



Malton Berhad

Registration No: 199401035205 (320888-T)

INTERIM FINANCIAL REPORT
30 JUNE 2023

MALTON BERHAD

Registration No: 199401035205 (320888-T)

Interim Financial Report – 30 June 2023

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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 2023
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000	CURRENT YEAR TO DATE 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30.06.2022 RM'000
Revenue	275,703	194,483	831,795	645,241
Operating expenses	(372,933)	(136,805)	(868,935)	(567,619)
Other operating income	63,313	43,435	69,885	83,329
Finance costs	(32,670)	(30,703)	(64,728)	(61,158)
Share in results of associated company and joint ventures	727	29,704	(28,787)	29,704
(Loss)/Profit before tax	(65,860)	100,114	(60,770)	129,497
Income tax expense	(12,097)	(40,401)	(33,475)	(53,719)
Net (loss)/profit for the year	(77,957)	59,713	(94,245)	75,778
Other comprehensive income	-	-	-	-
Total comprehensive (expense)/income for the year	(77,957)	59,713	(94,245)	75,778
Total comprehensive (expense)/income attributable to:				
Owners of the Company	(68,365)	59,818	(84,641)	76,234
Non-controlling interests	(9,592)	(105)	(9,604)	(456)
	(77,957)	59,713	(94,245)	75,778
(Loss)/Earning per share attributable to equity holders of the Company:				
Basic (sen)	(12.94)	11.33	(16.03)	14.43
Diluted (sen)	(12.94)	11.33	(16.03)	14.43

(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 30.06.2023 RM'000	Audited As At 30.06.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,427	27,084
Right-of-use-assets	4,385	2,984
Investment properties	221,706	208,181
Land held for property development	538,137	671,520
Investment in associated company	23,022	-
Investment in joint ventures	-	31,247
Other investments	206,462	285,848
Deferred tax assets	15,716	17,587
Total non-current assets	1,032,855	1,244,451
Current assets		
Property development costs	367,766	337,397
Inventories	145,069	169,093
Trade receivables	391,024	287,142
Other receivables and prepaid expenses	89,299	53,256
Contract assets	297,163	214,102
Amount owing by associated company	2,150	-
Amount owing by joint ventures	32,573	38,376
Tax recoverable	1,319	684
Short-term funds	527	511
Fixed deposits with licensed banks	67,751	70,061
Cash and bank balances	140,853	141,072
Total current assets	1,535,494	1,311,694
Total assets	2,568,349	2,556,145
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	528,552	528,552
Other reserves	2,938	3,218
Retained earnings	387,424	471,785
	918,914	1,003,555
Non-controlling Interests	7,956	17,560
Total equity	926,870	1,021,115
Non-current liabilities		
Other payables	-	648
Redeemable preference shares	-	50,996
Bank borrowings - non-current portion	286,998	141,997
Hire-purchase payables - non-current portion	455	408
Lease liabilities - non-current portion	2,981	1,084
Deferred tax liabilities	49,969	57,601
Total non-current liabilities	340,403	252,734
Current liabilities		
Trade payables	655,570	657,933
Other payables and accrued expenses	120,965	180,346
Contract liabilities	9,321	24,142
Redeemable preference shares	79,825	-
Bank borrowings - current portion	406,253	379,424
Hire-purchase payables - current portion	240	500
Lease liabilities - current portion	1,598	2,177
Tax liabilities	27,304	37,774
Total current liabilities	1,301,076	1,282,296
Total liabilities	1,641,479	1,535,030
TOTAL EQUITY AND LIABILITIES	2,568,349	2,556,145
Net assets per share attributable to equity holders of the Company (RM)	1.74	1.90

(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 YEAR ENDED 30 JUNE 2023
(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 1.7.2021	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	-	-	-	76,234	(456)	75,778
Balance as at 30.06.2022	528,552	2,065	943	471,995	17,560	1,021,115
Balance as at 1.7.2022	528,552	2,065	943	471,995	17,560	1,021,115
Share options lapsed under ESOS	-	-	(70)	70	-	-
Total comprehensive expense for the year	-	-	-	(84,641)	(9,604)	(94,245)
Balance as at 30.06.2023	528,552	2,065	873	387,424	7,956	926,870

(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 YEAR ENDED 30 JUNE 2023**

(These figures have not been audited)

	Unaudited 30.06.2023 RM'000	Audited 30.06.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before Taxation	(60,770)	129,497
Adjustments for :		
Finance costs	64,728	61,158
Depreciation of:		
Property, plant & equipment	4,852	8,382
Right-of-use-assets	2,774	3,351
Write-offs of:		
Land held for property development	39,471	4,842
Reversal of allowance for impairment loss in:		
Trade receivables	(10)	(16,685)
Redeemable preference shares	-	(4,042)
Allowance for impairment loss in:		
Trade receivables	3,816	3,200
Other receivables	2,338	2,941
Impairment loss of investment in Joint Ventures	4,972	-
Loss/(Gain) on fair value adjustments of:		
Investment properties	(1,246)	5,233
Transfer from property development costs/inventories to investment properties	-	16
Loss/(Gain) on fair value adjustment on fair valuation of investment in redeemable preference shares	68,520	(32,999)
Share in result of associated company and joint ventures	28,787	(29,704)
Gain on disposal of property, plant and equipment	(70)	(421)
Reversal of provision for foreseeable losses	(2,739)	(1,840)
Allowance for impairment loss in land held for property development	-	6,642
Distribution income on short term funds	(14)	(13)
Interest income	(2,364)	(2,394)
Rental rebates	-	(85)
Deferred day one loss in profit or loss	985	1,146
Provision for release of bumiputra quota	2,536	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	156,566	138,225
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in:		
Property development costs - current portion	(27,633)	47,331
Trade receivables	(107,688)	(73,812)
Other receivables and prepaid expenses	(39,631)	(13,610)
Inventories	24,023	23,454
Contract assets	(102,213)	294,250
Amount due from associated company	(2,150)	-
Amount due from joint ventures	7,654	(2,679)
(Decrease)/Increase in:		
Trade payables	(2,364)	(87,869)
Other payables and accrued expenses	(62,825)	(59,141)
Contract liabilities	4,332	16,420
CASH (USED IN)/FROM OPERATIONS	(151,929)	282,569
Income tax paid	(42,710)	(28,310)
Income tax refunded	-	4
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(194,639)	254,263
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Decrease/(Increase) in land held for property development	86,280	(7,398)
Additions to property, plant & equipment	(878)	(2,040)
Additions to investment properties	(12,278)	-
Withdrawal/(Placement) of:		
Fixed deposit	20,994	(17,876)
Restricted cash at bank	558	1,673
Additions to short-term funds	(16)	(11)
Proceeds from disposal of property, plant & equipment	77	501
Interest received	2,304	2,394
Distribution income on short-term funds received	14	13
Acquisition of an associated company	(23,400)	-
Proceed from/(Additions to) investment in redeemable preference shares	7,677	(48,126)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	81,332	(70,870)
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from bank borrowings	662,618	556,389
Repayments of bank borrowings	(489,260)	(627,788)
Repayments of hire-purchase payables	(539)	(941)
Repayment of lease liabilities	(2,857)	(3,375)
Interest paid	(35,896)	(32,564)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	134,066	(108,279)
Net increase in cash and cash equivalents	20,759	75,114
Cash and cash equivalents at the beginning of the year	144,250	69,136
Cash and cash equivalents at the end of the year	165,009	144,250
Cash and cash equivalents comprise the followings :		
Cash and bank balances	184,001	165,801
Bank overdrafts	(18,992)	(21,551)
	165,009	144,250

(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.)

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 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	Initial Application of MFRS 17 and MFRS 9 - Comparative Information ¹
Amendments to MFRS 17	Insurance Contracts ¹
Amendments to MFRS 101	Disclosure of Accounting Policies ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ¹
Amendments to MFRS 101	Non-current Liabilities with Covenants ²
Amendments to MFRS 108	Definition of Accounting Estimates ¹
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements ²

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2023

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

- ¹ Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.
- ³ Effective date deferred to a date to be announced by MASB.

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards 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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2023

8 Segmental Reporting

a) Analysis of revenue and results by business segments for the financial period ended 30 June 2023:

	<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	367,835	30,337	427,027	6,596	-	831,795
Inter-segment Sales	-	-	40,485	63,944	(104,429)	-
Total revenue	<u>367,835</u>	<u>30,337</u>	<u>467,512</u>	<u>70,540</u>	<u>(104,429)</u>	<u>831,795</u>
Results						
Segmental results	38,056	5,255	19,237	35,748	(67,929)	30,367
Interest and distribution income						2,378
Profit from operations						<u>32,745</u>
Finance costs						(64,728)
Share in results of associated company and joint ventures						(28,787)
Loss before tax						<u>(60,770)</u>
Income tax expense						(33,475)
Loss for the year						<u>(94,245)</u>

b) Analysis of revenue and results by business segments for the financial period 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	367,127	23,182	248,463	6,469	-	645,241
Inter-segment Sales	-	-	97,988	59,375	(157,363)	-
Total revenue	<u>367,127</u>	<u>23,182</u>	<u>346,451</u>	<u>65,844</u>	<u>(157,363)</u>	<u>645,241</u>
Results						
Segmental results	69,604	57,232	286	79,948	(48,526)	158,544
Interest and distribution income						2,407
Profit from operations						<u>160,951</u>
Finance costs						(61,158)
Share in results of joint ventures						29,704
Profit before tax						<u>129,497</u>
Income tax expense						(53,719)
Profit for the year						<u>75,778</u>

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2023

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 except for the investment properties which were stated at fair value and a loss on fair value adjustment of RM1.2 million was recognised for the current financial year ended 30 June 2023.

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, the Group does not have any material contingent liabilities.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL
YEAR ENDED 30 JUNE 2023**

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>30.06.2023</u>	<u>30.06.2022</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
	RM'000	RM'000	R'000	RM'000
Progress billings				
received/Receivable:				
Impian Ekspresi Sdn Bhd*	-	8,038	2,938	62,693
Jendela Mayang Sdn Bhd*	(255)	8,619	7,694	65,289
WCT OUG Development Sdn Bhd*	23,674	-	94,030	-
WCT Berhad*	84,158	-	218,582	-
Rental received/receivable:				
WCT Holdings Berhad*	98	98	393	393
Pavilion REIT Management Sdn Bhd #	98	98	393	393
Management fees				
received/receivable:				
Regal Path Sdn Bhd*	-	77	20	173
Management fees paid/payable:				
Kuala Lumpur Pavilion Sdn Bhd^	28	28	114	114
Rental paid/payable to:				
Pavilion REIT #	595	598	2,374	2,826
Dream Domain Sdn Bhd^	-	-	-	80
Lumayan Indah Sdn Bhd*	49	49	198	198
Sale of property to certain family members of a director of the Company	-	1,107	-	4,992

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

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2023

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>30.06.2023</u> RM'000	<u>30.06.2022</u> RM'000		<u>30.06.2023</u> RM'000	<u>30.06.2022</u> RM'000	
Revenue						
Property development	91,201	99,152		367,835	367,127	
Property trading	5,006	18,528		30,337	23,182	
Sub-Total	96,207	117,680	(18.2)	398,172	390,309	2.0
Construction	177,845	75,040	137.0	427,027	248,463	71.9
Others	1,651	1,763	(6.4)	6,596	6,469	2.0
Total	275,703	194,483	41.8	831,795	645,241	28.9
Loss/Profit Before Tax ("PBT")						
Property development	(62,539)	1,437		(21,818)	25,081	
Property trading	90	(3,455)		5,255	(3,637)	
Sub-Total	(62,449)	(2,018)	(2994.6)	(16,563)	21,444	(177.2)
Construction	5,346	41,344	(87.1)	14,241	55,435	(74.3)
Others	(8,757)	60,788	(114.4)	(58,448)	52,618	(211.1)
Total	(65,860)	100,114	(165.8)	(60,770)	129,497	(146.9)

The Group's revenue for the current year quarter increased by 41.8% to RM275.7 million as compared to RM194.5 million reported in the preceding year corresponding quarter while PBT for the current year quarter declined to a loss of RM65.9 million as compared to PBT of RM100.1 million reported in the preceding year corresponding quarter.

The Group's revenue for the current year to date improved by 28.9% to RM831.8 million as compared to RM645.2 million reported in the preceding year corresponding year to date. The improvement in revenue was attributed to higher work progress recognized from the construction division.

Other operating income for the current year quarter increased to RM63.3 million as compared to RM43.4 million reported in the preceding year corresponding quarter. There was a dividend income of RM 58.7 million received from Joint Ventures in the current year quarter.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL
YEAR ENDED 30 JUNE 2023**

1 Review of Performance (Cont'd)

Despite the dividend income received, other operating income for the current year to date declined to RM69.9 million as compared to RM83.3 million in the preceding year corresponding year to mainly due to one-off government grant received of RM15.9 million, fair value gain on redeemable preference shares of RM37.0 million and reversal of allowance for impairment loss in trade receivable of RM16.7 million recognized as other operating income in the preceding year corresponding year to date.

The loss before tax of RM60.8 million for the current year to date as compared to PBT of RM129.5 million recorded in the preceding year corresponding year to date despite increased revenue were mainly due to the written off of land held for property development of RM39.5 million from the Taman Tun project, fair value loss on investment in redeemable preference shares of RM68.5 million, recognition of losses in associated company and joint ventures of RM28.8 million coupled with lower other operating income.

Property Development and Trading

Revenue from the property development and trading divisions decreased by 18.2% to RM96.2 million for the current year quarter as compared to RM117.7 million in the preceding year corresponding quarter mainly due to lower sales of completed properties in the current quarter.

The property development and trading divisions recorded a loss before tax of RM62.4 million for the current year quarter as compared to RM2.0 million recorded in the preceding year corresponding quarter attributed mainly to the written off of land held for property development @ Taman Tun project and completion of certain property projects with higher margin in the preceding year corresponding quarter.

Revenue from the property development division increased by 2.0% to RM398.2 million for the current year to date as compared to RM390.3 million in the preceding year corresponding year to date was due to higher sales of completed properties in the current year to date.

The loss before tax of RM16.6 million in the current year to date as compared to PBT of RM21.4 million in the preceding year corresponding year to date was mainly due to the written off of land held for property development of RM39.5 million pursuant to the Federal Court's decision against the Taman Tun project.

Construction

Revenue from the construction division increased by 137.0% to RM177.8 million for current year quarter as compared to RM75.0 million in the preceding year corresponding quarter due to higher progress billings recognized from the on-going projects.

Notwithstanding the higher turnover achieved, PBT for the current year quarter decreased by 87.1% to RM5.3 million as compared to RM41.3 million reported in the preceding year corresponding quarter due to costs remeasurement on the completed construction projects in the preceding year corresponding quarter.

Revenue improved by 71.9% to RM427.0 million for the current year-to-date as compared to RM248.5 million in the preceding year corresponding year-to-date due to higher work progress recognised from residential towers @ Damansara Heights project.

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UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2023

1 Review of Performance (Cont'd)

However, PBT from the construction division declined by 74.3% to RM14.2 million as compared to RM55.4 million in the preceding year corresponding year-to-date. This was mainly due to costs saving measures from completed projects and reversal of allowance for impairment loss of RM16.7 million recognized from the receivable accounts in the preceding year corresponding year-to-date.

Share of Results of Associated Company and Joint Ventures

The share of results of associated company and joint ventures showed a profit of RM0.7 million in the current quarter and recorded a loss of RM28.8 million in the current year-to-date due to higher finance costs of the joint ventures.

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

	Current Quarter <u>30.06.2023</u> RM'000	Immediate Preceding Quarter <u>31.03.2023</u> RM'000	Change %
Revenue			
Property development	91,201	83,796	
Property trading	5,006	14,637	
Sub-Total	96,207	98,433	2.3
Construction	177,845	176,233	0.9
Others	1,651	1,642	0.5
Total	<u>275,703</u>	<u>276,308</u>	0.2
(Loss)/Profit Before Tax ("PBT")			
Property development	(62,539)	9,522	
Property trading	90	2,604	
Sub-Total	(62,449)	12,126	(615.0)
Construction	5,346	4,035	32.5
Others	(8,757)	(9,143)	4.2
Total	<u>(65,860)</u>	<u>7,018</u>	(1038.4)

The Group's revenue decreased marginally to RM275.7 million for the current year quarter as compared to RM276.3 million for the immediate preceding quarter.

Nevertheless, the Group incurred a loss before tax of RM65.9 million for the current year quarter as compared to PBT of RM7.0 million for the immediate preceding quarter, attributed mainly to the written off of land held for property development, fair value loss on investment in redeemable preference shares coupled with the accrual of additional RPS interest expense.

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3 Prospects for the Next Financial Year Ending 30 June 2024

For 2023, the property development industry continues its recovery albeit at a slower pace amid rising borrowing costs, growing inflationary pressure, end-financing issues such as ineligibility of buyers' income, lower margin of financing and adverse credit history.

In terms of supply, the property development and construction industries are expected to remain challenging owing to unfavorable market conditions and business constraints such as labour shortage and elevated material and labour costs.

The recovery period will be extended until 2024 and is expected to have a positive vibe amid the challenging economy, provided there are sufficient government initiatives to stimulate and reform the economy in order to increase the stability and demand for property.

Moving forward, environmental, social and governance (ESG) and technology are the future of the property development industry, and sustainability has become increasingly important and has been generating returns in the long term, and will preserve property value over time. Therefore, we anticipate that sustainability criteria will increasingly be included in property development projects.

As a result of the challenging outlook facing the property and construction industries, the Group continues to focus on cost-effective approaches and materials, product innovations, reducing completed inventory levels and prudent cashflow management.

Nevertheless, the Group will remain resilient and vigilant in addressing any uncertainties in its business activities.

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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Year To Date
	<u>30.06.2023</u>	<u>30.06.2022</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
	RM'000	RM'000	RM'000	RM'000
Current taxation	8,367	30,692	32,226	44,326
(Over)/Under provision in prior year	-	3,780	(622)	4,264
Deferred taxation	3,730	5,929	1,871	5,129
	<u>12,097</u>	<u>40,401</u>	<u>33,475</u>	<u>53,719</u>

The effective tax rate for the current year quarter and year to date (before share of results of associated company and 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

There was no corporate proposal announced but not completed as of the date of this report.

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 2023</u>		
	<u>Long-term</u>	<u>Short-term</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Secured			
Term loans	95,675	40,000	135,675
Revolving credits	147,872	242,303	390,175
Bridging loans	43,451	-	43,451
Redeemable preference shares	-	79,825	79,825
Trade facilities	-	59,958	59,958
Bank overdrafts	-	18,992	18,992
Hire-purchase payables	455	240	695
	287,453	441,318	728,771
Unsecured			
Revolving credit	-	45,000	45,000
	287,453	486,318	773,771
	<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	111,684	124,774
Revolving credits	77,148	196,807	273,955
Bridging loans	51,759	-	51,759
Redeemable preference shares	50,996	-	50,996
Trade facilities	-	4,382	4,382
Bank overdrafts	-	21,551	21,551
Hire-purchase payables	408	500	908
	193,401	334,924	528,325
Unsecured			
Revolving credit	-	45,000	45,000
	193,401	379,924	573,325

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.

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.

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10 Material Litigation (Cont'd)

On 18 April 2023, the Federal Court upheld the decision of the Court of Appeal of 27 January 2021 which granted an order of certiorari 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 with costs of RM70,000.00 to be paid by MPSB to the 6th to 10th Respondents comprise residents and property owners in Taman Tun Dr. Ismail, Kuala Lumpur.

Subsequent to the decision of the Federal Court, MPSB has sought a refund from DBKL for development charges, deposits and other contributions in view of the development order dated 13 July 2017 that has become defective. MPSB is in the process of negotiating with YWP supplemental terms to the JVA to enable the submission of new development order to DBKL for the development of the land. Based on the legal advice, the Group has written off land held for development amounting to RM39.5 million in the current year quarter under review.

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 (loss)/earnings per ordinary share of the Group for the current year quarter and year to date has been calculated based on the Group’s (loss)/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 2023.

Diluted

The diluted (loss)/earnings per ordinary share of the Group for the current year quarter and year to date has been calculated based on the Group’s adjusted (loss)/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 2023 and after adjusted for the effects of unexercised ESOS options.

(a) Basic EPS	Individual Period		Cumulative Period	
	Current Year Quarter <u>30.06.2023</u>	Preceding Year Corresponding Quarter <u>30.06.2022</u>	Current Year To Date <u>30.06.2023</u>	Preceding Year to Date <u>30.06.2022</u>
(Loss)/Profit attributable to equity holders of the Company (RM’000)	(68,365)	59,818	(84,641)	76,234
Weighted average number of ordinary shares in issue (’000)	528,141	528,141	528,141	528,141
Basic (loss)/earnings per share (sen)	<u>(12.94)</u>	<u>11.33</u>	<u>(16.03)</u>	<u>14.43</u>
(b) Diluted EPS	Current Year Quarter <u>30.06.2023</u>	Preceding Year Corresponding Quarter <u>30.06.2022</u>	Current Year To Date <u>30.06.2023</u>	Preceding Year to Date <u>30.06.2022</u>
(Loss)/Profit attributable to equity holders of the Company (RM’000)	(68,365)	59,818	(84,641)	76,234
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>(12.94)</u>	<u>11.33</u>	<u>(16.03)</u>	<u>14.43</u>

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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>30.06.2023</u> RM'000	Preceding Year Corresponding Quarter <u>30.06.2022</u> RM'000	Current Year To Date <u>30.06.2023</u> RM'000	Preceding Year to Date <u>30.06.2022</u> RM'000
After charging:				
Interest expense	32,670	30,703	64,728	61,158
Depreciation and amortization	1,074	3,905	4,852	8,382
Depreciation of right-of-use assets	506	941	2,774	3,351
Deferred day one loss in profit or loss	247	465	985	1,146
Loss on fair value adjustments of investment properties	279	5,233	279	5,233
Loss on fair valuation of investment in redeemable preference shares	68,520	-	68,520	-
Write off of land held for property development	39,471	4,842	39,471	4,842
Allowance for impairment loss:				
Trade Receivables	3,816	3,200	3,816	3,200
Other Receivables	2,338	2,941	2,338	2,941
Impairment loss in Investment in Joint Ventures	4,972	-	4,972	-
Provision for release of bumiputera quota	2,536	-	2,536	-
Reversal of Provision for foreseeable losses	(1,479)	(1,840)	(2,739)	(1,840)
After crediting:				
Government grant received in respect of a project of a a subsidiary company	-	-	-	15,904
Interest income	770	787	2,364	2,394
Rental income	1,288	2,095	4,217	3,578
Gain on disposal of property, plant and equipment	19	310	70	421
Gain on fair value adjustments of investment properties	1,525	-	1,525	-
Gain on fair valuation of investment in redeemable preference shares	-	37,041	-	37,041
Reversal of allowance for impairment loss:				
Trade Receivables	10	1,664	10	16,685
Other Receivables	-	(72)	-	-
Dividend income	58,650	-	58,650	-
Other income	1,048	1,607	3,035	7,293
Distribution income from short term funds	3	3	14	13

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13 Profit Before Tax (Cont'd)

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 2023.