



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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:

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



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A1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONT'D)

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 31 December 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 7 December 2021, the Company had issued 83,558,000 Placement Shares at RM0.405 per share amounting to RM33,840,990, being the final tranche of the Private Placement.

The listing and quotation of the Placement Shares has been completed on 8 December 2021.



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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 year under review.

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 2 December 2021, 55,000,000 RCULS amounting to RM17,600,000 were converted into 55,000,000 new ordinary shares at RM0.32 per share. As at 31 December 2021, the balance of issued RCULS was 239,000,000 RCULS with total nominal value of RM76,480,000.

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.



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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 31.12.2021 RM'000	Period Ended 31.12.2021 RM'000
NCT Properties Sdn Bhd		
- Rental Expenses	22	87
	<u>22</u>	<u>87</u>

A14. STATUS OF UTILISATION OF PROCEEDS

a) Proceeds from Private Placement

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 exercise was as follows:

Details of Utilisation	Amount of Proceeds RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Property Development Activities	22,714	22,714	-
General Working Capital	11,000	11,000	-
Estimated expenses for the Proposals	1,500	1,500	-
Total	<u>35,214</u>	<u>35,214</u>	-



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PART A – NOTES TO THE INTERIM FINANCIAL REPORT

A14. STATUS OF UTILISATION OF PROCEEDS

b) Proceeds from Private Placement (Cont'd)

The Group had on 7 December 2021 undertook a private placement of 83,558,000 new ordinary shares at an issuing price of RM0.405 per share for a total cash consideration of RM33,840,990. The details of utilisation of proceeds from the said private placement exercise was as follows:

Details of Utilisation	Amount of Proceeds	Amount Utilised	Amount Unutilised
	RM'000	RM'000	RM'000
Property Development Activities	21,997	14,370	7,627
General Working Capital	8,460	3,035	5,425
Estimated expenses for the Proposals	3,384	179	3,205
Total	33,841	17,584	16,257

A15. SEGMENTAL INFORMATION

The segmental analysis for the financial year ended 31 December 2021 was as follows.

	Investment Holding & Others RM'000	Property Development RM'000	Total RM'000
Segment Profit /(Loss)	(13,552)	64,701	51,149
Included in the measure of segment profit are:-			
Revenue from external customers	-	210,602	210,602
Inter-segment revenue	3,371	-	3,371
Finance costs	(1,347)	(10,001)	(11,348)
Depreciation	(102)	(19)	(121)
Not included on the measure of segment profit but provided to the Management :-			
Tax expenses	(87)	(16,509)	(16,596)
Segment assets	662,537	781,622	1,444,159
Segments liabilities	268,289	573,907	842,196



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A15. SEGMENTAL INFORMATION (CONT'D)

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

	Total RM'000
Total revenue for reportable segments	213,973
Elimiation of inter-segment revenue	<u>(3,371)</u>
Consolidated total	<u>210,602</u>
Total profit or loss for reportable segment	51,149
Elimiation of inter-segment profits	<u>-</u>
Consolidated profit before tax	<u>51,149</u>
Total reportable segments assets	1,444,159
Elimination of inter-segment transactions or balances	<u>(657,926)</u>
Consolidated total	<u>786,233</u>
Total reportable segments liabilities	842,196
Elimination of inter-segment transaction or balance	<u>(491,303)</u>
Consolidated total	<u>350,893</u>

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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

B1. REVIEW OF PERFORMANCE

	Quarter Ended		Changes		Year Ended		Changes	
	31.12.2021	31.12.2020			31.12.2021	31.12.2020		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue								
Property Development	119,610	35,504	84,106	237	210,602	76,896	133,706	174
Investment Holding & Others	-	-	-	-	-	-	-	-
	119,610	35,504			210,602	76,896		
Profit /(Loss) before tax								
Property Development	34,260	8,820	25,440	288	64,701	16,324	48,377	296
Investment Holding & Others	(5,694)	(1,052)	(4,642)	441	(13,552)	(4,495)	(9,057)	201
	28,566	7,768			51,149	11,829		

Performance for the quarter ended 31 December 2021

(a) Property Development

The Group recorded higher revenue in the current quarter by RM84 million compared to previous year's corresponding quarter. The increase in revenue was mainly contributed by Grand Ion Majestic project.

In tandem with higher revenue, profit before tax surged by RM25 million to RM34 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. The increase in Other Operations costs was due to expenses incurred for the corporate exercises as well as banking facilities.

Performance for the financial year ended 31 December 2021

(a) Property Development

The Group delivered its outstanding performance for the financial year ended 31 December 2021 was mainly contributed by stronger take-up rate of Grand Ion Majestic and its progress revenue recognition. And for the same period, Other Income surged to more than RM5 million which was contributed by rental received from Grand Ion Delemen Commercial units.

Revenue increased by 174% to RM210 million compared to RM77 million reported in the preceding year whereas profit before tax surged to RM65 million compared to RM16 million in the preceding year.



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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'D)

B1. REVIEW OF PERFORMANCE (CONT'D)

Performance for the financial year ended 31 December 2021 (Cont'd)

(b) Other Operations

Other operations division has no revenue but mainly consist of staff cost and other administrative expenses. The increase in Other Operations costs was due to expenses incurred for the corporate exercises as well as banking facilities.

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

Profit before tax increased to RM29 million compared to RM9 million as reported in the immediate preceding quarter. The increase was by contributed by stronger take-up rate of Grand Ion Majestic and its progress revenue recognition.

B3. COMMENTARY ON PROSPECTS

The financial year 2021 has been a challenging year for the property sector given the adverse market conditions left behind during the prolonged Covid-19 pandemic situation. With the National Recovery Plan implemented by the Government allowing the progressive re-opening of the economy sectors, the property market is expected to recover in conservative mode.

Moving to financial year 2022, the Group is cautiously optimistic of the market sentiments and will focus on monetizing its inventories and progressing its development projects for timely completion. Given the pace of recovery is conditioned on the resiliency of the vaccinated against the emergence of new Covid-19 variants and stability of the building material prices, new product launches will be phased according to the prevailing market conditions.

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.



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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'D)

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		Year Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
After charging / (crediting) :				
Depreciation of property, plant and equipment	75	32	121	172
Interest expenses	4,317	3	11,348	106
Loss on disposal of property, plant and equipment	-	-	-	78
Gain on investment held at fair value	-	-	-	(367)
Interest income	(5)	-	(28)	(60)
Rental Income	(37)	(26)	(4,351)	(119)

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		Year Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	11,045	2,259	17,313	3,985
Deferred taxation	562	-	(717)	-
	11,607	2,259	16,596	3,985

The effective tax rate is higher than the statutory tax rate for the quarter under review due to deferred tax assets not recognized and certain expenses which are not tax deductible for 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'D)

B8. STATUS OF CORPORATE PROPOSALS AS AT 22 FEBRUARY 2022

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.

Subsequently on 7 December 2021, the Company had issued 83,558,000 Placement Shares at RM0.405 per share amounting to RM33,840,990, being the final tranche of the Private Placement. Following the listing and quotation of the Placement Shares on 8 December 2021, the Private Placement exercise has been completed on the same day.

Save from the above corporate proposal disclosed, there were no corporate proposal announced but not completed as at 22 February 2022, 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 31 December 2021 were as follows:

	31.12.2021	31.12.2020
	RM'000	RM'000
Term Loan:		
Non Current	245,899	-
Current	6,000	-
Total borrowings	251,899	-

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 22 February 2022, 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 31 December 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'D)

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		Year Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Net profit attributable to ordinary equity holders of the parent (RM'000)	16,959	5,509	34,553	7,844
Weighted average number of ordinary shares in issue ('000)	645,102	528,826	656,125	503,208
Basic earnings per share (sen)	2.63	1.04	5.27	1.56

(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		Year Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Net profit attributable to ordinary equity holders of the parent (RM'000)	16,959	5,509	34,553	7,844
Weighted average number of ordinary shares in issue ('000)	645,102	528,826	656,125	503,208
Effect of dilution: Redeemable Convertible Unsecured Loan Stocks ('000)	239,000	-	239,000	-
Adjusted weighted average number of ordinary shares in issue ('000)	884,102	528,826	895,125	503,208
Diluted earnings per share (sen)	1.92	1.04	3.86	1.56