



Malton Berhad

Registration No: 199401035205 (320888-T)

INTERIM FINANCIAL REPORT
31 DECEMBER 2023

MALTON BERHAD

Registration No: 199401035205 (320888-T)

Interim Financial Report – 31 DECEMBER 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 – 16 |

MALTON BERHAD

Registration No: 199401035205 (320888-T)

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

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|--|---|--|--|---|
| | CURRENT YEAR QUARTER 31.12.2023 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31.12.2022 RM'000 | CURRENT YEAR TO DATE 31.12.2023 RM'000 | PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.12.2022 RM'000 |
| Revenue | 212,330 | 151,105 | 342,291 | 279,784 |
| Operating expenses | (194,111) | (131,341) | (313,395) | (238,142) |
| Other operating income | 2,570 | 2,231 | 4,296 | 4,303 |
| Finance costs | (10,847) | (10,132) | (20,666) | (19,464) |
| Share in results of associated company and joint ventures | (84) | (12,859) | (209) | (28,409) |
| Profit/(Loss) before tax | 9,858 | (996) | 12,317 | (1,928) |
| Income tax expense | (7,822) | (6,374) | (8,593) | (15,109) |
| Net profit/(loss) for the period | 2,036 | (7,370) | 3,724 | (17,037) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income/(expense) for the period | 2,036 | (7,370) | 3,724 | (17,037) |
| Total comprehensive income/(expense) attributable to: | | | | |
| Owners of the Company | 2,045 | (7,365) | 3,746 | (17,028) |
| Non-controlling interests | (9) | (5) | (22) | (9) |
| | 2,036 | (7,370) | 3,724 | (17,037) |
| Earning/(Loss) per share attributable to equity holders of the Company: | | | | |
| Basic (sen) | 0.39 | (1.39) | 0.71 | (3.22) |
| Diluted (sen) | 0.39 | (1.39) | 0.71 | (3.22) |

(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 2023 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 31.12.2023 RM'000 | Audited As At 30.06.2023 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 21,625 | 23,427 |
| Right-of-use-assets | 4,171 | 4,265 |
| Investment properties | 222,198 | 221,705 |
| Land held for property development | 540,340 | 536,828 |
| Investment in associated company | 22,813 | 23,022 |
| Other investments | 131,833 | 203,234 |
| Deferred tax assets | 18,376 | 18,727 |
| Total non-current assets | 961,356 | 1,031,208 |
| Current assets | | |
| Property development costs | 289,447 | 369,156 |
| Inventories | 132,648 | 144,363 |
| Trade receivables | 347,856 | 398,626 |
| Other receivables and prepaid expenses | 70,102 | 85,436 |
| Contract assets | 300,229 | 287,056 |
| Amount owing by associated company | 2,833 | 2,233 |
| Amount owing by joint ventures | 39,619 | 37,249 |
| Tax recoverable | 1,404 | 900 |
| Short-term funds | 534 | 527 |
| Fixed deposits with licensed banks | 59,298 | 67,751 |
| Cash and bank balances | 129,243 | 140,030 |
| Total current assets | 1,373,213 | 1,533,327 |
| Total assets | 2,334,569 | 2,564,535 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Share capital | 528,552 | 528,552 |
| Other reserves | 2,938 | 2,938 |
| Retained earnings | 392,525 | 388,779 |
| | 924,015 | 920,269 |
| Non-controlling Interests | 1,997 | 2,019 |
| Total equity | 926,012 | 922,288 |
| Non-current liabilities | | |
| Bank borrowings - non-current portion | 292,082 | 287,330 |
| Hire-purchase payables - non-current portion | 278 | 304 |
| Lease liabilities - non-current portion | 1,964 | 2,575 |
| Deferred tax liabilities | 49,969 | 49,969 |
| Total non-current liabilities | 344,293 | 340,178 |
| Current liabilities | | |
| Trade payables | 539,313 | 643,451 |
| Other payables and accrued expenses | 106,150 | 138,538 |
| Redeemable preference shares | 79,824 | 79,824 |
| Contract liabilities | 10,505 | 9,322 |
| Amount owing to joint ventures | - | 93 |
| Bank borrowings - current portion | 315,622 | 405,921 |
| Hire-purchase payables - current portion | 189 | 390 |
| Lease liabilities - current portion | 2,353 | 1,801 |
| Tax liabilities | 10,308 | 22,729 |
| Total current liabilities | 1,064,264 | 1,302,069 |
| Total liabilities | 1,408,557 | 1,642,247 |
| TOTAL EQUITY AND LIABILITIES | 2,334,569 | 2,564,535 |
| Net assets per share attributable to equity holders of the Company (RM) | 1.75 | 1.74 |

(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 2023 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 DECEMBER 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 1.7.2022 | 528,552 | 2,065 | 943 | 471,995 | 17,560 | 1,021,115 |
| Total comprehensive expense for the period | - | - | - | (17,028) | (9) | (17,037) |
| Balance as at 31.12.2022 | 528,552 | 2,065 | 943 | 454,967 | 17,551 | 1,004,078 |
| Balance as at 1.7.2023 | 528,552 | 2,065 | 873 | 388,779 | 2,019 | 922,288 |
| Total comprehensive income/(expense) for the period | - | - | - | 3,746 | (22) | 3,724 |
| Balance as at 31.12.2023 | 528,552 | 2,065 | 873 | 392,525 | 1,997 | 926,012 |

(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 2023 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 DECEMBER 2023**

(These figures have not been audited)

| | Unaudited 31.12.2023 RM'000 | Unaudited 31.12.2022 RM'000 |
|--|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before Taxation | 12,317 | (1,928) |
| Adjustments for : | | |
| Finance costs | 20,666 | 19,464 |
| Depreciation of: | | |
| Property, plant & equipment | 1,933 | 2,561 |
| Right-of-use-assets | 1,228 | 1,612 |
| Reversal of allowance for impairment loss in: | | |
| Trade receivables | (411) | - |
| Share in result of associated company and joint ventures | 209 | 28,409 |
| Loss on disposal of property, plant and equipment | - | (51) |
| Reversal of provision for foreseeable losses | - | (704) |
| Distribution income on short term funds | (7) | (7) |
| Interest income | (1,190) | (1,058) |
| Deferred day one loss in profit or loss | - | 492 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | <u>34,745</u> | <u>48,790</u> |
| CHANGES IN WORKING CAPITAL | | |
| Decrease/(Increase) in: | | |
| Property development costs - current portion | 80,146 | (8,053) |
| Trade receivables | 51,181 | 65,889 |
| Other receivables and prepaid expenses | 13,126 | 21,340 |
| Inventories | 11,276 | 8,977 |
| Contract assets | (12,546) | 36,678 |
| Amount due from associated company | (600) | (1,550) |
| Amount due from joint ventures | 1,965 | 6,136 |
| (Decrease)/Increase in: | | |
| Trade payables | (104,136) | (137,520) |
| Other payables and accrued expenses | (32,242) | (30,666) |
| Contract liabilities | 556 | 17,503 |
| CASH FROM OPERATIONS | <u>43,471</u> | <u>27,524</u> |
| Income tax paid | (21,761) | (10,130) |
| Income tax refunded | 593 | - |
| NET CASH FROM OPERATING ACTIVITIES | <u>22,303</u> | <u>17,394</u> |
| CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES | | |
| Increase in land held for property development | (3,512) | (1,841) |
| Additions to property, plant & equipment | (130) | (419) |
| Additions to investment properties | (492) | - |
| (Placement)/Withdrawal of: | | |
| Fixed deposit | (6,030) | 1,976 |
| Restricted cash at bank | 14,564 | 1,268 |
| Additions to short-term funds | (7) | (7) |
| Proceeds from disposal of property, plant & equipment | - | 55 |
| Interest received | 1,157 | 1,030 |
| Distribution income on short-term funds received | 7 | 7 |
| Acquisition of an associated company | - | (23,400) |
| Proceed from/(Additions to) investment in redeemable preference shares | 71,400 | (10,174) |
| NET CASH FROM/(USED IN) INVESTING ACTIVITIES | <u>76,957</u> | <u>(31,505)</u> |
| CASH FLOW USED IN FINANCING ACTIVITIES | | |
| Proceeds from bank borrowings | 313,357 | 188,270 |
| Repayments of bank borrowings | (382,250) | (204,042) |
| Repayments of hire-purchase payables | (227) | (263) |
| Repayment of lease liabilities | (1,192) | (1,722) |
| Interest paid | (20,666) | (14,351) |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(90,978)</u> | <u>(32,108)</u> |
| Net increase/(decrease) in cash and cash equivalents | 8,282 | (46,219) |
| Cash and cash equivalents at the beginning of the period | 140,506 | 144,250 |
| Cash and cash equivalents at the end of the period | <u>148,788</u> | <u>98,031</u> |
| Cash and cash equivalents comprise the followings : | | |
| Cash and bank balances | 148,791 | 119,213 |
| Bank overdrafts | (3) | (21,182) |
| | <u>148,788</u> | <u>98,031</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 2023 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 2023 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 2023, 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 2023 as follows:

| | |
|------------------------|--|
| MFRS 17 | Insurance Contracts |
| Amendments to MFRS 4 | Extension of the Temporary Exemption from Applying MFRS 9 |
| Amendments to MFRS 17 | Initial Application of MFRS 17 and MFRS 9 - Comparative Information |
| Amendments to MFRS 101 | Disclosure of Accounting Policies |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-Current |
| Amendments to MFRS 108 | Definition of Accounting Estimates |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to MFRS 112 | International Tax Reform – Pillar Two Model Rules |

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:

| | |
|------------------------------------|---|
| Amendments to MFRS 16 | Lease Liability in a Sales and Leaseback ¹ |
| Amendments to MFRS 101 | Non-current Liabilities with Covenants ¹ |
| Amendments to MFRS 121 | Lack of Exchangeability ² |
| Amendments to MFRS 10 and MFRS 128 | Sales or Contribution of Assets between an Investor and its Associate or joint Venture ² |
| Amendments to MFRS 7 and MFRS 107 | Supplier Finance Arrangements ¹ |

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

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

- ¹ Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023

8 Segmental Reporting

- a) Analysis of revenue and results by business segments for the financial period ended 31 December 2023:

| | Property development RM'000 | Property trading RM'000 | Construction contracts RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|---|-----------------------------------|-------------------------------|-------------------------------------|------------------|-----------------------|-----------------|
| Revenue | | | | | | |
| External Sales | 170,924 | 13,004 | 154,732 | 3,631 | - | 342,291 |
| Inter-segment Sales | - | - | 22,906 | 24,528 | (47,434) | - |
| Total revenue | 170,924 | 13,004 | 177,638 | 28,159 | (47,434) | 342,291 |
| Results | | | | | | |
| Segmental results | 25,845 | 429 | 11,392 | 17,827 | (23,498) | 31,995 |
| Interest and distribution income | | | | | | 1,197 |
| Profit from operations | | | | | | 33,192 |
| Finance costs | | | | | | (20,666) |
| Share in results of associated company and joint ventures | | | | | | (209) |
| Profit before tax | | | | | | 12,317 |
| Income tax expense | | | | | | (8,593) |
| Profit for the period | | | | | | 3,724 |

- b) Analysis of revenue and results by business segments for the financial period ended 31 December 2022:

| | Property development RM'000 | Property trading RM'000 | Construction contracts RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|---------------------------------------|-----------------------------------|-------------------------------|-------------------------------------|------------------|-----------------------|-----------------|
| Revenue | | | | | | |
| External Sales | 192,838 | 10,693 | 72,950 | 3,303 | - | 279,784 |
| Inter-segment Sales | - | - | 17,062 | 24,867 | (41,929) | - |
| Total revenue | 192,838 | 10,693 | 90,012 | 28,170 | (41,929) | 279,784 |
| Results | | | | | | |
| Segmental results | 40,616 | 2,561 | 5,925 | 19,190 | (23,412) | 44,880 |
| Interest and distribution income | | | | | | 1,065 |
| Profit from operations | | | | | | 45,945 |
| Finance costs | | | | | | (19,464) |
| Share in results of joint ventures | | | | | | (28,409) |
| Loss before tax | | | | | | (1,928) |
| Income tax expense | | | | | | (15,109) |
| Loss for the period | | | | | | (17,037) |

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

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 and year-to-date.

12 Contingent Liabilities

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

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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>31.12.2023</u> RM'000 | <u>31.12.2022</u> RM'000 | <u>31.12.2023</u> R'000 | <u>31.12.2022</u> RM'000 |
| Progress billings received/Receivable: | | | | |
| Impian Ekspresi Sdn Bhd* | - | 2,938 | - | 2,938 |
| Jendela Mayang Sdn Bhd* | 34 | 1,253 | 93 | 4,756 |
| WCT OUG Development Sdn Bhd* | 31,199 | 25,499 | 63,155 | 45,037 |
| WCT Berhad* | 47,258 | 38 | 85,494 | 38 |
| Rental received/receivable: | | | | |
| WCT Holdings Berhad* | 98 | 98 | 196 | 196 |
| Pavilion REIT Management Sdn Bhd # | 98 | 98 | 196 | 196 |
| Management fees received/receivable: | | | | |
| Regal Path Sdn Bhd* | 30 | - | 70 | 19 |
| Management fees paid/payable: | | | | |
| Kuala Lumpur Pavilion Sdn Bhd* | 29 | 29 | 58 | 58 |
| Rental paid/payable to: | | | | |
| Pavilion REIT # | 593 | 593 | 1,186 | 1,186 |
| Lumayan Indah Sdn Bhd* | 50 | 50 | 99 | 99 |

* 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.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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>31.12.2023</u> RM'000 | <u>31.12.2022</u> RM'000 | | <u>31.12.2023</u> RM'000 | <u>31.12.2022</u> RM'000 | |
| Revenue | | | | | | |
| Property development | 104,660 | 101,465 | | 170,924 | 192,838 | |
| Property trading | 1,301 | 4,610 | | 13,004 | 10,693 | |
| Sub-Total | 105,961 | 106,075 | (0.1) | 183,928 | 203,531 | (9.6) |
| Construction | 104,403 | 43,388 | 140.6 | 154,732 | 72,950 | 112.1 |
| Others | 1,966 | 1,642 | 19.7 | 3,631 | 3,303 | 9.9 |
| Total | 212,330 | 151,105 | 40.5 | 342,291 | 279,784 | 22.3 |
| Profit/(Loss) Before Tax ("PBT") | | | | | | |
| Property development | 13,151 | 16,507 | | 20,065 | 31,199 | |
| Property trading | 322 | 1,075 | | 429 | 2,561 | |
| Sub-Total | 13,473 | 17,582 | (23.4) | 20,494 | 33,760 | (39.3) |
| Construction | 2,263 | 157 | 1,341.4 | 4,884 | 4,861 | 0.5 |
| Others | (5,878) | (18,735) | 68.6 | (13,061) | (40,549) | 67.8 |
| Total | 9,858 | (996) | 1,089.8 | 12,317 | (1,928) | 738.8 |

The Group's revenue for the current year quarter increased by 40.5% to RM212.3 million as compared to RM151.1 million reported in the preceding year corresponding quarter. The Group recorded PBT of RM9.9 million for the current year quarter as compared to a loss of RM1.0 million reported in the preceding year corresponding quarter.

The Group's revenue for the current year-to-date increased by 22.3% to RM342.3 million as compared to RM279.8 million reported in the preceding year corresponding year-to-date. This was mainly attributable to higher work progress recognized from the construction division. PBT for the current year year-to-date improved to RM12.3 million as compared to a loss of RM1.9 million reported in the preceding year corresponding year-to-date.

The improvement in PBT for the current year quarter and year-to-date was mainly attributed to the lower share of losses of associated company and joint ventures. The Group's share of results was limited to the cost of investments in the Joint Ventures which was fully adjusted in the financial year ended 30 June 2023.

1 Review of Performance (Cont'd)

Property Development and Trading

Revenue from the property development and trading divisions decreased marginally for the current year quarter as compared to the preceding year corresponding quarter.

PBT from the property development and trading divisions decreased by 23.4% to RM13.5 million for the current quarter as compared to RM17.6 million in the preceding year corresponding quarter due to the revision of profit margin arising from additional costs and promotion packages for certain on-going projects.

Revenue decreased by 9.6% to RM183.9 million for the current year-to-date as compared to RM203.5 million in the preceding year corresponding year-to-date due to the completion of Menara BAC project and lower progress billings recognized from Duta Park Residences @ Jalan Kuching which is in advance stage of completion.

PBT decreased by 39.3% to RM20.5 million for the current year-to-date as compared to RM33.8 million in the preceding year corresponding year-to-date. This was in line with the decreased billings in the property development division coupled with the thin margin on the sale of completed properties recorded during the current year-to-date.

Construction

Revenue from the construction division increased by 140.6% to RM104.4 million for current year quarter as compared to RM43.4 million in the preceding year corresponding quarter due to higher work progress of The Maple Residences and Serviced Residences @ Damansara Heights projects.

As a result, PBT for the current year quarter improved to RM2.3 million as compared to RM0.2 million reported in the preceding year corresponding quarter.

Revenue increased by 112.1% to RM154.7 million for the current year-to-date as compared to RM73.0 million in the preceding year corresponding year-to-date due to higher progress billings recognized from on-going projects. However, PBT increased marginally due to higher proportion of billings from lower margin projects during the current year-to-date.

Share of Results of Associated Company and Joint Ventures

The share of results of associated company and joint ventures showed a loss of RM0.1 million and RM0.2 million in the current quarter and year-to-date respectively due to higher overhead of the associated company. The Group's share of results of the joint ventures was limited to the cost of investments in the Joint Ventures which was fully adjusted in the financial year ended 30 June 2023.

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

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

| | Current Quarter 31.12.2023 RM'000 | Immediate Preceding Quarter 30.09.2023 RM'000 | Change % |
|----------------------------------|---|--|---------------------|
| Revenue | | | |
| Property development | 104,660 | 66,264 | |
| Property trading | 1,301 | 11,703 | |
| Sub-Total | 105,961 | 77,967 | 35.9 |
| Construction | 104,403 | 50,329 | 107.4 |
| Others | 1,966 | 1,665 | 18.1 |
| Total | 212,330 | 129,961 | 63.4 |
| Profit Before Tax ("PBT") | | | |
| Property development | 13,151 | 6,914 | |
| Property trading | 322 | 107 | |
| Sub-Total | 13,473 | 7,021 | 91.9 |
| Construction | 2,263 | 2,621 | (13.7) |
| Others | (5,878) | (7,183) | 18.2 |
| Total | 9,858 | 2,459 | 300.9 |

The Group's revenue increased by 63.4% to RM212.3 million for the current year quarter as compared to RM130.0 million for the immediate preceding quarter. The increase in revenue for the current quarter was mainly due to higher progress billings recognized from Duta Park Residences @ Jalan Kuching coupled with higher work progress of residential towers @ Damansara Heights from the construction division.

The Group recorded PBT of RM9.9 million for the current year quarter as compared to RM2.5 million for the immediate preceding quarter. This was in line with the higher level of property development activities during the current year quarter and lower administrative expenses.

3 Prospects for the Next Financial Year Ending 30 June 2024

The recovery of the property development industry is expected to continue in 2024, given the numerous ongoing initiatives scheduled for the year. The government initiatives including full exemption on stamp duty for first-time house buyers (for RM500,000 and below) until the end of 2025, Housing Credit Guarantee Scheme allocation doubled to RM10 billion under the 2024 budget is expected to benefit 40,000 borrowers, followed by the Malaysia My Second Home (MM2H) Visa Liberalisation Plan, aimed at attracting foreign tourists and investors. Furthermore, the expectations that the overnight policy rate (OPR) at 3% will remain unchanged this year, will have a broader positive impact on the property development industry.

Notwithstanding the above, the Group is cautiously optimistic about the outlook of the property market, given the weakened consumer sentiment due to high inflation rates. The Group will remain resilient and vigilant in addressing any uncertainties in its business activities, carefully planning new launches and focusing on certain geographical areas or property types with attractive sales packages.

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

3 Prospects for the Current Financial Year Ending 30 June 2024 (Cont'd)

Barring the uncertainty of economic recovery over the next quarter and beyond, the ongoing development projects of the Group namely, Duta Park Residence @ Jalan Kuching, River Park @ Bangsar South, Mutiara Hilltop @ Puchong and Rapid City Centre @ Johor with total unbilled sales of RM740 million as of 31 December 2023 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 2024.

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>31.12.2023</u> RM'000 | <u>31.12.2022</u> RM'000 | <u>31.12.2023</u> RM'000 | <u>31.12.2022</u> RM'000 |
| Current taxation | 6,871 | 5,851 | 8,242 | 13,882 |
| Deferred taxation | 951 | 523 | 351 | 1,227 |
| | <u>7,822</u> | <u>6,374</u> | <u>8,593</u> | <u>15,109</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.

8 Status of Corporate Proposals

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

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

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:

| As at 31 December 2023 | | | |
|-------------------------------|-------------------------|--------------------------|---------------------|
| | <u>Long-term</u> | <u>Short-term</u> | <u>Total</u> |
| | RM'000 | RM'000 | RM'000 |
| Secured | | | |
| Term loans | 207,864 | 55,906 | 263,770 |
| Revolving credits | 54,458 | 166,075 | 220,533 |
| Bridging loans | 29,760 | - | 29,760 |
| Redeemable preference shares | - | 79,824 | 79,824 |
| Trade facilities | - | 48,638 | 48,638 |
| Bank overdrafts | - | 3 | 3 |
| Hire-purchase payables | 278 | 189 | 467 |
| | <u>292,360</u> | <u>350,635</u> | <u>642,995</u> |
| Unsecured | | | |
| Revolving credit | - | 45,000 | 45,000 |
| | <u>292,360</u> | <u>395,635</u> | <u>687,995</u> |

| As at 31 December 2022 | | | |
|-------------------------------|-------------------------|--------------------------|---------------------|
| | <u>Long-term</u> | <u>Short-term</u> | <u>Total</u> |
| | RM'000 | RM'000 | RM'000 |
| Secured | | | |
| Term loans | 81,208 | 11,254 | 92,462 |
| Revolving credits | 89,684 | 213,920 | 303,604 |
| Bridging loans | 41,844 | 454 | 42,298 |
| Redeemable preference shares | 56,109 | - | 56,109 |
| Bank overdrafts | - | 21,182 | 21,182 |
| Hire-purchase payables | 443 | 528 | 971 |
| | <u>269,288</u> | <u>247,338</u> | <u>516,626</u> |
| Unsecured | | | |
| Revolving credit | - | 45,000 | 45,000 |
| | <u>269,288</u> | <u>292,338</u> | <u>561,626</u> |

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

10 Material Litigation

As of the date of this report, the Group is not 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 Group or of any fact likely to give rise to any proceeding which may materially affect the financial position or business of the Group.

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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023

12 Earnings/(Loss) 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 December 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 December 2023 and after adjusted for the effects of unexercised ESOS options.

| | Individual Period | | Cumulative Period | |
|--|--|--|---|--|
| (a) Basic EPS | Current Year Quarter <u>31.12.2023</u> | Preceding Year Corresponding Quarter <u>31.12.2022</u> | Current Year- To-Date <u>31.12.2023</u> | Preceding Year-to-Date <u>31.12.2022</u> |
| Profit/(Loss) attributable to equity holders of the Company (RM'000) | 2,045 | (7,365) | 3,746 | (17,028) |
| Weighted average number of ordinary shares in issue ('000) | 528,141 | 528,141 | 528,141 | 528,141 |
| Basic earnings/(loss) per share (sen) | 0.39 | (1.39) | 0.71 | (3.22) |
| (b) Diluted EPS | Current Year Quarter <u>31.12.2023</u> | Preceding Year Corresponding Quarter <u>31.12.2022</u> | Current Year- To-Date <u>31.12.2023</u> | Preceding Year-to-Date <u>31.12.2022</u> |
| Profit/(Loss) attributable to equity holders of the Company (RM'000) | 2,045 | (7,365) | 3,746 | (17,028) |
| 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) | 0.39 | (1.39) | 0.71 | (3.22) |

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

13 Profit/(Loss) Before Tax

The following items have been included in arriving at profit/(loss) before tax:

| | Individual Period | | Cumulative Period | |
|--|--|--|---|--|
| | Current Year Quarter <u>31.12.2023</u> RM'000 | Preceding Year Corresponding Quarter <u>31.12.2022</u> RM'000 | Current Year- To-Date <u>31.12.2023</u> RM'000 | Preceding Year-to-Date <u>31.12.2022</u> RM'000 |
| After charging: | | | | |
| Interest expense | 10,847 | 10,132 | 20,666 | 19,464 |
| Depreciation and amortization | 955 | 1,259 | 1,933 | 2,561 |
| Depreciation of right-of-use assets | 820 | 798 | 1,228 | 1,612 |
| Deferred day one loss in profit or loss | (246) | 246 | - | 492 |
| Reversal of Provision for foreseeable losses | - | 460 | - | 704 |
| After crediting: | | | | |
| Interest income | 620 | 342 | 1,190 | 1,058 |
| Rental income | 1,219 | 1,164 | 2,249 | 1,941 |
| Other income | 317 | 670 | 439 | 1,246 |
| Gain on disposal of property, Plant and equipment | - | 51 | - | 51 |
| Reversal of allowance for impairment loss on trade receivables | 411 | - | 411 | - |
| Distribution income from short term funds | 3 | 4 | 7 | 7 |

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 December 2023.