



Malton Berhad

Registration No: 199401035205 (320888-T)

INTERIM FINANCIAL REPORT
31 DECEMBER 2021

MALTON BERHAD

Registration No: 199401035205 (320888-T)

Interim Financial Report – 31 December 2021

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MALTON BERHAD

Registration No: 199401035205 (320888-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2021 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2020 RM'000	CURRENT YEAR TO DATE 31.12.2021 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.12.2020 RM'000
Revenue	152,553	216,987	331,723	476,060
Operating expenses	(150,069)	(210,035)	(318,438)	(463,237)
Other operating income	21,751	6,384	22,611	8,797
Finance costs	(10,370)	(9,599)	(20,116)	(15,363)
Share in results of joint ventures	-	-	-	-
Profit before tax	13,865	3,737	15,780	6,257
Income tax expense	(7,748)	(1,700)	(9,027)	(3,198)
Net profit for the period	6,117	2,037	6,753	3,059
Other comprehensive income				
Net changed in fair value of available-for-sale financial assets	-	-	-	-
	6,117	2,037	6,753	3,059
Attributable to:				
Owners of the Company	6,232	2,166	6,993	3,290
Non-controlling interests	(115)	(129)	(240)	(231)
Net profit for the period	6,117	2,037	6,753	3,059
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	1.18	0.41	1.32	0.62
Fully Diluted	1.18	0.41	1.32	0.62

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31.12.2021 RM'000	Audited As At 30.06.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	30,619	33,506
Right-of-use-assets	4,194	6,049
Investment properties	210,725	210,630
Land held for property development	676,811	675,606
Investment in associated companies	-	-
Investment in joint ventures	-	-
Other investments	239,882	203,370
Deferred tax assets	23,716	22,716
Total non-current assets	<u>1,185,947</u>	<u>1,151,877</u>
Current assets		
Property development costs	334,943	443,128
Inventories	132,394	133,761
Trade receivables	295,234	199,845
Other receivables and prepaid expenses	42,469	42,629
Contract assets	259,983	509,698
Amount owing by joint ventures	47,418	35,697
Tax recoverable	1,750	6,945
Short-term funds	506	500
Fixed deposits with licensed banks	52,583	29,119
Cash and bank balances	124,971	87,312
Total current assets	<u>1,292,251</u>	<u>1,488,634</u>
Total assets	<u>2,478,198</u>	<u>2,640,511</u>
EQUITY AND LIABILITIES		
Share capital	528,552	528,552
Other reserves	3,218	3,218
Retained earnings	402,544	395,551
	<u>934,314</u>	<u>927,321</u>
Non-controlling Interests	17,776	18,016
Total equity	<u>952,090</u>	<u>945,337</u>
Non-current liabilities		
Other payables	5,238	5,238
Redeemable preference shares	27,515	22,402
Bank borrowings - non-current portion	184,615	128,198
Hire-purchase payables - non-current portion	651	895
Lease liabilities - non-current portion	2,973	3,054
Deferred tax liabilities	57,601	57,601
Total non-current liabilities	<u>278,593</u>	<u>217,388</u>
Current liabilities		
Trade payables	706,808	745,802
Other payables and accrued expenses	151,953	234,897
Contract liabilities	8,487	7,722
Bank borrowings - current portion	357,097	461,279
Hire-purchase payables - current portion	614	954
Lease liabilities - current portion	1,568	3,381
Tax liabilities	20,988	23,751
Total current liabilities	<u>1,247,515</u>	<u>1,477,786</u>
Total liabilities	<u>1,526,108</u>	<u>1,695,174</u>
TOTAL EQUITY AND LIABILITIES	<u>2,478,198</u>	<u>2,640,511</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>1.77</u>	<u>1.76</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021
(These figures have not been audited)**

	Share Capital RM'000	Non-distributable reserves		Distributable reserves	Non- Controlling Interests RM'000	Total RM'000
		Revaluation Reserve RM'000	Option Reserve RM'000	Retained Earnings 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	-	-	-	3,290	(231)	3,059
Balance as at 31.12.2020	<u>528,552</u>	<u>2,065</u>	<u>1,153</u>	<u>396,221</u>	<u>19,236</u>	<u>947,227</u>
Balance as at 1.7.2021	528,552	2,065	1,153	395,551	18,016	945,337
Total comprehensive income/(loss) for the period	-	-	-	6,993	(240)	6,753
Balance as at 31.12.2021	<u>528,552</u>	<u>2,065</u>	<u>1,153</u>	<u>402,544</u>	<u>17,776</u>	<u>952,090</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

Registration No: 199401035205 (320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021****(These figures have not been audited)**

	31.12.2021 RM'000	31.12.2020 RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	15,780	6,257
Adjustments for :		
Finance costs	20,116	15,363
Depreciation of:		
Property, plant & equipment	2,942	3,473
Right-of-use-assets	1,622	2,087
Reversal of allowance for impairment loss in:		
Other receivables	-	(4,365)
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	454	-
Distribution income on short term funds	(7)	(8)
Interest income	(650)	(1,064)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>40,146</u>	<u>22,786</u>
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in:		
Property development costs - current portion	108,186	163,338
Inventories	1,367	8,990
Receivables	(95,234)	(7,531)
Contract assets	251,097	(13,076)
Amount due from joint ventures	(11,720)	5,289
(Decrease)/Increase in:		
Payables	(121,935)	(182,200)
Contract liabilities	(617)	1,314
CASH FROM/(USED IN) OPERATIONS	<u>171,290</u>	<u>(1,090)</u>
Income tax paid/refunded	(7,595)	(7,373)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>163,695</u>	<u>(8,463)</u>
INVESTING ACTIVITIES		
Interest received	650	1,065
Distribution income on short-term funds received	7	8
Increase in land held for property development	(1,206)	(5,247)
Additions to short-term funds	(6)	(7)
Additions to Investment properties	(95)	(4,888)
Proceeds from disposal of property, plant & equipment	159	170
(Placement)/Withdrawal of:		
Fixed deposit	(19,064)	11,111
Restricted cash at bank	638	(358)
Additions to property, plant & equipment	(103)	(1,079)
Additions to investment in redeemable preference shares	(36,966)	(32,384)
NET CASH USED IN INVESTING ACTIVITIES	<u>(55,986)</u>	<u>(31,609)</u>
FINANCING ACTIVITIES		
Interest paid	(15,003)	(8,826)
Proceeds from bank borrowings	308,540	254,668
Repayments of bank borrowings	(359,929)	(225,993)
Repayments of hire-purchase payables	(585)	(730)
Repayment of lease liabilities	(1,660)	(1,989)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>(68,637)</u>	<u>17,130</u>
Net increase/(decrease) in cash and cash equivalents	39,072	(22,942)
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>108,208</u>	<u>111,638</u>
Cash and cash equivalents comprise the followings :		
Cash and bank balances	130,041	133,570
Bank overdrafts	(21,833)	(21,932)
	<u>108,208</u>	<u>111,638</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements)

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**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Accounting Policies and Method of Computation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2021 which were prepared under Financial Reporting Standards.

Adoption of Malaysian Financial Reporting Standards (“MFRS”) and Amendments to Financial Reporting Standards

The accounting policies and presentation adopted for this interim report are consistent with those adopted for audited financial statements for the financial year ended 30 June 2021, except for the adoption of the following MFRSs, amendments to MFRSs and IC Int. issued by MASB that are relevant to its operations and effective for annual financial periods beginning on or after 1 July 2021 as follows:

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and has no significant effect on the financial performance or position of the Group.

Standards and Amendments in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new Standards, Amendments and IC Int. which were in issue but not yet effective and not early adopted by the Group are as listed below:

MFRS 17	Insurance Contracts ²
Amendments to MFRS 3	Reference to Conceptual Framework ¹
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or joint Venture ³
Amendments to MFRS 17	Insurance Contracts ²
Amendments to MFRS 101	Disclosure of Accounting Policies ²
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ²
Amendments to MFRS 108	Definition of Accounting Estimates ²
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use ¹
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract ¹
Annual Improvements to MFRS Standards 2018-2020 ¹	

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective date deferred to a date to be determined and announced, with earlier application permitted

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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 are 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 that are unusual because of their nature, size or incidence.

5 Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

6 Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 December 2021.

7 Dividend Paid

There were no dividends paid during the quarter ended 31 December 2021.

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8 Segmental Reporting

a) Analysis by business segments for the period ended 31 December 2021:

	Property development RM'000	Property trading RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	186,249	3,547	138,768	3,159		331,723
Inter-segment Sales	-	-	52,259	4,678	(56,937)	-
	<u>186,249</u>	<u>3,547</u>	<u>191,027</u>	<u>7,837</u>	<u>(56,937)</u>	<u>331,723</u>
Results						
Segmental results	<u>33,386</u>	<u>(288)</u>	<u>6,099</u>	<u>(566)</u>	<u>(3,392)</u>	<u>35,239</u>
Interest and distribution income						<u>657</u>
Profit from operations						<u>35,896</u>
Finance costs						<u>(20,116)</u>
Share in results of joint ventures						<u>-</u>
Profit before tax						<u>15,780</u>
Income tax expense						<u>(9,027)</u>
Profit for the period						<u>6,753</u>

b) Analysis by business segments for the period ended 31 December 2020:

	Property development RM'000	Completed properties RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	376,009	12,848	84,532	2,671		476,060
Internal Sales	-	-	94,858	26,404	(121,262)	-
	<u>376,009</u>	<u>12,848</u>	<u>179,390</u>	<u>29,075</u>	<u>(121,262)</u>	<u>476,060</u>
Results						
Segmental results	<u>2,976</u>	<u>2,144</u>	<u>7,783</u>	<u>20,052</u>	<u>(12,407)</u>	<u>20,548</u>
Interest and distribution income						<u>1,072</u>
Profit from operations						<u>21,620</u>
Finance costs						<u>(15,363)</u>
Share in results of joint ventures						<u>-</u>
Profit before tax						<u>6,257</u>
Income tax expense						<u>(3,198)</u>
Profit for the Period						<u>3,059</u>

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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.

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

There were no material events subsequent to the current quarter ended 31 December 2021 up to the date of this 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 quarter under review.

12 Contingent Liabilities

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

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13 Significant Related Party Transactions

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Year To-Date
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Progress billings received/Receivable:				
Impian Eクス presi Sdn Bhd*	15,771	31,012	20,978	55,266
Jendela Mayang Sdn Bhd*	28,503	-	40,052	-
Rental received/receivable:				
WCT Holdings Berhad*	98	98	196	196
Pavilion REIT Management Sdn Bhd #	98	98	196	196
Progress billings paid/Payable:				
SECG Bina Sdn Bhd@	-	1,021	-	1,078
Management fees paid/payable:				
Kuala Lumpur Pavilion Sdn Bhd^	29	29	58	58
Rental paid/payable to:				
Pavilion REIT #	706	706	1,412	1,412
Dream Domain Sdn Bhd^	32	34	80	68
Lumayan Indah Sdn Bhd*	50	-	99	-
Sale of property to certain family members of a director of the Company	-	-	-	-

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

1 Review of Performance

	Individual Quarter		Change %	Cumulative Quarter		Change %
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000		Current Year To-Date 31.12.2021 RM'000	Preceding Year Corresponding Year To-Date 31.12.2020 RM'000	
Revenue						
Property development	65,601	156,736		186,249	376,009	
Property trading	697	9,890		3,547	12,848	
Sub-Total	66,298	166,626	(60.2)	189,796	388,857	(51.2)
Construction	84,651	48,967	72.9	138,768	84,532	64.0
Others	1,604	1,394	15.1	3,159	2,671	18.3
Total	152,553	216,987	(29.7)	331,723	476,060	(30.3)
Profit Before Tax (“PBT”)						
Property development	13,799	871		17,509	3,025	
Property trading	270	2,021		(288)	2,202	
Sub-Total	14,069	2,892	386.5	17,221	5,227	229.5
Construction	1,315	(2,146)		3,468	6,802	(49.0)
Others	(1,519)	2,991		(4,909)	(5,772)	15.0
Total	13,865	3,737	271.0	15,780	6,257	152.2

The Group’s revenue for the current quarter declined by 29.7% to RM152.6 million as compared to RM217.0 million reported in the preceding corresponding quarter while PBT for the current quarter improved by 271.0% to RM13.9 million as compared to RM3.7 million reported in the preceding corresponding quarter.

The Group’s revenue for the current year-to-date declined by 30.3% to RM331.7 million as compared to RM476.1 million reported in the preceding corresponding year-to-date while PBT for the current year-to-date improved by 152.2% to RM15.8 million as compared to RM6.3 million reported in the preceding corresponding year-to-date.

Property Development and trading

Revenue from the property development division declined by 60.2% during the current quarter as compared to the preceding corresponding quarter due to lower billings from The Park 2 Residence @ Bukit Jalil which was completed during the quarter.

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PBT from the property development division increased by 271.0% to RM14.1 million for current quarter as compared to RM2.9 million notwithstanding the lower billings during the current quarter as compared to the preceding corresponding quarter attributed mainly to the recognition of one-off government grant of RM15.9 million received during the quarter for the Group's project.

Construction

Revenue from construction division improved by 72.9% to RM84.7 million in the current quarter as compared to RM49.0 million recorded in the preceding corresponding quarter due to higher work progress of Pavilion Damansara Heights and The Maple @ OUG projects.

PBT for the current quarter improved to profit of RM1.3 million against loss of RM2.1 million reported in the preceding corresponding quarter. The higher PBT was due to higher billings for the current quarter and lower raw material and labour costs.

Share of Results of Joint Ventures

There was no share of results of Joint Ventures during the quarter as the Group is liable up to the cost of investments in the Joint Ventures. The joint ventures have not commenced commercial operations during the quarter.

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

	Current Quarter 31.12.2021 RM'000	Immediate Preceding Quarter 30.9.2021 RM'000	Change %
Revenue			
Property development	65,601	120,648	
Property trading	697	2,850	
Sub-Total	66,298	123,498	(46.3)
Construction	84,651	54,117	56.4
Others	1,604	1,555	3.2
Total	<u>152,553</u>	<u>179,170</u>	(14.9)
Profit Before Tax ("PBT")			
Property development	13,799	3,710	
Property trading	270	(558)	
Sub-Total	14,069	3,152	346.4
Construction	1,315	2,153	(38.9)
Others	(1,519)	(3,390)	55.2
Total	<u>13,865</u>	<u>1,915</u>	624.0

The Group's revenue declined by 14.9% to RM152.6 million for the current quarter as compared to RM179.2 million for the immediate preceding quarter. However, the Group recorded a 624.0% increase in PBT to RM13.9 million for the current quarter as compared to RM1.9 million for the immediate preceding quarter. The lower revenue for the current quarter from property division was due to lower billings from The Park 2 Residence @ Bukit Jalil which was completed during the quarter. The revenue for the immediate preceding quarter included billings from Pavilion Bukit Jalil Mall which was completed during the last quarter. The construction division registered higher revenue due to higher work progress of the current projects. PBT for property division improved by 346.4% from RM3.2 million in the preceding quarter to RM14.1 million during the

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current quarter due to the recognition of one-off government grant of RM15.9 million received during the quarter for the Group’s project. PBT for the construction division declined by 38.9% from RM2.2 million to RM1.3 million due to higher labour costs.

3 Prospects for the current Financial Year Ending 30 June 2022

Malaysia’s economy rebounded by 3.6% in the fourth quarter of 2021 as compared to contraction of 4.5% recorded in the third quarter of 2021 as economic activities resumed with the easing of containment measures.

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 low interest rates and exemption of real property gain tax for residential properties are expected to boost the property sector demands.

Barring a prolonged COVID-19 pandemic and possible adverse consequential economic effects, 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 RM726 million as of 31 December 2021 together with the on-going construction contracts in hand, are expected to contribute to the earnings of the Group for the next financial year ending 30 June 2022.

With the relaxation and opening of most of the sectors of the economy, the Group is expected to improve with better projected new sales albeit challenging business environment. The construction progress of the Group’s property development and construction divisions is also expected to improve further. However, the disruption of supply chain, scarcity of skill labour and escalating material price may have a significant negative impact on the market. The Group is committed to strict compliance of the Government’s SOPs for all its worksites and premises under the “New Normal” of business operations with its entire workforce already fully vaccinated.

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 Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2021 RM’000	Preceding Year Corresponding Quarter 31.12.2020 RM’000	Current Year To-Date 31.12.2021 RM’000	Preceding Year Corresponding Year To-Date 31.12.2020 RM’000
Current taxation	8,448	1,700	10,027	5,598
Under/(Over) provision in prior year	-	-	-	-
Deferred taxation	(700)	-	(1,000)	(2,400)
	<u>7,748</u>	<u>1,700</u>	<u>9,027</u>	<u>3,198</u>

The effective tax rate for the current 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.

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6 Profits /(Loss) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investment and/or properties for the 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 financial quarter under review.

8 Status of Corporate Proposals

There was no outstanding corporate proposal for the Group except as follows:-

- (i) On 26 March 2021, the Company entered into a Memorandum of Understanding with Ho Wah Genting Berhad (“HWGB”) and HWGB EV Sdn Bhd (“HWGB EV”) to establish a basis of co-operation and collaboration between the parties for an investment by the Company in HWGB EV (“MOU”). HWGB EV, which intended principal business is wholesale and retail of new motor vehicles, manufacture of passenger cars and sale of other motor vehicles, is interested to introduce electric vehicles in Malaysia (“EV Project”).

Since the date of the MOU, there has not been any material development on the MOU as the Company is still in the process of evaluating the feasibility of the EV Project.

- (ii) 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.

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 December 2021</u>		
	Long-term	Short-term	Total
	RM’000	RM’000	RM’000
Secured			
Term loans	15,604	23,401	39,005
Revolving credits	88,405	226,860	315,265
Bridging loans	80,606	10,000	90,606
Redeemable preference shares	27,515	-	27,515
Trade facilities	-	15,004	15,004
Bank overdrafts	-	21,832	21,832
Hire-purchase payables	651	614	1,265
	212,781	297,711	510,492
Unsecured			
Revolving credit	-	60,000	60,000
	212,781	357,711	570,492

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	As at 31 December 2020		
	Long-term RM'000	Short-term RM'000	Total RM'000
Secured			
Term loans	7,998	6,019	14,017
Revolving credits	30,774	269,863	300,637
Bridging loans	38,138	13,920	52,058
Redeemable preference shares	21,884	-	21,884
Trade facilities	-	82,894	82,894
Bank overdrafts	-	21,932	21,932
Hire-purchase payables	1,033	832	1,865
	<u>99,827</u>	<u>395,460</u>	<u>495,287</u>
Unsecured			
Revolving credit	-	50,000	50,000
	<u>99,827</u>	<u>445,460</u>	<u>545,287</u>

All borrowings are denominated in Ringgit Malaysia.

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:

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

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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 has been postponed to 22 and 28 April 2022.

11 Dividend

No interim dividend has been recommended for the financial quarter ended 31 December 2021.

12 Earnings Per Share ("EPS")

Basic

The basic earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group's profit attributable to equity holders of the Company of RM6,232,000 and RM6,993,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter and financial period ended 31 December 2021.

Fully Diluted

The diluted earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group's adjusted profit attributable to equity holders of the Company of RM6,232,000 and RM6,993,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the quarter and financial period ended 31 December 2021 and the effects of unexercised ESOS options.

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(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2021	Preceding Year Corresponding Qtr 31.12.2020	Current Year To Date 31.12.2021	Preceding Year to Date 31.12.2020
Profit attributable to equity holders of the Company (RM'000)	6,232	2,166	6,993	3,290
Weighted average number of shares in issue ('000)	528,141	528,141	528,141	528,141
Basic earnings per share (sen)	1.18	0.41	1.32	0.62
(b) Diluted EPS				
	Current Quarter 31.12.2021	Preceding Year Corresponding Qtr 31.12.2020	Current Year To Date 31.12.2021	Preceding Year to Date 31.12.2020
Profit attributable to equity holders of the Company (RM'000)	6,232	2,166	6,993	3,290
Weighted average number of shares in issue ('000)	528,141	528,141	528,141	528,141
Effects of unexercised ESOS	-	-	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	<u>528,141</u>	<u>528,141</u>	<u>528,141</u>	<u>528,141</u>
Diluted earnings per share (sen)	1.18	0.41	1.32	0.62

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13 Profit Before Tax

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

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2021 RM'000	Preceding Year Corresponding Qtr 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year to Date 31.12.2020 RM'000
Interest expense	10,370	9,599	20,116	15,363
Depreciation and amortization	1,415	1,726	2,942	3,473
Depreciation of right-of-use assets	781	1,212	1,622	2,087
Deferred day one loss in profit or loss	227	-	454	-
Allowance for impairment loss of trade receivables	-	-	-	-
Loss on fair value adjustments of investment in redeemable preference shares	-	-	-	1,213
After crediting:				
Government grant received	15,904	-	15,904	-
Interest income	419	307	650	1,064
Gain on disposal of property, plant and equipment	111	20	111	170
Reversal of allowance for impairment loss in other receivables	-	4,365	-	4,365
Other income	5,314	1,687	5,939	3,190
Distribution income from short term funds	3	5	7	8

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 quarter under review and financial period ended 31 December 2021.