

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

Interim Financial Reports
For the quarter ended 30 June 2017

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

Interim Financial Reports - 30 June 2017

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MCT BERHAD (881786-X)
Incorporated In Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

(The figures have not been audited)

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER				INDIVIDUAL QUARTER			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES		CURRENT YEAR TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES		CURRENT QUARTER	IMMEDIATE PRECEDING QUARTER	CHANGES	
	30-Jun-17 RM'000	30-Jun-16 RM'000	RM'000	%	30-Jun-17 RM'000	30-Jun-16 RM'000	RM'000	%	30-Jun-17 RM'000	31-Mar-17 RM'000	RM'000	%
Revenue	192,648	159,667	32,980	21%	622,969	654,908	(31,940)	-5%	192,648	137,291	55,356	40%
Cost of sales	(114,648)	(97,218)	17,430	18%	(408,741)	(390,353)	18,387	5%	(114,648)	(96,854)	17,794	18%
Gross profit	78,000	62,449	15,551	25%	214,228	264,555	(50,327)	-19%	78,000	40,437	37,563	93%
Other Income	981	1,000	(19)	-2%	19,186	6,690	12,497	187%	981	776	205	26%
Administrative expenses	(46,173)	(42,371)	3,802	9%	(135,420)	(144,975)	(9,555)	-7%	(46,173)	(29,386)	16,787	57%
Finance costs	(824)	(972)	(148)	-15%	(4,262)	(6,975)	(2,713)	-39%	(824)	(922)	(98)	-11%
Profit before tax	31,984	20,106	11,878	59%	93,732	119,295	(25,563)	-21%	31,984	10,905	21,079	193%
Income tax expense	(13,886)	(7,030)	6,856	98%	(30,075)	(41,927)	(11,852)	-28%	(13,886)	(5,700)	8,186	144%
Net profit for the period	18,098	13,076	5,022	38%	63,657	77,368	(13,711)	-18%	18,098	5,206	12,893	248%
Profit attributable to :												
Owners of the parent	18,099	13,074	5,024	38%	63,659	77,367	(13,709)	-18%	18,099	5,206	12,895	248%
Non-controlling interest	(1)	2	(2)	-112%	(2)	1	(2)	-232%	(1)	(1)	(2)	259%
	18,098	13,076	5,022	38%	63,657	77,368	(13,711)	-18%	18,098	5,206	12,893	248%

Earnings per share attributable to owner of the parent :

Basic earnings per share (sen) - Note B13	1.36	0.98	0.38	38%	4.77	5.80	(1.03)	-18%	1.36	0.39	0.97	248%
Diluted earnings per share (sen)	NA	NA	NA	NA	NA	NA	NA	NA	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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	AS AT END OF CURRENT QUARTER 30-Jun-17 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30-Jun-16 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	280,049	282,571
Investment properties	333,102	275,063
Land held for property development	43,726	42,363
Available-for-sale investments	251	244
	657,128	600,241
Total Non-Current Assets		
Current Assets		
Inventory	2,718	307
Property development costs	203,014	225,812
Accrued billings	273,575	149,574
Trade receivables	40,818	373,277
Other receivables and deposits	53,481	51,149
Tax recoverable	33,235	13,402
Deposits with licensed banks	45,633	42,370
Cash and cash equivalents	38,513	50,922
	690,987	906,813
Total Current Assets	690,987	906,813
Total Assets	1,348,115	1,507,054
EQUITY AND LIABILITIES		
Non-Current Liabilities		
Borrowings	175,506	167,785
Hire-purchase payables	3,626	6,182
Deferred tax liabilities	3,574	3,364
	182,706	177,331
Total Non-Current Liabilities	182,706	177,331

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	AS AT END OF CURRENT QUARTER 30-Jun-17 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30-Jun-16 RM'000
Current Liabilities		
Progress billings	11,574	104,131
Trade payables	137,196	321,291
Other payables and accrued expenses	166,267	155,601
Borrowings	58,053	11,303
Hire-purchase payables	2,617	3,147
Tax liabilities	5,192	13,396
	380,899	608,869
Total Current Liabilities		
	380,899	608,869
Net Assets	784,510	720,854
Equity Attributable to Owners of the Company		
Share capital	1,418,874	1,334,777
Share premium	-	84,097
ICULS	122,218	122,218
Reverse acquisition reserve	(1,062,627)	(1,062,627)
Retained earnings	304,552	240,894
	783,017	719,360
Non-controlling interests	1,493	1,494
	784,510	720,854
Total Equity		
	784,510	720,854
Total Equity and Liabilities	1,348,115	1,507,054
Net assets per share (RM)	0.59	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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

(The figures have not been audited)

←——— **Attributable to Equity Holders of the Company** ———→
←——— **Non-distributable** → **Distributable** ———→

	Share Capital RM'000	Share Premium RM'000	RA Reserve RM'000	ICULS RM'000	Retained Earnings RM'000	Total RM'000	Non Controlling Interest RM'000	Total Equity 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
Effect from adoption of Companies Act 2016	84,097	(84,097)	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	63,659	63,659	(2)	63,657
Balance as at 30 June 2017	1,418,874	-	(1,062,627)	122,218	304,552	783,017	1,493	784,510

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 these financial statements.

MCT BERHAD (881786-X)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	12 MONTHS ENDED	12 MONTHS ENDED
	30-Jun-17	30-Jun-16
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	93,732	119,295
Adjustments for:		
Depreciation of:		
- Property, plant and equipment	11,594	14,677
- Investment properties	2,470	646
Provision for rebates	13,746	4,403
Provision for doubtful debts of receivables	1,732	3,311
Write off of receivables	592	825
Property, plant and equipment written off	1,384	-
Impairment of property, plant and equipment	13,616	-
Finance costs	4,262	6,975
Bargain purchase gain from acquisition of a subsidiary	-	(264)
Interest income	(2,339)	(4,347)
Unrealised foreign exchange (gain)/loss	(186)	335
Loss on disposal property, plant and equipment	26	1,219
	140,629	147,075
Operating Profit Before Working Capital Changes		
(Increase)/Decrease in assets:		
Property development costs	45,931	(56,651)
Accrued billings	(124,001)	(37,642)
Amount due from contract customers	-	738
Inventories	(2,411)	136
Trade receivables	330,270	(338,753)
Other receivables and deposits	(2,443)	(34,023)
Increase/(Decrease) in liabilities:		
Progress billings	(92,557)	103,992
Amount due to contract customers	-	(12,776)
Trade payables	(183,909)	125,380
Other payables and accrued expenses	(3,104)	38,645
	108,405	(63,879)
Cash From/(Used in) Operations		
Income tax paid	(57,902)	(73,102)
	50,503	(136,981)
Net Cash From/(Used in) Operating Activities		

MCT BERHAD (881786-X)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	12 MONTHS ENDED	12 MONTHS ENDED
	30-Jun-17	30-Jun-16
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Additions to:		
- Property, plant and equipment (Note 1)	(24,258)	(47,790)
- Investment properties	(60,509)	(101,810)
- Land held for property development	(227)	(6,727)
Proceed from disposal of:		
- Property, plant and equipment	160	1,719
Net cash outflow from acquisition of subsidiaries	-	(488)
Increase in fixed deposits pledged with licensed banks	(27,854)	(1,398)
Available-for-sale financial investments	(7)	(7)
Interest income received	2,339	4,347
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(110,356)	(152,154)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of term loans		
- Term loans	344,261	61,117
- Revolving credit	25,000	-
Repayment of:		
- Term loans	(314,790)	(91,340)
- Hire-purchase payables	(3,086)	(3,733)
Dividends paid	-	(26,696)
Finance costs paid	(28,532)	(20,666)
	<hr/>	<hr/>
Net Cash From/(Used in) Financing Activities	22,853	(81,318)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(37,000)	(370,453)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	75,903	446,356
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	38,903	75,903
	<hr/> <hr/>	<hr/> <hr/>

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

	(UNAUDITED)	(AUDITED)
	12 Months Ended	12 Months Year Ended
	30-Jun-17	30 June 2016
	RM'000	RM'000
Cash purchase	24,258	47,790
Hire-purchase financing	-	2,788
	<hr/>	<hr/>
	24,258	50,578
	<hr/> <hr/>	<hr/> <hr/>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	12 MONTHS ENDED	12 MONTHS ENDED
	30-Jun-17	30-Jun-16
	RM'000	RM'000
* ANALYSIS OF CASH AND CASH EQUIVALENTS:		
-Deposits with licensed banks	45,633	42,332
-Short term investment	39	38
-Deposits under Housing Development Accounts	16,502	9,579
-Cash and bank balances	26,032	41,343
-Bank overdraft	(4,060)	-
	84,146	93,292
Less: Deposit pledged with license bank	(45,243)	(17,389)
	38,903	75,903

Note :

The Unaudited Condensed Consolidated Statement of Cash Flows 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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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2017

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

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134 : 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 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 except as follows:

- (i) Adoption of the following new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and the Company:
 - (a) Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted:
 - FRS 14 Regulatory Deferral Accounts
 - Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations
 - Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception
 - Amendments to FRS 101 Disclosure Initiative
 - Amendments to FRS 127 Equity Method in Separate Financial Statements
 - Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
 - Annual Improvements to FRSs 2012 - 2014 cycle
 - (b) Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted:
 - Amendments to FRS 107 Disclosure Initiative
 - Amendments to FRS 112 Recognition of Deferred Tax Assets for Unrealised Losses
 - Annual Improvements to FRSs 2014 - 2016 cycle
 - (c) Effective date deferred to a date to be determined and announced, with earlier application permitted:
 - Amendments to FRS 10 and FRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- (ii) Adoption of the Companies Act 2016.

The Minister of Domestic Trade, Co-operatives and Consumerism has appointed 31st January 2017 as the date on which Companies Act 2016 ("Act") comes into operation except Section 241 and Division 8 of Part III.

Pursuant to the circular issued by Malaysian Institute of Accountants on 2 February 2017, the Companies Commission of Malaysia has clarified that the Act should be complied with for the preparation of financial statements and the directors' report and the auditors' report thereon commencing from the financial year/period ended 31 January 2017.

Following the requirements of the Act, the credit balance in the share premium account had been reclassified to the share capital account as at 31 March 2017. Such credit balances may be utilised for purposes set out in transitional provisions of the Act, within 24 months from 31 January 2017.

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2017

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

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

The significant accounting policies applied in the unaudited 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.

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 material items of exceptional or unusual nature affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial year ended 30 June 2017, except as follows:

(i) Impairment loss of assets

During the financial year, the following assets are impaired:

	Carrying value	Market value	Impairment
Chiller plant at The Place@One City	46,134	34,740	11,394
Chiller plant at The Place@Cyberjaya	11,954	9,733	2,221
	<u>58,089</u>	<u>44,473</u>	<u>13,616</u>

The market value of both chiller plants was valued by an independent valuer using cost depreciation method, with expected useful life of 25 years. This useful life is shorter than the Group's estimated useful life of 30 years, resulting in the impairment loss.

(ii) Material other income

During the year, the Group received RM14.9 million as a government grant which is recorded under other income. Said grant was for infrastructure work done for a public road adjacent to one of the Group's project sites under the UKAS program.

A6 Changes in estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years 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.

A8 Dividend paid

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

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2017

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

A9 Profit before tax

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

	3 Months ended 30-Jun-17 RM'000	12 Months ended 30-Jun-17 RM'000
Staff costs	15,847	60,083
Provision for rebates	2,734	13,746
Impairment of property, plant and equipment	13,616	13,616
Depreciation of:		
Property, plant and equipment	3,316	11,594
Investment properties	614	2,470
Developer interest bearing scheme	2,939	11,394
Property, plant and equipment written off	1,380	1,384
Provision for doubtful debts of receivables	1,625	1,732
Write off of receivables	530	592
Loss on disposal of property, plant and equipment	23	26
UKAS government grant income	-	(14,906)
Interest income	(458)	(2,339)
Realised (gain)/loss on foreign exchange	(72)	234
Unrealised (gain)/loss on foreign exchange	(50)	(186)

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2017

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

A10. Segmental Information

The segmental analysis for the financial year ended 30 June 2017 is as follow:

	Property development RM'000	Construction RM'000	Utilities provider RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	577,557	615	9,385	35,410	622,969	-	622,969
Inter-segment revenue	-	221,967	5,160	77,469	304,596	(304,596)	-
Total Revenue	577,557	222,582	14,545	112,879	927,564	(304,596)	622,969
Results							
Operating profit/(loss)	70,022	30,770	(16,032)	(16,020)	68,740	10,068	78,808
Interest income	1,785	71	270	213	2,339	-	2,339
Other income	16,034	21	95	1,566	17,716	(869)	16,847
Finance costs	(867)	(450)	(1,184)	(1,761)	(4,262)	-	(4,262)
Profit before tax	86,974	30,412	(16,851)	(16,002)	84,533	9,199	93,732
Income tax expense	(27,009)	1,964	15	(552)	(25,582)	(4,493)	(30,075)
Profit after tax	59,965	32,375	(16,836)	(16,554)	58,951	4,706	63,657
Assets and liabilities							
Segment assets	1,526,118	516,685	85,711	1,895,587	4,024,101	(2,709,221)	1,314,880
Tax recoverable and deferred tax asset	21,678	11,698	73	705	34,154	(919)	33,235
Total assets	1,547,796	528,383	85,784	1,896,292	4,058,255	(2,710,140)	1,348,115
Segment liabilities	1,049,999	460,312	103,770	318,115	1,932,196	(1,377,357)	554,839
Tax and deferred tax liabilities	5,192	-	-	-	5,192	3,574	8,766
Total liabilities	1,055,191	460,312	103,770	318,115	1,937,388	(1,373,783)	563,605

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2017

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

A10. Segmental Information

The segmental analysis for the previous corresponding period ended 30 June 2016 is as follow:

	Property development RM'000	Construction RM'000	Utilities provider RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	591,934	9,836	7,696	45,442	654,908	-	654,908
Inter-segment revenue	29,115	199,322	6,852	177,982	413,270	(413,270)	-
Total Revenue	<u>621,049</u>	<u>209,157</u>	<u>14,548</u>	<u>223,424</u>	<u>1,068,178</u>	<u>(413,270)</u>	<u>654,908</u>
Results							
Operating profit/(loss)	174,278	2,047	(238)	(15,179)	160,908	(38,984)	121,923
Interest income	2,629	1,213	301	204	4,347		4,347
Finance costs	(3,154)	(629)	(1,383)	(1,808)	(6,975)		<u>(6,975)</u>
Profit before tax							119,295
Income tax expense							(41,927)
Profit after tax							<u>77,368</u>
Assets and liabilities							
Segment assets	1,679,632	567,377	79,480	1,819,830	4,146,318	(2,652,666)	1,493,652
Tax recoverable	3,367	9,694	-	341	13,402	-	13,402
Total assets	<u>1,682,998</u>	<u>577,070</u>	<u>79,480</u>	<u>1,820,171</u>	<u>4,159,720</u>	<u>(2,652,666)</u>	<u>1,507,053</u>
Segment liabilities	1,277,074	502,516	80,622	225,082	2,085,294	(1,315,855)	769,439
Tax and deferred tax liabilities	13,291	3,360	7	102	16,760	-	16,760
Total liabilities	<u>1,290,365</u>	<u>505,876</u>	<u>80,630</u>	<u>225,183</u>	<u>2,102,054</u>	<u>(1,315,855)</u>	<u>786,199</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2017

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

A11 Material events subsequent to the end of interim financial period

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 year ended 30 June 2017.

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:

Guarantees

	As at 30-Jun-17 RM'000	As at 30-Jun-16 RM'000
Guarantees given to third parties in respect of construction projects	49,609	51,727

Goods and Services Tax ("GST")

During the year, a notification from Royal Malaysia Customs Department ("RMCD") was received that the relief supply certificate pursuant to the construction service provided by Lakefront Residence Sdn Bhd ("LRSB"), a subsidiary of the Company to PR1MA Corporation Malaysia ("PR1MA") has been revoked. An assessment of RM21.0 million was made by RMCD to re-submit the GST returns as GST payable to RMCD.

The Group has appointed a GST consultant for submission of appeal and documents to RMCD. RMCD is currently reviewing the appeal.

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 30 June 2017 are as follows:

	As at 30-Jun-17 RM'000
<u>Approved and contracted for:</u>	
Purchase of property, plant and equipment	527
Rental from lease-back arrangements	18,797
Commitment under Joint Venture	65,000
	84,323

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A15 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:

	As at 30-Jun-17 RM'000
(i) Rental of premises paid/payable to related party	2,111
(ii) Rental of premises received/receivable from related parties	960
(iii) Disposal of motor vehicle	148
(iv) Administrative expenses paid/payable to related party	5

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 year ended 30 June 2017.

A17 Default of a Loan Agreement

Ecity Hotel Sdn Bhd ("Ecity"), a wholly-owned subsidiary of the Company, has a term loan with Bank Pembangunan Malaysia Berhad ("Bank") which was taken to part finance the acquisition of a hotel. A financial covenant pertaining to the required debt equity ratio was technically defaulted. The Bank has given Ecity indulgence by putting up for approval, an amendment to the stipulated debt equity ratio formula to ensure compliance. The Group is of the opinion that the likelihood of resolving this technical default is very favourable as the hotel operations is profitable, and loan obligations have always been complied with. Market value of the hotel as at 9 May 2016 as appraised by an independent professional valuer was RM76.0 million (Net book value as of 30 June 2017: RM27.6 million), representing an appreciation in value of RM48.4 million. Carrying value of the term loan is RM25.0 million as of 30 June 2017 and is presented as current liability.

A18 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:

The fair value of long-term financial liabilities are determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between the fair values and carrying values of these liabilities as at the end of the reporting period.

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A19 Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

	Level 1 RM'000
30-Jun-17	
Financial Assets	
Available-for-sale investments	<u>251</u>
30-Jun-16	
Financial Assets	
Available-for-sale investments	<u>244</u>

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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B1 Performance review

For the Quarter

The Group recorded revenue of RM192.6 million for the fourth quarter ended 30 June 2017 as compared to the corresponding quarter of the previous financial year of RM159.7 million.

The developer segment which composes 94% of the Group's total revenue contributed RM180.6 million which is 22% higher than the same period of the previous year. Lakefront Villa units were sold with only a few units remaining, and advanced percentage completion rates as it is nearing handover process as compared to previous years. Skypark @ Cyberjaya likewise contributed higher revenues from movements in completion rates.

Gross profit margin for the quarter approximate the same levels for the same period of last year at 40% and 39% respectively. Difference was from project mix drivers.

Expenses recorded was RM46.2 million during the quarter which is 9% higher than the same period of last year's RM42.4 million. The Group's savings in operating and administrative expenses during the period of RM9.8 million was offset by impairment of RM13.6 million in chiller plants at The Place@One City and The Place@Cyberjaya which were recorded in the quarter. None of the said adjustments were present in the same quarter of the financial year ended ("FY") 2016. Expense to revenue ratio without impairment is 16.9% during the quarter as compared to 26.5% from the same period last year.

The current quarter achieved RM18.1 million in profit after tax which is 38% higher as compared to RM13.1 million of the same quarter in FY 2016.

For the Twelve Months Period

The Group recorded revenue of RM623.0 million and profit after tax of RM63.7 million for the fiscal year ended 2017 as compared to revenues of RM654.9 million and profit after tax of RM77.4 million for the previous fiscal year.

The property development segment remains to be the strong financial driver attributing to 93% and 89% of the Group's revenue in FY 2017 and 2016 respectively. For the current financial year, revenues from property development is RM577.6 million, a 99% achievement of last financial year's RM583.2 million.

Lakefront @ Cyberjaya performed better during the current fiscal year topping last year's revenue contribution by 36%. Lakefront Villa contributed to higher revenues from units that were sold during the current financial year. Likewise, completion rates kicked in as project is towards completion during the fiscal year as compared to previous year. Lakefront Residences inventories movement also improved in 2017 with higher completion rates as compared to previous year.

Skypark @ Cyberjaya achieved 92% of revenues during the current financial year as compared to previous year. Sales velocity was higher in previous year with more inventories on hand and almost fully sold out during the current year. Completion rate is within target, although with a slower movement as the projects is nearing its tail-end.

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For the Twelve Months Period (Continued)

Cybersouth township revenue contribution was at 70% from previous year due to timing of launches. Casa View revenues was higher by 10% from previous financial year from improved sales velocity which cushioned the effect of lower revenues recognized from Green Casa which is almost sold out and nearing its completion stage in fiscal year 2017.

A construction contract with the Universiti Teknologi MARA (UiTM) contributed to revenues in fiscal year 2016. No such similar contracts were entered into in fiscal year 2017.

The Group ended the year with 34% gross profit of RM214.2 million as opposed to 40% in fiscal year 2016 due to differences in product mix.

Total operating and administrative expenses was at RM135.4 million during the year, lower by 7% from previous year's RM145.0 million. Savings from expenses of RM23.2 million cushioned the effect of impairment of the Group's chiller plants at The Place@One City and The Place@Cyberjaya of RM13.6 million which was recognised during the year. Ratio of operating and administrative expenses to revenue without impairment is 20% and 22% for FY 2017 and FY 2016, respectively.

During the year, the Group received RM14.9 million as a government grant which is recorded under other income. Said grant is for infrastructure work done for a public road adjacent to one of the Group's project sites under the UKAS program.

Profit after tax margin during the year before one-off adjustment on impairment and government grant is 10% versus 12% from previous year.

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

The Group recorded revenue of RM192.6 million for the quarter under review which is 40% higher from the preceding quarter of RM137.3 million. This is attributed to high sales velocity and recognition of new units sold across Lakefront @ Cyberjaya and Cybersouth during the fourth quarter.

Lakefront @ Cyberjaya performed 47% higher by RM32.8 million as compared to the third quarter from the Lakefront Villa and Lakefront Residence projects.

Cybersouth township development projects' revenue during the fourth quarter achieved 44% higher from the third quarter with the boost in sales velocity during the fourth quarter for Casa View and the launch of Bellevue.

Gross profit registered during the quarter was RM78.0 million, 93% higher than the third quarter's RM40.4 million. Aside from product mix, cost savings have been recognised for projects nearing its completion stage.

One-time expenses such as impairment of the Group's chiller plants and bad debts totaling to RM14.2 million were recognised during the fourth quarter. Expenses before said expenses is at RM32.0 million as compared to RM29.4 million from the previous quarter.

Income tax expense is higher at RM13.9 million as compared to the immediately preceding quarter of RM5.7 million due to higher recorded profit before tax and non-tax deductible expenses.

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B3 Prospects for the next financial year

The Group is cautiously optimistic with the market upswing of the property sector. Despite stringent rules in the banking and financial institution sector, and economic uncertainties, demand for property development remains steady as evidenced by industry statistics.

Extensive marketing and selling strategies over the last quarter of the fiscal year 2017 evidenced strong opportunities in the market as seen in the spike in number of units sold. Avenues on selling strategies, channels and network shall be carried forward in the next fiscal year at optimized costs. These shall be backed up by improved customer experience across all product offerings.

Several projects are for handover to buyers by FY 2018. The property development segment looks forward to planning future phases of existing projects as well as scouting for opportunities to develop and expand existing landbank in anticipation of market upswing. Product enhancements and types that have a good pulse in the market are to be planned carefully to sustain market interest in investing in the Group's projects. The Group's landbank and existing projects are located strategically in Subang Jaya, Cyberjaya and Dengkil, where property values are expected to appreciate with upcoming plans in road network and transit connectivity.

Construction shall remain the backbone with the segment servicing 100% the Group's internal requirements. Product delivery, further efficiencies in costs and operations shall be the key areas of focus for the next fiscal year to further improve quality of products and financial viability of projects.

Complementary business is positive in its outlook as new tenants will open by the fiscal year in 2018 at One

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.

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B9 Group borrowings

Total loans and borrowings as at 30 June 2017 were as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
Secured:			
Term loans	58,053	150,506	208,559
Revolving credit	-	25,000	25,000
Non- Secured:			
Hire purchase	2,617	3,626	6,242
	<u>60,670</u>	<u>179,132</u>	<u>239,801</u>

There were no loans and borrowings denominated in foreign currency as at 30 June 2017.

Total loans and borrowings as at 30 June 2016 were as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
Secured:			
Term loans	11,303	167,785	179,088
Non- Secured:			
Hire purchase	3,147	6,182	9,329
	<u>14,450</u>	<u>173,967</u>	<u>188,417</u>

There were no loans and borrowings denominated in foreign currency as at 30 June 2016.

Additional term loan obtained during the financial year to finance project development and construction of Lakefront@Cyberjaya and Cybersouth's common facilities.

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

	30-Jun-17	30-Jun-16
Bank overdraft	7.85%	NA
Term loans	7.02%	7.26%
Hire-purchase	2.99%	3.00%

The interest rate profile of the borrowings are:

	30-Jun-17 RM'000	30-Jun-16 RM'000
Fixed rate	68,614	81,823
Floating rate	171,187	106,594
	<u>239,801</u>	<u>188,417</u>

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B10 Material litigation

There was a suit filed on 4 December 1996 by Chellappa A/L Kalimuthu (suing as a public officer of Sri Maha Mariamman Temple, Hicom, Shah Alam, Selangor pursuant to Section 9(c) of the Society Act 1996) on behalf of a society ("Society") ("Plaintiff").

A writ of possession ("Writ") vide "Permohonan Perlaksanaan No. 37WP-44-12/2015" was issued by the High Court on 22 December 2015 and subsequently served by the Court Bailiff to the Indian Temple, Kuil Sri Maha Mariamman ("Existing Temple") on 30 May 2016. On 10 June 2016, One City Development ("OCD")'s solicitors applied to court to extend the Writ. The Court has granted its Order on 22 December 2016. The Writ and the Order for extension of time has been served by the Court Bailiff to the Existing Temple on 18 May 2017.

The parties occupying the Existing Temple have failed to deliver the vacant possession of the Land to OCD. The Writ expired on 21 June 2017. OCD's solicitors are in the midst of applying for a fresh Writ.

B11 Income Tax Expenses

	3 Months ended 30-Jun-17 RM'000	12 Months ended 30-Jun-17 RM'000
Income tax expense comprises:		
Current tax		
- for current quarter / financial year-to-date	12,634	27,526
- for prior years	1,340	2,339
Deferred tax		
- for current quarter / financial year-to-date	(88)	210
- for prior years	-	-
	13,886	30,075

The Group's effective tax rate for the current quarter of 43% which is higher than statutory tax rate of 24% due to under provision for taxation for prior year and non-tax deductible expenses.

The Group's effective tax rate for the financial year is 32% which is higher than the statutory tax rate of 24% due to under provision for taxation for prior years.

B12 Dividend Payable

No interim dividend has been recommended in respect of the financial year ended 30 June 2017.

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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		12 MONTHS ENDED	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
Net profit attributable to shareholders for the period (RM'000)	<u>18,099</u>	<u>13,074</u>	<u>63,659</u>	<u>77,367</u>
Weighted average number of ordinary shares ('000)	<u>1,334,777</u>	<u>1,334,777</u>	<u>1,334,777</u>	<u>1,334,777</u>
Par value per ordinary share (RM)	1.00	1.00	1.00	1.00
Basic earnings per share (sen)	<u>1.36</u>	<u>0.98</u>	<u>4.77</u>	<u>5.80</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	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	<u>384,000</u>	<u>384,000</u>	

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B15 Trade receivables

The credit period granted ranged from 14 to 45 days for both related and non-related parties.

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

	30-Jun-17	30-Jun-16
	RM'000	RM'000
Neither past due nor impaired	389	40,439
Past due 1 to 30 days	3,515	10,624
Past due 31 to 60 days	826	27,398
Past due 61 to 90 days	5,453	24,344
Past due more than 90 days	36,364	274,570
	<u>46,547</u>	<u>377,375</u>
Provision for doubtful debt for trade receivables	<u>(5,729)</u>	<u>(4,098)</u>
	<u>40,818</u>	<u>373,277</u>
Write off of trade receivables during the year to date	<u>592</u>	<u>435</u>

Doubtful debt for trade receivables provided for balances aged beyond 180 days due to it is probable that the debts are not able to be collected after sending reminder letter and letter of demand.

On confirmation of solvency of receivables, the balance are written off.