

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

Interim Financial Statements
For the quarter ended 31 December 2016

MCT BERHAD
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(Incorporated In Malaysia)

Interim Financial Statements - 31 December 2016

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MCT BERHAD (881786-X)
Incorporated In Malaysia

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

(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	31-Dec-16 RM'000	31-Dec-15 RM'000	31-Dec-16 RM'000	31-Dec-15 RM'000
Revenue	137,756	159,621	293,030	345,075
Cost of sales	<u>(94,001)</u>	<u>(89,238)</u>	<u>(197,239)</u>	<u>(205,628)</u>
Gross profit	43,755	70,383	95,791	139,447
Other Income	16,198	991	17,430	4,407
Administrative expenses	(29,742)	(28,235)	(59,861)	(67,286)
Finance costs	<u>(961)</u>	<u>(1,039)</u>	<u>(2,517)</u>	<u>(5,028)</u>
Profit before tax	29,250	42,100	50,843	71,540
Income tax expense	(4,949)	(13,924)	(10,489)	(26,579)
Net profit for the period	<u>24,301</u>	<u>28,176</u>	<u>40,354</u>	<u>44,961</u>
Profit attributable to :				
Owners of the parent	24,300	29,500	40,355	44,962
Non-controlling interest	<u>1</u>	<u>(1,324)</u>	<u>(1)</u>	<u>(1)</u>
	<u>24,301</u>	<u>28,176</u>	<u>40,354</u>	<u>44,961</u>
Earnings per share attributable to owner of the parent :				
Basic earnings per share (sen) - Note B13	1.82	2.21	3.02	3.37
Diluted earnings per share (sen)	NA	NA	NA	NA

NA denotes not applicable

Note :

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 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 DECEMBER 2016
(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	As at	As at
	31 December 2016	30 June 2016
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	283,776	282,571
Investment properties	299,969	275,063
Land held for property development	43,172	42,363
Available-for-sale investments	246	244
Total Non-Current Assets	627,163	600,241
Current Assets		
Inventory	203	307
Property development costs	244,121	225,812
Accrued billings	169,841	149,574
Trade receivables	58,538	373,277
Other receivables and deposits	64,588	51,149
Tax recoverable	26,569	13,402
Deposits with licensed banks	100,459	42,370
Cash and bank balances	42,591	50,922
	706,910	906,813
Total Assets	1,334,073	1,507,054
EQUITY AND LIABILITIES		
Non-Current Liabilities		
Borrowings	190,590	167,785
Hire-purchase payables	4,865	6,182
Deferred tax liabilities	3,855	3,364
Total Non-Current Liabilities	199,310	177,331

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	As at	As at
	31 December 2016	30 June 2016
	RM'000	RM'000
Current Liabilities		
Progress billings	79,045	104,131
Trade payables	127,571	321,291
Other payables and accrued expenses	147,900	155,601
Borrowings	10,629	11,303
Hire-purchase payables	2,872	3,148
Tax liabilities	5,539	13,396
	<u>373,556</u>	<u>608,870</u>
Net Assets	761,207	720,853
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	281,248	240,893
	<u>759,713</u>	<u>719,358</u>
Non-controlling interests	1,494	1,495
Total Equity	<u>761,207</u>	<u>720,853</u>
Total Equity and Liabilities	<u>1,334,073</u>	<u>1,507,054</u>
 Net assets per share (RM)	0.57	0.54

Notes :

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 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 DECEMBER 2016

(The figures have not been audited)

<u>6 months period ended 31 December 2016</u>	← 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		
As at 1 July 2015	1,334,777	84,097	(1,062,627)	122,218	190,222	668,687	2,820	671,507
Adjustment	-	-	-	-	-	-	(1,326)	(1,326)
Dividend paid	-	-	-	-	(26,696)	(26,696)	-	(26,696)
Total comprehensive income for the year	-	-	-	-	77,367	77,367	1	77,368
Balance as at 30 June 2016	1,334,777	84,097	(1,062,627)	122,218	240,893	719,358	1,495	720,853
Total comprehensive income for the period	-	-	-	-	40,355	40,355	(1)	40,354
Balance as at 31 December 2016	1,334,777	84,097	(1,062,627)	122,218	281,248	759,713	1,494	761,207

Note :

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to this financial statements.

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

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	6 Months Period Ended	12 Months Year Ended
	31-Dec-16	30-Jun-16
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	50,843	119,295
Adjustments for:		
Depreciation of:		
- Property, plant and equipment	5,434	14,677
- Investment properties	1,222	646
Provision for rebates	7,807	4,403
Allowance for doubtful debts	106	3,311
Bad debts written off	62	825
Property, plant and equipment written off	3	-
Finance costs	2,517	6,975
Bargain purchase gain from acquisition of a subsidiary	-	(264)
Interest income	(1,363)	(4,347)
Net foreign exchange loss	26	335
Loss on disposal:		
- Property, plant and equipment	-	1,219
Operating Profit Before Working Capital Changes	66,657	147,075
(Increase)/Decrease in assets:		
Property development costs	(7,563)	(56,651)
Accrued billings	(20,267)	(37,642)
Amount due from contract customers	-	738
Inventories	104	136
Trade receivables	314,571	(338,753)
Other receivables and deposits	(13,439)	(34,023)
Increase/(Decrease) in liabilities:		
Progress billings	(25,086)	103,992
Amount due to contract customers	-	(12,776)
Trade payables	(193,746)	125,380
Other payables and accrued expenses	(15,508)	38,645
Cash From/(Used in) Operations	105,723	(63,879)
Income tax paid	(31,022)	(73,102)
Net Cash From/(Used in) Operating Activities	74,701	(136,981)

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

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	6 Months Period Ended	12 Months Year Ended
	31-Dec-16	30-Jun-16
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Additions to:		
- Property, plant and equipment (Note 1)	(6,424)	(47,790)
- Investment properties	(26,128)	(101,810)
- Land held for property development	-	(6,727)
Proceed from disposal of:		
- property, plant and equipment	-	1,719
Net cash outflow from acquisition of subsidiaries	-	(488)
Increase in fixed deposits pledged with licensed banks	(31,910)	(1,398)
Available-for-sale financial investments	(2)	(7)
Interest income received	1,363	4,347
Net Cash Used In Investing Activities	(63,101)	(152,154)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of term loans	310,846	61,117
Repayment of:		
- Term loans	(288,715)	(91,340)
- Hire-purchase payables	(1,811)	(3,733)
Dividends paid	-	(26,696)
Finance costs paid	(14,072)	(20,666)
Net Cash From/(Used in) Financing Activities	6,248	(81,318)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17,848	(370,453)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	75,903	446,356
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	93,751	75,903

Note 1: The Group acquired property, plant and equipment by the following means:

	(UNAUDITED)	(AUDITED)
	6 Months Period Ended	12 Months Year Ended
	31 December 2016	30 June 2016
	RM'000	RM'000
Cash purchase	6,424	47,790
Hire purchase financing	218	2,788
	6,642	50,578

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

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	6 Months Period Ended	12 Months Year Ended
	31-Dec-16	30-Jun-16
	RM'000	RM'000
* ANALYSIS OF CASH AND CASH EQUIVALENTS:		
-Deposits with licensed banks	100,421	42,332
-Short term investment	38	38
-Deposits under Housing Development Accounts	14,906	9,579
-Cash and bank balances	27,685	41,343
	143,050	93,292
Less: Deposit pledge with license bank	(49,299)	(17,389)
	93,751	75,903

Note :

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these financial statements.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 2016. 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 year ended 30 June 2016.

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 SECOND QUARTER ENDED 31 DECEMBER 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 2016 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 December 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

There was no dividend paid in the current quarter under review.

A9 Profit before tax

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

	3 Months ended 30/09/2016 RM'000	6 Months ended 31/12/2016 RM'000
Depreciation of:		
Property, plant and equipment	2,643	5,434
Investment properties	628	1,222
Staff costs	17,211	34,399
Developer interest bearing scheme	2,097	4,920
Provision for rebates	4,525	7,807
Allowance for doubtful debts	106	106
Bad debt written off	44	62
Interest income	(768)	(1,363)
Realised (gain)/loss on foreign exchange	(40)	140

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016

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 year ended 31 December 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	270,106	99	22,825	293,030	-	293,030
Inter-segment revenue	(16,423)	121,702	46,922	152,201	(152,201)	-
Total Revenue	<u>253,683</u>	<u>121,801</u>	<u>69,747</u>	<u>445,231</u>	<u>(152,201)</u>	<u>293,030</u>
Results						
Operating profit/(loss)	44,608	15,403	(5,131)	54,880	(2,883)	51,997
Interest income						1,363
Finance costs						<u>(2,517)</u>
Profit before tax						50,843
Income tax expense						(10,489)
Profit after tax						<u>40,354</u>
Assets and liabilities						
Segment assets	1,400,652	469,217	1,866,387	3,736,256	(2,428,752)	1,307,504
Tax recoverable	15,095	10,941	533	26,569	-	26,569
Total assets	<u>1,415,747</u>	<u>480,158</u>	<u>1,866,920</u>	<u>3,762,825</u>	<u>(2,428,752)</u>	<u>1,334,073</u>
Segment liabilities	974,484	403,268	270,527	1,648,279	(1,084,807)	563,472
Tax and deferred tax liabilities	5,536	3,855	3	9,394	-	9,394
Total liabilities	<u>980,020</u>	<u>407,123</u>	<u>270,530</u>	<u>1,657,673</u>	<u>(1,084,807)</u>	<u>572,866</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016

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 previous corresponding period ended 31 December 2015 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	299,052	19,321	26,702	345,075	-	345,075
Inter-segment revenue	6,741	119,412	72,062	198,215	(198,215)	-
Total Revenue	<u>305,793</u>	<u>138,733</u>	<u>98,764</u>	<u>543,290</u>	<u>(198,215)</u>	<u>345,075</u>
Results						
Operating profit/(loss)	80,538	18,903	(11,127)	88,314	(15,117)	73,197
Interest income						3,371
Finance costs						<u>(5,028)</u>
Profit before tax						71,540
Income tax expense						<u>(26,579)</u>
Profit after tax						<u>44,961</u>
Assets and liabilities						
Segment assets	1,168,696	478,171	1,842,934	3,489,801	(2,262,379)	1,227,422
Tax recoverable	684	2,851	403	3,938	-	3,938
Total assets	<u>1,169,380</u>	<u>481,022</u>	<u>1,843,337</u>	<u>3,493,739</u>	<u>(2,262,379)</u>	<u>1,231,360</u>
Segment liabilities	825,279	393,208	229,997	1,448,484	(950,199)	498,285
Tax and deferred tax liabilities	41,179	3,449	-	44,628	-	44,628
Total liabilities	<u>866,458</u>	<u>396,657</u>	<u>229,997</u>	<u>1,493,112</u>	<u>(950,199)</u>	<u>542,913</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 December 2016.

A12 Changes in the composition of the Group

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

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 31/12/2016 RM'000	As at 30/06/2016 RM'000
Guarantees given to third parties in respect of construction projects	51,377	51,727

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

There were no contingent assets.

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 December 2016 are as follows:

	As at 31/12/2016 RM'000
<u>Approved and contracted for:</u>	
Plant and equipment	1,629
Rental from lease-back arrangements	25,932
Commitment under Joint Venture	65,000
	92,561

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 31/12/2016 RM'000
(i) Rental of premises paid/payable to related party	1,055
(ii) Rental of premises received/receivable from related parties	462

Related parties refer to companies in which certain 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 December 2016.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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

For the Quarter

The Group recorded revenue of RM137.8 million and profit after tax of RM24.3million for the current quarter ended 31 December 2016 as compared to revenue of RM159.6 million and profit after tax of RM28.2 million in the corresponding quarter of the previous financial year.

Lower revenues were registered due to managed phasing of completion of projects such as LakeFront Homes@Cyberjaya which has an existing contract with PR1MA, Green Casa@CyberSouth and Skypark@Cyberjaya.

Gross profit for the quarter was at 32% as compared to 44% of from the same quarter of the previous financial year due to mix of projects sold to the market.

The drop in gross profit was mitigated by the receipt of RM14.9 million during the quarter in the current fiscal year from a government grant which was recorded under other income. Said grant is for work done as infrastructure work for a public road adjacent to our project site under the UKAS program.

The Group maintained its profit after tax margin at 18% as a result of operations and the said grant.

For the Six Months Period

The Group recorded lower revenue of RM293.0 million and profit after tax of RM40.4 million for the current six months period ended 31 December 2016 compared to revenue of RM345.1 million of and profit after tax of RM45.0 million for the corresponding six months period ended 31 December 2015.

The property development segment continues to be the main driver contributing 92% or RM270.1 million for the current year versus last year's contribution to the total business of 87% or RM299.1 million.

The decrease in revenue was due to Skypark@Cyberjaya which had more inventories for sale in the previous year and advanced construction stage. In the current year, the project has less inventories and is near the tail-end of the project. Current projects in LakeFront@Cyberjaya and Green Casa and Casa View@Cybersouth continue to contribute to the development segment's financial performance with new units sold during the year and with construction phases, costs and completion being rationalized as an effort to streamline and improve operations.

Administrative expenses for the period was at RM60.0 million and was lower by 11% of RM7.4 million from the same period of the previous year mainly due to unspent sales and marketing expenses and cost savings in the leasing and non-core businesses.

During the period, the Group received RM14.9 million as a government grant under the UKAS program which was recorded under other income.

The Group's net income margin was at 14%, slightly higher than 13% from previous year mainly due to said grant and cost savings recognized for the period.

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

There were no major changes in the quarterly results except for the grant that was obtained in the second quarter which was not present in the immediate preceding quarter.

Gross profit margins were maintained at similar levels at 32% and 34% in the second and first quarter respectively.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016

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

B3 Prospects for the current financial year

Robust marketing efforts, rationalized construction costs and completion are expected to serve the Group well. The Group continues to push its inventory to the market by arriving at the optimal product mix to suit current market requirements. The Group shall also maximize synergies within the various segments such as property, construction and leasing in order to create better value for its existing and future portfolio.

Notwithstanding the challenge in the current economic outlook and stricter lending policies adopted by financial institutions, the Group remains positive given the continuous demand in the property segment, and ongoing infrastructure projects. The Group's projects are located at strategic sites which have existing or planned transport connectivity.

B4 Variance of Profit forecast

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

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

There was no corporate proposal during the current quarter under review.

B9 Group borrowings and Debt Securities

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

	Short-term RM'000	Long-term RM'000
Secured:		
Term loans	10,629	190,590
Non- Secured:		
Hire purchase	2,872	4,865

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 21% which is slightly lower than the statutory tax rate of 24% due to government grant received which is not taxable in nature.

MCT BERHAD (881786-X)
Incorporated In Malaysia

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 period ended 31 December 2016.

B13 Earnings Per Share

Basic earnings per share

Basic earning per share is calculated based on the profit 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		6 MONTHS ENDED	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net profit attributable to shareholders for the period (RM'000)	24,300	29,500	40,355	44,962
Weighted average number of ordinary shares ('000)	1,334,777	1,334,777	1,334,777	1,334,777
Par value per ordinary share (RM)	1.00	1.00	1.00	1.00
Basic earnings per share (sen)	1.82	2.21	3.02	3.37

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	158,548	within 24 months
2	Repayment of bank borrowings	120,192	125,601	immediate
3	General working capital	20,352	20,486	within 24 months
4	Expenses in relation to the Regularisation Plan	12,672	12,672	immediate
	Total	384,000	384,000	