



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 | | |
| 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 | 528,552 | 2,065 | 1,153 | 398,467 | 19,163 | 949,400 |
| 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 | 528,552 | 2,065 | 1,153 | 411,967 | 17,665 | 961,402 |

(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)**

| | <u>31.03.2022</u> RM'000 | <u>31.03.2021</u> 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 | <u>50,585</u> | <u>44,852</u> |
| 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 | <u>214,194</u> | <u>(27,640)</u> |
| Income tax paid | (20,531) | (16,268) |
| Income tax refunded | 4 | 1 |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES | <u>193,667</u> | <u>(43,907)</u> |
| 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 | <u>(47,442)</u> | <u>(64,734)</u> |
| 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 | <u>(85,651)</u> | <u>67,005</u> |
| 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 | <u>129,710</u> | <u>92,944</u> |
| Cash and cash equivalents comprise the followings : | | |
| Cash and bank balances | 150,894 | 110,793 |
| Bank overdrafts | (21,184) | (17,849) |
| | <u>129,710</u> | <u>92,944</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 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

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**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.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**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 | <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 | | | | | | <u>29,383</u> |
| Income tax expense | | | | | | <u>(13,318)</u> |
| Profit for the period | | | | | | <u>16,065</u> |

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 | <u>592,925</u> | <u>13,651</u> | <u>320,137</u> | <u>47,683</u> | <u>(208,952)</u> | <u>765,444</u> |
| Results | | | | | | |
| Segmental results | <u>22,344</u> | <u>1,778</u> | <u>8,224</u> | <u>35,540</u> | <u>(32,465)</u> | 35,421 |
| Interest and distribution income | | | | | | <u>1,434</u> |
| Profit from operations | | | | | | 36,855 |
| Finance costs | | | | | | (24,913) |
| Share in results of joint ventures | | | | | | - |
| Profit before tax | | | | | | <u>11,942</u> |
| Income tax expense | | | | | | <u>(6,710)</u> |
| Profit for the Period | | | | | | <u>5,232</u> |

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.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**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 <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 Corresponding Year To-Date <u>31.3.2021</u> 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.

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2022**

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 | <u>119,035</u> | <u>152,553</u> | (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 | <u>13,603</u> | <u>13,865</u> | (1.9) |

MALTON BERHAD [Registration No. 199401035205 (320888-T)]
**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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5 Taxation

Details of taxation are as follows:

| | 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 Corresponding Year To-Date <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.

| (a) Basic EPS | Individual Period | | Cumulative Period | |
|--|--|---|---|---|
| | 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.