



AVALAND BERHAD

(Formerly known as MCT BERHAD)

Company No: 200901038653 (881786-X)

(Incorporated In Malaysia)

Interim Financial Reports

For The Quarter Ended 30 June 2023

AVALAND BERHAD
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200901038653 (881786-X)
Incorporated In Malaysia

Interim Financial Reports

For The Quarter Ended 30 June 2023

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AVALAND BERHAD
(Formerly known as MCT BERHAD)
200901038653 (881786-X)
Incorporated In Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2023
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-JUNE-23 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 30-JUNE-22 RM'000	CURRENT YEAR TO DATE 30-JUNE-23 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 30-JUNE-22 RM'000
Revenue	113,844	53,501	190,425	92,119
Cost of sales	(72,677)	(37,464)	(123,652)	(62,675)
Gross profit	<u>41,167</u>	<u>16,037</u>	<u>66,773</u>	<u>29,444</u>
Other income	1,632	8,075	4,198	9,944
Selling and marketing expenses	(2,198)	(1,030)	(4,592)	(1,783)
Direct operating and general administrative expenses	(19,657)	(16,665)	(39,526)	(32,660)
Finance costs	(4,909)	(9,027)	(8,828)	(17,335)
Profit/(Loss) before tax	<u>16,035</u>	<u>(2,610)</u>	<u>18,025</u>	<u>(12,390)</u>
Income tax expense	(4,921)	(4,387)	(6,776)	(6,804)
Profit/(Loss) for the period	11,114	(6,997)	11,249	(19,194)
Other comprehensive income/(loss), net of tax				
Items that will be reclassified subsequently to profit or loss				
Change in fair value of cash flow hedge, net of tax	(1,636)	2,802	(2,942)	3,987
Total comprehensive profit/(loss) for the period	<u>9,478</u>	<u>(4,195)</u>	<u>8,307</u>	<u>(15,207)</u>

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2023
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-JUNE-23 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 30-JUNE-22 RM'000	CURRENT YEAR TO DATE 30-JUNE-23 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 30-JUNE-22 RM'000
Profit/(Loss) for the period attributable to:				
Owners of the Company	11,116	(6,996)	11,252	(19,191)
Non-controlling interest	(2)	(1)	(3)	(3)
	11,114	(6,997)	11,249	(19,194)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	9,480	(4,194)	8,310	(15,204)
Non-controlling interest	(2)	(1)	(3)	(3)
	9,478	(4,195)	8,307	(15,207)
Profit/(loss) per share attributable to owners of the Company:				
Basic/Diluted profit/(loss) (sen per share) - Note B12	0.76	(0.48)	0.77	(1.32)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	(UNAUDITED)	(AUDITED)
	AS AT	AS AT
	30-JUNE-23	31-DEC-22
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	221,128	223,868
Investment properties	247,453	248,601
Land held for property development	305,435	289,910
Deferred tax assets	6,846	6,389
	<u>780,862</u>	<u>768,768</u>
Total Non-Current Assets		
Current Assets		
Inventories	3,806	4,070
Property development costs	304,596	266,967
Trade receivables	54,137	56,771
Other receivables	45,100	45,503
Contract assets	149,275	82,002
Tax recoverable	48,652	49,138
Cash and bank balances	128,232	117,924
	<u>733,798</u>	<u>622,375</u>
Total Current Assets		
	<u>1,514,660</u>	<u>1,391,143</u>
Total Assets		
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	1,541,092	1,541,092
Reserves	(1,064,073)	(1,061,131)
Retained earnings	402,333	391,081
	<u>879,352</u>	<u>871,042</u>
Non-controlling interests	221	224
	<u>879,573</u>	<u>871,266</u>
Total Equity		

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	(UNAUDITED) AS AT 30-JUNE-23 RM'000	(AUDITED) AS AT 31-DEC-22 RM'000
Non-Current Liabilities		
Borrowings	86,837	47,905
Amount owing to ultimate holding company	256,575	197,550
Deferred tax liabilities	1,304	1,777
Derivative financial liabilities	2,033	14,187
Lease liabilities	807	218
	<hr/>	<hr/>
Total Non-Current Liabilities	347,556	261,637
	<hr/>	<hr/>
Current Liabilities		
Trade payables	62,271	55,477
Other payables	108,095	115,163
Contract liabilities	2,792	6,210
Amount owing to ultimate holding company	-	43,900
Tax payable	7,126	2,356
Borrowings	106,053	31,050
Lease liabilities	1,194	738
Derivative financial liabilities	-	3,346
	<hr/>	<hr/>
Total Current Liabilities	287,531	258,240
	<hr/>	<hr/>
Total Liabilities	635,087	519,877
	<hr/>	<hr/>
Total Equity and Liabilities	1,514,660	1,391,143
	<hr/> <hr/>	<hr/> <hr/>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2023
(The figures have not been audited)

Attributable to the owners of the Company

	<--- Non-Distributable --->		Distributable		Attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Reverse acquisition reserve RM'000	Cash flow hedge reserve RM'000	Retained earnings RM'000			
As at 1 January 2022	1,541,092	(1,062,627)	(5,107)	390,592	863,950	230	864,180
Total comprehensive income for the period	-	-	3,987	(19,191)	(15,204)	(3)	(15,207)
As at 30 June 2022	1,541,092	(1,062,627)	(1,120)	371,401	848,746	227	848,973
As at 1 January 2023	1,541,092	(1,062,627)	1,496	391,081	871,042	224	871,266
Total comprehensive income for the period	-	-	(2,942)	11,252	8,310	(3)	8,307
As at 30 June 2023	1,541,092	(1,062,627)	(1,446)	402,333	879,352	221	879,573

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2023

	(UNAUDITED) PERIOD ENDED 30-JUNE-23 RM'000	(UNAUDITED) PERIOD ENDED 30-JUNE-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	18,024	(12,390)
Adjustments for:		
Depreciation of:		
Property, plant and equipment	4,894	5,590
Investment properties	259	252
Finance costs	8,828	17,335
Net fair value loss on derivative	1,466	-
Bad debts written off no longer required	-	(1)
Gain on disposal of property, plant and equipment	(936)	(800)
Interest income	(817)	(1,746)
Unrealised gain on foreign exchange	(1,258)	(133)
	30,460	8,107
Operating Profit Before Working Capital Changes	30,460	8,107
Decrease/(Increase) in:		
Inventories	264	87
Property development costs	22,040	(15,303)
Contract assets	(67,273)	(21,043)
Trade receivables	2,634	(77,033)
Other receivables	403	9,715
(Decrease)/Increase in:		
Contract liabilities	(3,417)	87,297
Trade payables	6,795	(33,735)
Other payables	(6,159)	(12,658)
	(14,253)	(54,566)
Cash Used In Operations	(14,253)	(54,566)
Income taxes paid	(1,521)	(13,443)
	(15,774)	(68,009)
Net Cash Used In Operating Activities	(15,774)	(68,009)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2023

	(UNAUDITED) PERIOD ENDED 30-JUNE-23 RM'000	(UNAUDITED) PERIOD ENDED 30-JUNE-22 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	971	1,596
Interest received	817	1,746
Additions to:		
Investment properties	-	(93)
Property, plant and equipment	(835)	(1,438)
Land held for property development	(75,193)	(2,480)
Payment of forward contract	(4,447)	-
Net Cash Used In Investing Activities	<u>(78,687)</u>	<u>(669)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Placement of fixed deposits placed with licensed banks	(191)	-
Net drawdowns of borrowings	116,971	75,721
Drawdown of lease liabilities	257	-
Repayments of lease liabilities	(744)	(663)
Transaction costs paid	(3,441)	-
Finance costs paid	(8,275)	(17,157)
Changes in restricted cash held for borrowings	12,961	-
Net Cash Generated From Financing Activities	<u>117,538</u>	<u>57,901</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	23,077	(10,777)
EFFECTS OF EXCHANGE RATE CHANGES	-	189
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	72,120	456,405
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>95,197</u>	<u>445,817</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2023

	(UNAUDITED) PERIOD ENDED 30-JUNE-23 RM'000	(UNAUDITED) PERIOD ENDED 30-JUNE-22 RM'000
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Fixed deposits with licensed banks	28,952	55,135
Deposits under Housing Development Accounts	56,644	364,315
Cash on hand and in bank	42,635	29,444
Cash and bank balances	99,279	393,759
Less:		
Restricted cash	(13,233)	-
Fixed deposits with maturity period more than 90 days	(19,801)	(3,077)
Cash and cash equivalents	95,197	445,817

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2023

PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022. These interim financial statements contain selected explanatory notes which provide explanations of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("Group").

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 31 December 2022.

The Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2023:

MFRS 17 and amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred tax related to assets and liabilities arise from a single transaction and International Tax Reform - Pillar Two Model Rules

The adoption of the above amendments to MFRSs does not have any significant impact to the Group.

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PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING
STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

A1 Basis of preparation (cont'd)

At the date of the unaudited interim financial statements, the new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current ¹
Amendments to MFRS 101	Presentation of Financial Statements: Non-Current Liabilities with Covenants ¹
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments Disclosure – Supplier Finance Arrangement ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual period beginning on or after 1 January 2024, with earlier application permitted.

² Effective date deferred to a date to be determined and announced, with earlier application permitted.

The abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these MFRSs and amendments to MFRSs may have an impact on the financial statements of the Group and the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect until the Group and the Company undertake a detailed review.

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2023

PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING
STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

A2 Exceptional or unusual items

There were no material items of exceptional or unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period ended 30 June 2023.

A3 Changes in estimates

There were no changes in estimates of amounts reported in prior in prior financial years that have a material effect on the amounts reported for the current quarter under review.

A4 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter under review.

A5 Dividend paid

There were no dividends paid in the current quarter under review.

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2023

PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

A6 Segmental information

The Group's segmental information for the period ended 30 June 2023 is as follows:

	Property Development RM'000	Investment Holding RM'000	Complementary Business RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Revenue							
External revenue	181,260	-	1,880	7,285	190,425	-	190,425
Inter-segment revenue	-	-	17,595	1,502	19,097	(19,097)	-
Total revenue	181,260	-	19,475	8,787	209,522	(19,097)	190,425
Results							
Operating profit/(loss)	31,966	(3,207)	(3,833)	(2,181)	22,745	(90)	22,655
Interest income	711	7,649	96	1	8,457	(7,640)	817
Other income	697	1,298	1,266	120	3,381	-	3,381
Finance costs	(7,125)	(7,112)	(1,812)	(509)	(16,558)	7,730	(8,828)
Profit/(Loss) before tax	26,249	(1,372)	(4,283)	(2,569)	18,025	-	18,025
Income tax expense	(6,203)	(147)	(377)	(49)	(6,776)	-	(6,776)
Profit/(Loss) after tax	20,046	(1,519)	(4,660)	(2,618)	11,249	-	11,249

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2023

PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

A6 Segmental information (cont'd)

The segmental information as at 30 June 2023 is as follows:

	Property Development RM'000	Investment Holding RM'000	Complementary Business RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Assets and liabilities							
Segment assets	1,959,347	1,947,055	504,598	68,184	4,479,184	(3,020,022)	1,459,162
Tax recoverable and deferred tax assets	24,358	9,478	10,388	236	44,460	11,038	55,498
Total assets	1,983,705	1,956,533	514,986	68,420	4,523,644	(3,008,984)	1,514,660
Liabilities							
Segment liabilities	1,459,632	410,238	504,139	115,520	2,489,529	(1,862,872)	626,657
Tax payable and deferred tax liabilities	6,879	123	112	33	7,147	1,283	8,430
Total liabilities	1,466,511	410,361	504,251	115,553	2,496,676	(1,861,589)	635,087

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2023

PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

A7 Material events subsequent to the end of interim financial year

There were no material events subsequent to the end of the current quarter under review up to the date of this report.

A8 Changes in the composition of the Group

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

A9 Changes in contingent liabilities and contingent assets

Details of contingent liabilities of the Group as at end of the current quarter under review are as follows:

(a) Performance bond

	As at 30-JUNE-23 RM'000	As at 31-DEC-22 RM'000
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	<u>28,057</u>	<u>30,355</u>

A10 Commitments

The amount of commitments for capital expenditure as at 30 June 2023 are as follows:

	As at 30-JUNE-23 RM'000
Approved and contracted for:	
- Land held for property development	<u>64,647</u>

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PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING
STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

A11 Significant related party transactions

During the financial year, the significant related party transactions entered by the Group, which were determined based on negotiations agreed between the parties, are as follows:

	6 MONTHS ENDED 30-JUNE-23 RM'000
Interest paid/payable to ultimate holding company	<u>5,724</u>

A12 Seasonal or cyclical factors

The Group's operations were not significantly affected by any seasonal or cyclical factors.

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PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

A13 Fair values

The carrying amounts of the financial instruments approximate their fair values as these financial assets and financial liabilities have short-term maturity or are repayable on demand except for the following:

Financial instruments carried at fair value

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	As at 30-JUNE-23 RM'000	As at 31-DEC-22 RM'000
Level 2		
<u>Liabilities</u>		
Derivative financial instruments (foreign exchange forward)	-	3,346
Derivative financial instruments (cross currency interest rate swaps)	2,033	14,187
	2,033	14,187

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

B1 Performance review

Performance of the current quarter against the preceding year corresponding quarter (2Q 2023 vs 2Q 2022)

The Group recorded higher revenue and gross profit of RM113.8 million and RM41.2 million respectively for the current quarter, as compared to the preceding year corresponding quarter of RM53.5 million and RM16.0 million respectively due to the advanced construction stage combined with healthy sales take up for Aetas Damansara and Alira Subang Jaya. The additional contribution from the three projects that were launched in the second half of 2022 (namely Alira Subang Jaya, Project in Cybersouth and Cyberjaya) also contributed to the improved topline in the current quarter ended 30 June 2023.

As a result of the above, the Group achieved RM16.0 million of profit before tax for the current quarter under review as compared to the preceding year corresponding quarter of loss before tax of RM2.6 million.

Performance of the current 6 months quarter against the preceding year corresponding 6 months quarter (year-to-date "YTD" June 2023 vs YTD June 2022)

The Group recorded a Gross Profit of RM66.8 million for the YTD June 2023 as compared to YTD June 2022 of RM29.4 million due to sales and construction progress from Aetas Damansara, Alira Subang Jaya, Projects in Cybersouth and Cyberjaya coupled with the savings from closing of final accounts of the completed projects.

As a result of the above, the Group reported profit before tax of RM18.0 million for YTD June 2023 as compared to a loss before tax of RM12.4 million in YTD June 2022.

B2 Material changes for the current quarter as compared to the preceding quarter (Q2 2023 vs Q1 2023)

The Group recorded revenue of RM113.8 million for the current quarter as compared to RM76.6 million in the preceding quarter. The increase in revenue was mainly due to higher sales recognition and construction progress from the Group's ongoing projects.

As a result of the above, the Group's profit before tax is higher in the current quarter as compared to the preceding quarter.

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

B3 Prospects

Despite facing headwinds in the six months period ended 30 June 2023 such as the increase in the overnight policy rate (“OPR”) of 25 basis points in May 2023 to 3.0% and the weaker Ringgit, the Group achieved commendable revenue growth to RM113.8 million for the quarter under review, which is its highest since the fourth quarter of the financial year ended 31 December 2020.

The improved financial performance came on the back of the Group’s 7.8% higher property sales of RM266.7 million in the six months period ended 30 June 2023 from RM247.4 million in the previous corresponding period ended 30 June 2022. The improved sales performance is in-line with the encouraging sales of the Group’s projects that were launched in the second half of 2022, namely Sanderling (50.0% take-up rate), Casa Embun (53.8% take-up rate) and Phase 2 of Alira Subang Jaya (66.2% take-up rate).

In addition, the Group’s unbilled sales as at 30 June 2023 also grew 18.2% to RM851.6 million from RM720.2 million as at 31 December 2022, providing the Group with earnings visibility over the next few years.

The Group’s on-going projects namely Aetas Damansara and Phase 1 of Alira Subang Jaya also registered healthy take-up rates of 89.3% and 88.6% respectively as at 30 June 2023. The Group is expecting an acceleration in construction progress for both projects in the coming months and targets to handover Aetas Damansara in December 2024 and Alira Subang Jaya in July 2025. Moreover, the Group also managed to handover Casa Bayu Apartments and Casa Bayu Townhouses in May 2023 and August 2023 respectively, which have a total of 260 residential units with a combined GDV of RM145.2 million.

Moving forward, the Group is planning to launch 1,776 units of properties with an estimated gross development value (“GDV”) of RM1.2 billion. Alora Residences, the first phase of the 2Fifth Avenue development, is slated to launch in August 2023 and will comprise 770 serviced apartments and 8 retail units with total GDV of RM551.9 million. The Group is also planning to launch Amika Residences in September 2023 which is located adjacent to Alira Subang Jaya. Amika Residences is a Japanese-inspired development with 493 units of serviced apartments with neighbourhood retail units with a total GDV of RM452.1 million. The Group is confident that the new projects will be well accepted by the market considering its strategic location, unique concept and design for post-pandemic lifestyles.

The Group’s landbank remains robust with 196 acres of land with an estimated GDV of RM12 billion, which will sustain its earnings over the next 10 years. This includes the latest land acquisitions amounting to 9.5 acres at Bangi, Seputeh and Taman Desa for a total purchase consideration of RM154.1 million. With a combined GDV of approximately RM1.2 billion, these new landbank will contribute positively to the Group’s growth plans and earnings prospects in the near future. Moving forward, as the Group continues to chart its growth plans, it will continue to pursue landbanking opportunities at strategic locations.

Meanwhile, the pause in OPR hikes in July, easing of inflation and improving overhang numbers of residential properties in Malaysia coupled with initiatives from the Government such as the stamp duty exemptions for first-time homebuyers, lower income tax rate and the Housing Credit Guarantee Scheme to boost home ownership would certainly benefit the overall property market sentiment. Leveraging on our robust unbilled sales and contributions from the new launches, the Group is optimistic of its prospects as it looks to maintain its strong growth trajectory.

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B4 Profit forecast or profit guarantee

No profit forecast or profit guarantee was issued by the Group for the financial period.

B5 Profit/(Loss) on sale of unquoted investments

There was no sale of unquoted investments during the current quarter under review.

B6 Quoted securities

There was no purchase or disposal of quoted and marketable securities during the current quarter under review.

B7 Status of corporate proposals

- (i) On 20 February 2023, Ardent Residence Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with HPC Development Sdn Bhd for the acquisition of a parcel of freehold residential development land in Bandar Kuala Lumpur measuring approximately 1.57 acres for a total cash consideration of RM58,000,000. The condition precedent of the sale and purchase agreement was subsequently fulfilled on 27 April 2023.
- (ii) On 1 March 2023, The Place Properties Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Sisi Tasik Sdn Bhd for the acquisition of three contiguous parcels of freehold residential development land in Mukim Kuala Lumpur measuring approximately 3.91 acres for a total cash consideration of RM64,646,632. The condition precedent of the sale and purchase agreement was subsequently fulfilled on 30 March 2023.

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B8 Group borrowings

Group borrowings as at 30 June 2023 and 31 December 2022 were as follows:

	As at 30-JUNE-23 RM'000	As at 31-DEC-22 RM'000
Short-term		
<u>Unsecured:</u>		
Lease liabilities	84	35
Revolving credit	93,350	31,050
<u>Secured:</u>		
Term loan	12,703	-
	<u>106,137</u>	<u>31,085</u>
Long-term		
<u>Unsecured:</u>		
Lease liabilities	205	33
<u>Secured:</u>		
Term loan	86,837	47,905
	<u>87,042</u>	<u>47,938</u>
	<u>193,179</u>	<u>79,023</u>

Save for the advances from ultimate holding company and its related interest payable, there were no loans and borrowings denominated in foreign currency as at 30 June 2023 and 31 December 2022.

Weighted average interest rates per annum of borrowings effective as at reporting date are as follow:

	30-JUNE-23
Lease liabilities	2.34%
Revolving credit	4.80%
Term loan	4.97%

The proportion of borrowings between fixed and floating were as follows:

	30-JUNE-23	
	RM'000	% to total borrowings
Fixed rate	289	0%
Floating rate	192,890	100%
	<u>193,179</u>	<u>100%</u>

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B9 Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEEDING YEAR CORRESPONDING PERIOD
	30-JUNE-23	30-JUNE-22	30-JUNE-23	30-JUNE-22
	RM'000	RM'000	RM'000	RM'000
Income tax expense comprises:				
Current tax	4,921	69	6,776	1,674
Deferred tax	-	4,318	-	5,130
	4,921	4,387	6,776	6,804

B10 Trade receivables

The table below is the aging analysis of trade receivables at the end of the reporting period:

	30-JUNE-23 RM'000
Neither past due nor impaired	29,913
1 to 30 days past due	12,053
31 to 60 days past due	5,392
61 to 90 days past due	753
More than 90 days past due	20,324
	38,522
Less: Provision for doubtful debt for trade receivables	(14,298)
	54,137

Allowance for doubtful debt for trade receivables was provided for balances aged beyond 180 days as it is probable the Group will be unable to collect such debts after sending reminder letters and letter of demand.

On confirmation of insolvency of receivables, the balances will be written off.

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B11 Dividend payable

There was no dividend proposed for the quarter under review.

B12 Earnings/(Loss) per share

The calculation of the earnings/(loss) per ordinary share of the Group has been calculated by dividing profit/(loss) for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-JUNE-23 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 30-JUNE-22 RM'000	CURRENT YEAR TO DATE 30-JUNE-23 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 30-JUNE-22 RM'000
Basic earnings/(loss) per share				
Profit/(Loss) attributable to owners of the Company (RM'000)	11,116	(6,996)	11,252	(19,191)
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995	1,456,995	1,456,995
Basic/Diluted profit/(loss) (sen per share)	0.76	(0.48)	0.77	(1.32)

B13 Profit before tax

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

	CURRENT YEAR QUARTER 30-JUNE-23 RM'000	YEAR TO DATE 30-JUNE-23 RM'000
Staff costs	11,431	20,210
Depreciation of:		
Property, plant and equipment	2,610	4,894
Investment properties	102	259
Unrealised loss/(gain) on foreign exchange	6	(1,258)
Realised loss on foreign exchange	47	466
Gain on disposal of property, plant and equipment	(810)	(936)
Interest income	(313)	(817)
Net fair value loss on derivative	-	1,466

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B14 Changes in material litigation

There was no material litigation against the Group as at the reporting date.

B15 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 were not subject to any qualification.

B16 Authorisation for issue

The current interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 23 August 2023.