	33,281
Income tax expense	(3,512)	(9,981)	(6,710)	(17,432)
Net profit for the period	2,173	6,644	5,232	15,849
Other comprehensive income				
Net changed in fair value of available-for-sale financial assets	-	-	-	-
	2,173	6,644	5,232	15,849
Attributable to:				
Owners of the Company	2,246	6,743	5,536	16,177
Non-controlling interests	(73)	(99)	(304)	(328)
Net profit for the period	2,173	6,644	5,232	15,849
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	0.43	1.28	1.05	3.06
Fully Diluted	0.43	1.28	1.05	3.06

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

MALTON BERHAD

Registration No: 199401035205 (320888-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31.03.2021 RM'000	Audited As At 30.06.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	34,480	38,078
Right-of-use-assets	6,964	9,544
Investment properties	174,319	169,425
Land held for property development	673,447	670,052
Investment in associated companies	-	-
Investment in joint ventures	-	-
Other investments	173,484	129,054
Deferred tax assets	26,351	22,762
Total non-current assets	1,089,045	1,038,915
Current assets		
Property development costs	251,724	506,453
Inventories	160,155	170,179
Trade receivables	215,409	154,331
Other receivables and prepaid expenses	50,241	47,230
Contract assets	423,147	275,037
Amount owing by joint ventures	10,541	5,444
Tax recoverable	2,903	126
Short-term funds	500	489
Fixed deposits with licensed banks	52,461	33,458
Cash and bank balances	96,862	149,256
Total current assets	1,263,943	1,342,003
Total assets	2,352,988	2,380,918
EQUITY AND LIABILITIES		
Share capital	528,552	528,552
Other reserves	3,218	3,218
Retained earnings	398,467	392,931
	930,237	924,701
Non-controlling Interests	19,163	19,467
Total equity	949,400	944,168
Non-current liabilities		
Other payables	202	5,227
Redeemable preference shares	23,918	17,818
Bank borrowings - non-current portion	78,331	66,307
Hire-purchase payables - non-current portion	1,045	743
Lease liabilities - non-current portion	6,018	6,020
Deferred tax liabilities	57,601	57,894
Total non-current liabilities	167,115	154,009
Current liabilities		
Trade payables	456,908	561,885
Other payables and accrued expenses	248,348	268,797
Contract liabilities	14,925	4,478
Bank borrowings - current portion	499,591	425,054
Hire-purchase payables - current portion	721	1,245
Lease liabilities - current portion	1,335	3,739
Tax liabilities	14,645	17,543
Total current liabilities	1,236,473	1,282,741
Total liabilities	1,403,588	1,436,750
TOTAL EQUITY AND LIABILITIES	2,352,988	2,380,918
Net assets per share attributable to equity holders of the Company (RM)	1.76	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 2020 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021
(These figures have not been audited)**

	Non-distributable reserves			Distributable reserves	Non-Controlling Interests RM'000	Total RM'000
	Share Capital RM'000	Revaluation Reserve RM'000	Option Reserve RM'000	Retained Earnings RM'000		
Balance as at 1.7.2019	528,552	2,065	1,153	382,766	132,343	1,046,879
Redemption of redeemable preference shares	-	-	-	-	(112,447)	(112,447)
Total comprehensive income/(loss) for the period	-	-	-	16,177	(328)	15,849
Dividend to equity holders of the Company	-	-	-	(7,922)	-	(7,922)
Balance as at 31.03.2020	<u>528,552</u>	<u>2,065</u>	<u>1,153</u>	<u>391,021</u>	<u>19,568</u>	<u>942,359</u>
Balance as at 1.7.2020	528,552	2,065	1,153	392,931	19,467	944,168
Total comprehensive income/(loss) for the period	-	-	-	5,536	(304)	5,232
Balance as at 31.03.2021	<u>528,552</u>	<u>2,065</u>	<u>1,153</u>	<u>398,467</u>	<u>19,163</u>	<u>949,400</u>

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

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2021**

(These figures have not been audited)

	31.03.2021 RM'000	31.03.2020 RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	11,942	33,281
Adjustments for :		
Finance costs	24,913	29,701
Depreciation of:		
Property, plant & equipment	5,153	7,631
Right-of-use-assets	3,233	742
Write-offs of property, plant and equipment	2	-
Write down of inventories	-	4,368
Gain on disposal of property, plant and equipment	(170)	(30)
Share in results of joint ventures	-	1,218
Loss on fair value adjustments of investment in redeemable preference shares	1,213	-
Effect of dilution in investment in former subsidiary companies	-	(3,181)
Distribution income on short term funds	(11)	(12)
Interest income	(1,423)	(3,193)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	44,852	70,525
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in:		
Property development costs - current portion	254,783	416,109
Inventories	10,024	(2,241)
Receivables	(64,089)	(68,831)
Contract assets	(138,083)	286,301
Amount due from joint ventures	(5,096)	-
(Decrease)/Increase in:		
Payables	(130,450)	(426,574)
Contract liabilities	419	330,540
CASH (USED IN)/FROM OPERATIONS	(27,640)	605,829
Income tax paid/refunded	(16,267)	(35,064)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(43,907)	570,765
INVESTING ACTIVITIES		
Interest received	1,423	3,209
Distribution income on short-term funds received	11	12
Increase in land held for property development	(4,260)	(1,817)
Additions to short-term funds	(11)	(11)
Additions to Investment properties	(4,691)	(4,772)
Proceeds from disposal of property, plant & equipment	170	32
Withdrawal/(placement) of:		
Fixed deposit	(15,161)	24,887
Restricted cash at bank	4,336	5,572
Additions to property, plant & equipment	(908)	(3,096)
Additions to investment in redeemable preference shares	(45,643)	(108,776)
NET CASH USED IN INVESTING ACTIVITIES	(64,734)	(84,760)
FINANCING ACTIVITIES		
Interest paid	(18,002)	(34,753)
Proceeds from bank borrowings	458,620	352,016
Dividends paid	-	(7,922)
Repayments of bank borrowings	(369,478)	(543,995)
Repayments of hire-purchase payables	(1,076)	(1,345)
Repayment of lease liabilities	(3,059)	(803)
Redemption of redeemable preference shares from non-controlling interests	-	(112,448)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	67,005	(349,250)
Net (decrease)/increase in cash and cash equivalents	(41,636)	136,755
Cash and cash equivalents at the beginning of the period	134,580	46,239
Cash and cash equivalents at the end of the period	<u>92,944</u>	<u>182,994</u>
Cash and cash equivalents comprise the followings :		
Cash and bank balances	110,793	204,394
Bank overdrafts	(17,849)	(21,400)
	<u>92,944</u>	<u>182,994</u>

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

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Accounting Policies and Method of Computation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2020 which were prepared under Financial Reporting Standards.

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

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

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 16	COVID-19-Related Rent Concessions

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

Standards and Amendments in issue but not yet effective

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

MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform – Phase 2 ¹
MFRS 17	Insurance Contracts ⁴
Amendments to MFRS 3	Reference to Conceptual Framework ³
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an investor and Associate or Joint Venture ⁵
Amendments to MFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 ²
Amendments to MFRS 17	Insurance Contracts ⁴
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ⁴
Amendments to MFRS 108	Definition of Accounting Estimates ⁴
Amendments to MFRS 116	Proceeds before Intended Use ³
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract ³

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

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

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for annual periods beginning on or after 1 January 2023

⁵ Effective date deferred to a date to be announced by MASB

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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

2 Audit Report

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

3 Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

4 Unusual Items

There were no material items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

5 Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

6 Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 March 2021.

7 Dividend Paid

There were no dividends paid during the quarter ended 31 March 2021.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

8 Segmental Reporting

a) Analysis by business segments for the period ended 31 March 2021:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	592,925	13,651	154,724	4,144		765,444
Internal Sales	-	-	165,413	43,539	(208,952)	-
	<u>592,925</u>	<u>13,651</u>	<u>320,137</u>	<u>47,683</u>	<u>(208,952)</u>	<u>765,444</u>
Results						
Segmental operating profit/(loss)	<u>22,344</u>	<u>1,778</u>	<u>8,224</u>	<u>35,540</u>	<u>(32,465)</u>	<u>35,421</u>
Interest and distribution income						<u>1,434</u>
Profit from operations						<u>36,855</u>
Finance costs						<u>(24,913)</u>
Share in results of Joint venture						<u>-</u>
Profit before tax						<u>11,942</u>
Income tax expense						<u>(6,710)</u>
Net profit for the Period						<u>5,232</u>

b) 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						<u>3,205</u>
Profit from operations						<u>64,200</u>
Finance costs						<u>(29,701)</u>
Share in results of Joint venture						<u>(1,218)</u>
Profit before tax						<u>33,281</u>
Income tax expense						<u>(17,432)</u>
Net profit for the Period						<u>15,849</u>

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

9 Revaluation of Property, Plant and Equipment and Investment Properties

The valuation of property, plant and equipment and investment properties have been brought forward without any amendments from the annual financial statements for the financial year ended 30 June 2020.

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

There were no material events subsequent to the current quarter ended 31 March 2021 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

11 Changes in the Composition of the Group

There were no material changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings and discontinued operations for the Group for the quarter under review.

12 Contingent Liabilities

As at this reporting date, the Group does not have any material contingent liabilities.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

13 Significant Related Party Transactions

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2021 RM'000	31.3.2020 RM'000
Progress billings received/Receivable:				
Impian Eクス presi Sdn Bhd*	4,406	26,223	21,208	78,561
Jendela Mayang Sdn Bhd*	29,499	-	67,964	-
Harmoni Perkasa Sdn Bhd*	-	-	-	494
Rental received/receivable:				
WCT Holdings Berhad*	99	98	294	262
Pavilion REIT Management Sdn Bhd #	99	98	294	262
Progress billings paid/Payable:				
SECG Bina Sdn Bhd@	-	368	1,078	6,690
Management fees paid/payable:				
Kuala Lumpur Pavilion Sdn Bhd^	28	28	86	57
Rental paid/payable to:				
Pavilion REIT #	707	836	2,119	1,606
Dream Domain Sdn Bhd^	48	48	116	96
Lumayan Indah Sdn Bhd*	50	-	50	-
Sale of property to directors and family members of directors of the Company	-	-	4,500	-

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

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

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

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

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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 31.3.2021 RM'000	Preceding Year Corresponding Quarter 31.3.2020 RM'000		Current Year To-Date 31.3.2021 RM'000	Preceding Year Corresponding Year To-Date 31.3.2020 RM'000	
Revenue						
Property development	216,916	266,410		592,925	1,013,367	
Completed properties	803	-		13,651	13,709	
Sub-Total	217,719	266,410	(18.3)	606,576	1,027,076	(40.9)
Construction	70,192	34,216	105.1	154,724	90,064	51.4
Others	1,473	1,003	46.9	4,144	2,272	71.8
Total	289,384	301,629	(4.1)	765,444	1,119,412	(31.6)
Profit Before Tax (“PBT”)						
Property development	6,695	10,746		9,720	22,732	
Completed properties	(424)	-		1,778	2,006	
Sub-Total	6,271	10,746	(41.6)	11,498	24,738	(53.5)
Construction	(2,859)	13,952		3,943	31,176	(87.4)
Others	2,273	(8,073)		(3,499)	(22,633)	84.5
Total	5,685	16,625	(65.8)	11,942	33,281	(64.1)

The Group’s revenue for the current quarter declined by 4.1% to RM289.4 million as compared to RM301.6 million reported in the preceding corresponding quarter while PBT for the current quarter decreased by 65.8% to RM5.7 million as compared to RM16.6 million reported in the preceding corresponding quarter.

The Group’s revenue for the current year-to-date declined by 31.6% to RM765.4 million as compared to RM1,119.4 million reported in the preceding corresponding year-to-date while PBT for the current year-to-date declined by 64.1% to RM11.9 million as compared to RM33.3 million reported in the preceding corresponding year-to-date.

Property Development

Revenue from the property development division declined by 18.3% during the current quarter as compared to the preceding corresponding quarter due to lower billings from Pavilion Bukit Jalil Mall and The Park 2 Residence @ Bukit Jalil which are in advance stage of completion.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

PBT from the property development division declined by 41.6% to RM5.7 million for current quarter as compared to RM16.6 million attributed mainly to lower revenue achieved and lower margins recorded in current quarter.

Construction

Revenue from construction division improved by 105.1% to RM70.2 million in the current quarter as compared to RM34.2 million recorded in the preceding corresponding quarter due to higher work progress of Pavilion Ceylon Hill project.

PBT for the current quarter recorded a loss of RM2.9 million as compared to a profit of RM14.0 million reported in the preceding corresponding quarter. The loss was due to projects with lower margins and higher carrying fixed costs coupled with additional costs incurred for site compliance as a result of the COVID-19 pandemic.

Share of Results of Joint Ventures

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

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

	Current Quarter 31.3.2021 RM'000	Immediate Preceding Quarter 31.12.2020 RM'000	Change %
Revenue			
Property development	216,916	156,736	
Completed properties	803	9,890	
Sub-Total	217,719	166,626	30.7
Construction	70,192	48,967	43.3
Others	1,473	1,394	5.7
Total	289,384	216,987	33.4
Profit Before Tax ("PBT")			
Property development	6,695	871	
Completed properties	(424)	2,021	
Sub-Total	6,271	2,892	116.8
Construction	(2,859)	(2,146)	(33.2)
Others	2,273	2,991	(24.0)
Total	5,685	3,737	52.1

The Group's revenue improved by 33.4% to RM289.4 million for the current quarter as compared to RM217.0 million for the immediate preceding quarter. The Group recorded a 52.1% improvement in PBT of RM5.7 million for the current quarter as compared to the PBT of RM3.7 million for the immediate preceding quarter. The higher turnover for the current quarter from property division was due to higher billings from Pavilion Bukit Jalil Mall and The Park 2 Residence @ Bukit Jalil. The construction division recorded losses despite higher progress billings due to current projects with lower margins and higher carrying fixed costs coupled with additional site expenses incurred to comply with standard operating procedures ("SOPs") as a result of COVID-19 pandemic.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

3 Prospects for the current Financial Year Ending 30 June 2021

Malaysia’s economy contracted by 0.5% in the first quarter of 2021 as compared to contraction of 3.4% recorded in the fourth quarter of 2020. The growth performance was supported mainly by improved domestic demand and robust exports performance.

The Malaysian economy is projected to improve from second quarter of 2021 onwards as economic activity is expected to gradually return to normal with the launching of the National COVID-19 Immunisation Programme. However, prospects of the property development and construction industries are expected to remain challenging. Several measures undertaken by the Government such as lowering of overnight policy rate, reintroduction of Home Ownership Campaign and exemption of real property gain tax for residential properties are expected to boost the property sector.

The on-going development projects of the Group namely, Pavilion Bukit Jalil Mall, The Park 2 Residence @ Bukit Jalil, Duta Park Residence @ Jalan Kuching, Rapid City Centre @ Johor, Villa 22 @ Bukit Rimau and BAC Tower with total unbilled sales of RM950 million as of 31 March 2021 together with the on-going construction contracts in hand, will continue to contribute to the earnings of the Group for the financial year ending 30 June 2021.

The re-imposition of the Movement Control Order on 7 May 2021 due to rising cases of COVID-19 is expected to impact the results of the Group for the next quarter ending 30 June 2021 arising from lower projected new sales and delays in launching of new projects although construction progress of the Group’s property development and construction divisions is expected to improve. The Group has also undertaken cost reduction measures to mitigate the impact of COVID-19 pandemic. The Group is committed to strict compliance of the Government’s SOPs for all its worksite and premises under the “New Normal” of business operations.

4 Profit Forecast or Profit Guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee.

5 Taxation

Details of taxation are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2021 RM’000	Preceding Year Corresponding Quarter 31.3.2020 RM’000	Current Year To-Date 31.3.2021 RM’000	Preceding Year Corresponding Year To-Date 31.3.2020 RM’000
Current taxation	3,049	9,747	8,647	21,198
Overprovision in prior year	634	2,824	634	2,824
Deferred taxation	(171)	(2,590)	(2,571)	(6,590)
	<u>3,512</u>	<u>9,981</u>	<u>6,710</u>	<u>17,432</u>

The effective tax rate for the current year to-date (before share of results of associated companies) is higher than the statutory tax rate due to the incurrence of certain expenses that are not deductible for tax purposes and losses incurred by certain subsidiary companies which do not qualify for group relief.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

6 Profits /(Loss) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investment and/or properties for the quarter under review.

7 Purchases or Disposals of Quoted Securities

There was no purchase and disposal of quoted securities by the Group for the current financial quarter under review.

8 Status of Corporate Proposals

There was no outstanding corporate proposal for the Group.

9 Borrowings and Debt Securities

The Group's borrowings and debt securities as at the end of the current year quarter and preceding year corresponding quarter are as follows:

	<u>As at 31 March 2021</u>		
	Long-term RM'000	Short-term RM'000	Total RM'000
Secured			
Term loans	7,998	13,641	21,639
Revolving credits	30,774	322,864	353,638
Bridging loans	39,559	6,931	46,490
Redeemable preference shares	23,918	-	23,918
Trade facilities	-	88,307	88,307
Bank overdrafts	-	17,848	17,848
Hire-purchase payables	1,045	721	1,766
	<u>103,294</u>	<u>450,312</u>	<u>553,606</u>
Unsecured			
Revolving credit	-	50,000	50,000
	<u>103,294</u>	<u>500,312</u>	<u>603,606</u>

	<u>As at 31 March 2020</u>		
	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>

All borrowings are denominated in Ringgit Malaysia.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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:

In connection with the joint venture agreement dated 7 April 2014 between Yayasan Wilayah Persekutuan (“YWP”) 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 (“DBKL”) 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 YWP and MPSB’s application to intervene and be added as the 3rd and 4th Respondents in the Judicial Review proceeding.

Subsequently, the Applicants withdrew their claim against DBKL.

On 28 November 2018, the Kuala Lumpur High Court ruled that the Development Order dated 13 July 2017 issued by Datuk Bandar Kuala Lumpur was valid. The Judicial Review Application was accordingly dismissed with costs. The Applicants appealed to the Court of Appeal against the decision of the Kuala Lumpur High Court on 28 November 2018.

On 27 January 2021, the Court of Appeal delivered its decision and handed down the following Orders:

- (i) That the Applicants’ Appeal was unanimously allowed with costs;
- (ii) That the decision of the High Court dated 28 November 2018 was set aside; and
- (iii) That an Order of Certiorari be granted quashing the decision of the Datuk Bandar Kuala Lumpur in granting the Development Order dated 13 July 2017 in respect of the proposed development on the Land.

On 23 February 2021, MPSB filed a Notice of Motion for Leave to Appeal to the Federal Court. The Federal Court has fixed the Application for Leave hearing on 14 June 2021.

11 Dividend

No interim dividend has been recommended for the financial quarter ended 31 March 2021.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

12 Earnings Per Share (“EPS”)

Basic

The basic earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group’s profit attributable to equity holders of the Company of RM2,246,000 and RM5,536,000 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 2021.

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 RM2,246,000 and RM5,536,000 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 2021 and the effects of unexercised ESOS options.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.3.2021	Preceding Year Corresponding Qtr 31.3.2020	Current Year To Date 31.3.2021	Preceding Year to Date 31.3.2020
Profit attributable to equity holders of the Company (RM’000)	2,246	6,743	5,536	16,177
Weighted average number of shares in issue (’000)	528,141	528,141	528,141	528,141
Basic earnings per share (sen)	0.43	1.28	1.05	3.06
 (b) Diluted EPS	 Current Quarter 31.3.2021	 Preceding Year Corresponding Qtr 31.3.2020	 Current Year To Date 31.3.2021	 Preceding Year to Date 31.3.2020
Profit attributable to equity holders of the Company (RM’000)	2,246	6,743	5,536	16,177
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)	0.43	1.28	1.05	3.06

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

13 Profit Before Tax

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year	Current Year	Preceding
	31.3.2021	Corresponding Qtr	To Date	Year to Date
	RM'000	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Interest expense	9,550	8,722	24,913	29,701
Write down of inventories	-	4,368	-	4,368
Loss on fair value adjustments of investment in redeemable preference shares	-	-	1,213	-
Depreciation and amortization	1,680	2,605	5,153	7,631
Depreciation of right-of-use assets	1,146	742	3,233	742
After crediting:				
Interest income	359	1,112	1,423	3,193
Gain on disposal of property, plant and equipment	-	-	170	30
Reversal of allowance for impairment loss in other receivables	-	-	4,365	-
Other income	1,547	1,416	4,737	6,031
Distribution income from short term funds	3	4	11	12

There was 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 2021.