



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**PART A – NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. ACCOUNTING POLICIES AND BASIS OF PREPARATION**

This condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2020, except for the adoption of the following MFRS:

<b>Descriptions</b>	<b>Effective for annual periods commencing on or after</b>
Amendment to MFRS 16 <ul style="list-style-type: none"><li>• Covid-19 Related Rent Concessions</li></ul>	1 June 2020
Amendments to MFRS 9, MFRS 7, MFRS 4 and MFRS 16 <ul style="list-style-type: none"><li>• Interest Rate Benchmark Reform – Phase 2</li></ul>	1 January 2021
Amendments to MFRS 3 <ul style="list-style-type: none"><li>• Reference to Conceptual Framework</li></ul>	1 January 2022
Amendments to MFRS 116 <ul style="list-style-type: none"><li>• Property, Plant and Equipment – Proceeds before Intended Use</li></ul>	1 January 2022
Amendments to MFRS 137 <ul style="list-style-type: none"><li>• Onerous Contracts – Cost of Fulfilling a Contract</li></ul>	1 January 2022
Annual Improvements to MFRSs 2018-2020	1 January 2022
MFRS 17 and amendments to MFRS 17 <ul style="list-style-type: none"><li>• Insurance contracts</li></ul>	1 January 2023
Amendments to MFRS 101 <ul style="list-style-type: none"><li>• Classification of Liabilities as Current or Non-Current</li><li>• Materiality of accounting policy information and disclosures</li></ul>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <ul style="list-style-type: none"><li>• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</li></ul>	Effective date to be announced



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**A1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONT.)**

Amendments to MFRS 108 • Definition of Material	1 January 2023
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The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial applications.

**A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the preceding annual financial statements for the FYE 31 December 2020 was not subject to any qualification.

**A3. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 30 September 2021.

**A4. SEASONAL OR CYCLICAL FACTORS**

The business of the Group was not affected by any significant seasonal or cyclical factors.

**A5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

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

**A6. SHARE CAPITAL AND SHARE PREMIUM**

On 26 July 2021, the Company had fixed the issue price for 69,599,100 Placement Shares at RM0.53 per share, being the first tranche of the Private Placement. On 30 July 2021, the Company had allotted and issued 66,442,000 Placement Shares at RM0.53 per share amounting to RM35,214,260, of which the listing and quotation of the Placement Shares has been completed on 3 August 2021.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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**A7. DEBT AND EQUITY SECURITIES**

Save for the following, there was no issuance, cancellation, resale or repayment of debts and equity during the current financial period under review.

Repurchase of shares

During the quarter under review, the Company has repurchased 5,090,000 of its ordinary shares from the open market at RM0.4969 per share.

As at 30 September 2021, the Company held a total of 8,625,809 or RM4,104,571 treasury shares at an average price of RM0.48.

Redeemable Convertible Unsecured Loan stock (“RCULS”)

On 21 June 2021, 375,000,000 new RCULS with total nominal value of RM120,000,000 on the basis of 1 RCULS for 1 new ordinary share were issued pursuant to Subscription Agreement dated 11 June 2021 between the Company and YBG Yap Consolidated Sdn Bhd.

On 29 July 2021, 81,000,000 RCULS amounting to RM25,920,000 were converted into 81,000,000 new ordinary shares at RM0.32 per share. As at 30 September 2021, the balance of issued RCULS was 294,000,000 RCULS with total nominal value of RM94,080,000.

**A8. DIVIDEND PAID**

There was no dividend paid in the current quarter under review.

**A9. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current quarter under review.

**A10. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group under the quarter review.

**A11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets of the Group during the quarter under review.

**A12. CAPITAL COMMITMENTS**

There were no material capital commitments as at the end of the current quarter under review.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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**PART A – NOTES TO THE INTERIM FINANCIAL REPORT**

**A13. RELATED PARTY TRANSACTIONS**

Nature of relationships of the Group with the interested related parties:-

- a) Dato' Sri Yap Ngan Choy and Dato' Yap Fook Choy are deemed interested in NCT Properties Sdn Bhd by virtue of their shareholdings in NCT Venture Corporation Sdn Bhd pursuant to Section 8(4) of the Act.

The related party transaction between the Group and the interested parties are as follow:-

	Quarter Ended 30.09.2021 RM'000	Period Ended 30.09.2021 RM'000
<b>NCT Properties Sdn Bhd</b>		
- Rental Expenses	22	65
	<u>22</u>	<u>65</u>

**A14. STATUS OF UTILISATION OF PROCEEDS**

**a) Proceeds from Private Placement**

The Group had on 19 March 2021 undertook a private placement of 73,223,364 new ordinary shares at an issuing price of RM0.40 per share for a total cash consideration of RM29,289,346. The details of utilisation of proceeds from the said private placement exercises were as follows:

<b>Details of Utilisation</b>	<b>Amount of Proceeds RM'000</b>	<b>Amount Utilised RM'000</b>	<b>Amount Unutilised RM'000</b>
Property Development Activities	23,260	23,260	-
General Working Capital	3,530	3,530	-
Estimated expenses for the Proposals	2,500	2,500	-
<b>Total</b>	<u>29,290</u>	<u>29,290</u>	-



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**PART A – NOTES TO THE INTERIM FINANCIAL REPORT**

**A14. STATUS OF UTILISATION OF PROCEEDS**

**a) Proceeds from Private Placement (Cont.)**

The Group had on 30 July 2021 undertook a private placement of 66,442,000 new ordinary shares at an issuing price of RM0.53 per share for a total cash consideration of RM35,214,260. The details of utilisation of proceeds from the said private placement exercises were as follows:

Details of Utilisation	Amount of Proceeds	Amount Utilised	Amount Unutilised
	RM'000	RM'000	RM'000
Property Development Activities	22,714	22,040	674
General Working Capital	11,000	11,000	-
Estimated expenses for the Proposals	1,500	1,471	29
<b>Total</b>	<b>35,214</b>	<b>34,511</b>	<b>703</b>

**A15. SEGMENTAL INFORMATION**

The segmental analysis for the financial period ended 30 September 2021 was as follows.

	Investment Holding & Others RM'000	Property Development RM'000	Total RM'000
<b>Segment Profit /(Loss)</b>	<b>(7,858)</b>	<b>30,441</b>	<b>22,583</b>
Included in the measure of segment profit are:-			
Revenue from external customers	-	90,992	90,992
Inter-segment revenue	2,527	-	2,527
Finance costs	(913)	(6,118)	(7,031)
Depreciation	(31)	(15)	(46)
Not included on the measure of segment profit but provided to the Management :-			
Tax expenses	1,247	(6,236)	(4,989)
<b>Segment assets</b>	<b>622,165</b>	<b>734,928</b>	<b>1,357,093</b>
<b>Segments liabilities</b>	<b>270,531</b>	<b>565,262</b>	<b>835,793</b>



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**PART A – NOTES TO THE INTERIM FINANCIAL REPORT**

**A15. SEGMENTAL INFORMATION (CONT.)**

Reconciliation of reportable segment revenues, profit and loss, assets and other material items.

	<b>Total RM'000</b>
Total revenue for reportable segments	93,519
Elimination of inter-segment revenue	<u>(2,527)</u>
Consolidated total	<u>90,992</u>
Total profit or loss for reportable segment	22,583
Elimination of inter-segment profits	<u>-</u>
Consolidated profit before tax	<u>22,583</u>
Total reportable segments assets	1,357,093
Elimination of inter-segment transactions or balances	<u>(637,388)</u>
Consolidated total	<u>719,705</u>
Total reportable segments liabilities	835,793
Elimination of inter-segment transaction or balance	<u>(487,045)</u>
Consolidated total	<u>348,748</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
 FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MAIN MARKET**

**B1. REVIEW OF PERFORMANCE**

	Quarter Ended		Changes		Period Ended		Changes	
	30.09.2021	30.09.2020			30.09.2021	30.09.2020		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Revenue</b>								
Property Development	26,283	20,132	6,151	31	90,992	41,392	49,600	120
Investment Holding & Others	-	-	-	-	-	-	-	-
	26,283	20,132			90,992	41,392		
<b>Profit /(Loss) before tax</b>								
Property Development	11,461	4,110	7,351	179	30,441	7,503	22,938	306
Investment Holding & Others	(2,775)	(1,373)	(1,402)	102	(7,858)	(3,508)	(4,350)	124
	8,686	2,737			22,583	3,995		

**Performance for the quarter ended 30 September 2021**

(a) Property Development

The Group recorded higher revenue of RM26.28 million in the current quarter by RM6.15 million compared to previous year's corresponding quarter. The increase in revenue was contributed by the newly acquired projects namely Grand Ion Majestic and Grand Ion Delemen.

In tandem with higher revenue, profit before tax surged by RM7.35 million to RM11.46 million compared to previous year's corresponding quarter.

(b) Other Operations

There was no revenue generated from Other Operations Segment other than staff cost and other administrative expenses.

**Performance for the period ended 30 September 2021**

(a) Property Development

Despite of the Movement Control Order ("MCO") lockdown in 3<sup>rd</sup> quarter, the Group delivered its outstanding performance for the cumulative 9-months period ended 30 September 2021.

Revenue increased by 120% to RM90.99 million compared to RM41.39 million reported in the preceding year's corresponding period whereas profit before tax surged to RM30.44 million compared to RM7.5 million in the preceding year's corresponding period.

The outstanding performance was mainly attributable to the strong take up rate and further progress recognition in Grand Ion Majestic project.



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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MAIN MARKET (CONT.)**

**B1. REVIEW OF PERFORMANCE (CONT.)**

**Performance for the period ended 30 September 2021 (Cont.)**

(b) Other Operations

Other operations division has no revenue but mainly consist of staff cost and other administrative expenses.

**B2. MATERIAL CHANGES IN THE PROFIT BEFORE TAXATION OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER**

Profit before tax decreased to RM26.28 million compared to RM49.23 million as reported in the immediate preceding quarter. The decrease was affected by the Full Movement Control Order (“FMCO”) effective from 1 June 2021 until 10 September 2021 as announced by the Government.

**B3. COMMENTARY ON PROSPECTS**

The Covid-19 pandemic has affected Malaysia and the rest of the world economically and socially for more than a year now. On February 2021, Malaysia has rolled out nationwide vaccination programme by stages and until now with more than 95% of the adult population have been fully vaccinated. Subsequently, inter-state travel ban was lifted and nation’s economy is improving gradually.

In Property Sector, the Government has undertaken several measures such as lowering interest rates, re-introduction of the Home Ownership Campaign and exemption of the Real Property Gains Tax for residential properties to boost the property section demands. However, Property sector is expected to remain challenging given the adverse market conditions left behind during the prolonged Covid-19 pandemic situation. As such, the Group is cautiously optimistic of the market and will continuously endeavour to grow its property development division via launching of new projects and strategic acquisition of viable projects and land banks for future development.

Grand Ion Majestic and Grand Ion Delemen being the Group’s largest projects currently undertaking are expected to contribute significantly to the Group’s earnings.

**B4. STATEMENT OF THE BOARD OF DIRECTORS’ OPINION ON ACHIEVABILITY OF FINANCIAL ESTIMATE, FORECAST, PROJECTION AND INTERNAL TARGETS PREVIOUSLY ANNOUNCED**

Not applicable.

**B5. FINANCIAL ESTIMATE, FORECAST OR PROJECTION**

No profit forecast has been issued by the Group previously in any public document.





**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MAIN MARKET (CONT.)**

**B6. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

The profit before tax has been arrived at after charging / (crediting):-

	Quarter Ended		Period Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
<b>After charging / (crediting) :</b>				
Depreciation of property, plant and equipment	23	43	46	140
Interest expenses	3,620	11	7,031	27
Loss on disposal of property, plant and equipment	-	159	-	78
Gain on investment held at fair value	-	-	-	(367)
Interest income	(4)	-	(23)	(17)
Rental Income	(4,314)	(35)	(4,314)	(93)

There is no exception item for the current financial quarter under review.

**B7. TAXATION**

Tax expense based on results for the continuing operations:-

	Quarter Ended		Period Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	1,928	977	6,268	1,727
Deferred taxation	(1,279)	-	(1,279)	-
	649	977	4,989	1,727

The effective tax rate is lower than the statutory tax rate for the quarter under review due to deferred tax assets recognised and certain expenses which are not deductible for tax purposes certain subsidiaries.



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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MAIN MARKET (CONT.)**

**B8. STATUS OF CORPORATE PROPOSALS AS AT 18 NOVEMBER 2021**

On 2 March 2021, the Company has announced the following proposals:-

**Proposed Private Placement**

Proposed Private Placement of up to 150,000,000 new NCT Alliance's shares at an issue price to be determined later upon obtaining shareholders' approval at an extraordinary general meeting to be convened and after the completion of the Proposed Genting Acquisition.

The Proposed Private Placement was approved at the Company's extraordinary general meeting held on 11 June 2021. On 26 July 2021, the Company had fixed the issue price for 69,599,100 Placement Shares at RM0.53 per share, being the first tranche of the Private Placement. On 30 July 2021, the Company had allotted and issued 66,442,000 Placement Shares at RM0.53 per share amounting to RM35,214,260, of which the listing and quotation of the Placement Shares has been completed on 3 August 2021.

Save from the above corporate proposal disclosed, there were no corporate proposal announced but not completed as at 18 November 2021, being the latest practicable date which is not earlier than seven (7) days from the date of issuance of this interim financial report.

**B9. BORROWINGS**

The borrowings of the Group as at 30 September 2021 were as follows:

	30.09.2021	31.12.2020
	RM'000	RM'000
<b>Term Loan:</b>		
Non Current	249,555	-
Current	6,000	-
<b>Total borrowings</b>	<b>255,555</b>	<b>-</b>

All borrowings were unsecured borrowings and denominated in Ringgit Malaysia.

**B10. MATERIAL LITIGATION**

The Directors are not aware of any material litigations or claims against the Group and the Company as at 17 November 2021, being the latest practicable date which is not earlier than seven (7) days from the date of issuance of this interim financial report.

**B11. DIVIDEND**

The Board of Directors does not recommend any interim dividend for the current quarter ended 30 September 2021.



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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MAIN MARKET (CONT.)**

**B12. EARNINGS PER SHARE**

**(a) Basic earnings per share**

The basic earnings per share is calculated based on Group's net profit attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the year as follows:-

	Quarter Ended		Period Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Net profit attributable to ordinary equity holders of the parent (RM'000)	8,037	1,760	17,594	2,268
Weighted average number of ordinary shares in issue ('000)	603,558	516,295	612,808	494,606
Basic earnings per share (sen)	1.33	0.34	2.87	0.46

**(b) Diluted earnings per share**

Dilutive earnings per share has been calculated by dividing the profit attributable to owners of the company for the period by weighted average number of shares that would have been issued upon full conversion of the RCULS on the basis of one (1) ordinary share for every RCULS held.

	Quarter Ended		Period Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Net profit attributable to ordinary equity holders of the parent (RM'000)	8,037	1,760	17,594	2,268
Weighted average number of ordinary shares in issue ('000)	603,558	516,295	612,808	494,606
Effect of dilution: Redeemable Convertible Unsecured Loan Stocks ('000)	294,000	-	294,000	-
Adjusted weighted average number of ordinary shares in issue ('000)	897,558	516,295	906,808	494,606
Diluted earnings per share (sen)	0.90	0.34	1.94	0.46