



Malton Berhad

Registration No: 199401035205 (320888-T)

INTERIM FINANCIAL REPORT
31 MARCH 2023

MALTON BERHAD

Registration No: 199401035205 (320888-T)

Interim Financial Report – 31 March 2023

	Page No.
Condensed Consolidated Statement Of Comprehensive Income	1
Condensed Consolidated Statement Of Financial Position	2
Condensed Consolidated Statement Of Changes In Equity	3
Condensed Consolidated Statement Of Cash Flows	4
 Explanatory Notes To The Interim Financial Statements:	
Part A: Explanatory Notes Pursuant To MFRS 134	5 – 9
Part B: Explanatory Notes Pursuant To Appendix 9B Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad	10 – 18

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2022 RM'000	CURRENT YEAR TO DATE 31.03.2023 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.03.2022 RM'000
Revenue	276,308	119,035	556,092	450,758
Operating expenses	(257,860)	(112,376)	(496,002)	(430,814)
Other operating income	2,269	17,283	6,572	39,894
Finance costs	(12,594)	(10,339)	(32,058)	(30,455)
Share in results of associated company and joint ventures	(1,105)	-	(29,514)	-
Profit before tax	7,018	13,603	5,090	29,383
Income tax expense	(6,269)	(4,291)	(21,378)	(13,318)
Net profit/(loss) for the period	749	9,312	(16,288)	16,065
Other comprehensive income	-	-	-	-
Total comprehensive income/(expense) for the period	749	9,312	(16,288)	16,065
Total comprehensive income/(expense) attributable to:				
Owners of the Company	752	9,423	(16,276)	16,416
Non-controlling interests	(3)	(111)	(12)	(351)
	749	9,312	(16,288)	16,065
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic (sen)	0.14	1.78	(3.08)	3.11
Diluted (sen)	0.14	1.78	(3.08)	3.11

(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 31.03.2023 RM'000	Audited As At 30.06.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,211	27,084
Right-of-use-assets	5,573	2,984
Investment properties	208,459	208,181
Land held for property development	675,893	671,520
Investment in associated company	22,295	-
Investment in joint ventures	2,838	31,247
Other investments	295,283	285,848
Deferred tax assets	19,446	17,587
Total non-current assets	1,253,998	1,244,451
Current assets		
Property development costs	347,623	337,397
Inventories	149,801	169,093
Trade receivables	341,309	287,142
Other receivables and prepaid expenses	55,777	53,256
Contract assets	261,347	214,102
Amount owing by associated company	2,150	-
Amount owing by joint ventures	33,920	38,376
Tax recoverable	1,463	684
Short-term funds	521	511
Fixed deposits with licensed banks	33,962	70,061
Cash and bank balances	119,020	141,072
Total current assets	1,346,893	1,311,694
Total assets	2,600,891	2,556,145
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	528,552	528,552
Other reserves	3,008	3,218
Retained earnings	455,719	471,785
	987,279	1,003,555
Non-controlling Interests	17,548	17,560
Total equity	1,004,827	1,021,115
Non-current liabilities		
Other payables	-	648
Redeemable preference shares	-	50,996
Bank borrowings - non-current portion	253,505	141,997
Hire-purchase payables - non-current portion	302	408
Lease liabilities - non-current portion	3,753	1,084
Deferred tax liabilities	57,601	57,601
Total non-current liabilities	315,161	252,734
Current liabilities		
Trade payables	608,015	657,933
Other payables and accrued expenses	136,413	180,346
Contract liabilities	37,526	24,142
Redeemable preference shares	58,666	-
Bank borrowings - current portion	400,517	379,424
Hire-purchase payables - current portion	531	500
Lease liabilities - current portion	1,981	2,177
Tax liabilities	37,254	37,774
Total current liabilities	1,280,903	1,282,296
Total liabilities	1,596,064	1,535,030
TOTAL EQUITY AND LIABILITIES	2,600,891	2,556,145
Net assets per share attributable to equity holders of the Company (RM)	1.87	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 PERIOD ENDED 31 MARCH 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
Total comprehensive income/(expense) 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>
Balance as at 1.7.2022	528,552	2,065	943	471,995	17,560	1,021,115
Total comprehensive expense for the period	-	-	-	(16,276)	(12)	(16,288)
Balance as at 31.03.2023	<u>528,552</u>	<u>2,065</u>	<u>943</u>	<u>455,719</u>	<u>17,548</u>	<u>1,004,827</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 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 31 MARCH 2023**

(These figures have not been audited)

	<u>31.03.2023</u> RM'000	<u>31.03.2022</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxation	5,090	29,383
Adjustments for :		
Finance costs	32,058	30,455
Depreciation of:		
Property, plant & equipment	3,778	4,477
Right-of-use-assets	2,268	2,410
Reversal of allowance for impairment loss in:		
Trade receivables	-	(15,021)
Other receivables	-	(72)
Share in result of associated company and joint ventures	29,513	-
Gain on disposal of property, plant and equipment	(51)	(111)
Reversal of provision for foreseeable losses	(1,260)	-
Allowance for impairment loss in land held for property development	-	-
Distribution income on short term funds	(11)	(10)
Interest income	(1,594)	(1,607)
Deferred day one loss in profit or loss	738	681
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>70,529</u>	<u>50,585</u>
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in:		
Property development costs - current portion	(8,970)	115,186
Trade receivables	(54,167)	(92,355)
Other receivables and prepaid expenses	(4,344)	(21,009)
Inventories	19,291	2,421
Contract assets	(39,510)	319,820
Amount due from associated company	(2,150)	-
Amount due from joint ventures	6,308	6,344
(Decrease)/Increase in:		
Trade payables	(49,918)	(89,724)
Other payables and accrued expenses	(45,470)	(77,069)
Contract liabilities	5,650	(5)
CASH FROM OPERATIONS	<u>(102,751)</u>	<u>214,194</u>
Income tax paid	(24,536)	(20,531)
Income tax refunded	-	4
NET CASH (USED IN)/ FROM OPERATING ACTIVITIES	<u>(127,287)</u>	<u>193,667</u>
CASH FLOW USED IN INVESTING ACTIVITIES		
Increase in land held for property development	(4,372)	(1,906)
Additions to property, plant & equipment	(587)	(942)
Additions to investment properties	(278)	(105)
Withdrawal of:		
Fixed deposit	9,999	1,220
Restricted cash at bank	1,040	649
Additions to short-term funds	(10)	(9)
Proceeds from disposal of property, plant & equipment	59	159
Interest received	1,566	1,607
Distribution income on short-term funds received	11	10
Acquisition of an associated company	(23,400)	-
Additions to investment in redeemable preference shares	(10,173)	(48,125)
NET CASH USED IN INVESTING ACTIVITIES	<u>(26,145)</u>	<u>(47,442)</u>
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from bank borrowings	425,092	419,998
Repayments of bank borrowings	(287,630)	(479,646)
Repayments of hire-purchase payables	(400)	(733)
Repayment of lease liabilities	(2,385)	(2,485)
Interest paid	(24,385)	(22,785)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	<u>110,292</u>	<u>(85,651)</u>
Net (decrease)/increase in cash and cash equivalents	(43,140)	60,574
Cash and cash equivalents at the beginning of the period	144,251	69,136
Cash and cash equivalents at the end of the period	<u>101,111</u>	<u>129,710</u>
Cash and cash equivalents comprise the followings :		
Cash and bank balances	118,689	150,894
Bank overdrafts	(17,578)	(21,184)
	<u>101,111</u>	<u>129,710</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.)

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

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

Save as disclosed in Note 10 of Part B (Material Litigation), 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

8 Segmental Reporting

a) Analysis of revenue and results by business segments for the financial period ended 31 March 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	276,634	25,330	249,183	4,945	-	556,092
Inter-segment Sales	-	-	27,298	37,452	(64,750)	-
Total revenue	<u>276,634</u>	<u>25,330</u>	<u>276,481</u>	<u>42,397</u>	<u>(64,750)</u>	<u>556,092</u>
Results						
Segmental results	<u>56,006</u>	<u>5,165</u>	<u>11,528</u>	<u>27,724</u>	<u>(35,366)</u>	65,057
Interest and distribution income						<u>1,605</u>
Profit from operations						66,662
Finance costs						(32,058)
Share in results of associated company and joint ventures						<u>(29,514)</u>
Profit before tax						5,090
Income tax expense						<u>(21,378)</u>
Loss for the period						<u>(16,288)</u>

b) Analysis of revenue and results by business segments for the financial 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	<u>267,975</u>	<u>4,654</u>	<u>247,990</u>	<u>12,584</u>	<u>(82,445)</u>	<u>450,758</u>
Results						
Segmental results	<u>42,350</u>	<u>(182)</u>	<u>20,828</u>	<u>(1,225)</u>	<u>(3,550)</u>	58,221
Interest and distribution income						<u>1,617</u>
Profit from operations						59,838
Finance costs						(30,455)
Share in results of joint ventures						-
Profit before tax						29,383
Income tax expense						<u>(13,318)</u>
Profit for the period						<u>16,065</u>

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

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

Save as disclosed in Note 10 of Part B (Material Litigation), there were no material events subsequent to the end of the current year quarter up to the date of this interim report.

11 Changes in the Composition of the Group

Save as disclosed below, there we 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

Save as disclosed in Note 10 of Part B (Material Litigation), the Group does not have any material contingent liabilities.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 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>31.03.2023</u> RM'000	<u>31.03.2022</u> RM'000	<u>31.03.2023</u> R'000	<u>31.03.2022</u> RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd*	-	33,677	2,938	54,655
Jendela Mayang Sdn Bhd*	3,193	16,618	7,949	56,670
WCT OUG Development Sdn Bhd*	25,319	-	70,356	-
WCT Berhad*	134,386	-	134,424	-
Rental received/receivable:				
WCT Holdings Berhad*	99	99	295	295
Pavilion REIT Management Sdn Bhd #	99	99	295	295
Management fees received/receivable:				
Regal Path Sdn Bhd*	1	44	20	96
Management fees paid/payable:				
Kuala Lumpur Pavilion Sdn Bhd^	28	28	86	86
Rental paid/payable to:				
Pavilion REIT #	593	593	1,779	1,779
Dream Domain Sdn Bhd^	-	-	-	80
Lumayan Indah Sdn Bhd*	50	50	149	149
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.

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

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

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 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>31.03.2023</u> RM'000	<u>31.03.2022</u> RM'000		<u>31.03.2023</u> RM'000	<u>31.03.2022</u> RM'000	
Revenue						
Property development	83,796	81,726		276,634	267,975	
Property trading	14,637	1,107		25,330	4,654	
Sub-Total	<u>98,433</u>	<u>82,833</u>	18.8	<u>301,964</u>	<u>272,629</u>	10.8
Construction	176,233	34,655	408.5	249,183	173,423	43.7
Others	1,642	1,547	6.1	4,945	4,706	5.1
Total	<u>276,308</u>	<u>119,035</u>	132.1	<u>556,092</u>	<u>450,758</u>	23.4
Profit Before Tax ("PBT")						
Property development	9,522	6,135		40,721	23,644	
Property trading	2,604	106		5,165	(182)	
Sub-Total	<u>12,126</u>	<u>6,241</u>	94.3	<u>45,886</u>	<u>23,462</u>	95.6
Construction	4,035	10,623	(62.0)	8,895	14,091	(36.9)
Others	(9,143)	(3,261)	(180.4)	(49,691)	(8,170)	(508.2)
Total	<u>7,018</u>	<u>13,603</u>	(48.4)	<u>5,090</u>	<u>29,383</u>	(82.7)

The Group's revenue for the current year quarter increased to RM276.3 million as compared to RM119.0 million reported in the preceding year corresponding quarter while PBT for the current year quarter declined to RM7.0 million as compared to RM13.6 million reported in the preceding year corresponding quarter.

The Group's revenue for the current year to date improved by 23.4% to RM556.1 million as compared to RM450.8 million reported in the preceding year corresponding year to date. The improvement in revenue was attributed to the new billings from the construction division coupled with higher sales of completed properties. Other operating income declined significantly from RM39.9 million in the preceding year corresponding year to date to RM6.6 million in the current year to date mainly due to one-off government grant received of RM15.9 million, insurance claims for damage to Mega Canopy under Pavilion Bukit Jalil Mall of RM3.9 million and reversal of allowance for impairment loss in trade receivable of RM15.0 million recognized as other operating income in the preceding year corresponding year to date.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

1 Review of Performance (Cont'd)

The lower PBT of RM5.1 million for the current year to date as compared to RM29.4 million recorded in the preceding year corresponding year to date was mainly due to the recognition of losses in associated company and joint ventures of RM29.5 million during the current year to date.

Property Development and Trading

Revenue from the property development and trading divisions increased by 18.8% to RM98.4 million for the current year quarter as compared to RM82.8 million in the preceding year corresponding quarter mainly due to higher progress billings recognised from Duta Park Residences @ Jalan Kuching and higher sales of completed properties.

PBT from the property development and trading divisions improved by 94.3% to RM12.1 million for the current year quarter as compared to RM6.2 million recorded in the preceding year corresponding quarter attributed mainly to higher billings from Duta Park Residences @ Jalan Kuching with higher margin as well as gain on sale of completed properties recorded in current year quarter.

Revenue from the property development division increased by 10.8% to RM302.0 million for the current year to date as compared to RM272.6 million in the preceding year corresponding year to date and this was in line with the increased billings in the property development and trading divisions during the current year quarter.

PBT improved by 95.6% to RM45.9 million in the current year to date from RM23.5 million in the preceding year corresponding year to date mainly due to higher margins recorded during the current year to date.

Construction

Revenue from the construction division increased by 408.5% to RM176.2 million for current year quarter as compared to RM34.7 million in the preceding year corresponding quarter due to higher work progress of The Maple @ OUG project and new billings recognised from residential towers @ Damansara Heights project.

Notwithstanding the higher turnover achieved, PBT for the current year quarter decreased by 62.0% to RM4.0 million as compared to RM10.6 million reported in the preceding year corresponding quarter. There was a reversal of allowance for impairment loss of RM15.1 million recognized from the receivable accounts in the preceding year corresponding quarter.

Share of Results of Associated Company and Joint Ventures

The share of results of associated company and joint ventures showed a loss of RM1.1 million and RM29.5 million in the current year quarter and year-to-date respectively due to higher finance costs of the associated company and joint ventures.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

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

	Current Quarter	Immediate Preceding Quarter	Change %
	<u>31.03.2023</u>	<u>31.12.2022</u>	
	RM'000	RM'000	
Revenue			
Property development	83,796	101,465	
Property trading	14,637	4,610	
Sub-Total	98,433	106,075	(7.2)
Construction	176,233	43,388	306.2
Others	1,642	1,642	-
Total	<u>276,308</u>	<u>151,105</u>	82.9
(Loss)/Profit Before Tax (“PBT”)			
Property development	9,522	16,507	
Property trading	2,604	1,075	
Sub-Total	12,126	17,582	(31.0)
Construction	4,035	157	2,470.1
Others	(9,143)	(18,735)	51.2
Total	<u>7,018</u>	<u>(996)</u>	

The Group’s revenue increased by 82.9% to RM276.3 million for the current year quarter as compared to RM151.1 million for the immediate preceding quarter. The increase in revenue for the current quarter was mainly due to higher work progress of residential towers @ Damansara Heights recognized from the construction division coupled with high sales of completed properties.

As a result, the Group registered PBT of RM7.0 million for the current year quarter as compared to a loss of RM1.0 million for the immediate preceding quarter. There was a lower share of losses of associated company and joint ventures for the current year quarter as compared to RM12.6 million for the immediate preceding quarter.

3 Prospects for the Current Financial Year Ending 30 June 2023

The recovery of the property development industry is expected to continue in 2023 against the backdrop of an uncertain global economy. Market demand could be held back by slower economic growth, increased borrowing costs, 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.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

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

As a result of the challenging outlook facing the property and construction industries and the recognition of losses recorded in associated company and joint ventures, the Group continues to focus on cost-effective approaches and materials, product innovations, reducing completed inventory levels and prudent cashflow management. In addition, the outcome of the negotiations and discussions with the affected parties in relation to Memang Perkasa Sdn Bhd's joint venture with Yayasan Wilayah Persekutuan as disclosed in Note 10 of Part B (Material Litigation) below, may have a financial impact on the Group. 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>31.03.2023</u> RM'000	<u>31.03.2022</u> RM'000	<u>31.03.2023</u> RM'000	<u>31.03.2022</u> RM'000
Current taxation	9,977	3,607	23,859	13,634
(Over)/Under provision in prior year	(622)	484	(622)	484
Deferred taxation	(3,086)	200	(1,859)	(800)
	<u>6,269</u>	<u>4,291</u>	<u>21,378</u>	<u>13,318</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.

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.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

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, Regal Path Sdn Bhd ("Regal Path"), a 51% joint venture of Malton, had entered into a Conditional Sale and Purchase Agreement ("CSPA") 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 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.

On 22 March 2023, the proposed disposal was approved by the shareholders at an extraordinary general meeting.

On 2 May 2023, Regal Path and Pavilion REIT had entered into a supplemental agreement ("Supplemental Agreement") to amend certain terms and conditions of the CSPA.

On 15 May 2023, all the conditions precedent of the CSPA have been fulfilled by Regal Path.

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 2023</u>		
	<u>Long-term</u>	<u>Short-term</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Secured			
Term loans	92,864	50,000	142,864
Revolving credits	117,435	239,085	356,520
Bridging loans	43,206	-	43,206
Redeemable preference shares	-	58,666	58,666
Trade facilities	-	48,854	48,854
Bank overdrafts	-	17,578	17,578
Hire-purchase payables	302	531	833
	253,807	414,714	668,521
Unsecured			
Revolving credit	-	45,000	45,000
	253,807	459,714	713,521

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

9 Borrowings and Debt Securities (Cont'd)

	<u>As at 31 March 2022</u>		
	<u>Long-term</u>	<u>Short-term</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
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>

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.

10 Material Litigation (Cont'd)

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.

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.

The Group had not recognised any liability in respect of the above proceeding, pending further legal advice on the next course of action following the decision of the Federal Court. The negotiations and discussions with the affected parties are still in process and the outcome cannot be reasonably determined at this juncture. The maximum financial impact is estimated at RM200 million to be reduced by the amount recoverable from YWP and DBKL upon final negotiations and MPSB's legal rights and remedies under all applicable laws arising from the Joint Venture Agreement dated 7 April 2014 which has been frustrated as a result of the Federal Court's decision.

11 Dividend

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

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

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 31 March 2023.

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 31 March 2023 and after adjusted for the effects of unexercised ESOS options.

(a) Basic EPS	Individual Period		Cumulative Period	
	Current Year Quarter <u>31.03.2023</u>	Preceding Year Corresponding Quarter <u>31.03.2022</u>	Current Year To Date <u>31.03.2023</u>	Preceding Year to Date <u>31.03.2022</u>
Profit/(Loss) attributable to equity holders of the Company (RM'000)	752	9,423	(16,276)	16,416
Weighted average number of ordinary shares in issue ('000)	528,141	528,141	528,141	528,141
Basic earnings/(loss) per share (sen)	0.14	1.78	(3.08)	3.11
(b) Diluted EPS	Current Year Quarter <u>31.03.2023</u>	Preceding Year Corresponding Quarter <u>31.03.2022</u>	Current Year To Date <u>31.03.2023</u>	Preceding Year to Date <u>31.03.2022</u>
Profit/(Loss) attributable to equity holders of the Company (RM'000)	752	9,423	(16,276)	16,416
Weighted average number of ordinary shares in issue ('000)	528,141	528,141	528,141	528,141
Effects of unexercised ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	528,141	528,141	528,141	528,141
Diluted earnings/(loss) per share (sen)	0.14	1.78	(3.08)	3.11

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

13 Profit Before Tax

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

	Individual Period		Cumulative Period	
	Current Year Quarter <u>31.03.2023</u> RM'000	Preceding Year Corresponding Quarter <u>31.03.2022</u> RM'000	Current Year To Date <u>31.03.2023</u> RM'000	Preceding Year to Date <u>31.03.2022</u> RM'000
After charging:				
Interest expense	12,594	10,339	32,058	30,455
Depreciation and amortization	1,217	1,535	3,778	4,477
Depreciation of right-of-use assets	656	788	2,268	2,410
Deferred day one loss in profit or loss	246	227	738	681
Reversal of Provision for foreseeable losses	(556)	-	(1,260)	-
After crediting:				
Government grant received in respect of a project of a a subsidiary company	-	-	-	15,904
Interest income	536	957	1,594	1,607
Rental income	988	404	2,929	1,483
Gain on disposal of property, plant and equipment	-	-	51	111
Reversal of allowance for impairment loss:				
Trade Receivables	-	15,021	-	15,021
Other Receivables	-	72	-	72
Other income	741	826	1,987	5,686
Distribution income from short term funds	4	3	11	10

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 31 March 2023.