



Malton Berhad

Registration No: 199401035205 (320888-T)

INTERIM FINANCIAL REPORT
30 SEPTEMBER 2023

MALTON BERHAD

Registration No: 199401035205 (320888-T)

Interim Financial Report – 30 September 2023

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MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023
(These figures have not been audited)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2022 RM'000	CURRENT YEAR- TO-DATE 30.09.2023 RM'000	PRECEDING YEAR CORRESPONDING YEAR-TO-DATE 30.09.2022 RM'000
Revenue	129,961	128,679	129,961	128,679
Operating expenses	(119,284)	(106,801)	(119,284)	(106,801)
Other operating income	1,726	2,072	1,726	2,072
Finance costs	(9,819)	(9,332)	(9,819)	(9,332)
Share in results of associated company and joint ventures	(125)	(15,550)	(125)	(15,550)
Profit/(Loss) before tax	2,459	(932)	2,459	(932)
Income tax expense	(771)	(8,735)	(771)	(8,735)
Net profit/(loss) for the period	1,688	(9,667)	1,688	(9,667)
Other comprehensive income	-	-	-	-
Total comprehensive income/(expense) for the period	1,688	(9,667)	1,688	(9,667)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	1,701	(9,663)	1,701	(9,663)
Non-controlling interests	(13)	(4)	(13)	(4)
	1,688	(9,667)	1,688	(9,667)
Earning/(Loss) per share attributable to equity holders of the Company:				
Basic (sen)	0.32	(1.83)	0.32	(1.83)
Diluted (sen)	0.32	(1.83)	0.32	(1.83)

(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 30.09.2023 RM'000	Audited As At 30.06.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,455	23,427
Right-of-use-assets	3,857	4,265
Investment properties	222,170	221,705
Land held for property development	538,700	536,828
Investment in associated company	22,897	23,022
Investment in joint ventures	-	-
Other investments	202,987	203,234
Deferred tax assets	19,328	18,727
Total non-current assets	<u>1,032,394</u>	<u>1,031,208</u>
Current assets		
Property development costs	351,120	369,156
Inventories	133,329	144,363
Trade receivables	327,799	398,626
Other receivables and prepaid expenses	76,869	85,436
Contract assets	266,995	287,056
Amount owing by associated company	2,533	2,233
Amount owing by joint ventures	39,109	37,249
Tax recoverable	2,701	900
Short-term funds	531	527
Fixed deposits with licensed banks	19,972	67,751
Cash and bank balances	99,006	140,030
Total current assets	<u>1,319,964</u>	<u>1,533,327</u>
Total assets	<u>2,352,358</u>	<u>2,564,535</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	528,552	528,552
Other reserves	2,938	2,938
Retained earnings	390,480	388,779
	<u>921,970</u>	<u>920,269</u>
Non-controlling Interests	2,006	2,019
Total equity	<u>923,976</u>	<u>922,288</u>
Non-current liabilities		
Bank borrowings - non-current portion	284,560	287,330
Hire-purchase payables - non-current portion	353	304
Lease liabilities - non-current portion	1,964	2,575
Deferred tax liabilities	49,969	49,969
Total non-current liabilities	<u>336,846</u>	<u>340,178</u>
Current liabilities		
Trade payables	517,547	643,451
Other payables and accrued expenses	97,968	138,538
Redeemable preference shares	79,824	79,824
Contract liabilities	33,273	9,322
Amount owing to joint ventures	63	93
Bank borrowings - current portion	346,233	405,921
Hire-purchase payables - current portion	221	390
Lease liabilities - current portion	2,016	1,801
Tax liabilities	14,391	22,729
Total current liabilities	<u>1,091,536</u>	<u>1,302,069</u>
Total liabilities	<u>1,428,382</u>	<u>1,642,247</u>
TOTAL EQUITY AND LIABILITIES	<u>2,352,358</u>	<u>2,564,535</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>1.75</u>	<u>1.74</u>

(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 30 SEPTEMBER 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	-	-	-	(9,663)	(4)	(9,667)
Balance as at 30.09.2022	528,552	2,065	943	462,332	17,556	1,011,448
Balance as at 1.7.2023	528,552	2,065	873	388,779	2,019	922,288
Total comprehensive income/(expense) for the period	-	-	-	1,701	(13)	1,688
Balance as at 30.09.2023	528,552	2,065	873	390,480	2,006	923,976

(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 30 SEPTEMBER 2023**

(These figures have not been audited)

	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before Taxation	2,459	(932)
Adjustments for :		
Finance costs	9,819	9,332
Depreciation of:		
Property, plant & equipment	978	1,302
Right-of-use-assets	408	814
Share in result of associated company and joint ventures	125	15,550
Reversal of provision for foreseeable losses	-	(244)
Distribution income on short term funds	(4)	(3)
Interest income	(570)	(716)
Deferred day one loss in profit or loss	246	246
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	13,461	25,349
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in:		
Property development costs - current portion	18,035	(21,069)
Trade receivables	70,827	58,390
Other receivables and prepaid expenses	8,503	(3,860)
Inventories	11,034	5,463
Contract assets	42,867	42,602
Amount due from associated company	(300)	(1,351)
Amount due from joint ventures	(1,379)	3,382
(Decrease)/Increase in:		
Trade payables	(125,905)	(78,268)
Other payables and accrued expenses	(40,516)	(13,868)
Contract liabilities	1,145	4,811
CASH (USED IN)/FROM OPERATIONS	(2,228)	21,581
Income tax paid	(12,104)	(3,677)
Income tax refunded	593	-
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(13,739)	17,904
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Increase in land held for property development	(1,872)	(911)
Additions to property, plant & equipment	(7)	(205)
Additions to investment properties	(464)	-
Withdrawal of:		
Fixed deposit	6,296	8,991
Restricted cash at bank	17,983	1,260
Additions to short-term funds	(4)	(3)
Interest received	553	702
Distribution income on short-term funds received	4	3
Acquisition of an associated company	-	(23,400)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	22,489	(13,563)
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from bank borrowings	162,518	94,667
Repayments of bank borrowings	(220,541)	(142,637)
Repayments of hire-purchase payables	(120)	(133)
Repayment of lease liabilities	(395)	(872)
Interest paid	(9,818)	(6,776)
NET CASH USED IN FINANCING ACTIVITIES	(68,356)	(55,751)
Net decrease in cash and cash equivalents	(59,606)	(51,410)
Cash and cash equivalents at the beginning of the period	140,506	144,250
Cash and cash equivalents at the end of the period	80,900	92,840
Cash and cash equivalents comprise the followings :		
Cash and bank balances	94,974	114,773
Bank overdrafts	(14,074)	(21,933)
	80,900	92,840

(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.)

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

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 Leasback 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 ³

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UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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.
- ³ Effective date deferred to a date to be determined and announced by MASB, 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.

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UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

8 Segmental Reporting

- a) Analysis of revenue and results by business segments for the financial period ended 30 September 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	66,264	11,703	50,329	1,665	-	129,961
Inter-segment Sales	-	-	8,125	12,320	(20,445)	-
Total revenue	<u>66,264</u>	<u>11,703</u>	<u>58,454</u>	<u>13,985</u>	<u>(20,445)</u>	<u>129,961</u>
Results						
Segmental results	<u>9,793</u>	<u>107</u>	<u>6,276</u>	<u>7,837</u>	<u>(12,184)</u>	11,829
Interest and distribution income						<u>574</u>
Profit from operations						12,403
Finance costs						(9,819)
Share in results of associated company and joint ventures						<u>(125)</u>
Profit before tax						2,459
Income tax expense						<u>(771)</u>
Profit for the period						<u>1,688</u>

- b) Analysis of revenue and results by business segments for the financial period ended 30 September 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	91,373	6,083	29,562	1,661	-	128,679
Inter-segment Sales	-	-	7,001	105	(7,106)	-
Total revenue	<u>91,373</u>	<u>6,083</u>	<u>36,563</u>	<u>1,766</u>	<u>(7,106)</u>	<u>128,679</u>
Results						
Segmental results	<u>19,340</u>	<u>1,486</u>	<u>5,311</u>	<u>(6,617)</u>	<u>3,711</u>	23,231
Interest and distribution income						<u>719</u>
Profit from operations						23,950
Finance costs						(9,332)
Share in results of joint ventures						<u>(15,550)</u>
Loss before tax						(932)
Income tax expense						<u>(8,735)</u>
Loss for the period						<u>(9,667)</u>

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UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

13 Significant Related Party Transactions

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Year-To-Date
	<u>30.09.2023</u>	<u>30.09.2022</u>	<u>30.09.2023</u>	<u>30.09.2022</u>
	RM'000	RM'000	R'000	RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd*	-	3,503	-	3,503
Jendela Mayang Sdn Bhd*	59	-	59	-
WCT OUG Development Sdn Bhd*	29,956	19,538	29,956	19,538
WCT Berhad*	38,236	-	38,236	-
Rental received/receivable:				
WCT Holdings Berhad*	98	98	98	98
Pavilion REIT Management Sdn Bhd #	98	98	98	98
Management fees received/receivable:				
Regal Path Sdn Bhd*	40	19	40	19
Management fees paid/payable:				
Kuala Lumpur Pavilion Sdn Bhd*	29	29	29	29
Rental paid/payable to:				
Pavilion REIT #	593	593	593	593
Lumayan Indah Sdn Bhd*	49	49	49	49

* 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.

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UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1 Review of Performance

	Individual Period		Change %	Cumulative Period		Change %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year-To- Date	Preceding Year Corresponding Year-To-Date	
	<u>30.09.2023</u> RM'000	<u>30.09.2022</u> RM'000		<u>30.09.2023</u> RM'000	<u>30.09.2022</u> RM'000	
Revenue						
Property development	66,264	91,373		66,264	91,373	
Property trading	11,703	6,083		11,703	6,083	
Sub-Total	<u>77,967</u>	<u>97,456</u>	(20.0)	<u>77,967</u>	<u>97,456</u>	(20.0)
Construction	50,329	29,562	70.2	50,329	29,562	70.2
Others	1,665	1,661	0.2	1,665	1,661	0.2
Total	<u>129,961</u>	<u>128,679</u>	1.0	<u>129,961</u>	<u>128,679</u>	1.0
Profit/(Loss) Before Tax ("PBT")						
Property development	6,914	14,692		6,914	14,692	
Property trading	107	1,486		107	1,486	
Sub-Total	<u>7,021</u>	<u>16,178</u>	(56.6)	<u>7,021</u>	<u>16,178</u>	(56.6)
Construction	2,621	4,209	(37.7)	2,621	4,209	(37.7)
Others	(7,183)	(21,319)	66.3	(7,183)	(21,319)	66.3
Total	<u>2,459</u>	<u>(932)</u>	363.8	<u>2,459</u>	<u>(932)</u>	363.8

The Group's revenue for the current year quarter and year-to-date increased marginally to RM130.0 million as compared to RM128.7 million reported in the preceding year corresponding quarter and year-to-date.

Nevertheless, PBT for the current year quarter and year-to-date improved to RM2.5 million as compared to a loss of RM0.9 million reported in the preceding year corresponding quarter and year-to-date. The improvement in PBT 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.

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UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

1 Review of Performance (Cont'd)

Property Development and Trading

Revenue from the property development and trading divisions decreased by 20.0% to RM78.0 million for the current year quarter as compared to RM97.5 million in the preceding year corresponding quarter mainly due to the completion of Menara BAC and Hyatt Place Kuala Lumpur projects.

PBT from the property development and trading divisions decreased by 56.6% to RM7.0 million for the current quarter as compared to RM16.2 million in the preceding year corresponding quarter. 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 quarter.

Construction

Revenue from the construction division increased by 70.2% to RM50.3 million for current year quarter as compared to RM29.6 million in the preceding year corresponding quarter due to higher work progress of The Maple Residences and Serviced Residences @ Damansara Heights projects.

Notwithstanding the higher turnover achieved, PBT for the current year quarter decreased by 37.7% to RM2.6 million as compared to RM4.2 million reported in the preceding year corresponding quarter due to remeasurement of the completed construction projects and cost containment exercises undertaken 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 RM0.1 million in the current quarter and year-to-date due to higher overhead of the associated company. 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.

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UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

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

	Current Quarter	Immediate Preceding Quarter	Change %
	<u>30.09.2023</u>	<u>30.06.2023</u>	
	RM'000	RM'000 (Restated)	
Revenue			
Property development	66,264	90,245	
Property trading	11,703	6,085	
Sub-Total	<u>77,967</u>	<u>96,330</u>	(19.1)
Construction	50,329	177,844	(71.7)
Others	1,665	1,651	0.8
Total	<u><u>129,961</u></u>	<u><u>275,825</u></u>	(52.9)
Profit/(Loss) Before Tax ("PBT")			
Property development	6,914	(71,723)	
Property trading	107	(1,435)	
Sub-Total	<u>7,021</u>	<u>(73,158)</u>	109.6
Construction	2,621	2,015	30.1
Others	(7,183)	(11,118)	35.4
Total	<u><u>2,459</u></u>	<u><u>(82,261)</u></u>	103.0

The Group's revenue decreased by 52.9% to RM130.0 million for the current year quarter as compared to RM275.8 million for the immediate preceding quarter. The decrease in revenue for the current quarter was mainly due to the completion of certain property development and construction projects coupled with lower progress billings recognised from on-going projects.

However, the Group recorded PBT of RM2.5 million for the current year quarter as compared to a loss of RM82.3 million for the immediate preceding quarter, attributed mainly to written off of land held for property development, fair value loss on investment in redeemable preference shares and accrual of additional RPS interest expense in the immediate preceding quarter.

3 Prospects for the Next Financial Year Ending 30 June 2024

Moving forward, the Group expects a gradual recovery in the property development industry on improved market sentiments along with Bank Negara Malaysia's announcement in September 2023 to maintain its overnight policy rate (OPR) at 3% and expectations that the OPR will remain unchanged this year. Stable OPR will bring confidence to the real estate market, which will then have a broader positive impact on the overall economy.

Furthermore, with a total allocation of RM393.8 billion, Budget 2024 amongst others, aim to transform the nation's economy and improving the quality of life for all Malaysians. Several positive measures are undertaken by the Government such as relaxation of Malaysia My Second Home (MM2H) applications, increasing the Housing Credit Guarantee Scheme up to RM10 billion for the benefit of 40,000 borrowers are expected to boost the property sector demands.

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UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

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

Notwithstanding the above, the Group is cautiously optimistic about the outlook of the property market, given the weakened consumer sentiment due to high inflation and elevated interest 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.

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 RM772 million as of 30 September 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 <u>30.09.2023</u> RM'000	Preceding Year Corresponding Quarter <u>30.09.2022</u> RM'000	Current Year- To-Date <u>30.09.2023</u> RM'000	Preceding Year Corresponding Year-To-Date <u>30.09.2022</u> RM'000
Current taxation	1,371	8,031	1,371	8,031
Deferred taxation	600	704	600	704
	<u>771</u>	<u>8,735</u>	<u>771</u>	<u>8,735</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.

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8 Status of Corporate Proposals

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

9 Borrowings and Debt Securities

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

	<u>As at 30 September 2023</u>		
	<u>Long-term</u>	<u>Short-term</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Secured			
Term loans	207,397	58,854	266,251
Revolving credits	46,987	184,018	231,005
Bridging loans	30,176	-	30,176
Redeemable preference shares	-	79,824	79,824
Trade facilities	-	44,287	44,287
Bank overdrafts	-	14,074	14,074
Hire-purchase payables	353	221	574
	284,913	381,278	666,191
Unsecured			
Revolving credit	-	45,000	45,000
	284,913	426,278	711,191

	<u>As at 30 September 2022</u>		
	<u>Long-term</u>	<u>Short-term</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Secured			
Term loans	3,096	11,881	14,977
Revolving credits	95,767	249,447	345,214
Bridging loans	46,708	-	46,708
Redeemable preference shares	53,553	-	53,553
Bank overdrafts	-	21,933	21,933
Hire-purchase payables	290	485	775
	199,414	283,746	483,160
Unsecured			
Revolving credit	-	45,000	45,000
	199,414	328,746	528,160

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.

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11 Dividend

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

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 30 September 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 30 September 2023 and after adjusted for the effects of unexercised ESOS options.

(a) Basic EPS	Individual Period		Cumulative Period	
	Current Year Quarter <u>30.09.2023</u>	Preceding Year Corresponding Quarter <u>30.09.2022</u>	Current Year- To-Date <u>30.09.2023</u>	Preceding Year-to-Date <u>30.09.2022</u>
Profit/(Loss) attributable to equity holders of the Company (RM'000)	1,701	(9,663)	1,701	(9,663)
Weighted average number of ordinary shares in issue ('000)	528,141	528,141	528,141	528,141
Basic earnings/(loss) per share (sen)	0.32	(1.83)	0.32	(1.83)

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12 Earnings/(Loss) Per Share (“EPS”) (Cont’d)

(b) Diluted EPS	Current Year Quarter <u>30.09.2023</u>	Preceding Year Corresponding Quarter <u>30.09.2022</u>	Current Year- To-Date <u>30.09.2023</u>	Preceding Year-to-Date <u>30.09.2022</u>
Profit/(Loss) attributable to equity holders of the Company (RM'000)	1,701	(9,663)	1,701	(9,663)
Weighted average number of ordinary shares in issue ('000)	528,141	528,141	528,141	528,141
Effects of unexercised ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>528,141</u>	<u>528,141</u>	<u>528,141</u>	<u>528,141</u>
Diluted earnings/(loss) per share (sen)	<u>0.32</u>	<u>(1.83)</u>	<u>0.32</u>	<u>(1.83)</u>

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>30.09.2023</u> RM'000	Preceding Year Corresponding Quarter <u>30.09.2022</u> RM'000	Current Year- To-Date <u>30.09.2023</u> RM'000	Preceding Year-to-Date <u>30.09.2022</u> RM'000
After charging:				
Interest expense	9,819	9,332	9,819	9,332
Depreciation and amortization	978	1,302	978	1,302
Depreciation of right-of-use assets	408	814	408	814
Deferred day one loss in profit or loss	246	246	246	246
Reversal of Provision for foreseeable losses	-	244	-	244
After crediting:				
Interest income	570	716	570	716
Rental income	1,030	777	1,030	777
Other income	122	576	122	576
Distribution income from short term funds	4	3	4	3

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 30 September 2023.