

MCT BERHAD
Company No: 881786-X
(Incorporated In Malaysia)

Interim Financial Statements
For the quarter ended 31 March 2016

MCT BERHAD
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(Incorporated In Malaysia)

Interim Financial Statements - 31 March 2016

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MCT BERHAD (881786-X)
Incorporated In Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2016

(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	RM'000	RM'000	RM'000	RM'000
Revenue	150,166	70,062	495,241	344,904
Cost of sales	<u>(87,507)</u>	<u>(51,706)</u>	<u>(293,135)</u>	<u>(223,827)</u>
Gross profit	62,659	18,356	202,106	121,077
Other Income	1,283	736	5,690	1,719
Administrative expenses	(35,318)	(27,473)	(102,604)	(70,565)
Finance costs	(975)	(925)	(6,003)	(2,967)
Gain on disposal of associate	<u>-</u>	<u>-</u>	<u>-</u>	<u>62</u>
Profit/(loss) before tax	27,649	(9,306)	99,189	49,326
Income tax expense	(8,318)	1,041	(34,897)	(12,084)
Net profit/(loss) for the period	<u>19,331</u>	<u>(8,265)</u>	<u>64,292</u>	<u>37,242</u>
Profit/(loss) attributable to :				
Owners of the parent	19,331	(8,262)	64,293	37,245
Non-controlling interest	<u>-</u>	<u>(3)</u>	<u>(1)</u>	<u>(3)</u>
	<u>19,331</u>	<u>(8,265)</u>	<u>64,292</u>	<u>37,242</u>
Earnings/(loss) per share attributable to owner of the parent :				
Basic earnings/(loss) per share (sen) - Note B13	1.45	(0.80)	4.82	3.60
Diluted earnings per share (sen)	NA	NA	NA	NA

NA denotes not applicable

Note :

The unaudited condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to these interim financial statements.

MCT BERHAD (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	As at	As at
	31 March 2016	30 June 2015
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	160,577	125,973
Investment properties	378,217	291,562
Land held for property development	35,315	34,180
Available-for-sale investments	242	238
	<u>574,351</u>	<u>451,953</u>
Total Non-Current Assets	574,351	451,953
Current Assets		
Inventory	301	443
Property development costs	236,427	155,152
Accrued billings	146,078	111,931
Amount due from contract customers	7,347	738
Trade receivables	303,285	38,597
Other receivables and deposits	50,781	18,301
Tax recoverable	10,112	48
Deposits with licensed banks	59,214	225,639
Cash and bank balances	36,199	236,708
	<u>849,744</u>	<u>787,557</u>
Total Assets	1,424,095	1,239,510
EQUITY AND LIABILITIES		
Non-Current Liabilities		
Borrowings	185,276	186,385
Hire-purchase payables	6,451	7,022
Deferred tax liabilities	3,604	1,854
	<u>195,331</u>	<u>195,261</u>
Total Non-Current Liabilities	195,331	195,261

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	As at	As at
	31 March 2016	30 June 2015
	RM'000	RM'000
Current Liabilities		
Progress billings	86,239	138
Amount due to contract customers	43,552	12,776
Trade payables	208,260	195,864
Other payables and accrued expenses	136,206	108,408
Bank Overdrafts	722	-
Borrowings	10,675	19,576
Hire-purchase payables	3,531	3,252
Tax liabilities	31,803	32,728
	520,988	372,742
Net Assets	707,776	671,507
Equity Attributable to Owners of the Company		
Share capital	1,334,777	1,334,777
Share premium	84,097	84,097
ICULS	122,218	122,218
Reverse acquisition reserve	(1,062,627)	(1,062,627)
Retained earnings	227,819	190,222
	706,284	668,687
Non-controlling interests	1,492	2,820
Total Equity	707,776	671,507
Total Equity and Liabilities	1,424,095	1,239,510
Net assets per share (RM)	0.53	0.50

Notes :

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to these financial statements.

MCT BERHAD (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2016

(The figures have not been audited)

	← Attributable to Equity Holders of the Company →						Non Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	RA Reserve RM'000	ICULS RM'000	Retained Earnings RM'000	Total RM'000		
For the 18 months ended 30 June 2015								
As at 1 January 2014	18,600	-	-	-	128,547	147,147	-	147,147
Capital repayment	(100)	-	-	-	-	(100)	-	(100)
Total comprehensive income for the period	-	-	-	-	63,560	63,560	(4)	63,556
Issue of shares arising from:								
- Acquisition of MCT Consortium	1,032,421	-	-	122,218	-	1,154,639	-	1,154,639
- Private placement	146,300	40,964	-	-	-	187,264	-	187,264
- Bumiputera issues	153,700	43,036	-	-	-	196,736	-	196,736
Issue of shares in a subsidiary to a non-controlling shareholder	-	-	-	-	-	-	2,824	2,824
Arising from reverse acquisition	(16,144)	97	(1,062,627)	-	-	(1,078,674)	-	(1,078,674)
Dividend paid	-	-	-	-	(1,885)	(1,885)	-	(1,885)
Balance as at 30 June 2015	1,334,777	84,097	(1,062,627)	122,218	190,222	668,687	2,820	671,507
Total comprehensive income for the period	-	-	-	-	64,293	64,293	(1)	64,292
Arising from non-controlling interest	-	-	-	-	-	-	(1,327)	(1,327)
Dividend paid	-	-	-	-	(26,696)	(26,696)	-	(26,696)
Balance as at 31 March 2016	1,334,777	84,097	(1,062,627)	122,218	227,819	706,284	1,492	707,776

Note :

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to this financial statements.

No comparative figures are available for the previous corresponding quarter as the formation of the Group was only completed on 6 April 2015 following the completion of the reverse takeover exercise.

MCT BERHAD (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016

(The figures have not been audited)

	9 MONTHS ENDED	
	31-Mar-16	31-Mar-15
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	99,189	49,326
Adjustments for:		
Depreciation of:		
- Property, plant and equipment	6,874	4,956
- Investment properties	986	946
Loss on disposal of property, plant and equipment	1,284	-
Provision for liquidated damages	36	1,181
Provision for rebates	3,436	5,570
Allowance for doubtful debts	686	-
Bad debts written off	250	-
Finance costs	6,003	2,967
Impairment loss on goodwill	-	3,272
Interest income	(3,877)	(433)
Unrealised exchange loss	53	-
Share of results of associate	-	(14)
Operating Profit Before Working Capital Changes	114,920	67,771
(Increase)/Decrease in assets:		
Property development costs	(74,432)	(49,101)
Accrued billings	(34,146)	(26,726)
Amount due from contract customers	(6,609)	(14,676)
Inventory	143	(262)
Trade receivables	(265,623)	(30,048)
Other receivables and deposits	(32,480)	163,578
Increase/(Decrease) in liabilities:		
Progress billings	86,099	(24,503)
Amount due to contract customers	30,776	-
Trade payables	12,343	(57,643)
Other payables and accrued expenses	24,325	(100,025)
Cash (Used in)/From Operations	(144,684)	(71,635)
Income tax paid	(45,462)	(24,778)
Net Cash (Used in)/From Operating Activities	(190,146)	(96,413)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016

(The figures have not been audited)

	9 MONTHS ENDED	
	31-Mar-16	31-Mar-15
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment (Note 1)	(40,461)	(24,862)
Investment properties	(87,640)	(10,767)
Disposal of property, plant and equipment	1,284	-
Disposal of investment in associate	-	3,000
Land held for property development	-	(345)
Net cash outflow from acquisition of subsidiaries (8 Private Entities)	-	(3,657)
Increase in fixed deposits pledged with licensed banks	(39,772)	(1,097)
Available-for-sale financial investments	(4)	-
Interest income received	3,877	529
Net Cash Used In Investing Activities	(162,716)	(37,199)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of term loans	56,177	143,546
Repayment of term loans	(66,186)	(31,640)
Dividends paid	(26,696)	-
Hire-purchase payables	(3,879)	(2,415)
Finance costs paid	(13,982)	(11,140)
Net Cash (Used In)/From Financing Activities	(54,566)	98,351
NET DECREASE IN CASH AND CASH EQUIVALENTS	(407,428)	(35,261)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	446,356	54,440
	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	38,928	19,179

Note 1: During the financial period ended 31 March 2016, the Group acquired property, plant and equipment by the following means:

	9 Months Period Ended	9 Months Period Ended
	31 March 2016	31 March 2015
	RM'000	RM'000
Cash purchase	40,461	24,862
Hire purchase financing	3,587	5,298
	44,048	30,160

*** ANALYSIS OF CASH AND CASH EQUIVALENTS:**

-Deposits with licensed banks	59,214	15,732
-Short term investment	38	-
-Deposits under Housing Development Accounts	9,902	4,796
-Cash and bank balances	26,259	17,970
-Bank overdraft	(722)	(3,955)
	94,691	34,543
Less: Deposit pledge with license bank	(55,763)	(15,364)
	38,928	19,179

Note :

The unaudited condensed statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to these financial statements.

MCT BERHAD (881786-X)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS FRAMEWORK") 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 30 June 2015. 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 condensed interim financial statements are consistent with those adopted as disclosed in the audited financial statements of the Company for the financial period ended 30 June 2015.

A2 Change of financial year end

As announced on 11 February 2015, the Company has changed its financial year end to 30 June. The first set of financial statements reflecting the change was made up from 1 January 2014 to 30 June 2015 covering a period of eighteen (18) months.

A3 Summary of significant accounting policies

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 Revenue from Contracts with Customers and Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, the MASB announced that Transitioning Entities which have chosen to continue with the FRS Framework is now required to adopt the MFRS Framework latest by 1 January 2017.

On 8 September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted.

In the previous financial year ended 31 December 2013, the financial statements of the Group and the Company were prepared in accordance with MFRS in Malaysia. The Group falls within the scope definition of Transitioning Entities and has opted to apply FRSs as its reporting framework for the financial period 1 January 2014 to 30 June 2015 and defer adoption of the new MFRS Framework. Accordingly, the Group will be required to apply MFRS 1 First-time adoption of Malaysian Financial Reporting Standards in its financial statements for the financial year ending 30 June 2019, being the first set of financial statements prepared in accordance with new MFRS Framework.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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

A4 Auditors' Report on preceding annual financial statements

The auditors' report on the audited financial statements of the Company for the financial year ended 30 June 2015 were not subject to any qualification.

A5 Exceptional or unusual items

There were no items of exceptional or unusual nature affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 31 March 2016.

A6 Changes in estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial period or changes in estimates of amounts reported in prior financial periods that have a material effect in the current interim period.

A7 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 financial period-to-date.

A8 Dividend paid

An interim single tier dividend of 2 sen per ordinary share of RM1.00 each in respect of the financial quarter ended 30 June 2015 was paid on 9 October 2015.

A9 Profit before tax

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

	3 Months ended 31/03/2016 RM'000	9 Months ended 31/03/2016 RM'000
Depreciation of:		
Property, plant and equipment	2,448	6,874
Investment properties	329	986
Loss on disposal of property, plant and equipment	1,284	1,284
Staff costs	19,665	56,198
Developer interest bearing scheme	2,925	9,480
Provision for liquidated damages	26	36
Provision for rebates	661	3,436
Interest income	(506)	(3,877)
Realised loss on foreign exchange	200	1,195
	200	1,195

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

A10. Segmental Information

The segmental analysis for the financial period ended 31 March 2016 is as follow:

	Property development RM'000	Construction activities RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	435,111	19,322	40,808	495,241	-	495,241
Inter-segment revenue	26,118	153,430	92,700	272,248	(272,248)	-
Total Revenue	<u>461,229</u>	<u>172,752</u>	<u>133,508</u>	<u>767,489</u>	<u>(272,248)</u>	<u>495,241</u>
Results						
Operating profit/(loss)	117,019	18,532	(14,336)	121,215	(19,900)	101,315
Interest income						3,877
Finance costs						<u>(6,003)</u>
Profit before tax						99,189
Income tax expense						(34,897)
Profit after tax						<u>64,292</u>
Assets and liabilities						
Segment assets	1,317,494	531,178	1,910,066	3,758,738	(2,344,755)	1,413,983
Tax recoverable	2,093	7,540	479	10,112	-	10,112
Total assets	<u>1,319,587</u>	<u>538,718</u>	<u>1,910,545</u>	<u>3,768,850</u>	<u>(2,344,755)</u>	<u>1,424,095</u>
Segment liabilities	1,001,005	449,626	257,676	1,708,307	(1,027,395)	680,912
Tax and deferred tax liabilities	31,803	3,604	-	35,407	-	35,407
Total liabilities	<u>1,032,808</u>	<u>453,230</u>	<u>257,676</u>	<u>1,743,714</u>	<u>(1,027,395)</u>	<u>716,319</u>

No comparative figures are available for the previous corresponding quarter as the formation of the Group was only completed on 6 April 2015 following the completion of the reverse takeover exercise.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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

A11 Material events subsequent to the Balance Sheet date

There were no material events subsequent to the end of the current quarter up to the date of issue of this report that have not been reflected in the financial statements for the current quarter and financial period ended 31 March 2016.

A12 Changes in the composition of the Group

Save as disclosed under Note B8 and hereunder, there were no changes in the composition of the Group during the financial period ended 31 March 2016:

(i) On 3 August 2015, the Board of Directors of the Company announced that MCT Consortium Bhd. ("MCT Consortium"), a wholly-owned subsidiary of the Company, had on 3 August 2015, acquired two (2) ordinary shares of RM1.00 each fully paid-up, in the capital of Next Delta Sdn. Bhd. ("NDSB") and Great Atlas Sdn. Bhd. ("GASB") respectively, representing 100% equity interest in NDSB and GASB for a total cash consideration of RM4.00. Consequent thereto, NDSB and GASB became wholly-owned subsidiaries of MCT Consortium.

(ii) On 18 February 2016, the Board of Directors of the Company announced that MCT Consortium had on 18 February 2016, entered into a conditional share sale agreement with Dato' Hj Azizi bin Abd Hamid and Concept Cabling System Sdn Bhd (collectively the "Vendor"), to acquire 500,000 ordinary shares of RM1.00 each fully paid-up in the capital of Nexus Advertising Sdn. Bhd. ("NASB"), representing 100% equity interests in NASB for a total cash consideration of RM500,000.00 ("Purchase Consideration").

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis and after taking into account the net assets of NASB of RM606,993.18 (based on NASB's unaudited financial statements for the financial year ending 30 September 2015).

As at 31 March 2016, the share sale agreement remains conditional and is expected to be completed by 4Q FY 2016.

A13 Changes in contingent liabilities and contingent assets

Details of contingent liabilities of the Group as at the date of issue of the report are as follows:

	As at 31/03/2016 RM'000	As at 30/06/2015 RM'000
Guarantees given to third parties in respect of contracts	52,605	49,100

There were no other material changes in contingent liabilities since the last reporting date.

There were no contingent assets.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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

A14 Capital commitments

The amount of commitments for the purchase of property, plant and equipment and rental from lease back arrangement not provided for the financial statements as at 31 March 2016 are as follows:

	As at 31/03/2016 RM'000
<u>Approved and contracted for:</u>	
Plant and equipment	6,905
Rental from lease-back arrangements	35,369
Commitment under Joint Venture	65,000
	<u>107,274</u>

A15 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:

	As at 31/03/2016 RM'000
(i) Rental received from Related Parties	488
(ii) Sales of properties to persons related to the Related Party	1,534
(iii) Sales of motor vehicle to persons related to the Related Party	240
(iv) Provision of services paid/payable to a Related Party	51

Related Party refers to companies in which directors have interests.

A16 Seasonal or Cyclical Factors

The Group's operations were not significantly affected by any seasonal or cyclical factors during the financial period ended 31 March 2016.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

PART B - EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Performance review

Quarterly results

The Group recorded a revenue of RM150.2 million for the quarter under review which is higher by 114% against that recorded in the previous corresponding quarter of RM70 million. The revenue is mainly derived from property development of Green Casa@Cybersouth, Casa View@Cybersouth, Skypark @Cyberjaya and Lakefront Home@Cyberjaya projects. These projects contributed to a higher gross profit margin of 42% compared to 26% recorded in the previous corresponding quarter due to higher profit recognition arising from more advanced stage of completion. This translated to a higher profit before tax of RM27.6 compared to the loss before tax of RM9.3 million recorded in the previous corresponding quarter. The latter loss is due to lower revenue recognised as a result of the completion of One City Properties project and The Place Properties @ Cyberjaya project and as the new projects had just commenced.

However despite the better operating margins, the Group recorded a high effective tax rate of 30% due to higher tax provision arising from loss making subsidiaries which could not be set-off against taxable profits made by other profitable subsidiaries within the Group.

Year-to-date results

For the period ended 31 March 2016, the Group recorded a revenue of RM495.2 million, which was 44% higher than that recorded in the previous corresponding period last year. The Group's profit before tax increased by 101% to RM99.2 million against the previous corresponding period. The increase in revenue and profit before tax were due to the higher profit recognition arising from more advanced stage of completion from Green Casa@Cybersouth, Casa View@Cybersouth, Skypark @Cyberjaya and Lakefront Home@Cyberjaya development projects. Profit after tax of RM64.3 million for the 9 months period under review was higher than that recorded during the previous corresponding period of RM37.2 million which is consistent with the higher revenue recognised during the current period.

B2 Material Changes in the Profit Before Taxation for the Current Quarter as Compared to the Preceding Quarter

The Group recorded a lower profit before tax of RM27.6 million as compared to the immediate preceding quarter of RM42.1 million. This was mainly due to higher initial marketing expenses incurred in new launches.

B3 Prospects for the current financial year

The property market is expected to remain soft during the remaining part of current financial year. However, the Group has taken measures such as focusing on a product mix that meets current market pricing requirements with the bulk of the launches being priced below RM700,000. Being an integrated developer, the Group will, inter alia, further benefit from the synergies of our in house development and construction segments. The Group currently has total unbilled sales of RM1.7 billion which together with new launches that are planned to take place during the current financial year, will translate to a steady flow of revenue and profits.

B4 Variance of Profit forecast

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

PART B - EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B5 Profit forecast or profit guarantee

The Group has not issued any profit forecast or profit guarantee for the financial period under review.

B6 Profit / (Loss) on sale of unquoted investments and / or properties

There was no sale of unquoted investments and / or properties during the current financial quarter.

B7 Quoted securities

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

B8 Status of corporate proposals

On 18 February 2016, the Board of Directors of the Company announced that MCT Consortium Bhd, a wholly-owned subsidiary of the Company, had on 18 February 2016, entered into a conditional share sale agreement with Dato' Hj Azizi bin Abd Hamid and Concept Cabling System Sdn Bhd (collectively the "Vendor"), to acquire 500,000 ordinary shares of RM1.00 each fully paid-up in the capital of Nexus Advertising Sdn. Bhd. ("NASB"), representing 100% equity interests in NASB for a total cash consideration of RM500,000.00 ("Purchase Consideration").

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis and after taking into account the net assets of NASB of RM606,993.18 (based on NASB's unaudited financial statements for the financial year ending 30 September 2015).

As at 31 March 2016, the share sale agreement remains conditional and is expected to be completed by 4Q FY 2016.

B9 Group borrowings and Debt Securities

Total loans and borrowings as at 31 March 2016 were as follows:

	Short-term RM'000	Long-term RM'000
Secured:		
Term loans	10,675	185,276
Non- Secured:		
Hire purchase	3,531	6,451

B10 Material litigation

There was no material litigation since the date of the last audited financial statement.

B11 Income Tax Expenses

The Group's effective tax rate for the current financial period is approximately 35%. The higher effective tax rate is due to certain individual companies registering losses which could not be set-off against taxable profit made by other companies within the Group.

MCT BERHAD (881786-X)
Incorporated In Malaysia

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

PART B - EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B12 Dividend Payable

No interim dividend has been recommended in respect of the financial quarter ended 31 March 2016.

B13 Earnings Per Share

Basic earnings/(loss) per share

Basic earning/(loss) per share is calculated based on the profit/(loss) after tax for the period under review attributable to the equity holders of the Company divided by the weighted average number of ordinary shares of RM1.00 each in issue during the said period.

	3 MONTHS ENDED		9 MONTHS ENDED	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Net profit/(loss) attributable to shareholders for the period (RM'000)	<u>19,331</u>	<u>(8,262)</u>	<u>64,293</u>	<u>37,245</u>
Weighted average number of ordinary shares ('000)	<u>1,334,777</u>	<u>1,034,777</u>	<u>1,334,777</u>	<u>1,034,777</u>
Par value per ordinary share (RM)	1.00	1.00	1.00	1.00
Basic earnings/(loss) per share (sen)	<u>1.45</u>	<u>(0.80)</u>	<u>4.82</u>	<u>3.60</u>

B14 Utilisation of proceeds from the Regularisation Plan

No	Purpose	Proposed Utilisation RM'000	Amount Utilised RM'000	Expected time frame for utilisation from Listing Date
1	Capital expenditure			
	(i) Development costs for property development projects	64,128	66,693	within 24 months
	(ii) Development of investment properties	166,656	86,911	within 24 months
2	Repayment of bank borrowings	120,192	125,601	immediate
3	General working capital	20,352	21,166	within 24 months
4	Estimated expenses in relation to the Regularisation Plan	12,672	12,672	immediate
	Total	<u>384,000</u>	<u>313,043</u>	