



AVALAND BERHAD

(Formerly known as MCT BERHAD)

Company No: 200901038653 (881786-X)

(Incorporated In Malaysia)

Interim Financial Reports

For The Year Ended 31 December 2023

AVALAND BERHAD
(Formerly known as MCT BERHAD)
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Incorporated In Malaysia

Interim Financial Reports

For The Year Ended 31 December 2023

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AVALAND BERHAD
(Formerly known as MCT BERHAD)
200901038653 (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-DEC-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-DEC-22 RM'000	CURRENT YEAR TO DATE 31-DEC-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-DEC-22 RM'000
Revenue	261,649	76,545	608,249	224,920
Cost of sales	(171,078)	(30,117)	(398,076)	(131,845)
Gross profit	<u>90,571</u>	<u>46,428</u>	<u>210,173</u>	<u>93,075</u>
Other income	7,859	8,945	18,403	25,237
Selling and marketing expenses	(11,052)	(1,916)	(20,219)	(5,663)
Direct operating and general administrative expenses	(35,642)	(36,216)	(96,630)	(84,362)
Finance costs	(5,219)	(5,991)	(19,121)	(33,011)
Profit/(Loss) before tax	<u>46,517</u>	<u>11,250</u>	<u>92,606</u>	<u>(4,724)</u>
Income tax (expense)/credit	<u>(8,995)</u>	<u>2,254</u>	<u>(26,606)</u>	<u>5,206</u>
Profit for the period	37,522	13,504	66,000	482
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	1,538	1,215	(1,768)	6,603
Total comprehensive income/(loss) for the period	<u>39,060</u>	<u>14,719</u>	<u>64,232</u>	<u>7,085</u>

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-DEC-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-DEC-22 RM'000	CURRENT YEAR TO DATE 31-DEC-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-DEC-22 RM'000
Profit/(Loss) for the period attributable to:				
Owners of the Company	37,522	13,506	66,004	489
Non-controlling interest	-	(2)	(4)	(7)
	37,522	13,504	66,000	482
Total comprehensive income/(loss) attributable to:				
Owners of the Company	39,060	14,721	64,236	7,092
Non-controlling interest	-	(2)	(4)	(7)
	39,060	14,719	64,232	7,085
Earnings per share attributable to owners of the Company:				
Basic/Diluted earnings per share (Note B12)	2.58	0.93	4.53	0.03

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 31 DECEMBER 2023

	(UNAUDITED)	(AUDITED)
	AS AT	AS AT
	31-DEC-23	31-DEC-22
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	219,550	223,868
Investment properties	247,252	248,601
Land held for property development	285,651	289,910
Deferred tax assets	11,373	6,389
Investment securities	4,514	-
	768,340	768,768
Total Non-Current Assets	768,340	768,768
Current Assets		
Inventories	3,930	4,070
Property development costs	440,769	266,967
Trade receivables	62,227	56,771
Other receivables	31,326	45,502
Contract assets	284,953	82,002
Tax recoverable	35,538	49,138
Cash and bank balances	167,114	117,925
	1,025,857	622,375
Total Current Assets	1,025,857	622,375
Total Assets	1,794,197	1,391,143
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	1,541,092	1,541,092
Reserves	(1,062,899)	(1,061,131)
Retained earnings	457,085	391,081
	935,278	871,042
Non-controlling interests	220	224
	935,498	871,266
Total Equity	935,498	871,266

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	(UNAUDITED)	(AUDITED)
	AS AT	AS AT
	31-DEC-23	31-DEC-22
	RM'000	RM'000
Non-Current Liabilities		
Borrowings	141,156	47,905
Amount owing to ultimate holding company	-	197,550
Deferred tax liabilities	1,456	1,777
Derivative financial liabilities	-	14,187
Lease liabilities	1,608	218
	144,220	261,637
Total Non-Current Liabilities		
Current Liabilities		
Trade payables	91,312	55,477
Other payables	201,254	115,163
Contract liabilities	19,988	6,210
Amount owing to ultimate holding company	252,450	43,900
Tax payable	4,037	2,356
Borrowings	139,320	31,050
Lease liabilities	1,505	738
Derivative financial liabilities	4,613	3,346
	714,479	258,240
Total Current Liabilities		
	858,699	519,877
Total Liabilities		
	1,794,197	1,391,143
Total Equity and Liabilities		
	1,794,197	1,391,143
Net assets per share attributable to owners of the Company (RM)	0.64	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 YEAR ENDED 31 DECEMBER 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 year	-	-	6,603	489	7,092	(6)	7,086
As at 31 December 2022	1,541,092	(1,062,627)	1,496	391,081	871,042	224	871,266
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 year	-	-	(1,768)	66,004	64,236	(4)	64,232
As at 31 December 2023	1,541,092	(1,062,627)	(272)	457,085	935,278	220	935,498

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 YEAR ENDED 31 DECEMBER 2023

	(UNAUDITED)	(AUDITED)
	YEAR	YEAR
	ENDED	ENDED
	31-DEC-23	31-DEC-22
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	92,606	(4,724)
Adjustments for:		
Depreciation of:		
Property, plant and equipment	11,910	16,353
Investment properties	505	505
Impairment loss on property, plant and equipment	-	2,617
Impairment loss on investment properties	-	880
Reversal of impairment loss on:		
Property, plant and equipment	-	(90)
Investment properties	-	(219)
Trade receivables	(5,279)	-
Other receivables	(6)	-
Finance costs	19,121	33,011
Allowance for impairment loss on trade receivables	-	2,770
Allowance for impairment loss on other receivables	1,145	5,337
Net fair value loss on derivative	1,466	3,346
Bad debts written off	402	-
Gain on disposal of property, plant and equipment	(5,408)	(2,289)
Interest income	(2,692)	(4,710)
Recycle of ineffective cash flow hedge	-	(1,172)
Gain on modification of lease contract	-	(49)
Unrealised gain on foreign exchange	(1,305)	(3,507)
	112,465	48,059
Operating Profit Before Working Capital Changes	112,465	48,059
Decrease/(Increase) in:		
Inventories	7,094	643
Property development costs	3,945	(12,153)
Contract assets	(202,951)	(55,221)
Trade receivables	(5,092)	39,439
Other receivables	13,037	78
(Decrease)/Increase in:		
Contract liabilities	13,778	(74,611)
Trade payables	35,835	(31,288)
Other payables	87,012	(22,837)
	65,123	(107,891)
Cash Generated From/(Used In) Operations	65,123	(107,891)
Income taxes paid	(16,071)	(18,433)
	49,052	(126,324)
Net Cash Generated From/(Used In) Operating Activities	49,052	(126,324)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	(UNAUDITED)	(AUDITED)
	YEAR	YEAR
	ENDED	ENDED
	31-DEC-23	31-DEC-22
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	5,482	4,214
Interest received	2,692	4,710
Additions to:		
Investment properties	-	(93)
Property, plant and equipment	(4,587)	(4,920)
Land held for property development	(180,442)	(3,601)
Payment of forward contract	(4,447)	-
	(181,302)	310
Net Cash (Used In)/Generated From Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Placement of fixed deposits placed with licensed banks	(424)	(16,533)
Net drawdowns of borrowings	204,091	80,710
Drawdown of lease liabilities	457	-
Repayment to ultimate holding company	-	(258,492)
Repayments of lease liabilities	(1,632)	(1,286)
Transaction costs paid	(3,877)	(2,085)
Finance costs paid	(17,601)	(34,330)
Changes in restricted cash held for borrowings	(29,871)	(26,195)
	151,143	(258,211)
Net Cash Generated From/(Used In) Financing Activities		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	18,893	(384,225)
EFFECTS OF EXCHANGE RATE CHANGES	-	(60)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	72,120	456,405
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	91,013	72,120

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	(UNAUDITED)	(AUDITED)
	YEAR	YEAR
	ENDED	ENDED
	31-DEC-23	31-DEC-22
	RM'000	RM'000
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Fixed deposits with licensed banks	30,490	44,712
Deposits under Housing Development Accounts	83,909	41,150
Cash on hand and in bank	52,715	32,063
Cash and bank balances	136,624	73,213
Less:		
Restricted cash	(56,067)	(26,195)
Fixed deposits with maturity period more than 90 days	(20,034)	(19,610)
Cash and cash equivalents	91,013	72,120

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 YEAR ENDED 31 DECEMBER 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 year ended 31 December 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 YEAR ENDED 31 DECEMBER 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 year ended 31 December 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	591,191	-	2,431	14,627	608,249	-	608,249
Inter-segment revenue	-	-	51,622	2,884	54,506	(54,506)	-
Total revenue	591,191	-	54,053	17,511	662,755	(54,506)	608,249
Results							
Operating profit/(loss)	102,410	(6,359)	1,460	(3,985)	93,526	(202)	93,324
Interest income	2,390	16,466	287	3	19,146	(16,454)	2,692
Other income	2,482	1,374	11,561	294	15,711	-	15,711
Finance costs	(15,299)	(15,367)	(3,907)	(1,204)	(35,777)	16,656	(19,121)
Profit/(Loss) before tax	91,983	(3,886)	9,401	(4,892)	92,606	-	92,606
Income tax expense	(25,428)	(280)	(724)	(174)	(26,606)	-	(26,606)
Profit/(Loss) after tax	66,555	(4,166)	8,677	(5,066)	66,000	-	66,000

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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

A6 Segmental information (cont'd)

The segmental information as at 31 December 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	2,334,553	1,963,181	701,279	65,843	5,064,856	(3,317,570)	1,747,286
Tax recoverable and deferred tax assets	27,635	171	10,049	62	37,917	8,994	46,911
Total assets	2,362,188	1,963,352	711,328	65,905	5,102,773	(3,308,576)	1,794,197
Segment liabilities	1,838,911	417,950	637,396	115,464	3,009,721	(2,156,515)	853,206
Tax payable and deferred tax liabilities	4,199	11	-	-	4,210	1,283	5,493
Total liabilities	1,843,110	417,961	637,396	115,464	3,013,931	(2,155,232)	858,699

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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 31-DEC-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>40,178</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 year, the significant related party transactions entered by the Group, which were determined based on negotiations agreed between the parties, are as follows:

	12 MONTHS ENDED 31-DEC-23 RM'000
Interest paid/payable to ultimate holding company	11,537
Professional fees paid/payable to a firm, in which a director has interest	<u>803</u>

A12 Seasonal or cyclical factors

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

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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 31-DEC-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)	4,613	14,187
	4,613	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 (Q4 2023 vs Q4 2022)

In Q4 2023, the Group recorded a higher revenue of RM261.6 million and gross profit of RM90.6 million as compared to the revenues of RM76.5 million and gross profit of RM46.4 million in Q4 2022. This was due to the financial recognition on projects launched at the beginning of the year which have achieved its 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).

Consequently, the Group achieved a profit before tax of RM46.5 million for the current quarter under review as compared to the preceding year corresponding quarter of RM11.3 million.

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

For the current year, the Group has recorded a higher gross profit of RM210.2 million compared to RM93.1 million in YTD December 2022 due to healthy sales and advanced construction stage from the Group's ongoing projects as well as new projects launched in Cyberjaya in 2023.

As a result, the Group recorded a profit before tax of RM92.6 million for YTD December 2023 as compared to a loss before tax of RM4.7 million in YTD December 2022.

B2 Material changes for the current quarter as compared to the preceding quarter (Q4 2023 vs Q3 2023)

The Group continued to record a higher revenue of RM261.6 million for the current quarter as compared to RM156.2 million in the preceding quarter. The increase in revenue was mainly due to higher sales recognition and advanced construction work progress from the Group's ongoing projects in addition to sales of completed units.

Other income generated for the current quarter has also increased to RM7.8 million as compared to RM6.3 million in the preceding quarter due to higher gain on disposal of assets at project sites.

As a result, the Group's profit before tax grew to RM46.5 million in the current quarter as compared to RM28.1 million in 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 2023 such as the weaker Ringgit and higher interest rate environment, the Group maintained its commendable financial performance with stronger property sales of RM586.1 million for the financial year ended 31 December 2023 ("FY2023"). This is 7.6% higher than the RM544.7 million sales recorded in FY2022.

The improved sales performance was in-line with the encouraging take-up rate of the Group's ongoing projects, namely Aetas Damansara (98.0%), Sanderling (77%), Casa Embun (84%) and Alira Subang Jaya (85%). In addition, the Group launched Phase 1 of Alora Residences in August 2023 and has since achieved take-up rate of 33%. Located at USJ, Subang Jaya, Alora Residence's is the first phase of the 2Fifth Avenue development comprising 770 serviced apartments and 8 retail units with a total GDV of RM551.9 million.

The Group's unbilled sales as at 31 December 2023 also rose by 19.9% to RM863.3 million from RM720.2 million as at 31 December 2022, providing the Group with earnings visibility over the next few years.

In 2024, the Group targets to launch three new projects namely Amika Residences, Aetas Seputeh and Anja Bangi with a total GDV of RM1.4 billion. The three developments cater to three different segments of the Malaysian property market: (i) Anja Bangi being in the affordable range (avg. <RM600,000); (ii) Amika Residences is in the middle-priced range (between RM600,000 and RM800,000); and (iii) Aetas Seputeh which is in the luxury segment. The Group is confident that the new projects will be well accepted by the market considering its strategic location, unique concepts and design for post-pandemic lifestyles.

Regarding the Group's sustainability initiatives, the Group was included as a constituent of the FTSE4Good Bursa Malaysia and FTSE4Good Bursa Malaysia Shariah Indexes with a three-star ESG Grading. The inclusion into these two indexes was a result of the Group's commitment towards sustainable developments.

Moving forward, the Group remains cautiously optimistic of its prospects with the property industry rebounding from the lows during the pandemic as the number of overhang residential properties continue to improve while the interest rate remains stable. Furthermore, the enhanced Malaysia My Second Home programme coupled with higher financial assistance set aside under the Housing Credit Guarantee Scheme are expected to benefit the Group as these would boost demand for homeownership.

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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

There were no corporate proposals previously announced by the Group that remained uncompleted as at 14 February 2024, 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 31 December 2023 and 31 December 2022 were as follows:

	As at 31-DEC-23 RM'000	As at 31-DEC-22 RM'000
Short-term		
<u>Unsecured:</u>		
Lease liabilities (Hire purchases)	119	35
Revolving credit	125,020	31,050
<u>Secured:</u>		
Term loan	14,300	-
	<u>139,439</u>	<u>31,085</u>
Long-term		
<u>Unsecured:</u>		
Lease liabilities (Hire purchases)	317	33
<u>Secured:</u>		
Term loan	141,156	47,905
	<u>141,473</u>	<u>47,938</u>
	<u>280,912</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 31 December 2023 and 31 December 2022.

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

	31-DEC-23
Lease liabilities	2.36%
Revolving credit	5.03%
Term loan	5.07%

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

	31-DEC-23	
	RM'000	% to total borrowings
Fixed rate	436	0.16%
Floating rate	280,476	99.84%
	<u>280,912</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
	31-DEC-23	31-DEC-22	31-DEC-23	31-DEC-22
	RM'000	RM'000	RM'000	RM'000
Income tax expense/(credit) comprises:				
Current tax	13,741	(682)	31,352	(15,628)
Deferred tax	(4,746)	(1,572)	(4,746)	10,422
	8,995	(2,254)	26,606	(5,206)

B10 Trade receivables

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

	31-DEC-23 RM'000
Neither past due nor impaired	28,137
1 to 30 days past due	24,161
31 to 60 days past due	4,973
61 to 90 days past due	1,620
More than 90 days past due	12,201
	42,955
Less: Provision for doubtful debt for trade receivables	(8,865)
	62,227

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 per share

The calculation of the earnings per ordinary share of the Group has been calculated by dividing profit 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 31-DEC-23 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-DEC-22 RM'000	CURRENT YEAR TO DATE 31-DEC-23 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-DEC-22 RM'000
Basic earnings per share				
Profit attributable to owners of the Company (RM'000)	37,522	13,506	66,004	489
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995	1,456,995	1,456,995
Basic/Diluted earnings (sen per share)	<u>2.58</u>	<u>0.93</u>	<u>4.53</u>	<u>0.03</u>

B13 Profit before tax

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

	CURRENT YEAR QUARTER 31-DEC-23 RM'000	YEAR TO DATE 31-DEC-23 RM'000
Staff costs	15,128	48,448
Depreciation of:		
Property, plant and equipment	3,698	11,910
Investment properties	126	505
Bad debts written off	152	402
Reversal of impairment loss on:		
Trade receivables	(2,440)	(5,279)
Other receivables	(6)	(6)
Allowance for impairment on other receivables	1,145	1,145
Unrealised gain on foreign exchange	(40)	(1,305)
Realised loss on foreign exchange	1	481
Gain on disposal of property, plant and equipment	(3,429)	(5,408)
Interest income	(511)	(2,692)
Net fair value loss on derivative	<u>-</u>	<u>1,466</u>

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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 21 February 2024.