



Malton Berhad

Registration No: 199401035205 (320888-T)

INTERIM FINANCIAL REPORT
31 MARCH 2022

MALTON BERHAD

Registration No: 199401035205 (320888-T)

Interim Financial Report – 31 March 2022

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MALTON BERHAD

Registration No: 199401035205 (320888-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2022 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2021 RM'000	CURRENT YEAR TO DATE 31.03.2022 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.03.2021 RM'000
Revenue	119,035	289,384	450,758	765,444
Operating expenses	(112,376)	(276,058)	(430,814)	(739,295)
Other operating income	17,283	1,909	39,894	10,706
Finance costs	(10,339)	(9,550)	(30,455)	(24,913)
Share in results of joint ventures	-	-	-	-
Profit before tax	13,603	5,685	29,383	11,942
Income tax expense	(4,291)	(3,512)	(13,318)	(6,710)
Net profit for the period	9,312	2,173	16,065	5,232
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	9,312	2,173	16,065	5,232
Total comprehensive income attributable to:				
Owners of the Company	9,423	2,246	16,416	5,536
Non-controlling interests	(111)	(73)	(351)	(304)
	9,312	2,173	16,065	5,232
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	1.78	0.43	3.11	1.05
Diluted (sen)	1.78	0.43	3.11	1.05

(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 31.03.2022 RM'000	Audited As At 30.06.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,922	33,506
Right-of-use-assets	3,706	6,049
Investment properties	210,735	210,630
Land held for property development	677,512	675,606
Other investments	250,814	203,370
Deferred tax assets	23,516	22,716
Total non-current assets	1,196,205	1,151,877
Current assets		
Property development costs	327,943	443,128
Inventories	131,340	133,761
Trade receivables	307,221	199,845
Other receivables and prepaid expenses	63,706	42,629
Contract assets	202,737	509,698
Amount owing by joint ventures	29,355	35,697
Tax recoverable	4,261	6,945
Short-term funds	509	500
Fixed deposits with licensed banks	36,595	29,119
Cash and bank balances	141,517	87,312
Total current assets	1,245,184	1,488,634
Total assets	2,441,389	2,640,511
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	528,552	528,552
Other reserves	3,218	3,218
Retained earnings	411,967	395,551
	943,737	927,321
Non-controlling Interests	17,665	18,016
Total equity	961,402	945,337
Non-current liabilities		
Other payables	-	5,238
Redeemable preference shares	30,071	22,402
Bank borrowings - non-current portion	174,356	128,198
Hire-purchase payables - non-current portion	533	895
Lease liabilities - non-current portion	2,973	3,054
Deferred tax liabilities	57,601	57,601
Total non-current liabilities	265,534	217,388
Current liabilities		
Trade payables	656,079	745,802
Other payables and accrued expenses	163,063	234,897
Contract liabilities	20,576	7,722
Bank borrowings - current portion	358,449	461,279
Hire-purchase payables - current portion	583	954
Lease liabilities - current portion	1,043	3,381
Tax liabilities	14,660	23,751
Total current liabilities	1,214,453	1,477,786
Total liabilities	1,479,987	1,695,174
TOTAL EQUITY AND LIABILITIES	2,441,389	2,640,511
Net assets per share attributable to equity holders of the Company (RM)	1.79	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 PERIOD ENDED 31 MARCH 2022
(These figures have not been audited)**

	Non-distributable reserves			Distributable reserves	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/(loss) for the period	-	-	-	5,536	(304)	5,232
Balance as at 31.03.2021	<u>528,552</u>	<u>2,065</u>	<u>1,153</u>	<u>398,467</u>	<u>19,163</u>	<u>949,400</u>
Balance as at 1.7.2021	528,552	2,065	1,153	395,551	18,016	945,337
Total comprehensive income/(loss) for the period	-	-	-	16,416	(351)	16,065
Balance as at 31.03.2022	<u>528,552</u>	<u>2,065</u>	<u>1,153</u>	<u>411,967</u>	<u>17,665</u>	<u>961,402</u>

(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 PERIOD ENDED 31 MARCH 2022**

(These figures have not been audited)

	31.03.2022	31.03.2021
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before Taxation	29,383	11,942
Adjustments for :		
Finance costs	30,455	24,913
Depreciation of:		
Property, plant & equipment	4,477	5,153
Right-of-use-assets	2,410	3,233
Write-offs of:		
Property, plant and equipment	-	2
Reversal of allowance for impairment loss in:		
Trade receivables	(15,021)	-
Other receivables	(72)	-
Loss/(Gain) on:		
Disposal of property, plant and equipment	(111)	(170)
Fair value adjustments of investment in redeemable preference shares	-	1,213
Deferred day one loss in profit or loss	681	-
Distribution income on short term funds	(10)	(11)
Interest income	(1,607)	(1,423)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	50,585	44,852
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in:		
Property development costs - current portion	115,186	254,783
Inventories	2,421	10,024
Receivables	(113,364)	(64,089)
Contract assets	319,820	(138,083)
Amount due from joint ventures	6,344	(5,096)
(Decrease)/Increase in:		
Payables	(166,793)	(130,450)
Contract liabilities	(5)	419
CASH FROM/(USED IN) OPERATIONS	214,194	(27,640)
Income tax paid	(20,531)	(16,268)
Income tax refunded	4	1
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	193,667	(43,907)
CASH FLOW USED IN INVESTING ACTIVITIES		
Interest received	1,607	1,423
Distribution income on short-term funds received	10	11
Increase in land held for property development	(1,906)	(4,260)
Additions to short-term funds	(9)	(11)
Additions to Investment properties	(105)	(4,691)
Proceeds from disposal of property, plant & equipment	159	170
(Placement)/Withdrawal of:		
Fixed deposit	1,220	(15,161)
Restricted cash at bank	649	4,336
Additions to property, plant & equipment	(942)	(908)
Additions to investment in redeemable preference shares	(48,125)	(45,643)
NET CASH USED IN INVESTING ACTIVITIES	(47,442)	(64,734)
CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES		
Interest paid	(22,785)	(18,002)
Proceeds from bank borrowings	419,998	458,620
Repayments of bank borrowings	(479,646)	(369,478)
Repayments of hire-purchase payables	(733)	(1,076)
Repayment of lease liabilities	(2,485)	(3,059)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(85,651)	67,005
Net increase/(decrease) in cash and cash equivalents	60,574	(41,636)
Cash and cash equivalents at the beginning of the period	69,136	134,580
Cash and cash equivalents at the end of the period	129,710	92,944
Cash and cash equivalents comprise the followings :		
Cash and bank balances	150,894	110,793
Bank overdrafts	(21,184)	(17,849)
	129,710	92,944

(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 THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 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

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 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 period 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 period 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 current year quarter under review and period 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.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

8 Segmental Reporting

a) Analysis of revenue and results by business segments for the period ended 31 March 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	267,975	4,654	173,423	4,706		450,758
Inter-segment Sales	-	-	74,567	7,878	(82,445)	-
Total revenue	267,975	4,654	247,990	12,584	(82,445)	450,758
Results						
Segmental results	42,350	(182)	20,828	(1,225)	(3,550)	58,221
Interest and distribution income						1,617
Profit from operations						59,838
Finance costs						(30,455)
Share in results of joint ventures						-
Profit before tax						29,383
Income tax expense						(13,318)
Profit for the period						16,065

b) Analysis of revenue and results by business segments for the period ended 31 March 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	592,925	13,651	154,724	4,144		765,444
Inter-segment Sales	-	-	165,413	43,539	(208,952)	-
Total revenue	592,925	13,651	320,137	47,683	(208,952)	765,444
Results						
Segmental results	22,344	1,778	8,224	35,540	(32,465)	35,421
Interest and distribution income						1,434
Profit from operations						36,855
Finance costs						(24,913)
Share in results of joint ventures						-
Profit before tax						11,942
Income tax expense						(6,710)
Profit for the Period						5,232

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.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 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

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

12 Contingent Liabilities

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

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>31.3.2022</u>	<u>31.3.2021</u>	<u>31.3.2022</u>	<u>31.3.2021</u>
	RM'000	RM'000	RM'000	RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd*	33,677	4,406	54,655	21,208
Jendela Mayang Sdn Bhd*	16,618	29,499	56,670	67,964
Rental received/receivable:				
WCT Holdings Berhad*	99	99	295	294
Pavilion REIT Management Sdn Bhd #	99	99	295	294
Progress billings paid/Payable:				
SECG Bina Sdn Bhd@	-	-	-	1,078
Management fees paid/payable:				
Kuala Lumpur Pavilion Sdn Bhd^	28	28	86	86
Rental paid/payable to:				
Pavilion REIT #	707	707	2,119	2,119
Dream Domain Sdn Bhd^	-	48	80	116
Lumayan Indah Sdn Bhd*	50	50	149	50
Sale of property to certain family members of a director of the Company	3,885	-	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 direct financial interest.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 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>31.3.2022</u> RM'000	<u>31.3.2021</u> RM'000		<u>31.3.2022</u> RM'000	<u>31.3.2021</u> RM'000	
Revenue						
Property development	81,726	216,916		267,975	592,925	
Property trading	1,107	803		4,654	13,651	
Sub-Total	82,833	217,719	(62.0)	272,629	606,576	(55.1)
Construction	34,655	70,192	(50.6)	173,423	154,724	12.1
Others	1,547	1,473	5.0	4,706	4,144	13.6
Total	119,035	289,384	(58.9)	450,758	765,444	(41.1)
Profit Before Tax ("PBT")						
Property development	6,135	6,695		23,644	9,720	
Property trading	106	(424)		(182)	1,778	
Sub-Total	6,241	6,271	(0.5)	23,465	11,498	104.1
Construction	10,623	(2,859)		14,091	3,943	257.4
Others	(3,261)	2,273		(8,170)	(3,499)	(133.5)
Total	13,603	5,685	139.3	29,383	11,942	146.0

The Group's revenue for the current year quarter declined by 58.9% to RM119.0 million as compared to RM289.4 million reported in the preceding year corresponding quarter while PBT for the current year quarter improved by 139.3% to RM13.6 million as compared to RM5.7 million reported in the preceding year corresponding quarter.

The Group's revenue for the current year-to-date declined by 41.1% to RM450.8 million as compared to RM765.4 million reported in the preceding year corresponding year-to-date while PBT for the current year-to-date improved by 146.0% to RM29.4 million as compared to RM11.9 million reported in the preceding year corresponding year-to-date.

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UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
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Property Development and trading

Revenue from the property development division declined by 62.0% during the current year quarter as compared to the preceding year corresponding quarter due to the completion of two (2) major property development projects which are The Park 2 Residence @ Bukit Jalil and Pavilion Bukit Jalil Mall in the last quarter.

However, the Group maintained a PBT of RM6.2 million as compared to RM6.3 million in the preceding year corresponding quarter due to the recognition of higher billings for Duta Park Residences @ Jalan Kuching and Mutiara Hilltop @ Puchong during the current year quarter.

Construction

Revenue from construction division declined by 50.6% to RM34.7 million in the current year quarter as compared to RM70.2 million recorded in the preceding year corresponding quarter due to lower progress billing recognized from Pavilion Damansara Heights and Pavilion Ceylon Hill projects.

However, PBT for the current year quarter improved to profit of RM10.6 million against a loss of RM2.9 million reported in the preceding corresponding quarter. The improvement was mainly due to a reversal of allowance for impairment loss of RM15.1 million recognized from the receivable accounts.

Share of Results of Joint Ventures

There was no share of results of Joint Ventures during the current year quarter as the Group is liable up to the cost of investments in the Joint Ventures.

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

	Current Quarter <u>31.3.2022</u> RM'000	Immediate Preceding Quarter <u>31.12.2021</u> RM'000	Change %
Revenue			
Property development	81,726	65,601	
Property trading	1,107	697	
Sub-Total	82,833	66,298	24.9
Construction	34,655	84,651	(59.1)
Others	1,547	1,604	(3.6)
Total	119,035	152,553	(22.0)
Profit Before Tax ("PBT")			
Property development	6,135	13,799	
Property trading	106	270	
Sub-Total	6,241	14,069	(55.6)
Construction	10,623	1,315	707.8
Others	(3,261)	(1,519)	(114.7)
Total	13,603	13,865	(1.9)

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

2 Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter (Cont'd)

The Group's revenue declined by 22.0% to RM119.0 million for the current year quarter as compared to RM152.6 million for the immediate preceding quarter. However, the Group maintained PBT of RM13.6 million for the current year quarter as compared to RM13.9 million for the immediate preceding quarter. The decline in revenue for the current year quarter was due to lower progress billings recognized from The Maple @ OUG, Pavilion Damansara Heights and Pavilion Ceylon Hill projects in construction division.

PBT for the property development division decreased by 55.6% from RM14.1 million in the preceding quarter to RM6.2 million during the current quarter due to the recognition of a one-off government grant of RM15.9 million for the Group's projects in the preceding quarter. However, PBT for the construction division increased by 707.8% from RM1.3 million to RM10.6 million due to a reversal of allowance for impairment loss of RM15.1 million previously provided.

3 Prospects for the current Financial Year Ending 30 June 2022

The Malaysian economy is expected to remain on its recovery path in line with continued expansion in global growth and higher private sector spending. The prospects of the property development and construction industries are expected to remain challenging. However, several measures undertaken by the Government such as extension on moratorium on loan repayments, Guaranteed Credit Housing Scheme and exemption of real property gain tax for residential properties are expected to boost the property sector demands.

Barring the uncertainty of economic recovery over the next quarter and beyond, the on-going 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 RM773 million as of 31 March 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 2022.

With the lifting of restrictions and re-opening of borders effective 1st April 2022 in line with the government's plan of transition from the pandemic to endemic phase, more activities are expected to slowly return to normal. However, the property market will be tough and turbulent owing to a number of factors such as the disruption of supply chain, scarcity of skill labour, escalating material prices, increasing the overnight policy rate by 25 basis points to 2% as well as the implementation of a minimum wage of RM1,500 which effective as of 1 May 2022, may have a significant negative impact on the market. Notwithstanding the above, the Group will remain resilient and vigilant in addressing these 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.

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**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

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>31.3.2022</u> RM'000	<u>31.3.2021</u> RM'000	<u>31.3.2022</u> RM'000	<u>31.3.2021</u> RM'000
Current taxation	3,607	3,049	13,634	8,647
Under provision in prior year	484	634	484	634
Deferred taxation	200	(171)	(800)	(2,571)
	<u>4,291</u>	<u>3,512</u>	<u>13,318</u>	<u>6,710</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.

8 Status of Corporate Proposals

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

On 24 December 2021, MTrustee Berhad ("MTrustee"), acting as the trustee of Pavilion Real Estate Investment Trust, has 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.

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9 Borrowings and Debt Securities

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

	<u>As at 31 March 2022</u>		
	<u>Long-term</u>	<u>Short-term</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Secured			
Term loans	17,797	10,627	28,424
Revolving credits	99,410	246,059	345,469
Bridging loans	57,149	10,000	67,149
Redeemable preference shares	30,071	-	30,071
Trade facilities	-	10,579	10,579
Bank overdrafts	-	21,184	21,184
Hire-purchase payables	533	583	1,116
	<u>204,960</u>	<u>299,032</u>	<u>503,992</u>
Unsecured			
Revolving credit	-	60,000	60,000
	<u>204,960</u>	<u>359,032</u>	<u>563,992</u>

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

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

10 Material Litigation

Save as disclosed below, neither the Company nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board has no knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceeding which may materially affect the financial position of the Malton Group:

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10 Material Litigation (Cont'd)

In connection with the joint venture agreement dated 7 April 2014 between Yayasan Wilayah Persekutuan (“YWP”) and Memang Perkasa Sdn Bhd (“MPSB”), a 51% owned subsidiary of the Company for the proposed development of a 12 acre leasehold land located in Taman Tun Dr Ismail, Kuala Lumpur (“Land”), Perbadanan Pengurusan Trellises and 9 Others had on 11 August 2017, filed a Judicial Review proceeding against Datuk Bandar Kuala Lumpur and Dewan Bandaraya Kuala Lumpur (“DBKL”) for the following Orders:-

- (i) An Order of Certiorari to quash the decision of Datuk Bandar Kuala Lumpur to grant a conditional planning approval dated 28 February 2017 for the proposed development on the Land;
- (ii) An Order for Certiorari to quash the decision of Datuk Bandar Kuala Lumpur to grant the development order dated 13 July 2017 in relation to the proposed development mentioned in paragraph (i) above; and
- (iii) An Order on Mandamus for the Datuk Bandar Kuala Lumpur to adopt the draft Kuala Lumpur local plan 2020 and publish the said adoption in the gazette pursuant to Section 16 of the Federal Territory (Planning Act) 1982.

On 15 November 2017, the Kuala Lumpur High Court allowed YWP and MPSB’s application to intervene and be added as the 3rd and 4th Respondents in the Judicial Review proceeding.

Subsequently, the Applicants withdrew their claim against DBKL.

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

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

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

On 23 February 2021, MPSB filed a Notice of Motion for Leave to Appeal to the Federal Court 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. During 22 and 28 April 2022, the appellants made their oral submissions and on 28 April 2022, the court fixed 25 to 27 July 2022 for continue hearing for the respondents to make oral submissions in reply and the appellants will have a right of reply to the same.

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 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 31 March 2022.

Diluted

The diluted 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 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 31 March 2022 and after adjusted for the effects of unexercised ESOS options.

	Individual Period		Cumulative Period	
(a) Basic EPS	Current Year Quarter <u>31.03.2022</u>	Preceding Year Corresponding Quarter <u>31.3.2021</u>	Current Year To Date <u>31.3.2022</u>	Preceding Year to Date <u>31.3.2021</u>
Profit attributable to equity holders of the Company (RM’000)	9,423	2,246	16,416	5,536
Weighted average number of ordinary shares in issue (’000)	528,141	528,141	528,141	528,141
Basic earnings per share (sen)	1.78	0.43	3.11	1.05
(b) Diluted EPS	Current Year Quarter <u>31.3.2022</u>	Preceding Year Corresponding Quarter <u>31.3.2021</u>	Current Year To Date <u>31.3.2022</u>	Preceding Year to Date <u>31.3.2021</u>
Profit attributable to equity holders of the Company (RM’000)	9,423	2,246	16,416	5,536
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 per share (sen)	1.78	0.43	3.11	1.05

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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>31.3.2022</u> RM'000	Preceding Year Corresponding Quarter <u>31.3.2021</u> RM'000	Current Year To Date <u>31.3.2022</u> RM'000	Preceding Year to Date <u>31.3.2021</u> RM'000
After charging:				
Interest expense	10,339	9,550	30,455	24,913
Depreciation and amortization	1,535	1,680	4,477	5,153
Depreciation of right-of-use assets	788	1,146	2,410	3,233
Deferred day one loss in profit or loss	227	-	681	-
Loss on fair value adjustments of investment in redeemable preference shares	-	-	-	1,213
After crediting:				
Government grant received	-	-	15,904	-
Interest income	957	359	1,607	1,423
Gain on disposal of property, plant and equipment	-	-	111	170
Reversal of allowance for impairment loss:				
Trade Receivables	15,021	-	15,021	4,365
Other Receivables	72	-	72	-
Other income	1,230	1,547	7,169	4,737
Distribution income from short term funds	3	3	10	11

There were no other provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investment or properties, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current year quarter under review and financial period ended 31 March 2022.