



Malton Berhad

Registration No: 199401035205 (320888-T)

**INTERIM FINANCIAL REPORT**  
**30 SEPTEMBER 2022**

# MALTON BERHAD

Registration No: 199401035205 (320888-T)

## Interim Financial Report – 30 September 2022

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## MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022  
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2021 RM'000	CURRENT YEAR TO DATE 30.09.2022 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30.09.2021 RM'000
Revenue	128,679	179,170	128,679	179,170
Operating expenses	(106,801)	(168,369)	(106,801)	(168,369)
Other operating income	2,072	860	2,072	860
Finance costs	(9,332)	(9,746)	(9,332)	(9,746)
Share in results of associated companies/joint ventures	(15,550)	-	(15,550)	-
(Loss)/profit before tax	(932)	1,915	(932)	1,915
Income tax expense	(8,735)	(1,279)	(8,735)	(1,279)
Net (loss)/profit for the period	(9,667)	636	(9,667)	636
<b>Other comprehensive income</b>	-	-	-	-
Total comprehensive (expense)/income for the period	(9,667)	636	(9,667)	636
<b>Total comprehensive (expense)/income attributable to:</b>				
Owners of the Company	(9,663)	761	(9,663)	761
Non-controlling interests	(4)	(125)	(4)	(125)
	(9,667)	636	(9,667)	636
<b>(Loss)/Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	(1.83)	0.14	(1.83)	0.14
Diluted (sen)	(1.83)	0.14	(1.83)	0.14

*(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 2022 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 30.09.2022 RM'000	Audited As At 30.06.2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	25,987	27,084
Right-of-use-assets	2,170	2,984
Investment properties	208,181	208,181
Land held for property development	672,431	671,520
Investment in associated companies	23,400	-
Investment in joint ventures	15,697	31,247
Other investments	285,602	285,848
Deferred tax assets	16,883	17,587
<b>Total non-current assets</b>	<b>1,250,351</b>	<b>1,244,451</b>
<b>Current assets</b>		
Property development costs	358,710	337,397
Inventories	163,630	169,093
Trade receivables	228,754	287,142
Other receivables and prepaid expenses	57,129	53,256
Contract assets	177,160	214,102
Amount owing by associated companies	1,350	-
Amount owing by joint ventures	34,994	38,376
Tax recoverable	1,711	684
Short-term funds	513	511
Fixed deposits with licensed banks	34,971	70,061
Cash and bank balances	114,884	141,072
<b>Total current assets</b>	<b>1,173,806</b>	<b>1,311,694</b>
<b>Total assets</b>	<b>2,424,157</b>	<b>2,556,145</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	528,552	528,552
Other reserves	3,008	3,218
Retained earnings	462,332	471,785
	993,892	1,003,555
Non-controlling Interests	17,556	17,560
<b>Total equity</b>	<b>1,011,448</b>	<b>1,021,115</b>
<b>Non-current liabilities</b>		
Other payables	-	648
Redeemable preference shares	53,553	50,996
Bank borrowings - non-current portion	145,571	141,997
Hire-purchase payables - non-current portion	290	408
Lease liabilities - non-current portion	1,168	1,084
Deferred tax liabilities	57,601	57,601
<b>Total non-current liabilities</b>	<b>258,183</b>	<b>252,734</b>
<b>Current liabilities</b>		
Trade payables	579,664	657,933
Other payables and accrued expenses	167,128	180,346
Contract liabilities	34,612	24,142
Bank borrowings - current portion	328,261	379,424
Hire-purchase payables - current portion	485	500
Lease liabilities - current portion	1,221	2,177
Tax liabilities	43,155	37,774
<b>Total current liabilities</b>	<b>1,154,526</b>	<b>1,282,296</b>
<b>Total liabilities</b>	<b>1,412,709</b>	<b>1,535,030</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,424,157</b>	<b>2,556,145</b>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	<b>1.88</b>	<b>1.90</b>

*(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 2022 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 PERIOD ENDED 30 SEPTEMBER 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		
Balance as at 1.7.2021	528,552	2,065	1,153	395,551	18,016	945,337
Total comprehensive income/(expense) for the year	-	-	-	761	(125)	636
<b>Balance as at 30.09.2021</b>	<b>528,552</b>	<b>2,065</b>	<b>1,153</b>	<b>396,312</b>	<b>17,891</b>	<b>945,973</b>
Balance as at 1.7.2022	528,552	2,065	943	471,995	17,560	1,021,115
Total comprehensive expense for the year	-	-	-	(9,663)	(4)	(9,667)
<b>Balance as at 30.09.2022</b>	<b>528,552</b>	<b>2,065</b>	<b>943</b>	<b>462,332</b>	<b>17,556</b>	<b>1,011,448</b>

*(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 2022 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 PERIOD ENDED 30 SEPTEMBER 2022**

(These figures have not been audited)

	<u>30.09.2022</u> RM'000	<u>30.09.2021</u> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before Taxation	(932)	1,915
Adjustments for :		
Finance costs	9,332	9,746
Depreciation of:		
Property, plant & equipment	1,302	1,527
Right-of-use-assets	814	841
Share in result of joint venture	15,550	-
Provision for foreseeable losses	(244)	-
Distribution income on short term funds	(3)	(4)
Interest income	(716)	(231)
Deferred day one loss in profit or loss	246	227
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>25,349</u>	<u>14,021</u>
<b>CHANGES IN WORKING CAPITAL</b>		
Decrease/(Increase) in:		
Property development costs - current portion	(21,069)	84,868
Trade receivables	58,390	(39,466)
Other receivables and prepaid expenses	(3,860)	(9,419)
Inventories	5,463	3,094
Contract assets	42,602	56,783
Amount due from associated company	(1,351)	-
Amount due from joint ventures	3,382	(488)
(Decrease)/Increase in:		
Trade Payables	(78,268)	(58,076)
Other Payables and accrued expenses	(13,868)	(8,812)
Contract liabilities	4,811	-
<b>CASH FROM OPERATIONS</b>	<u>21,581</u>	<u>42,505</u>
Income tax paid	(3,677)	(3,626)
Income tax refunded	-	1
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>17,904</u>	<u>38,880</u>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Increase in land held for property development	(911)	(486)
Additions to property, plant & equipment (Placement)/Withdrawal of:	(205)	(26)
Fixed deposit	8,991	(51)
Restricted cash at bank	1,260	653
Additions to short-term funds	(3)	(3)
Interest received	702	231
Distribution income on short-term funds received	3	4
Acquisition of an associated company	(23,400)	-
Additions to investment in redeemable preference shares	-	(10,660)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(13,563)</u>	<u>(10,338)</u>
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	94,667	170,442
Repayments of bank borrowings	(142,637)	(215,411)
Repayments of hire-purchase payables	(133)	(305)
Repayment of lease liabilities	(872)	(822)
Interest paid	(6,776)	(7,190)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(55,751)</u>	<u>(53,286)</u>
Net decrease in cash and cash equivalents	(51,410)	(24,744)
Cash and cash equivalents at the beginning of the period	144,250	69,136
Cash and cash equivalents at the end of the period	<u>92,840</u>	<u>44,392</u>
<b>Cash and cash equivalents comprise the followings :</b>		
Cash and bank balances	114,773	66,167
Bank overdrafts	(21,933)	(21,775)
	<u>92,840</u>	<u>44,392</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 2022 and the accompanying explanatory notes attached to the interim financial report.)*

**MALTON BERHAD** [Registration No. 199401035205 (320888-T)]  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 2022 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 2022, 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 2022 as follows:

Amendments to MFRS 3	Reference to Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	

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 <sup>1</sup>
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or joint Venture <sup>2</sup>
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information <sup>1</sup>
Amendments to MFRS 17	Insurance Contracts <sup>1</sup>
Amendments to MFRS 101	Disclosure of Accounting Policies <sup>1</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current <sup>1</sup>
Amendments to MFRS 108	Definition of Accounting Estimates <sup>1</sup>
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.

<sup>2</sup> Effective date deferred to a date to be announced by MASB.

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

**8 Segmental Reporting**

- a) Analysis of revenue and results by business segments for the financial period ended 30 September 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
<b>Revenue</b>						
External Sales	91,373	6,083	29,562	1,661	-	128,679
Inter-segment Sales	-	-	7,001	105	(7,106)	-
<b>Total revenue</b>	<b>91,373</b>	<b>6,083</b>	<b>36,563</b>	<b>1,766</b>	<b>(7,106)</b>	<b>128,679</b>
<b>Results</b>						
Segmental results	19,340	1,486	5,311	(6,617)	3,711	23,231
Interest and distribution income						719
<b>Profit from operations</b>						<b>23,950</b>
Finance costs						(9,332)
Share in results of joint ventures						(15,550)
<b>Loss before tax</b>						<b>(932)</b>
Income tax expense						(8,735)
<b>Loss for the year</b>						<b>(9,667)</b>

- b) Analysis of revenue and results by business segments for the financial period ended 30 September 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
<b>Revenue</b>						
External Sales	120,648	2,850	54,117	1,555	-	179,170
Inter-segment Sales	-	-	18,589	1,627	(20,216)	-
<b>Total revenue</b>	<b>120,648</b>	<b>2,850</b>	<b>72,706</b>	<b>3,182</b>	<b>(20,216)</b>	<b>179,170</b>
<b>Results</b>						
Segmental results	12,880	(558)	3,692	(1,496)	(3,092)	11,426
Interest and distribution income						235
<b>Profit from operations</b>						<b>11,661</b>
Finance costs						(9,746)
Share in results of joint ventures						-
<b>Profit before tax</b>						<b>1,915</b>
Income tax expense						(1,279)
<b>Profit for the year</b>						<b>636</b>

**MALTON BERHAD** [Registration No. 199401035205 (320888-T)]  
**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST 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 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 8 July 2022, Ambang Suriamas Sdn Bhd, a wholly-owned indirect subsidiary of the Company, subscribed for 100,000 ordinary shares representing 50% of the enlarged issued and paid-up-share capital of Kristaljaya Sdn Bhd, a company incorporated in Malaysia, for a total cash consideration of RM23,400,000.00.

**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 FIRST QUARTER  
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**13 Significant Related Party Transactions**

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	<u>30.9.2022</u> RM'000	<u>30.9.2021</u> RM'000	<u>30.9.2022</u> R'000	<u>30.9.2021</u> RM'000
<b>Progress billings received/Receivable:</b>				
Impian Ekspresi Sdn Bhd*	3,503	5,207	3,503	5,207
Jendela Mayang Sdn Bhd*	-	11,549	-	11,549
Harmoni Perkasa Sdn Bhd*	-	5,902	-	5,902
WCT OUG Development Sdn Bhd*	19,538	-	19,538	-
<b>Rental received/receivable:</b>				
WCT Holdings Berhad*	98	98	98	98
Pavilion REIT Management Sdn Bhd #	98	98	98	98
<b>Management fees received/receivable:</b>				
Regal Path Sdn Bhd*	19	14	19	14
<b>Management fees paid/payable:</b>				
Kuala Lumpur Pavilion Sdn Bhd^	29	29	29	29
<b>Rental paid/payable to:</b>				
Pavilion REIT #	593	706	593	706
Dream Domain Sdn Bhd^	-	48	-	48
Lumayan Indah Sdn Bhd*	49	49	49	49

\* 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.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST 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 Period		Change %	Cumulative Period		Change %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-Date	Preceding Year Corresponding Year To-Date	
	<u>30.9.2022</u> RM'000	<u>30.9.2021</u> RM'000		<u>30.9.2022</u> RM'000	<u>30.9.2021</u> RM'000	
<b>Revenue</b>						
Property development	91,373	120,648		91,373	120,648	
Property trading	6,083	2,850		6,083	2,850	
Sub-Total	97,456	123,498	(21.1)	97,456	123,498	(21.1)
Construction	29,562	54,117	(45.4)	29,562	54,117	(45.4)
Others	1,661	1,555	6.8	1,661	1,555	6.8
Total	128,679	179,170	(28.2)	128,679	179,170	(28.2)
<b>Profit Before Tax (“PBT”)</b>						
Property development	14,692	3,710		14,692	3,710	
Property trading	1,486	(558)		1,486	(558)	
Sub-Total	16,178	3,152	413.3	16,178	(3,152)	413.4
Construction	4,209	2,153	95.5	4,209	2,153	95.5
Others	(21,319)	(3,390)	(528.9)	(21,319)	(3,390)	(528.9)
Total	(932)	1,915	(148.7)	(932)	1,915	(148.7)

The Group’s revenue for the current year quarter declined by 28.2% to RM128.7 million as compared to RM179.2 million reported in the preceding year corresponding quarter while PBT for the current year quarter decreased to a loss of RM0.9 million as compared to a profit of RM1.9 million reported in the preceding year corresponding quarter. This was mainly due to a decline in revenue and recognition of the loss of joint ventures of RM15.6 million in the current year quarter.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
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**1 Review of Performance (Cont'd)**

**Property Development and Trading**

For the Current year quarter, revenue from the property development and trading division decreased by 21.1% to RM97.5 million as compared to RM123.5 million in the preceding year corresponding quarter mainly due to the completion of The Park 2 Residence @ Bukit Jalil and Pavilion Bukit Jalil Mall projects.

PBT from the property development division increased to RM16.2 million for the current quarter as compared to RM3.2 million notwithstanding the lower billings during the current quarter as compared to the preceding corresponding quarter attributed mainly to the completion of certain property development projects with lower margins in the preceding year corresponding quarter.

**Construction**

Revenue from the construction division declined by 45.4% to RM29.6 million as compared to RM54.1 million in the preceding year corresponding quarter due to lower progress billing recognized from the ongoing projects. Some of which are nearing completion.

However, PBT from the construction division improved by 95.5% to RM4.2 million as compared to RM2.2 million in the preceding year corresponding quarter. The improvement was mainly due to cost savings resulting from the finalisation of development costs for completed projects.

**Share of Results of Joint Ventures**

The share of results of joint ventures showed a loss of RM15.6 million in the current year quarter and year-to-date due to higher term loan interest and accrual of interest of RM28.5 million for the Redeemable Preference Shares.

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

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

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Change %</b>
	<b><u>30.9.2022</u></b>	<b><u>30.06.2022</u></b>	
	RM'000	RM'000	
<b>Revenue</b>			
Property development	91,373	104,867	
Property trading	6,083	14,644	
Sub-Total	97,456	119,511	(18.5)
Construction	29,562	43,239	(31.6)
Others	1,661	1,590	4.5
Total	<u>128,679</u>	<u>164,340</u>	(21.7)
<b>Profit Before Tax ("PBT")</b>			
Property development	14,692	7,744	
Property trading	1,486	168	
Sub-Total	16,178	7,912	104.5
Construction	4,209	42,307	(90.1)
Others	(21,319)	55,925	(138.1)
Total	<u>(932)</u>	<u>106,144</u>	(100.9)

The Group's revenue decreased by 21.7% to RM128.7 million for the current year quarter as compared to RM164.3 million for the immediate preceding quarter. The decrease in revenue was due to the completion of certain property development projects and lower billings of the construction division due to lower work progress of the current projects.

The Group recorded a loss before taxation of RM0.9 million for the current year quarter as compared to a profit of RM106.1 million for the immediate preceding quarter. The decline for the current year quarter was mainly due to a decline in revenue and the share of losses of joint ventures of RM15.6 million during the current year quarter as compared to the share of profit of joint ventures of RM29.7 million in the immediate preceding quarter. The immediate preceding quarter also recorded a gain on fair value adjustment of investment in Redeemable Preference Shares of RM34.3 million.

**3 Prospects for the current Financial Year Ending 30 June 2023**

A stronger and stable economy that continues to expand is crucial for the well-being of the property sector. Although economic growth in 2023 is expected to moderate to a slower pace, the projected growth of between 4% to 5% is still a commendable growth rate and this will help to support investment and buying interest in the property sector although it is foreseeable that the sector will continue to face a challenging market environment given the rising interest rate trends.

The slower growth seen for 2023 is against the backdrop of softening world economic growth resulting partly from the Russia-Ukraine war and trade activities due to inflationary pressure, tightening of monetary policies, supply strains and Covid 19 has not completely been eradicated.

Nevertheless, we are still adopting a cautious stand as building material costs have gone up substantially and the market has not yet recovered sufficiently to allow them to recover the increase in costs from the buyers.

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**3 Prospects for the current Financial Year Ending 30 June 2023 (Cont'd)**

Notwithstanding the above, the Group is cautiously optimistic about the outlook of the current financial year and will remain resilient and vigilant in addressing any 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, River Park @ Bangsar South, Mutiara Hilltop @ Puchong and BAC Tower with total unbilled sales of RM713 million as of 30 September 2022 coupled with the on-going construction contracts in hand, are expected to contribute to the earnings of the Group for the current 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:

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	<u>30.9.2022</u> RM'000	<u>30.9.2021</u> RM'000	<u>30.9.2022</u> RM'000	<u>30.9.2021</u> RM'000
Current taxation	8,031	1,579	8,031	1,579
Over provision in prior year	-	-	-	-
Deferred taxation	704	(300)	704	(300)
	<u>8,735</u>	<u>1,279</u>	<u>8,735</u>	<u>1,279</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.

**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.

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**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 22 November 2022, on behalf of the Board of Directors of Malton, RHB Investment Bank Berhad announced that Regal Path Sdn Bhd ("Regal Path"), a 51% joint venture of Malton, had entered into a conditional Sale and Purchase Agreement with MTrustee Berhad, acting as the trustee of Pavilion Real Estate Investment Trust ("Pavilion REIT"), to dispose of 1 block of 5-storey retail mall with 2 basement car park levels located within Bukit Jalil City, Bukit Jalil, Kuala Lumpur, together with the related assets and rights, known as "Pavilion Bukit Jalil Mall" to Pavilion REIT, for a total indicative disposal consideration of RM2,200,000,000 to Regal Path to be fully satisfied either by fully in cash, or a combination of new units in Pavilion REIT of up to the equivalent sum of RM600,000,000 and the balance in cash.

**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:

	<b>As at 30 September 2022</b>		
	<b>Long-term</b>	<b>Short-term</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>			
Term loans	3,096	11,881	14,977
Revolving credits	95,767	249,447	345,214
Bridging loans	46,708	-	46,708
Redeemable preference shares	53,553	-	53,553
Bank overdrafts	-	21,933	21,933
Hire-purchase payables	290	485	775
	199,414	283,746	483,160
<b>Unsecured</b>			
Revolving credit	-	45,000	45,000
	199,414	328,746	528,160

	<b>As at 30 September 2021</b>		
	<b>Long-term</b>	<b>Short-term</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>			
Term loans	15,604	12,529	28,133
Revolving credits	84,178	226,327	310,505
Bridging loans	69,328	10,000	79,328
Redeemable preference shares	24,958	-	24,958
Trade facilities	-	48,335	48,335
Bank overdrafts	-	21,776	21,776
Hire-purchase payables	772	772	1,544
	194,840	319,739	514,579
<b>Unsecured</b>			
Revolving credit	-	60,000	60,000
	194,840	379,739	574,579

All borrowings are denominated in Ringgit Malaysia ("RM").



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**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.

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.

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**11 Dividend**

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

**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 period ended 30 September 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 period ended 30 September 2022 and after adjusted for the effects of unexercised ESOS options.

<b>(a) Basic EPS</b>	<b>Individual Period</b>		<b>Cumulative Period</b>	
	Current Year Quarter <u>30.09.2022</u>	Preceding Year Corresponding Quarter <u>30.9.2021</u>	Current Year To Date <u>30.9.2022</u>	Preceding Year to Date <u>30.9.2021</u>
(Loss)/Profit attributable to equity holders of the Company (RM’000)	(9,663)	761	(9,663)	761
Weighted average number of ordinary shares in issue (’000)	528,141	528,141	528,141	528,141
Basic (loss)/earnings per share (sen)	(1.83)	0.14	(1.83)	0.14

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**12 Earnings Per Share (“EPS”) (Cont’d)**

<b>(b) Diluted EPS</b>	Current Year Quarter <u>30.9.2022</u>	Preceding Year Corresponding Quarter <u>30.9.2021</u>	Current Year To Date <u>30.9.2022</u>	Preceding Year to Date <u>30.9.2021</u>
(Loss)/Profit attributable to equity holders of the Company (RM’000)	(9,663)	761	(9,663)	761
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)	<u>528,141</u>	<u>528,141</u>	<u>528,141</u>	<u>528,141</u>
Diluted (loss)/earnings per share (sen)	<u>(1.83)</u>	<u>0.14</u>	<u>(1.83)</u>	<u>0.14</u>

**13 Profit Before Tax**

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

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	Current Year Quarter <u>30.9.2022</u> RM’000	Preceding Year Corresponding Quarter <u>30.9.2021</u> RM’000	Current Year To Date <u>30.9.2022</u> RM’000	Preceding Year to Date <u>30.9.2021</u> RM’000
<b>After charging:</b>				
Interest expense	9,332	9,746	9,332	9,746
Depreciation and amortization	1,302	1,527	1,302	1,527
Depreciation of right-of-use assets	814	814	814	814
Deferred day one loss in profit or loss	246	227	246	227
Provision for foreseeable losses	244	-	244	-
<b>After crediting:</b>				
Interest income	716	231	716	231
Rental income	777	287	777	287
Other income	576	338	576	338
Distribution income from short term funds	3	4	3	4

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 period ended 30 September 2022.