



AVALAND BERHAD

(Formerly known as MCT BERHAD)

Company No: 200901038653 (881786-X)

(Incorporated In Malaysia)

Interim Financial Reports

For The Quarter Ended 30 September 2023

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

Interim Financial Reports

For The Quarter Ended 30 September 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 SEPTEMBER 2023
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-SEP-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-SEP-22 RM'000	CURRENT YEAR TO DATE 30-SEP-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-SEP-22 RM'000
Revenue	156,175	56,256	346,600	148,375
Cost of sales	(103,346)	(39,053)	(226,998)	(101,728)
Gross profit	<u>52,829</u>	<u>17,203</u>	<u>119,602</u>	<u>46,647</u>
Other income	6,346	6,348	10,544	16,292
Selling and marketing expenses	(4,575)	(1,964)	(9,167)	(3,747)
Direct operating and general administrative expenses	(21,462)	(15,486)	(60,988)	(48,146)
Finance costs	(5,074)	(9,685)	(13,902)	(27,020)
Profit/(Loss) before tax	<u>28,064</u>	<u>(3,584)</u>	<u>46,089</u>	<u>(15,974)</u>
Income tax (expense)/credit	<u>(10,835)</u>	<u>9,756</u>	<u>(17,611)</u>	<u>2,952</u>
Profit/(Loss) for the period	17,229	6,172	28,478	(13,022)
Other comprehensive (loss)/ income, net of tax				
Items that will be reclassified subsequently to profit or loss				
Change in fair value of cash flow hedge, net of tax	(364)	1,401	(3,306)	5,388
Total comprehensive profit/(loss) for the period	<u>16,865</u>	<u>7,573</u>	<u>25,172</u>	<u>(7,634)</u>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-SEP-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-SEP-22 RM'000	CURRENT YEAR TO DATE 30-SEP-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-SEP-22 RM'000
Profit/(Loss) for the period attributable to:				
Owners of the Company	17,230	6,174	28,482	(13,017)
Non-controlling interest	(1)	(2)	(4)	(5)
	17,229	6,172	28,478	(13,022)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	16,866	7,575	25,176	(7,629)
Non-controlling interest	(1)	(2)	(4)	(5)
	16,865	7,573	25,172	(7,634)
Profit/(loss) per share attributable to owners of the Company:				
Basic/Diluted profit/(loss) sen per share (Note B12)	1.18	0.42	1.95	(0.89)

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 SEPTEMBER 2023

	(UNAUDITED)	(AUDITED)
	AS AT	AS AT
	30-SEP-23	31-DEC-22
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	219,049	223,868
Investment properties	247,333	248,601
Land held for property development	402,424	289,910
Deferred tax assets	6,961	6,389
	<u>875,767</u>	<u>768,768</u>
Total Non-Current Assets		
Current Assets		
Inventories	8,544	4,070
Property development costs	293,224	266,967
Trade receivables	71,029	56,771
Other receivables	33,721	45,503
Contract assets	182,256	82,002
Tax recoverable	42,638	49,138
Cash and bank balances	122,061	117,924
	<u>753,473</u>	<u>622,375</u>
Total Current Assets		
	<u>1,629,240</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	(1,064,437)	(1,061,131)
Retained earnings	419,563	391,081
	<u>896,218</u>	<u>871,042</u>
Non-controlling interests	220	224
	<u>896,438</u>	<u>871,266</u>
Total Equity		

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	(UNAUDITED) AS AT 30-SEP-23 RM'000	(AUDITED) AS AT 31-DEC-22 RM'000
Non-Current Liabilities		
Borrowings	136,056	47,905
Amount owing to ultimate holding company	258,307	197,550
Deferred tax liabilities	1,304	1,777
Derivative financial liabilities	780	14,187
Lease liabilities	779	218
Total Non-Current Liabilities	397,226	261,637
Current Liabilities		
Trade payables	68,468	55,477
Other payables	131,714	115,163
Contract liabilities	1,985	6,210
Amount owing to ultimate holding company	-	43,900
Tax payable	11,613	2,356
Borrowings	120,690	31,050
Lease liabilities	1,106	738
Derivative financial liabilities	-	3,346
Total Current Liabilities	335,576	258,240
Total Liabilities	732,802	519,877
Total Equity and Liabilities	1,629,240	1,391,143
Net assets per share attributable to owners of the Company (RM)	0.62	0.60

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 SEPTEMBER 2023
(The figures have not been audited)

Attributable to the owners of the Company

	<--- Non-Distributable --->		Distributable			Non-controlling interests	Total equity
	Share capital	Reverse acquisition reserve	Cash flow hedge reserve	Retained earnings	Attributable to owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	5,388	(13,017)	(7,629)	(5)	(7,634)
As at 30 September 2022	1,541,092	(1,062,627)	281	377,575	856,321	225	856,546
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	-	-	(3,306)	28,482	25,176	(4)	25,172
As at 30 September 2023	1,541,092	(1,062,627)	(1,810)	419,563	896,218	220	896,438

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 SEPTEMBER 2023

	(UNAUDITED) PERIOD ENDED 30-SEP-23 RM'000	(UNAUDITED) PERIOD ENDED 30-SEP-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	46,089	(15,974)
Adjustments for:		
Depreciation of:		
Property, plant and equipment	8,212	8,934
Investment properties	379	379
Reversal of impairment loss on trade receivables	(2,839)	-
Impairment loss on property, plant and equipment	-	132
Finance costs	13,902	27,020
Net fair value loss on derivative	1,466	-
Bad debts written off no longer required	-	(1)
Bad debts written off	250	-
Gain on disposal of property, plant and equipment	(1,979)	(1,622)
Interest income	(2,181)	(3,685)
Unrealised gain on foreign exchange	(1,265)	(340)
	62,034	14,843
Operating Profit Before Working Capital Changes		
Decrease/(Increase) in:		
Inventories	927	640
Property development costs	28,010	(2,430)
Contract assets	(100,255)	(24,362)
Trade receivables	(11,669)	25,280
Other receivables	11,781	(1,000)
(Decrease)/Increase in:		
Contract liabilities	(4,225)	53,785
Trade payables	12,991	(31,339)
Other payables	17,468	(21,578)
	17,062	13,839
Cash Generated From Operations		
Income taxes paid	(1,854)	(15,146)
	15,208	(1,307)
Net Cash Generated From/(Used In) Operating Activities		

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

	(UNAUDITED)	(UNAUDITED)
	PERIOD	PERIOD
	ENDED	ENDED
	30-SEP-23	30-SEP-22
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	2,014	2,620
Interest received	2,181	3,685
Additions to:		
Investment properties	-	(93)
Property, plant and equipment	(2,031)	(2,375)
Land held for property development	(172,183)	(3,861)
Payment of forward contract	(4,447)	-
	(174,466)	(24)
Net Cash Used In Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Placement of fixed deposits placed with licensed banks	(424)	-
Net drawdowns of borrowings	180,895	92,915
Drawdown of lease liabilities	457	-
Repayments of lease liabilities	(1,135)	(1,031)
Transaction costs paid	(3,877)	-
Finance costs paid	(12,946)	(26,708)
Changes in restricted cash held for borrowings	14,410	-
	177,380	65,176
Net Cash Generated From Financing Activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,122	63,845
EFFECTS OF EXCHANGE RATE CHANGES	-	420
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	72,120	456,405
CASH AND CASH EQUIVALENTS AT END OF PERIOD	90,242	520,670

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

	(UNAUDITED) PERIOD ENDED 30-SEP-23 RM'000	(UNAUDITED) PERIOD ENDED 30-SEP-22 RM'000
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Fixed deposits with licensed banks	28,937	61,544
Deposits under Housing Development Accounts	63,625	28,782
Cash on hand and in bank	29,500	433,421
Cash and bank balances	93,125	462,203
Less:		
Restricted cash	(11,786)	-
Fixed deposits with maturity period more than 90 days	(20,034)	(3,077)
Cash and cash equivalents	90,242	520,670

The Condensed Consolidated Statement of Cash Flows 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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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 121	The Effects of Changes in Foreign Exchange Rates ²
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

² Effective for annual period beginning on or after 1 January 2025, with earlier application permitted.

³ 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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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 September 2023.

A3 Changes in estimates

There were no changes in estimates of amounts reported 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 SEPTEMBER 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 September 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	333,540	-	2,143	10,917	346,600	-	346,600
Inter-segment revenue	-	-	25,257	2,302	27,559	(27,559)	-
Total revenue	333,540	-	27,400	13,219	374,159	(27,559)	346,600
Results							
Operating profit/(loss)	60,022	(3,960)	(3,762)	(2,710)	49,590	(143)	49,447
Interest income	1,979	11,878	190	2	14,049	(11,868)	2,181
Other income	1,443	1,319	5,433	168	8,363	-	8,363
Finance costs	(11,223)	(11,154)	(2,679)	(857)	(25,913)	12,011	(13,902)
Profit/(Loss) before tax	52,221	(1,917)	(818)	(3,397)	46,089	-	46,089
Income tax expense	(16,969)	(147)	(350)	(145)	(17,611)	-	(17,611)
Profit/(Loss) after tax	35,252	(2,064)	(1,168)	(3,542)	28,478	-	28,478

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 September 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	2,121,723	1,946,625	680,039	68,439	4,816,826	(3,237,185)	1,579,641
Tax recoverable and deferred tax assets	20,472	8,558	9,503	28	38,561	11,038	49,599
Total assets	2,142,195	1,955,183	689,542	68,467	4,855,387	(3,226,147)	1,629,240
Segment liabilities	1,637,139	409,807	625,375	116,465	2,788,786	(2,068,901)	719,885
Tax payable and deferred tax liabilities	11,456	117	6	55	11,634	1,283	12,917
Total liabilities	1,648,595	409,924	625,381	116,520	2,800,420	(2,067,618)	732,802

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NOTES TO INTERIM FINANCIAL STATEMENTS
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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-SEP-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>38,034</u>	<u>30,355</u>

A10 Commitments

There were no commitments in the Group for the current quarter under review.

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

	9 MONTHS ENDED 30-SEP-23 RM'000
Interest paid/payable to ultimate holding company	<u>8,638</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-SEP-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)	780	14,187
	780	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 (3Q 2023 vs 3Q 2022)

For the current quarter, the Group has recorded a higher revenue and gross profit of RM156.2 million and RM52.8 million respectively. Revenue is higher by RM99.9 million while gross profit is higher by RM35.6 million as compared to the preceding year corresponding quarter due to the advanced construction stage combined with healthy sales take up for the Group's ongoing projects (namely Aetas Damansara, Alira Subang Jaya and projects in Cyberjaya).

As a result of the above, the Group achieved RM28.1 million of profit before tax for the current quarter under review as compared to the preceding year corresponding quarter of loss before tax of RM3.6 million.

Performance of the current year-to-date against the preceding year-to-date (year-to-date "YTD" September 2023 vs YTD September 2022)

For the current year, the Group has recorded a higher gross profit of RM119.6 million which is 2.6 times higher than YTD September 2022 due to healthy sales and advanced construction stage from the Group's ongoing projects as well as new projects launched in Cyberjaya subsequent to September 2022.

As a result of the above, the Group recorded a profit before tax of RM46.1 million for YTD September 2023 as compared to a loss before tax of RM16.0 million in YTD September 2022.

B2 Material changes for the current quarter as compared to the preceding quarter (Q3 2023 vs Q2 2023)

The Group continued to record a higher revenue of RM156.2 million for the current quarter as compared to RM113.8 million in the preceding quarter. The increase in revenue was mainly due to higher sales recognition and construction work progress from the Group's ongoing projects.

Other income is also higher for the current quarter by RM4.7 million as compared to RM1.6 million in the preceding quarter due to reversal of impairment on trade receivables.

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 the economic and market challenges in the nine months period ended 30 September 2023 such as the weaker Ringgit and the higher interest rate environment (current overnight policy rate at 3% vs 2.5% in Sep'22), the Group recorded an improved performance with a revenue of RM156.2 million, which is 37.3% higher than the revenue registered in the preceding quarter. It is also the highest revenue registered by the Group since the fourth quarter of the financial year ended 31 December 2020.

The improved financial performance came on the back of the Group's property sales of RM428.5 million for the nine months period ended 30 September 2023, which is 78.7% of the RM544.7 million sales that the Group achieved in the entire 2022. The improved sales performance was in-line with the encouraging sales of the Group's projects that were launched in the second half of 2022, namely Sanderling (72.3% take-up rate), Casa Embun (70.0% take-up rate) and Phase 2 of Alira Subang Jaya (69.1% take-up rate). In addition, the Group launched Phase 1 of Alora Residences in August 2023 and has since achieved take-up rate of 34%. Located at USJ, Subang Jaya, Alora Residence is the first phase of the 2Fifth Avenue development and comprise 770 serviced apartments and 8 retail units with total GDV of RM551.9 million. The Group's unbilled sales as at 30 September 2023 also grew 20.4% to RM867 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 96.0% and 93.1% respectively and the Group is expecting an acceleration in construction progress for both projects in the coming months. The construction progress and healthy take-up rates of the projects that were launched in the second half of 2022 will further boost revenue recognition moving forward.

Following the launch of Alora Residences, the Group is also planning to launch Amika Residences in the 4th quarter of 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 project will be well accepted by the market considering its strategic location, unique concept and design for post-pandemic lifestyles.

The Group also launched its sustainability roadmap in September 2023 which reinforces its commitment to integrate sustainable and eco-friendly features that will benefit its customers across all its projects. The Group's green initiatives in its projects have also been validated by GreenRE Malaysia, a green building certification agency formed by Real Estate And Housing Developers' Association (REHDA) as six of its projects received GreenRE certifications: Aetas Damansara (Platinum), Alora Residences (Gold), Amika Residences (Gold), Alira Subang Jaya (Silver), Sanderling (Bronze) and Casa Embun (Bronze). As an initiative to encourage home-ownership of green certified properties, the Group signed a Memorandum of Understanding with Alliance Bank Malaysia Berhad (Alliance Bank) for the Alliance Bank Green Mortgage Financing Package where purchasers of the Group's green certified properties will be able to enjoy lower interest rates by 10 basis points (bps) from the current preferential rate, subject to the customer's lending profile. The Group also obtained green financing amounting to RM129.8 million from Ambank Group for Alora Residence which is a validation of the Group's initial green achievement for Alora Residences as well as the sustainable designs and plans for 2Fifth Avenue. As a responsible property developer, the Group is committed to prioritizing sustainability in all its offerings which will help ensure the creation of lasting economic, environmental and social value for all stakeholders involved.

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B3 Prospects (cont'd)

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 the 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.

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

There were no corporate proposals previously announced by the Group that remained uncompleted as at 15 November 2023, the last practicable date which is not earlier than seven (7) days from the issue of this interim financial report.

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B8 Group borrowings

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

	As at 30-SEP-23 RM'000	As at 31-DEC-22 RM'000
Short-term		
<u>Unsecured:</u>		
Lease liabilities (Hire purchases)	121	35
Revolving credit	105,150	31,050
<u>Secured:</u>		
Term loan	15,540	-
	<u>120,811</u>	<u>31,085</u>
Long-term		
<u>Unsecured:</u>		
Lease liabilities (Hire purchases)	345	33
<u>Secured:</u>		
Term loan	136,056	47,905
	<u>136,401</u>	<u>47,938</u>
	<u>257,212</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 September 2023 and 31 December 2022.

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

	30-SEP-23
Lease liabilities	2.36%
Revolving credit	4.86%
Term loan	5.07%

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

	30-SEP-23	
	RM'000	% to total borrowings
Fixed rate	466	0.18%
Floating rate	256,746	99.82%
	<u>257,212</u>	<u>100.00%</u>

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B9 Income tax expense/(credit)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-SEP-23	30-SEP-22	30-SEP-23	30-SEP-22
	RM'000	RM'000	RM'000	RM'000
Income tax expense/(credit) comprises:				
Current tax	10,835	(16,620)	17,611	(14,946)
Deferred tax	-	6,864	-	11,994
	<u>10,835</u>	<u>(9,756)</u>	<u>17,611</u>	<u>(2,952)</u>

B10 Trade receivables

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

	30-SEP-23 RM'000
Neither past due nor impaired	33,927
1 to 30 days past due	14,991
31 to 60 days past due	11,282
61 to 90 days past due	3,412
More than 90 days past due	18,876
	48,561
Less: Provision for doubtful debt for trade receivables	(11,459)
	<u>71,029</u>

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.

B11 Dividend payable

There was no dividend proposed for the quarter under review.

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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-SEP-23 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 30-SEP-22 RM'000	CURRENT YEAR TO DATE 30-SEP-23 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 30-SEP-22 RM'000
Basic earnings/(loss) per share				
Profit/(Loss) attributable to owners of the Company (RM'000)	17,230	6,174	28,482	(13,017)
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)	1.18	0.42	1.95	(0.89)

B13 Profit before tax

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

	CURRENT YEAR QUARTER 30-SEP-23 RM'000	YEAR TO DATE 30-SEP-23 RM'000
Staff costs	13,110	33,320
Depreciation of:		
Property, plant and equipment	3,318	8,212
Investment properties	120	379
Bad debts written off	250	250
Reversal of impairment on trade receivables	(2,839)	(2,839)
Unrealised gain on foreign exchange	(7)	(1,265)
Realised loss on foreign exchange	14	480
Gain on disposal of property, plant and equipment	(1,043)	(1,979)
Interest income	(1,364)	(2,181)
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 22 November 2023.