



Malton Berhad

Registration No: 199401035205 (320888-T)

INTERIM FINANCIAL REPORT
30 JUNE 2022

MALTON BERHAD

Registration No: 199401035205 (320888-T)

Interim Financial Report – 30 June 2022

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MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2022
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021 RM'000	CURRENT YEAR TO DATE 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30.06.2021 RM'000
Revenue	164,340	233,729	615,098	999,173
Operating expenses	(97,116)	(251,712)	(527,930)	(991,007)
Other operating income	39,913	38,642	79,807	49,348
Finance costs	(30,697)	(8,723)	(61,152)	(33,636)
Share in results of joint ventures	29,704	(1,244)	29,704	(1,244)
Profit before tax	106,144	10,692	135,527	22,634
Income tax expense	(48,350)	(14,755)	(61,668)	(21,465)
Net profit/(loss) for the period/year	57,794	(4,063)	73,859	1,169
Other comprehensive income	-	-	-	-
Total comprehensive income/(expense) for the period/year	57,794	(4,063)	73,859	1,169
Total comprehensive income/(expense) attributable to:				
Owners of the Company	57,899	(2,916)	74,315	2,620
Non-controlling interests	(105)	(1,147)	(456)	(1,451)
	57,794	(4,063)	73,859	1,169
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic (sen)	10.96	(0.55)	14.07	0.50
Diluted (sen)	10.96	(0.55)	14.07	0.50

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30.06.2022 RM'000	Audited As At 30.06.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	26,987	33,506
Right-of-use-assets	3,012	6,049
Investment properties	208,197	210,630
Land held for property development	678,147	675,606
Investment in joint ventures	29,704	-
Other investments	288,370	203,370
Deferred tax assets	8,647	22,716
Total non-current assets	1,243,064	1,151,877
Current assets		
Property development costs	321,127	443,128
Inventories	169,993	133,761
Trade receivables	289,264	199,845
Other receivables and prepaid expenses	42,855	42,629
Contract assets	214,766	509,698
Amount owing by joint ventures	32,204	35,697
Tax recoverable	1,974	6,945
Short-term funds	511	500
Fixed deposits with licensed banks	70,061	29,119
Cash and bank balances	141,072	87,312
Total current assets	1,283,827	1,488,634
Total assets	2,526,891	2,640,511
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	528,552	528,552
Other reserves	3,008	3,218
Retained earnings	470,076	395,551
	1,001,636	927,321
Non-controlling Interests	17,560	18,016
Total equity	1,019,196	945,337
Non-current liabilities		
Other payables	-	5,238
Redeemable preference shares	-	22,402
Bank borrowings - non-current portion	164,871	128,198
Hire-purchase payables - non-current portion	683	895
Lease liabilities - non-current portion	865	3,054
Deferred tax liabilities	57,601	57,601
Total non-current liabilities	224,020	217,388
Current liabilities		
Trade payables	643,282	745,802
Other payables and accrued expenses	177,611	234,897
Contract liabilities	14,646	7,722
Redeemable preference shares	50,996	-
Bank borrowings - current portion	356,550	461,279
Hire-purchase payables - current portion	225	954
Lease liabilities - current portion	2,410	3,381
Tax liabilities	37,955	23,751
Total current liabilities	1,283,675	1,477,786
Total liabilities	1,507,695	1,695,174
TOTAL EQUITY AND LIABILITIES	2,526,891	2,640,511
Net assets per share attributable to equity holders of the Company (RM)	1.90	1.76

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(These figures have not been audited)**

	Non-distributable reserves			Distributable reserve	Non-Controlling Interests	Total
	Share Capital	Revaluation Reserve	Option Reserve	Retained Earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.7.2020	528,552	2,065	1,153	392,931	19,467	944,168
Total comprehensive income/(expense) for the year	-	-	-	2,620	(1,451)	1,169
Balance as at 30.06.2021	528,552	2,065	1,153	395,551	18,016	945,337
Balance as at 1.7.2021	528,552	2,065	1,153	395,551	18,016	945,337
Share options lapsed under ESOS	-	-	(210)	210	-	-
Total comprehensive income/(expense) for the year	-	-	-	74,315	(456)	73,859
Balance as at 30.06.2022	528,552	2,065	943	470,076	17,560	1,019,196

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

(These figures have not been audited)

	<u>30.06.2022</u>	<u>Audited</u> <u>30.06.2021</u>
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before Taxation	135,527	22,634
Adjustments for :		
Finance costs	61,152	33,636
Depreciation of:		
Property, plant & equipment	6,121	6,899
Right-of-use-assets	3,244	4,148
Write-offs of:		
Property, plant and equipment	2,263	184
Inventories	-	4,022
Allowance for impairment loss in:		
Trade receivables	95	9,056
Other receivables	-	7,689
Redeemable preference shares	-	4,042
Loss on fair value adjustments of:		
Investment properties	5,233	8,132
Transfer from property development costs/inventories to investment properties	(2,800)	(20,983)
Gain on fair value adjustments of investment in redeemable preference shares	(34,277)	(19,934)
Share in results of joint venture	(29,704)	1,244
Disposal of property, plant and equipment	(424)	(170)
Provision for foreseeable losses	(1,840)	(4,218)
Distribution income on short term funds	(13)	(15)
Interest income	(2,937)	(2,106)
Deferred day one loss in profit or loss	1,686	400
Reversal of allowance for impairment loss:		
Other receivables	(72)	(3,784)
Trade receivables	(16,679)	(1,704)
Impairment loss on land held for development	-	1,277
Reversal of write-offs of land held for development	-	(4,707)
Excess of net assets over cost of acquisition of the remaining interest in subsidiary company	(12)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>126,563</u>	<u>45,742</u>
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in:		
Property development costs - current portion	126,641	65,737
Trade receivables	(72,836)	(52,866)
Other receivables and prepaid expenses	(144)	583
Inventories	(36,232)	13,334
Contract assets	299,327	(234,661)
Amount due from joint ventures	3,497	(30,253)
(Decrease)/Increase in:		
Trade Payables	(102,520)	183,917
Other Payables and accrued expenses	(62,523)	(33,889)
Contract liabilities	2,530	3,244
CASH FROM/(USED IN) OPERATIONS	<u>284,303</u>	<u>(39,112)</u>
Income tax paid	(28,431)	(22,324)
Income tax refunded	4	1
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>255,876</u>	<u>(61,435)</u>
CASH FLOW USED IN INVESTING ACTIVITIES		
Additions to Investment properties	(2,800)	(7,432)
Increase in land held for property development	(2,542)	(2,011)
Additions to property, plant & equipment (Placement)/Withdrawal of:	(1,913)	(1,233)
Fixed deposit	(16,528)	(5,650)
Restricted cash at bank	1,673	4,268
Additions to short-term funds	(11)	(11)
Proceeds from disposal of property, plant & equipment	472	170
Interest received	2,937	2,106
Distribution income on short-term funds received	13	15
Additions to investment in redeemable preference shares	(52,409)	(60,068)
NET CASH USED IN INVESTING ACTIVITIES	<u>(71,108)</u>	<u>(69,846)</u>
CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	543,247	683,990
Repayments of bank borrowings	(614,646)	(583,653)
Repayments of hire-purchase payables	(941)	(1,417)
Repayment of lease liabilities	(3,366)	(3,977)
Interest paid	(32,558)	(29,106)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>(108,264)</u>	<u>65,837</u>
Net increase/(decrease) in cash and cash equivalents	76,504	(65,444)
Cash and cash equivalents at the beginning of the year	69,136	134,580
Cash and cash equivalents at the end of the year	<u>145,640</u>	<u>69,136</u>
Cash and cash equivalents comprise the followings :		
Cash and bank balances	167,191	87,344
Bank overdrafts	(21,551)	(18,208)
	<u>145,640</u>	<u>69,136</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.)

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FORTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2022**

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 2021 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 2021, 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 2021 as follows:

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021

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

Standards and Amendments in issue but not yet effective

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

MFRS 17	Insurance Contracts ²
Amendments to MFRS 3	Reference to Conceptual Framework ¹
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or joint Venture ³
Amendments to MFRS 17	Insurance Contracts ²
Amendments to MFRS 101	Disclosure of Accounting Policies ²
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ²
Amendments to MFRS 108	Definition of Accounting Estimates ²
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use ¹
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract ¹
Annual Improvements to MFRS Standards 2018-2020 ¹	

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

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

³ Effective date deferred to a date to be determined and announced, with earlier application permitted

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FORTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2022**

1 Accounting Policies and Method of Computation (Cont'd)

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 during the current year quarter under review and year to date were 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 of the Group during the current year quarter under review and year to date that are unusual because of their nature, size or incidence.

5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that had a material effect in the current year quarter under review.

6 Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current year quarter under review and year to date.

In addition, none of the outstanding Employee's Share Option Scheme ("ESOS") were exercised during the current year quarter under review and year to date.

7 Dividend Paid

There were no dividends paid during the current year quarter under review and year to date.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FORTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2022**

8 Segmental Reporting

a) Analysis of revenue and results by business segments for the financial year ended 30 June 2022:

	<u>Property development</u> RM'000	<u>Property trading</u> RM'000	<u>Construction contracts</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
Revenue						
External Sales	372,842	19,298	216,662	6,296	-	615,098
Inter-segment Sales	-	-	129,789	11,057	(140,846)	-
Total revenue	<u>372,842</u>	<u>19,298</u>	<u>346,451</u>	<u>17,353</u>	<u>(140,846)</u>	<u>615,098</u>
Results						
Segmental results	<u>75,276</u>	<u>(14)</u>	<u>60,571</u>	<u>28,463</u>	<u>(271)</u>	164,025
Interest and distribution income						<u>2,950</u>
Profit from operations						166,975
Finance costs						(61,152)
Share in results of joint ventures						<u>29,704</u>
Profit before tax						135,527
Income tax expense						<u>(61,668)</u>
Profit for the year						<u>73,859</u>

b) Analysis of revenue and results by business segments for the financial year ended 30 June 2021:

	<u>Property development</u> RM'000	<u>Property trading</u> RM'000	<u>Construction contracts</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
Revenue						
External Sales	628,092	16,511	348,907	5,663	-	999,173
Inter-segment Sales	-	-	385,654	12,123	(397,777)	-
Total revenue	<u>628,092</u>	<u>16,511</u>	<u>734,561</u>	<u>17,786</u>	<u>(397,777)</u>	<u>999,173</u>
Results						
Segmental results	<u>23,789</u>	<u>(2,425)</u>	<u>29,280</u>	<u>13,898</u>	<u>(9,149)</u>	55,393
Interest and distribution income						<u>2,121</u>
Profit from operations						57,514
Finance costs						(33,636)
Share in results of joint ventures						<u>(1,244)</u>
Profit before tax						22,634
Income tax expense						<u>(21,465)</u>
Profit for the year						<u>1,169</u>

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FORTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2022**

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 2021 except for the investment properties which were stated at fair value and a loss on fair value adjustment of RM5.2 million was recognised for the current financial year ended 30 June 2022.

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

There were no material events subsequent to the end of the current year quarter up to the date of this interim report, which is likely to substantially affect the results of the operations of the Group.

11 Changes in the Composition of the Group

Save as disclosed below, there were no other changes in the composition of the Group for the current year quarter under review and year to date.

On 21 April 2022, a wholly-owned subsidiary of the Company, namely Khuan Choo Realty Sdn Bhd (“KCR”) acquired 99% equity interest in World East Hotel Sdn Bhd (“WEH”) comprising 990 ordinary shares for a total cash consideration of RM990.00. Subsequently, KCR acquired the balance of 10 shares in WEH and WEH became a wholly-owned subsidiary of KCR.

During the current year quarter under review, the following dormant subsidiaries have been duly dissolved from the register: -

- (i) Malton Asia Limited;
- (ii) Malton Assets Limited; and
- (iii) Beijing Malton Investment Consultancy Ltd.

12 Contingent Liabilities

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

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FORTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2022**

13 Significant Related Party Transactions

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	<u>30.6.2022</u> RM'000	<u>30.6.2021</u> RM'000	<u>30.6.2022</u> R'000	<u>30.6.2021</u> RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd*	8,038	4,523	62,693	25,731
Jendela Mayang Sdn Bhd*	8,619	24,384	65,289	92,348
Harmoni Perkasa Sdn Bhd*	-	5,902	-	5,902
Rental received/receivable:				
WCT Holdings Berhad*	98	99	393	393
Pavilion REIT Management Sdn Bhd #	98	99	393	393
Progress billings paid/Payable:				
SECG Bina Sdn Bhd@	-	(214)	-	864
Management fees paid/payable:				
Kuala Lumpur Pavilion Sdn Bhd^	28	1,828	114	1,914
Rental paid/payable to:				
Pavilion REIT #	707	103	2,826	2,222
Dream Domain Sdn Bhd^	-	47	80	163
Lumayan Indah Sdn Bhd*	49	49	198	99
Sale of property to certain family members of a director of the Company	-	-	3,885	-

* 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 a direct financial interest.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FORTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2022**

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

1 Review of Performance

	Individual Period		Change %	Cumulative Period		Change %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-Date	Preceding Year Corresponding Year To-Date	
	<u>30.6.2022</u> RM'000	<u>30.6.2021</u> RM'000		<u>30.6.2022</u> RM'000	<u>30.6.2021</u> RM'000	
Revenue						
Property development	104,867	35,167		372,842	628,092	
Property trading	14,644	2,860		19,298	16,511	
Sub-Total	119,511	38,027	214.3	392,140	644,603	(39.2)
Construction	43,239	194,183	(77.7)	216,662	348,907	(37.9)
Others	1,590	1,519	4.7	6,296	5,663	11.2
Total	164,340	233,729	(29.7)	615,098	999,173	(38.4)
Profit Before Tax (“PBT”)						
Property development	7,744	(12,633)		31,388	(2,913)	
Property trading	168	(4,087)		(14)	(2,309)	
Sub-Total	7,912	(16,720)		31,374	(5,222)	
Construction	42,307	17,905	136.3	56,398	21,848	158.1
Others	55,925	9,507	488.2	47,755	6,008	694.9
Total	106,144	10,692	892.7	135,527	22,634	498.8

The Group’s revenue for the current year quarter declined by 29.7% to RM164.3 million as compared to RM233.7 million reported in the preceding year corresponding quarter while PBT for the current year quarter increased to RM106.1 million as compared to RM10.7 million reported in the preceding year corresponding quarter.

The Group’s revenue for the current year-to-date declined by 38.4% to RM615.1 million as compared to RM999.2 million reported in the preceding year corresponding year-to-date due to the completion of certain development and construction projects.

Despite the significant decline in revenue, PBT for the current year-to-date increased to RM135.5 million as compared to RM22.6 million reported in the preceding year corresponding year-to-date. This was mainly attributed to the positive effects of cost savings measures by both the property development and construction divisions, share in results of joint ventures of RM29.7 million, gain on fair value of investment in redeemable preference shares, reversal of allowance for impairment loss and one-off government grant received.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FORTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2022**

1 Review of Performance (Con't)

Property Development and Trading

For the Current year quarter, revenue from the property development and trading divisions increased by 214.3% to RM119.5 million as compared to RM38.0 million in the preceding year corresponding quarter due to higher billings from Duta Park Residences @ Jalan Kuching and sales of completed properties during the current year quarter.

The property development and trading divisions recorded a PBT of RM7.9 million in the current year quarter as compared to loss of RM16.7 million in preceding year corresponding quarter due to higher work progress achieved from the ongoing projects as well as the finalization of development costs for the completed project which resulted in certain costs saving.

Revenue declined by 39.2% to RM392.1 million for the current year-to-date as compared to RM644.6 in the preceding year corresponding year-to-date due to the completion of The Park 2 Residence @ Bukit Jalil and Pavilion Bukit Jalil Mall.

PBT reached RM31.4 million for the year-to-date year as compared to the loss of RM5.2 million in the preceding year corresponding year-to-date due to higher profit margin recognized from Duta Park Residence @ Jalan Kuching, costs savings from Pavilion Bukit Jalil Mall and the recognition of one-off government grant of RM15.9 million.

Construction

For the current year quarter, revenue from the construction division declined by 77.7% to RM43.2 million as compared to RM194.2 million in the preceding year corresponding quarter due to lower progress billing recognized from the ongoing projects and completion of Pavilion Damansara Heights, Phase 1 in June 2021.

However, PBT from the construction division improved by 136.3% to RM42.3 million as compared to RM17.9 million in the preceding year corresponding quarter. The improvement was mainly due to an upward revision of profit margin from the remeasurement of the completed project, Pavilion Bukit Jalil Mall and continuously cost containment exercises undertaken.

Revenue declined by 37.9% to RM216.7 million for the current year-to-date as compared to RM348.9 in the preceding year corresponding year-to-date due to lower progress billings recognised pursuant to the completion of certain construction projects.

PBT improved by 158.1% to RM56.4 million for the current year-to-date as compared to RM21.8 million in the preceding year corresponding year-to-date due to costs saving from Pavilion Bukit Jail Mall coupled with a reversal of allowance for impairment loss of RM16.7 million recognized from the receivables accounts.

Share of Results of Joint Ventures

The share of results of joint ventures during the quarter showed a profit of RM29.7 million in the current year quarter and year-to-date due to the recognition of fair value gain on investment properties.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FORTH QUARTER
AND FINANCIAL YEAR ENDED 30 JUNE 2022**

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

	Current Quarter	Immediate Preceding Quarter	Change %
	<u>30.6.2022</u>	<u>31.03.2022</u>	
	RM'000	RM'000	
Revenue			
Property development	104,867	81,726	
Property trading	14,644	1,107	
Sub-Total	119,511	82,833	44.3
Construction	43,239	34,655	24.8
Others	1,590	1,547	2.8
Total	<u>164,340</u>	<u>119,035</u>	38.1
Profit Before Tax ("PBT")			
Property development	7,744	6,135	
Property trading	168	106	
Sub-Total	7,912	6,241	26.8
Construction	42,307	10,623	298.3
Others	55,925	(3,261)	
Total	<u>106,144</u>	<u>13,603</u>	680.3

The Group's revenue increased by 38.1% to RM164.3 million for the current year quarter as compared to RM119.0 million for the immediate preceding quarter. The increase in revenue was due to the higher progress billings recognized from Duta Park Residences @ Jalan Kuching and sales of completed properties.

The Group recorded PBT of RM106.1 million for the current year quarter as compared to RM13.6 million for the immediate preceding quarter. The improvement for the current year quarter was due mainly to increase in revenue for both property development and construction divisions, costs saving measures from the completed projects, fair value gain on investment in redeemable preference shares and share of results of joint ventures.

3 Prospects for the next Financial Year Ending 30 June 2023

The Malaysian economy is expected to improve further in the year 2022, with growth projected at 5.3% to 6.3% as announced in March 2022. This is underpinned by stronger domestic demand, continued expansion in external demand and a further improvement in the labour market. Growth would also benefit from the easing of restrictions, reopening of international borders and implementation of investment projects. Nevertheless, risks to Malaysia's growth momentum remain. These include a weaker-than-expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions, adverse developments surrounding COVID-19 and heightened financial market volatility.

For 2022, in an environment of high input costs and improving demand, headline inflation is projected to average between 2.2% and 3.2%. Underlying inflation, as measured by core inflation, is also expected to trend higher during the year, averaging between 2.0 to 3.0%. Several key factors are expected to partly contain upward pressure on prices, namely the existing price control measures and the continued spare capacity in the economy. Nonetheless, the inflation outlook remains subject to commodity price developments, arising mainly from the military conflict in Ukraine and prolonged supply-related disruptions.

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3 Prospects for the next Financial Year Ending 30 June 2023 (Con't)

With the attention on rising inflation, lack of financial incentives, shortage of imported materials and labour, potential homebuyers are cautious, seeking stability and improved job security on the back of the current economic climate, the property market will likely see slow growth in demand this year and it could take a year or more for the market to find a new equilibrium. The consumer sentiment in the market would likely only improve with the nation's economic recovery journey as the year progressed.

Meanwhile, we can expect the potential for property demand to hedge against inflation and protect the value of the investor's money in the medium to long term. With the advantage of land value to factor in, the rising prices of landed properties offer larger margins for capital appreciation in the long term.

Notwithstanding the above, the Group is cautiously optimistic of the outlook in the current financial year and the Group will remain resilient and vigilant in addressing these uncertainties in its business activities.

Barring the uncertainty of economic recovery over the next quarter and beyond, the ongoing development projects of the Group namely, Duta Park Residence @ Jalan Kuching, Rapid City Centre @ Johor, Mutiara Hilltop @ Puchong and BAC Tower with total unbilled sales of RM753 million as of 30 June 2022 coupled with the on-going construction contracts in hand, are expected to contribute to the earnings of the Group for the next financial year ending 30 June 2023.

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 Period		Cumulative Period	
	Current Year Quarter <u>30.6.2022</u> RM'000	Preceding Year Corresponding Quarter <u>30.6.2021</u> RM'000	Current Year To-Date <u>30.6.2022</u> RM'000	Preceding Year Corresponding Year To-Date <u>30.6.2021</u> RM'000
Current taxation	34,248	13,206	47,882	21,853
Over provision in prior year	(767)	(775)	(283)	(141)
Deferred taxation	14,869	2,324	14,069	(247)
	<u>48,350</u>	<u>14,755</u>	<u>61,668</u>	<u>21,465</u>

The effective tax rate for the current year quarter and year-to-date (before share of results of joint ventures) 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.

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

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

8 Status of Corporate Proposals

Save as disclosed below, there was no other corporate proposal announced but not completed as of the date of this report.

On 24 December 2021, MTrustee Berhad (“MTrustee”), acting as the trustee of Pavilion Real Estate Investment Trust, accepted an invitation from Regal Path Sdn Bhd (“Regal Path”), an indirect subsidiary of the Company, to commence discussion for the potential sale of Pavilion Bukit Jalil Mall by Regal Path to MTrustee.

On 14 July 2022, the board announced that the due diligence exercise in relation to the potential sale of the Pavilion Bukit Jalil Mall was at an advanced stage and both parties are in discussion on the terms and conditions to be incorporated into the sale and purchase agreement.

9 Borrowings and Debt Securities

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

	<u>As at 30 June 2022</u>		
	<u>Long-term</u>	<u>Short-term</u>	<u>Total</u>
	RM’000	RM’000	RM’000
Secured			
Term loans	13,090	12,508	25,598
Revolving credits	100,023	273,109	373,132
Bridging loans	51,758	-	51,758
Redeemable preference shares	-	50,996	50,996
Trade facilities	-	4,382	4,382
Bank overdrafts	-	21,551	21,551
Hire-purchase payables	683	225	908
	165,554	362,771	528,325
Unsecured			
Revolving credit	-	45,000	45,000
	165,554	407,771	573,325

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9 Borrowings and Debt Securities (Con't)

	<u>As at 30 June 2021</u>		
	<u>Long-term</u>	<u>Short-term</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Secured			
Term loans	5,604	95,457	101,061
Revolving credits	84,138	203,916	288,054
Bridging loans	38,456	11,749	50,205
Redeemable preference shares	22,402	-	22,402
Trade facilities	-	81,949	81,949
Bank overdrafts	-	18,208	18,208
Hire-purchase payables	895	954	1,849
	<u>151,495</u>	<u>412,233</u>	<u>563,728</u>
Unsecured			
Revolving credit	-	50,000	50,000
	<u>151,495</u>	<u>462,233</u>	<u>613,728</u>

All borrowings are denominated in Ringgit Malaysia (“RM”).

10 Material Litigation

Save as disclosed below, neither the Company nor any of its subsidiaries are 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 an approximately 12 acres leasehold land in total land area 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.

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10 Material Litigation (Con't)

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 and the Federal Court had on 1 September 2021 allowed the application by MPSB to appeal against the decision of the Court of Appeal. The Notice of Appeal was filed in the Federal Court on 14 September 2021 and the hearing for the appeal which was fixed on 19 January 2022 was postponed to 22 and 28 April 2022. Hearing continued from 25 July 2022 and was concluded on 27 July 2022. The Federal Court has yet to fix a date for the decision.

11 Dividend

No interim dividend has been recommended for the current year quarter under review.

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12 Earnings Per Share (“EPS”)

Basic

The basic earnings/(loss) per ordinary share of the Group for the current year quarter and year to date has been calculated based on the Group’s profit attributable to equity holders of the Company and on the weighted average number of ordinary shares in issue and ranking for dividend during the current year quarter and financial year ended 30 June 2022.

Diluted

The diluted earnings/(loss) per ordinary share of the Group for the current year quarter and year to date has been calculated based on the Group’s adjusted profit attributable to equity holders of the Company and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the current year quarter and financial year ended 30 June 2022 and after adjusted for the effects of unexercised ESOS options.

(a) Basic EPS	Individual Period		Cumulative Period	
	Current Year Quarter <u>30.06.2022</u>	Preceding Year Corresponding Quarter <u>30.6.2021</u>	Current Year To Date <u>30.6.2022</u>	Preceding Year to Date <u>30.6.2021</u>
Profit/(Loss) attributable to equity holders of the Company (RM’000)	57,899	(2,916)	74,315	2,620
Weighted average number of ordinary shares in issue (’000)	528,141	528,141	528,141	528,141
Basic earnings/(loss) per share (sen)	10.96	(0.55)	14.07	0.50
(b) Diluted EPS	Current Year Quarter <u>30.6.2022</u>	Preceding Year Corresponding Quarter <u>30.6.2021</u>	Current Year To Date <u>30.6.2022</u>	Preceding Year to Date <u>30.6.2021</u>
Profit/(Loss) attributable to equity holders of the Company (RM’000)	57,899	(2,916)	74,315	2,620
Weighted average number of ordinary shares in issue (’000)	528,141	528,141	528,141	528,141
Effects of unexercised ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable (’000)	528,141	528,141	528,141	528,141
Diluted earnings/(loss) per share (sen)	10.96	(0.55)	14.07	0.50

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13 Profit Before Tax

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

	Individual Period		Cumulative Period	
	Current Year Quarter <u>30.6.2022</u> RM'000	Preceding Year Corresponding Quarter <u>30.6.2021</u> RM'000	Current Year To Date <u>30.6.2022</u> RM'000	Preceding Year to Date <u>30.6.2021</u> RM'000
After charging:				
Interest expense	30,697	8,723	61,152	33,636
Depreciation and amortization	1,953	1,746	6,121	6,899
Depreciation of right-of-use assets	834	915	3,244	4,148
Deferred day one loss in profit or loss	1,005	400	1,686	400
Loss on fair value adjustments of investment properties	5,233	8,132	5,233	8,132
Allowance for impairment loss:				
Trade Receivables	95	9,056	95	9,056
Other Receivables	-	7,689	-	7,689
Write-off/write-down of inventories	-	4,022	-	4,022
Impairment loss in:				
Redeemable preference shares	-	4,042	-	4,042
Land held for development	-	1,277	-	1,277
After crediting:				
Government grant received	-	-	15,904	-
Interest income	1,330	683	2,937	2,106
Gain on disposal of property, plant and equipment	313	-	424	170
Gain on fair valuation of investment in redeemable preference shares	34,277	21,147	34,277	19,934
Gain on fair value adjustments on transfer of inventories to investment properties	-	20,983	-	20,983
Reversal of allowance for impairment loss:				
Trade Receivables	1,658	1,704	16,679	1,704
Other Receivables	-	(581)	72	3,784
Other income	2,332	(4,085)	9,501	652
Distribution income from short term funds	3	4	13	15

There were no other provisions 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 year quarter under review and financial year ended 30 June 2022.