

MCT BERHAD

**Company No: 881786-X
(Incorporated In Malaysia)**

Interim Financial Reports

For the quarter ended 31 December 2017

MCT BERHAD (881786-X)
Incorporated In Malaysia

Interim Financial Reports

For the quarter ended 31 December 2017

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MCT BERHAD (881786-X)
Incorporated In Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 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	
	31-Dec-17 RM'000	31-Dec-16 RM'000	RM'000	%	31-Dec-17 RM'000	31-Dec-16 RM'000	RM'000	%	31-Dec-17 RM'000	30-Sep-17 RM'000	RM'000	%
Revenue	64,181	137,756	(73,575)	-53%	158,218	293,030	(134,812)	-46%	64,181	94,037	(29,856)	-32%
Cost of sales	(31,853)	(94,001)	(62,148)	-66%	(84,716)	(197,239)	(112,523)	-57%	(31,853)	(52,863)	(21,010)	-40%
Gross profit	32,328	43,755	(11,427)	-26%	73,502	95,791	(22,289)	-23%	32,328	41,174	(8,846)	-21%
Other Income	1,142	16,198	(15,056)	-93%	2,219	17,430	(15,211)	-87%	1,142	1,077	65	6%
Selling and marketing expenses	(6,450)	(5,417)	1,033	19%	(13,707)	(9,914)	3,793	38%	(6,450)	(7,257)	(808)	-11%
Direct operating and general administrative expenses	(16,652)	(24,325)	(7,673)	-32%	(37,597)	(49,947)	(12,350)	-25%	(16,652)	(20,945)	(4,292)	-20%
Finance costs	(928)	(961)	(33)	-3%	(1,800)	(2,517)	(717)	-28%	(928)	(872)	55	6%
Profit before tax	9,440	29,250	(19,810)	-68%	22,617	50,843	(28,226)	-56%	9,440	13,177	(3,736)	-28%
Income tax expense	(3,154)	(4,949)	(1,795)	-36%	(5,781)	(10,489)	(4,708)	-45%	(3,154)	(2,627)	527	20%
Profit for the period	6,286	24,301	(18,015)	-74%	16,836	40,354	(23,518)	-58%	6,286	10,550	(4,264)	-40%

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FOR THE PERIOD ENDED 31 DECEMBER 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	
	31-Dec-17 RM'000	31-Dec-16 RM'000	RM'000	%	31-Dec-17 RM'000	31-Dec-16 RM'000	RM'000	%	31-Dec-17 RM'000	30-Sep-17 RM'000	RM'000	%
Profit attributable to :												
Owners of the parent	6,288	24,300	(18,012)	-74%	16,839	40,355	(23,516)	-58%	6,288	10,551	(4,263)	-40%
Non-controlling interest	(2)	1	(3)	-286%	(3)	(1)	2	180%	(2)	(1)	1	98%
	<u>6,286</u>	<u>24,301</u>	<u>(18,015)</u>	<u>-74%</u>	<u>16,836</u>	<u>40,354</u>	<u>(23,518)</u>	<u>-58%</u>	<u>6,286</u>	<u>10,550</u>	<u>(4,264)</u>	<u>-40%</u>

Earnings per share attributable to owners of the parent :

Basic earnings per share (sen) - Note B13	0.47	1.82	(1.35)	-74%	1.26	3.02	(1.76)	-58%	0.47	0.79	(0.48)	-50%
Diluted earnings per share (sen) - Note B13	NA	1.81	NA	NA	NA	3.00	NA	NA	NA	NA	NA	NA

NA denotes not applicable as the Company has no dilutive potential ordinary shares at the end of the reporting period.

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

(The figures have not been audited)

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31-Dec-17 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 30-Jun-17 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	163,388	280,049
Investment properties	360,356	333,102
Land held for property development	57,208	52,530
Deferred tax assets	14,790	-
Available-for-sale investments	-	250
	595,742	665,931
Non-current assets classified as held for sale	115,048	-
Total Non-Current Assets	710,790	665,931
Current Assets		
Inventories - at cost	2,560	2,718
Property development costs	217,245	194,210
Accrued billings	235,968	262,000
Trade receivables	96,824	40,818
Other receivables and prepaid expenses	67,182	53,481
Tax recoverable	21,837	33,235
Deposits with licensed banks	43,382	45,672
Cash and bank balances	49,831	42,534
	734,829	674,668
Current assets classified as held for sale	28,460	-
Total Current Assets	763,289	674,668
Total Assets	1,474,079	1,340,599

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

(The figures have not been audited)

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31-Dec-17 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 30-Jun-17 RM'000
EQUITY AND LIABILITIES		
Non-Current Liabilities		
Borrowings	206,521	174,874
Hire-purchase payables	2,289	3,626
Deferred tax liabilities	-	3,574
	208,810	182,074
Non-current liabilities classified as held for sale	54	-
	208,864	182,074
Current Liabilities		
Progress billings	122,281	-
Trade payables	155,301	137,196
Other payables and accrued expenses	140,282	166,265
Borrowings	11,366	62,744
Hire-purchase payables	2,500	2,617
Tax liabilities	6,591	5,192
	438,321	374,014
Current liabilities classified as held for sale	25,547	-
	463,868	374,014
Net Assets	801,348	784,512

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

(The figures have not been audited)

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31-Dec-17 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 30-Jun-17 RM'000
Equity Attributable to Owners of the Company		
Share capital	1,418,874	1,418,874
ICULS	122,218	122,218
Reserves	(1,062,627)	(1,062,627)
Retained earnings	321,393	304,554
	799,858	783,019
Non-controlling interests	1,489	1,492
Total Equity	801,347	784,511
Total Equity and Liabilities	1,474,079	1,340,599
Net assets per share (RM)	0.60	0.59

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 2017 and the accompanying explanatory notes attached to these financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017
(The figures have not been audited)

	Non-distributable reserves				Distributable reserves	Attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	ICULS	Share premium	Reverse acquisition reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000			
<u>Period ended 31 December 2017</u>								
As at 1 July 2017	1,418,874	122,218	-	(1,062,627)	304,554	783,019	1,492	784,511
Total comprehensive income/(loss) for the period	-	-	-	-	16,839	16,839	(3)	16,836
As at 31 December 2017	1,418,874	122,218	-	(1,062,627)	321,393	799,858	1,489	801,347
<u>Period ended 31 December 2016</u>								
As at 1 July 2016	1,334,777	122,218	84,097	(1,062,627)	240,893	719,358	1,495	720,853
Total comprehensive income/(loss) for the year	-	-	-	-	40,355	40,355	(1)	40,354
As at 31 December 2016	1,334,777	122,218	84,097	(1,062,627)	281,248	759,713	1,494	761,207

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 2017 and the accompanying explanatory notes attached to these financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017
(The figures have not been audited)

	(UNAUDITED) 6 MONTHS ENDED	(UNAUDITED) 6 MONTHS ENDED
	31-Dec-17	31-Dec-16
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	22,617	50,843
Adjustments for:		
Depreciation of:		
Property, plant and equipment	1,978	5,434
Investment properties	1,358	1,222
Provision for liquidated and ascertained damages	1,377	-
Provision for rebates	-	7,807
Finance costs	1,800	2,517
Allowance for doubtful debts:		
Trade receivables	(614)	106
Property, plant and equipment written off	33	3
Bad debts written off:		
Trade receivables	177	62
Loss on disposal of property, plant and equipment	152	-
Inventories written off	8	-
Interest income	(1,238)	(1,363)
Unrealised (gain)/loss on foreign exchange	(87)	26
	27,561	66,657
Operating Profit/(Loss) Before Working Capital Changes		
(Increase)/Decrease in:		
Inventories	(2,465)	104
Property development costs	(25,582)	(7,563)
Accrued billings	25,389	(20,267)
Trade receivables	(56,326)	314,571
Other receivables and prepaid expenses	(16,912)	(13,439)
Increase/(Decrease) in:		
Progress billings	122,281	(25,086)
Trade payables	18,328	(193,746)
Other payables and accrued expenses	(10,492)	(15,508)
	81,782	105,723
Cash Generated From/(Used In) Operations		
Tax paid	(14,627)	(31,022)
	67,155	74,701
Net Cash From/(Used In) Operating Activities		

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017

(The figures have not been audited)

	(UNAUDITED) 6 MONTHS ENDED	(UNAUDITED) 6 MONTHS ENDED
	31-Dec-17 RM'000	31-Dec-16 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	632	-
Interest received	1,238	1,363
Additions to:		
Investment properties	(28,613)	(26,128)
Property, plant and equipment (Note)	(929)	(6,424)
Land held for property development	(2,744)	-
(Increase)/Decrease in:		
Fixed deposits pledged with licensed banks	2,180	(31,910)
Available-for-sale investments	(3)	(2)
Net Cash (Used In)/From Investing Activities	<u>(28,239)</u>	<u>(63,101)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of term loans	16,072	310,846
Repayment of:		
Term loans	(30,878)	(288,715)
Hire-purchase payables	(3,995)	(1,811)
Bank borrowings	(1,186)	-
Finance costs paid	(8,918)	(14,072)
Net Cash From/(Used In) Financing Activities	<u>(28,905)</u>	<u>6,248</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,011	17,848
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	42,574	75,903
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>52,585</u>	<u>93,751</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017
(The figures have not been audited)

Note: During the financial year, the Group acquired property, plant and equipment by the following means:

	(UNAUDITED) 6 MONTHS ENDED 31-Dec-17 RM'000	(UNAUDITED) 6 MONTHS ENDED 31-Dec-16 RM'000
Cash purchase	929	6,424
Hire-purchase financing	-	218
	929	6,642

Cash and cash equivalents included in the statements of cash flows comprise the following:

	(UNAUDITED) 6 MONTHS ENDED 31-Dec-17 RM'000	(UNAUDITED) 6 MONTHS ENDED 31-Dec-16 RM'000
Fixed deposits with licensed banks	43,453	100,421
Investments in short-term funds	39	38
Deposits with licensed banks	43,493	100,459
Deposits under Housing Development Accounts	45,667	14,906
Cash on hand and in bank	6,878	27,685
Cash and bank balances	52,545	42,591
	96,038	143,050
Less: Fixed deposits pledged with licensed banks	(43,063)	(49,299)
Fixed deposits with maturity period more than 90 days	(390)	-
Cash and cash equivalents	52,585	93,751

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 2017 and the accompanying explanatory notes attached to these financial statement.

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 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 2017. These interim financial statements contain selected explanatory notes which provide explanations of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("Group").

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 30 June 2017, except for the adoption of the following amendments to FRSs which are effective for annual periods beginning on or after 1 January 2017, as follows:

Amendments to FRS 12	Annual Improvements to FRS Standards 2014 - 2016 Cycle
Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above amendments to FRSs does not have any significant impact to the Group.

At the date of the unaudited interim financial statements, the new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

FRS 9	Financial Instruments ¹
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual period beginning on or after 1 January 2018, with early application permitted. In addition, an entity may elect to early apply on the requirements for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss for annual periods beginning before 1 January 2018, as stated in paragraph 71.2 of FRS 9.

² Effective date deferred to a date to be determined and announced, with earlier application permitted

The directors anticipate that the abovementioned FRSs and amendments to FRSs will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these FRSs and amendments to FRSs may have material impact on the financial statements of the Group and the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect until the Group and the Company undertake a detailed review.

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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

A2 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 for the financial year ended 30 June 2017.

A3 Auditors' Report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2017 were not subject to any qualification.

A4 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 period ended 31 December 2017.

A5 Changes in estimates

There were no changes in estimates that have a material effect on the amounts reported for the current interim period.

A6 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.

A7 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 PERIOD ENDED 31 DECEMBER 2017

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

A8 Profit before tax

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

	6 MONTHS ENDED 31-Dec-17 RM'000
Staff costs	25,525
Depreciation of:	
Property, plant and equipment	1,978
Investment properties	1,358
Developer interest bearing scheme	6,989
Provision for liquidated and ascertained damages	1,377
Loss on disposal of property, plant and equipment	152
Realised (gain)/loss on foreign exchange	(4)
Interest income	(1,238)
Unrealised (gain)/loss on foreign exchange	(87)
Reversal of allowance for doubtful debts of trade receivables	(614)

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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

A9 Segmental information

The segment information for the financial period ended 31 December 2017 is as follow:

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complimentary business RM'000	Others RM'000	Total RM'000	Elimination RM'000	The Group RM'000
Revenue								
External revenue	133,563	237	-	18,068	6,350	158,218	-	158,218
Inter-segment revenue	-	110,413	-	2,429	12,085	124,927	(124,927)	-
Total revenue	133,563	110,650	-	20,497	18,436	283,145	(124,927)	158,218
Results								
Operating profit/(loss)	(9,816)	34,618	(591)	(168)	285	24,327	(2,129)	22,198
Other income (Note 1)	152,654	230	-	377	782	154,044	(151,825)	2,219
Finance costs	(249)	(159)	-	(681)	(710)	(1,800)	-	(1,800)
Profit/(Loss) before tax	142,589	34,688	(591)	(472)	357	176,572	(153,955)	22,617
Income tax (expense)/credit	(14,584)	(705)	-	-	(206)	(15,495)	9,714	(5,781)
Profit/(Loss) after tax	128,005	33,983	(591)	(472)	151	161,077	(144,241)	16,836

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

A9 Segmental information

The segment information for the financial period ended 31 December 2017 is as follow: (continued)

Note 1: Other income consists of:

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complimentary business RM'000	Others RM'000	Total RM'000	Elimination RM'000	The Group RM'000
Dividend income	109,557	-	-	-	-	109,557	(109,557)	-
Gain on disposal of investment properties	41,835	-	-	-	-	41,835	(41,835)	-
Interest income	907	37	1	8	285	1,238	-	1,238
Other income	355	193	(1)	370	497	1,415	(433)	981
	<u>152,654</u>	<u>230</u>	<u>-</u>	<u>377</u>	<u>782</u>	<u>154,044</u>	<u>(151,825)</u>	<u>2,219</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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

A9 Segmental information

The segment information for the financial period ended 31 December 2017 is as follow: (continued)

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complimentary business RM'000	Others RM'000	Total RM'000
Assets and liabilities						
Segment assets	1,685,752	596,797	1,542,563	78,823	248,206	4,152,141
Less: Elimination	(480,196)	(529,452)	(1,542,448)	(28,161)	(143,992)	(2,724,249)
	1,205,556	67,345	115	50,662	104,214	1,427,892
Tax recoverable and deferred tax asset	27,939	11,899	-	19	1,109	40,966
Less: Elimination	9,568	(4,347)	-	-	-	5,221
	37,507	7,552	-	19	1,109	46,187
Total assets	1,243,063	74,897	115	50,681	105,323	1,474,079

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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

A9 Segmental information

The segment information for the financial period ended 31 December 2017 is as follow: (continued)

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complimentary business RM'000	Others RM'000	Total RM'000
Segment liabilities	1,167,528	531,104	480	139,649	169,089	2,007,850
Less: Elimination	(693,929)	(431,286)	-	(100,000)	(122,775)	(1,347,990)
	473,599	99,818	480	39,649	46,314	659,860
Tax and deferred tax liabilities	12,333	-	-	-	539	12,872
Add: Elimination	-	-	-	-	-	-
	12,333	-	-	-	539	12,872
Total liabilities	485,932	99,818	480	39,649	46,853	672,732

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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

A9 Segmental information

The segment information for the financial period ended 31 December 2017 is as follow: (continued)

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complimentary business RM'000	Others RM'000	Total RM'000
<i>Other segment information</i>						
Capital expenditure:						
Investment properties	28,612	-	-	-	-	28,612
Property, plant and equipment	306	485	-	137	-	928
	28,918	485	-	137	-	29,540
Depreciation of:						
Property, plant and equipment	111	849	-	1,703	(685)	1,978
Investment properties	1,358	-	-	-	-	1,358
	1,469	849	-	1,703	(685)	3,336
Provision for liquidated and ascertained damages	1,377	-	-	-	-	1,377

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A9 Segmental information

The segment information for the financial period ended 31 December 2016 is as follow:

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complimentary business RM'000	Others RM'000	Total RM'000	Elimination RM'000	The Group RM'000
Revenue								
External revenue	270,106	99	-	17,551	5,274	293,030	-	293,030
Inter-segment revenue	(16,424)	121,701	-	4,308	42,614	152,199	(152,199)	-
Total revenue	253,682	121,800	-	21,859	47,888	445,229	(152,199)	293,030
Results								
Operating profit/(loss)	44,828	15,403	(302)	(6,050)	1,001	54,880	(2,883)	51,997
Interest income	798	27	2	95	441	1,363	-	1,363
Finance costs	(687)	(248)	-	(741)	(841)	(2,517)	-	(2,517)
Profit/(Loss) before tax	44,939	15,182	(300)	(6,696)	601	53,726	(2,883)	50,843
Income tax expense	(8,760)	(1,373)	-	-	(356)	(10,489)	-	(10,489)
Profit/(Loss) after tax	36,179	13,809	(300)	(6,696)	245	43,237	(2,883)	40,354

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A9 Segmental information

The segment information for the financial period ended 31 December 2016 is as follow: (continued)

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complimentary business RM'000	Others RM'000	Total RM'000	Elimination RM'000	The Group RM'000
Assets and liabilities								
Segment assets	1,400,652	469,217	1,543,442	73,319	249,626	3,736,256	(2,428,752)	1,307,504
Tax recoverable and deferred tax asset	15,095	10,941	-	38	495	26,569	-	26,569
Total assets	<u>1,415,747</u>	<u>480,158</u>	<u>1,543,442</u>	<u>73,358</u>	<u>250,121</u>	<u>3,762,825</u>	<u>(2,428,752)</u>	<u>1,334,073</u>
Segment liabilities	974,484	403,268	259	119,563	150,706	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>259</u>	<u>119,563</u>	<u>150,709</u>	<u>1,657,673</u>	<u>(1,084,807)</u>	<u>572,866</u>

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A10 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 period ended 31 December 2017 except for the items disclosed in Notes A11 "Changes in the composition of the Group" and B8 "Status of Corporate Proposals".

A11 Changes in the composition of the Group

On 8 December 2017, a wholly-owned subsidiary of the Company, One City Development Sdn Bhd ("OCD") has entered a conditional share sale agreement with BRAS Venture Bhd, for the proposed disposal of its 100% equity interest in One City Properties Sdn Bhd ("OCP") comprising 3.5million ordinary shares in OCP for cash consideration for RM7.5 million. The conditional sale was completed on 31 January 2018.

A12 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:

(a) Performance bond

	As at 31-Dec-17 RM'000	As at 30-Jun-17 RM'000
Performance bond provided in favour of third parties pursuant to the construction and/or development projects and cinema operations of the Group	<u>51,392</u>	<u>49,609</u>

(b) Goods and Services Tax ("GST")

During the financial year 2017, Lakefront Residence Sdn. Bhd. ("**LRSB**"), a wholly-owned subsidiary of the Company, received a notification from Royal Malaysia Customs Department ("**RMCD**"). LRSB is required to charge RM21 million Goods and Services Output Tax to PR1MA and subsequently remit the said amount to RMCD.

There are no changes as to the status as disclosed in the audited financial statements for the financial year ended 30 June 2017.

There were no contingent assets.

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A13 Commitments

The Group has the following commitments:

Approved and contracted for:

(a) Commitment under a Joint Development Agreement

	As at 31-Dec-17 RM'000	As at 30-Jun-17 RM'000
Commitment under a Joint Development Agreement	65,000	65,000

(b) Corporate Guarantees

	As at 31-Dec-17 RM'000	As at 30-Jun-17 RM'000
Corporate guarantees extended in support of credit facilities granted to subsidiaries	100,303	124,960
Corporate guarantees granted by a wholly-owned subsidiary, MCT Consortium Bhd in support of credit facilities to subsidiaries	100,775	92,047
	201,078	217,007

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A13 Commitments (continued)

(c) Rental and Operating Lease Commitments

	As at 31-Dec-17 RM'000	As at 30-Jun-17 RM'000
Rental commitments from leaseback arrangement:		
Less than 1 year	4,887	5,029
More than 1 year and less than 2 years	5,517	6,495
More than 2 years and less than 5 years	6,926	7,273
	17,329	18,797
Rebate commitment from leaseback agreement	1,490	-
Operating lease commitments:		
Less than 1 year	2,134	3,421
More than 1 year and less than 2 years	466	2,624
	2,600	6,045
	21,419	24,842

(d) Others

	As at 31-Dec-17 RM'000	As at 30-Jun-17 RM'000
Purchase of property, plant and equipment	-	527
	-	527
Total commitments	185,704	307,375

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A14 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-Dec-17 RM'000
Rental of premises paid/payable to related parties	1,055
Rental of premises received/receivable from related parties	596
Sale of vehicle and computer equipment to related parties	125
Sale of construction materials and provision of construction work to related parties	64
Property management fees paid/payables to related parties	<u>60</u>

A15 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 2017.

A16 Default of a Loan Agreement

For the default of financial covenant of a term loan between Ecity Hotel Sdn Bhd ("**Ecity**"), a wholly-owned subsidiary of the Company, with Bank Pembangunan Malaysia Berhad for the financial year ended 30 June 2017, BPMB has issued temporary waiver on the compliance on 8 December 2017. Following the temporary waiver, the non-current portion of the term loan RM22million (30 June 2017: RM25million) previously classified as current portion has been reclassified as non-current portion.

A17 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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A18 Fair Value Hierarchy

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

	Level 1 RM'000
31-Dec-17	
Financial Assets	
Available-for-sale investments (held for sale)	<u>254</u>
30-Jun-17	
Financial Assets	
Available-for-sale investments	<u>250</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 RM64.0million for the current quarter ended 31 December 2017 as compared to the corresponding quarter of previous financial year of RM137.8million. Major revenue drivers include property development projects such as Lakefront @ Cyberjaya, Skypark @ Cyberjaya and Cybersouth which have varying stages of completion and take-up rates due to launch schedules.

Skypark @ Cyberjaya, Lakefront Villa @ Cyberjaya and Cybersouth Green Casa and Casa View (Phases 1B and 2B) are in their tail-end phases of completion by the current quarter which factors in a slower completion rate versus the same quarter of the previous financial year. Inventories have been cleared in the last quarter of fiscal year 2017 enabling lower take-up rates for Lakefront Residences. Also, there have been no launches in the current quarter.

Property development segment contributed to 81% of the total business revenue of the Group as compared to same quarter of fiscal year 2017 of 92%.

Gross profit margin was favourable at 50% in the current quarter as opposed to 32% of the same quarter in fiscal year 2017 mainly from savings from Lakefront Homes. In addition, as most of the projects are nearing its completion stage, savings have been realised for Skypark, two phases for Cybersouth and Lakefront Villa. The converted sales from Cybersouth Bellevue (Phase 1C) also attributes to a higher gross profit margin contributing to higher gross profit rates for the current quarter.

Expenses recorded was RM23.1million during the quarter which is 22% lower than the same period of last year's RM29.7million. Selling and marketing expenses are higher by 19% due to higher converted sales from the spike in booked sales from the last quarter of 2017, cushioned by savings in staff costs of RM4.8million as compared to corresponding quarter of previous financial year.

The current quarter achieved RM6.3million in profit after tax which is 74% lower as compared to RM24.3 million profit after tax of the same quarter in FY 2017. In FY17, there was a one-off income of RM14.9 million as a government grant. Said grant is for infrastructure work done for a public road adjacent to one of the Group's project sites under the UKAS program.

The profit after tax margin for current quarter is 10% as compared to 18% for corresponding quarter of previous financial year with the one-off grant recognized and 7% without the one-off grant, mainly from the group saving's in staff costs and higher gross profit margin.

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B1 Performance Review (continued)

For the six months ended

The Group recorded revenue of RM158.2million for the current year ended 31 December 2017 as compared to the preceding year for corresponding period of RM293.0million. Major revenue drivers include property development projects such as Lakefront @ Cyberjaya, Skypark @ Cyberjaya and Cybersouth which have varying stages of completion and take-up rates due to launch schedules.

Skypark @ Cyberjaya, Lakefront Villa @ Cyberjaya and Cybersouth Green Casa and Casa View (Phases 1B and 2B) are in their tail-end phases of completion by the current quarter which factors in a slower completion rate versus the same period of the previous financial year. Inventories have been cleared in the last quarter of fiscal year 2017 enabling lower take-up rates for Lakefront Villa, Residences and Casa View. Also, there have been no launches in the current year.

Property development segment contributed to 84% of the total business revenue of the Group as compared to preceding year for corresponding period of 92%.

Gross profit margin was favourable at 46% in the current year as opposed to 33% of the preceding year for corresponding period in fiscal year 2017 mainly from savings from Lakefront Homes. In addition, as most of the projects are nearing its completion stage, savings have been realised for Skypark, two phases for Cybersouth and Lakefront Villa. The converted sales from Cybersouth Bellevue (Phase 1C) also attributes to a higher gross profit margin contributing to higher gross profit rates for the current year.

Expenses recorded was RM51.3million during the year which is 14% lower than the preceding year for corresponding period of RM59.9million. Selling and marketing expenses are higher by 38% due to higher converted sales from the spike in booked sales from the last quarter of 2017, cushioned by savings in staff costs of RM8.9million as compared to corresponding period of previous financial year. Expense to revenue ratio is 32% during the year as compared to 20% of the preceding year, from lower revenue base.

The current year achieved RM16.8million in profit after tax which is 58% lower as compared to RM40.4 million profit after tax of the same period in FY 2017. In FY17, there was a one-off income of RM14.9 million as a government grant. Said grant is for infrastructure work done for a public road adjacent to one of the Group's project sites under the UKAS program.

The profit after tax margin for current year is 11% as compared to 14% for corresponding quarter of previous financial year with the one-off grant recognized and 9% without the one-off grant, mainly from the group saving's in staff costs and higher gross profit margin.

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

The Group recorded revenue of RM64.0million for the quarter under review as compared to the immediate preceding quarter of RM94.0million. The preceding quarter noted a higher converted sales of Cybersouth Bellevue (Phase 1C) and cleared aging inventories from Lakefront @ Cyberjaya and Cybersouth Casa View and Green Casa which were recognised at an advanced stage of completion. There have been no new launches in the current quarter of financial year 2018.

Gross profit margin for the current year is higher at 50% as compared to the immediately preceding quarter of 45%. This is attributed to additional savings from existing projects.

Expenses incurred for the current quarter amounted to RM23.1million which is 18% lower of the level of spend of the immediately preceding quarter of RM28.2million, from lower staff costs and depreciation. Expense to revenue ratio is 34% during the quarter as compared to 28% of the immediately preceding quarter, from lower revenue base.

The profit after tax margin for current quarter is 10%, slightly differ from immediate preceding quarter of 11%.

B3 Prospects for the next financial year

The Malaysian economy shows some promising outlook with gross domestic product at 5.0% to 5.5% growth rate according to the Finance Ministry's real gross domestic product (GDP) estimates for the country in its Economic Report 2017/2018. The Malaysian Ringgit strengthens at RM3.89 to 1 US Dollar by 13% versus previous year.

Although indicators are optimistic, market sentiment has been mixed with positive outcome and wait-and-see attitude as there are still speculations in the market as to actual economic outcome due to increased petrol prices and upcoming elections.

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B3 Prospects for the next financial year (continued)

Property development sales started to recover during the second half of 2017 by +9% year-on-year. Despite the stringent lending policies that have been implemented, the industry has mostly adapted being on the second year of implementation with improvements in real estate demand and mortgage applications and approvals, which improved by 11.8% year-on-year on November 2017. House price index continue to post overall growth in Malaysia at 5.1%. Despite the mixed emotions, MCT remains to be cautiously positive with upswing of the property development and construction businesses.

The sweet spot for the real estate business is still at the affordable segment with units ranging from approximately RM100k to RM400k. Developers are generally cautious in launching high-end residential, office and retail spaces due to guidelines implemented in certain states. However, MCT still continues to take advantage of the affordable segment with opportunities to improved products and strategies Selangor properties which MCT's developments belong to noted sales value expansion of 11.9% with mortgage loan approvals expanding towards the tail end of 2017 noting an 11.8% increase year-on-year.

Although industry studies have shown increased supply in the overall market of unsold units by 24% from previous years, with Selangor noting the lowest at 11%, the Group has significantly disposed of its existing aging inventories by strengthening marketing and selling strategies as well as widening coverage and network with minimal or no costs to the Group.

This amplifies optimism on availability of market and mitigating risks with buyer behaviour. Product enhancements has been introduced. Expectedly, strong marketing efforts shall be complemented by improved customer experience across all product offerings.

MCT has been underway in the planning of the future phases for its existing available land bank while being steadfast in scouting for opportunities to expand existing land bank in anticipation for market upswing. Currently, the Group's existing land bank are at strategic areas of identified transit connectivity. A sizable land bank which is located in Subang Jaya is with an existing LRT station and highways such as ELITE, LDP and KESAS. The Cyberjaya land bank is within walking distance in the planned train station and part of the proposed MRT project, with neighbouring area Putrajaya forms part of the HSR project's planned station. Likewise, it is accessible through major thoroughfares such as the ELITE, SKVE and MEX highways. Property prices are expected to appreciate with the developments in infrastructure.

B4 Variance of profit forecast

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

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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 2 January 2018, a conditional share purchase agreement ("SPA") was entered into between Regent Wise Investments Limited ("RWIL") and Tan Sri Dato' Sri Goh Ming Choon ("Vendor") for acquisition of 230,115,574 ordinary shares in the Company ("Shares") by RWIL, for a total cash consideration of RM202,501,705 ("Purchase Consideration") equivalent to RM0.88 per Share ("Proposed Acquisition"). The SPA is only conditional upon obtaining a waiver from Bursa Malaysia Securities Clearing Sdn Bhd to allow for 51% of the Purchase Consideration to be settled in tranches ("Bursa Waiver").

RWIL is a wholly-owned subsidiary of Ayala Land, Inc. ("ALI"), which is a public listed company on The Philippine Stock Exchange with a market capitalisation of approximately USD13.2 billion (approximately RM53.4 billion) as of 29 December 2017.

On 5 January 2018, the SPA became unconditional as the Bursa waiver has been obtained. Therefore, RWIL is obliged to extend a mandatory take-over offer to acquire all remaining Shares which are not already held by RWIL and person(s) acting in concert with it ("Offer Shares") pursuant to Section 218(2) of the Capital Markets and Services Act 2007 ("CMSA") and subparagraph 4.01(a) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Rules") for a cash consideration of RM0.88 per Share ("Offer").

Upon completion of the Proposed Acquisition, RWIL's shareholdings in the Company has increase from 32.95% to 50.19%.

Offer has been closed on 19 February 2018. RWIL owns 965,202,415 shares out of the total 1,334,777,114 shares of the Company with effective shareholding of 72.312%.

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B9 Group borrowings

Total loans and borrowings as at 31 December 2017 were as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
Secured:			
Bank overdraft	2,213	-	2,213
Term loans	11,366	206,521	217,887
Hire-purchase	2,550	2,344	4,894
	<u>16,129</u>	<u>208,865</u>	<u>224,994</u>

Under held for sale:

	Short-term RM'000	Long-term RM'000	Total RM'000
Secured:			
Bank overdraft	2,213	-	2,213
Hire-purchase	49	55	104
	<u>2,262</u>	<u>55</u>	<u>2,317</u>

There were no loans and borrowings denominated in foreign currency as at 31 December 2017.

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B9 Group borrowings (Continued)

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

	31-Dec-17
Bank overdraft	7.96%
Term loans	6.84%
Hire-purchase	2.97%

The interest rate profile of the borrowings are:

	31-Dec-17	
	RM'000	% to total borrowings
Fixed rate	62,091	28%
Floating rate	162,902	72%
	<u>224,993</u>	

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B10 Material litigation

- (a) 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 had applied for a fresh Writ on 12 October 2017 and judgement has been obtained on 14 November 2017.

The sealed order of the same was extracted on 13 December 2017. The validity of the Writ is for one year from 5 December 2017 until 4 December 2018. OCD is in the process of executing the said Writ.

- (b) A claim of construction work done had been filed by Pembinaan OTS Sdn. Bhd. ("OTS") against Eco Green City Sdn. Bhd. ("EGC") amounting to RM 401,203. EGC filed a Defence and Counterclaim of RM 431,408. The suit has been settled on 8 February 2018 and the out of court settlement amounting to RM 200,000.

B11 Income Tax Expenses

	Current quarter ended 31-Dec-17 RM'000	Cumulative Year To Date 31-Dec-17 RM'000
Income tax expense comprises:		
Current tax		
- for current quarter / financial year-to-date	12,649	24,146
- for prior years	-	(1)
Deferred tax		
- for current quarter / financial year-to-date	(9,495)	(18,363)
	3,154	5,781

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B12 Dividend Payable

No interim dividend has been recommended in respect of the financial period ended 31 December 2017.

B13 Earnings Per Share

The calculation of the earnings per ordinary share of the Group has been calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue.

(a) Basic earnings per share

	CURRENT QUARTER		CUMULATIVE YEAR TO DATE		IMMEDIATE PRECEDING QUARTER
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	30-Sep-17
Profit attributable to owners of the parent (RM'000)	6,288	24,300	16,839	40,355	10,551
Weighted average number of ordinary shares ('000)	1,334,777	1,334,777	1,334,777	1,334,777	1,334,777
Basic earnings per share (sen)	0.47	1.82	1.26	3.02	0.79

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**PART B - EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND APPENDIX 9B OF
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B13 Earnings Per Share (continued)

(b) Diluted earnings per share

	CURRENT QUARTER		CUMULATIVE YEAR TO DATE		IMMEDIATE PRECEDING QUARTER
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	30-Sep-17
Profit attributable to owners of the parent (RM'000)	6,288	24,300	16,839	40,355	10,551
Weighted average number of ordinary shares ('000)	1,313,209	1,341,149	1,315,703	1,343,830	1,324,005
Diluted earnings per share (sen)	NA	1.81	NA	3.00	NA

NA denotes not applicable as the Company has no dilutive potential ordinary shares at the end of the reporting period.

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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	

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B15 Trade Receivables

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

	31-Dec-17
	RM'000
Neither past due nor impaired	8,110
Past due 1 to 30 days	42,994
Past due 31 to 60 days	21,860
Past due 61 to 90 days	16,268
Past due more than 90 days	13,477
	102,709
Provision for doubtful debt for trade receivables	(5,128)
	97,581
Write off of trade receivables during the year to date	177

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.

B16 Realised and Unrealised Profits

	31-Dec-17	30-Jun-17
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	550,297	520,142
Unrealised	(19,746)	(41,111)
	530,551	479,031
Add: Consolidation adjustments	(209,157)	(174,477)
Total retained earnings	321,394	304,554