

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

Interim Financial Reports
For The Year Ended 30 June 2018

MCT BERHAD (881786-X)
Incorporated In Malaysia

Interim Financial Reports

For The Year Ended 30 June 2018

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MCT BERHAD (881786-X)
Incorporated In Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018
(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-18	30-Jun-17	RM'000	%	30-Jun-18	30-Jun-17	RM'000	%	30-Jun-18	31-Mar-18	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	184,630	168,777	15,853	9%	450,298	589,708	(139,410)	-24%	184,630	122,550	62,080	51%
Cost of sales	(112,107)	(105,532)	6,575	6%	(256,930)	(388,238)	(131,308)	-34%	(112,107)	(67,548)	44,559	66%
Gross profit	72,523	63,245	9,278	15%	193,368	201,470	(8,102)	-4%	72,523	55,002	17,521	32%
Other Income	22,712	705	22,007	3,122%	42,079	18,737	23,342	125%	22,712	17,490	5,222	30%
Selling and marketing expenses	(3,360)	(4,027)	(667)	-17%	(22,879)	(19,494)	3,385	17%	(3,360)	(6,079)	(2,719)	-44%
Direct operating and general administrative expenses	(47,009)	(21,522)	(25,487)	118%	(89,389)	(87,684)	1,705	2%	(47,009)	(16,792)	30,217	180%
Finance costs	(954)	624	(1,578)	253%	(2,684)	(2,766)	(82)	-3%	(954)	(666)	288	43%
Profit before tax	43,912	39,024	4,888	13%	120,495	110,263	10,232	9%	43,912	48,955	(5,043)	-10%
Income tax expense	(12,339)	(13,838)	(1,499)	-11%	(34,783)	(30,019)	4,764	16%	(12,339)	(16,664)	(4,325)	-26%
Profit for the period from continuing operations	31,573	25,186	6,387	25%	85,712	80,244	5,468	7%	31,573	32,291	(718)	-2%

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FOR THE YEAR ENDED 30 JUNE 2018
(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-18 RM'000	30-Jun-17 RM'000	RM'000	%	30-Jun-18 RM'000	30-Jun-17 RM'000	RM'000	%	30-Jun-18 RM'000	31-Mar-18 RM'000	RM'000	%
Loss for the period from discontinued operations	(883)	(7,088)	(6,204)	-88%	(7,402)	(16,586)	(9,184)	-55%	(883)	(1,507)	(623)	-41%
Profit for the year	30,690	18,098	12,592	70%	78,310	63,658	14,652	23%	30,690	30,784	(94)	-1%
Profit attributable to: Owners of the parent	30,705	18,099	12,606	70%	78,330	63,659	14,671	23%	30,705	30,785	(80)	-1%
Non-controlling interest	(15)	(1)	(14)	4,426%	(20)	(1)	19	2,266%	(15)	(1)	14	1,731%
	30,690	18,098	12,592	70%	78,310	63,658	14,652	23%	30,690	30,784	(94)	-1%

Earnings per share attributable to owners of the parent:

Basic earnings per share (sen) - Note B12	2.11	1.36	0.75	56%	5.38	4.77	0.61	13%	2.11	2.11	(0)	0%
Diluted earnings per share (sen) - Note B12	2.11	NA	NA	NA	NA	NA	NA	NA	2.11	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.

MCT BERHAD (881786-X)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

(The figures have not been audited)

	(UNAUDITED) AS AT END OF CURRENT FINANCIAL YEAR 30-Jun-18 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 30-Jun-17 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	118,744	280,049
Investment properties	394,654	333,102
Land held for property development	52,651	52,530
Available-for-sale investments	-	250
	566,049	665,931
Total Non-Current Assets		
Current Assets		
Inventories	4,671	2,718
Property development costs	232,702	194,210
Accrued billings	365,035	262,000
Trade receivables	49,597	40,818
Other receivables and prepaid expenses	128,806	53,481
Tax recoverable	30,322	33,235
Deposits with licensed banks	44,978	45,672
Cash and bank balances	142,007	42,534
	998,118	674,668
Total Current Assets		
Non-current assets held for sale	11,989	-
Total Assets	1,576,156	1,340,599

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

(The figures have not been audited)

	(UNAUDITED) AS AT END OF CURRENT FINANCIAL YEAR 30-Jun-18 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 30-Jun-17 RM'000
EQUITY AND LIABILITIES		
Non-Current Liabilities		
Borrowings	168,531	174,874
Hire-purchase payables	1,344	3,626
Deferred tax liabilities	7,488	3,574
	177,363	182,074
Total Non-Current Liabilities		
Current Liabilities		
Trade payables	109,308	137,196
Other payables and accrued expenses	361,825	166,265
Borrowings	62,703	62,744
Hire-purchase payables	2,113	2,617
Tax liabilities	23	5,192
	535,972	374,014
Total Current Liabilities		
 Net Assets	 862,821	 784,511

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

(The figures have not been audited)

	(UNAUDITED) AS AT END OF CURRENT FINANCIAL YEAR 30-Jun-18 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 30-Jun-17 RM'000
Equity Attributable to Owners of the Company		
Share capital	1,541,092	1,418,874
ICULS	-	122,218
Reserves	(1,062,627)	(1,062,627)
Retained earnings	382,884	304,554
	861,349	783,019
Non-controlling interests	1,472	1,492
Total Equity	862,821	784,511
Total Equity and Liabilities	1,576,156	1,340,599
Net assets per share (RM)	0.64	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 YEAR ENDED 30 JUNE 2018
(The figures have not been audited)

	Non-distributable reserves				Distributable reserves	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	ICULS RM'000	Share premium RM'000	Reverse acquisition reserve RM'000	Retained earnings RM'000			
<u>Year ended 30 June 2018</u>								
As at 1 July 2017	1,418,874	122,218	-	(1,062,627)	304,554	783,019	1,492	784,511
Conversion of ICULS	122,218	(122,218)	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	78,330	78,330	(20)	78,310
As at 30 June 2018	1,541,092	-	-	(1,062,627)	382,884	861,349	1,472	862,821
<u>Year ended 30 June 2017</u>								
As at 1 July 2016	1,334,777	122,218	84,097	(1,062,627)	240,894	719,359	1,494	720,853
Effect from adoption of Companies Act 2016	84,097	-	(84,097)	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	63,660	63,660	(2)	63,658
As at 30 June 2017	1,418,874	122,218	-	(1,062,627)	304,554	783,019	1,492	784,511

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.

MCT BERHAD (881786-X)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	12 MONTHS	12 MONTHS
	ENDED	ENDED
	30-Jun-18	30-Jun-17
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	113,093	93,732
Adjustments for:		
Depreciation of:		
Property, plant and equipment	9,639	17,018
Investment properties	2,446	646
Provision for liquidated and ascertained damages	24,570	-
Provision for rebates	4,914	13,746
Impairment loss of property, plant and equipment	257	13,616
Gain on disposal of investment in subsidiaries	(39,442)	-
Gain on disposal of property, plant and equipment	(113)	-
Finance costs	4,090	4,262
Allowance for doubtful debts no longer required	(3,162)	-
Allowance for doubtful debts:		
Trade receivables	-	1,642
Other receivables	-	20
Property, plant and equipment written off	-	1,392
Bad debts written off:		
Trade receivables	-	572
Other receivables	-	90
Loss on disposal of property, plant and equipment	-	37
Inventories written off	8	-
Grant income received from Government of Malaysia	-	(14,906)
Interest income	(2,731)	(2,339)
Unrealised gain on foreign exchange	(95)	(186)
	113,474	129,342
Operating Profit Before Working Capital Changes		
(Increase)/Decrease in:		
Inventories	(4,660)	(2,411)
Property development costs	(21,275)	45,835
Accrued billings	(102,593)	(112,427)
Trade receivables	(7,460)	330,271
Other receivables and prepaid expenses	(78,960)	(2,442)
Increase/(Decrease) in:		
Progress billings	-	(104,131)
Trade payables	(27,662)	(183,908)
Other payables and accrued expenses	357,894	(3,106)
	228,758	97,023
Cash Generated From Operations		
Tax paid	(38,093)	(57,902)
Net Cash From Operating Activities	190,665	39,120

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018
(The figures have not been audited)

	(UNAUDITED) 12 MONTHS ENDED 30-Jun-18 RM'000	(AUDITED) 12 MONTHS ENDED 30-Jun-17 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1,235	3,802
Net cash inflow from disposal of investment in subsidiaries	4,665	-
Interest received	2,731	2,339
Additions to:		
Investment properties	(61,445)	(58,685)
Property, plant and equipment	(1,911)	(33,342)
Land held for property development	(6,829)	(254)
 (Increase)/Decrease in:		
Fixed deposits pledged with licensed banks	1,105	(27,854)
Fixed deposits with maturity period more than 90 days	(13)	(389)
Available-for-sale investments	(4)	(7)
	(60,466)	(114,391)
 Net Cash Used In Investing Activities	(60,466)	(114,391)
 CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of term loans	85,041	369,261
Repayment of:		4,060
Term loans	(96,967)	(314,669)
Hire-purchase payables	(2,637)	(3,086)
Finance costs paid	(15,766)	(28,530)
Proceed from Grant Income received from Government of Malaysia	-	14,906
	(30,329)	41,942
 Net Cash (Used In)/ From Financing Activities	(30,329)	41,942
 NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	99,870	(33,329)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	42,574	75,903
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	142,444	42,574

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018
(The figures have not been audited)

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

	(UNAUDITED) 12 MONTHS ENDED 30-Jun-18 RM'000	(AUDITED) 12 MONTHS ENDED 30-Jun-17 RM'000
Fixed deposits with licensed banks	44,596	45,633
Investments in short-term funds	382	39
Deposits with licensed banks	44,978	45,672
Deposits under Housing Development Accounts	130,879	16,502
Cash on hand and in bank	11,128	26,032
Cash and bank balances	<u>142,007</u>	<u>42,534</u>
	186,985	88,206
Less: Fixed deposits pledged with licensed banks	(44,139)	(45,243)
Fixed deposits with maturity period more than 90 days	<u>(402)</u>	<u>(389)</u>
Cash and cash equivalents	<u><u>142,444</u></u>	<u><u>42,574</u></u>

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 YEAR ENDED 30 JUNE 2018

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 YEAR ENDED 30 JUNE 2018

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 30 June 2018, other than disclosed under Note A11.

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 were no dividends paid in the current quarter under review.

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2018

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:

	12 MONTHS ENDED 30-Jun-18 RM'000
Provision for liquidated and ascertained damages	24,570
Developer interest bearing scheme	8,693
Staff costs	51,263
Depreciation of:	
Property, plant and equipment	9,639
Investment properties	2,446
Provision for rebates	4,914
Gain on disposal of property, plant and equipment	(113)
Gain on disposal of investment in subsidiaries	(39,442)
Interest income	(2,731)
Unrealised (gain)/loss on foreign exchange	<u>(95)</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2018

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

A9 Segmental information

The segment information for the financial year ended 30 June 2018 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	418,102	14,684	-	26,304	13,815	472,905	-	472,905
Inter-segment revenue	-	229,713	-	55,197	4,175	289,085	(289,085)	-
Total revenue	418,102	244,397	-	81,500	17,990	761,990	(289,085)	472,905
Results								
Operating profit/(loss)						3,302	70,049	73,351
Interest income	2,085	69	26	269	282	2,731	-	2,731
Other income	157,268	565	-	9,544	139	167,516	(126,415)	41,101
Finance costs	(556)	(349)	(410)	(1,006)	(1,769)	(4,090)	-	(4,090)
Profit/(Loss) before tax	140,537	27,159	(2,222)	1,412	2,573	169,459	(56,366)	113,093
Income tax expense	(14,671)	(9,272)	-	(676)	(122)	(24,741)	(10,042)	(34,783)
Profit/(Loss) after tax	125,866	17,887	(2,222)	736	2,451	144,718	(66,408)	78,310

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NOTES TO INTERIM FINANCIAL STATEMENTS
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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 year ended 30 June 2018 is as follow: (continued)

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complementary business RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Assets and liabilities								
Segment assets	1,910,601	642,097	1,710,650	229,922	97,774	4,591,044	(3,045,210)	1,545,834
Tax recoverable and deferred tax asset	23,607	6,327	1	268	119	30,322	-	30,322
Total assets	<u>1,934,208</u>	<u>648,424</u>	<u>1,710,651</u>	<u>230,190</u>	<u>97,893</u>	<u>4,621,366</u>	<u>(3,045,210)</u>	<u>1,576,156</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2018

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

A9 Segmental information

The segment information for the financial year ended 30 June 2018 is as follow: (continued)

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complementary business RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Segment liabilities	1,508,373	598,651	140,020	181,626	112,541	2,541,211	(1,835,387)	705,824
Tax and deferred tax liabilities	6,297	-	-	7	-	6,304	1,207	7,511
Total liabilities	<u>1,514,670</u>	<u>598,651</u>	<u>140,020</u>	<u>181,633</u>	<u>112,541</u>	<u>2,547,515</u>	<u>(1,834,180)</u>	<u>713,335</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2018

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

A9 Segmental information

The segment information for the financial year ended 30 June 2018 is as follow: (continued)

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complementary business RM'000	Others RM'000	Total RM'000
<i>Other segment information</i>						
Capital expenditure:						
Investment properties	61,445	-	-	-	-	61,445
Property, plant and equipment	1,052	676	-	178	5	1,911
	62,497	676	-	178	5	63,356
Depreciation of:						
Property, plant and equipment	1,661	1,677	-	4,236	2,065	9,639
Investment properties	2,446	-	-	-	-	2,446
	4,107	1,677	-	4,236	2,065	12,085
Gain on disposal of investment in subsidiaries	(39,442)	-	-	-	-	(39,442)
Provision for rebates	4,914	-	-	-	-	4,914
Provision for liquidated and ascertained damages	24,570	-	-	-	-	24,570

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NOTES TO INTERIM FINANCIAL STATEMENTS
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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 year ended 30 June 2017 is as follow:

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complementary business RM'000	Others RM'000	Total RM'000	Elimination RM'000	The Group RM'000
Revenue								
External revenue	577,557	615	-	33,512	11,284	622,969	-	622,969
Inter-segment revenue	-	221,967	-	76,824	5,805	304,596	(304,596)	-
Total revenue	577,557	222,582	-	110,336	17,089	927,564	(304,596)	622,969
Results								
Operating profit/(loss)	70,022	30,770	(5,805)	(10,545)	(15,702)	68,740	10,068	78,808
Interest income	1,785	71	0	213	270	2,339	-	2,339
Other income	16,034	21	2	1,519	141	17,716	(869)	16,848
Finance costs	(867)	(450)	-	(1,761)	(1,183)	(4,262)	-	(4,262)
Profit/(Loss) before tax	86,974	30,411	(5,803)	(10,575)	(16,475)	84,532	9,200	93,732
Income tax expense	(27,009)	1,964	-	(439)	(98)	(25,582)	(4,492)	(30,074)
Profit/(Loss) after tax	59,966	32,375	(5,803)	(11,013)	(16,573)	58,951	4,708	63,658

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A9 Segmental information

The segment information for the financial year ended 30 June 2017 is as follow: (continued)

	Property development RM'000	Construction activities RM'000	Investment holding RM'000	Complementary business RM'000	Others RM'000	Total RM'000	Elimination RM'000	The Group RM'000
Assets and liabilities								
Segment assets	1,530,178	516,685	1,641,202	252,417	87,679	4,028,162	(2,720,797)	1,307,365
Tax recoverable and deferred tax asset	21,678	11,697	10	552	216	34,153	(919)	33,235
Total assets	<u>1,551,856</u>	<u>528,383</u>	<u>1,641,212</u>	<u>252,969</u>	<u>87,895</u>	<u>4,062,315</u>	<u>(2,721,715)</u>	<u>1,340,599</u>
Segment liabilities	1,062,041	460,312	62,325	246,108	105,471	1,936,257	(1,388,935)	547,322
Tax and deferred tax liabilities	5,192	-	-	-	-	5,192	3,574	8,765
Total liabilities	<u>1,067,232</u>	<u>460,312</u>	<u>62,325</u>	<u>246,108</u>	<u>105,471</u>	<u>1,941,449</u>	<u>(1,385,361)</u>	<u>556,088</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 reflected in the financial statements for the current quarter and financial period ended 30 June 2018 except for the items disclosed in Notes A11 "Changes in the composition of the Group".

A11 Changes in the composition of the Group

- (a) On 30 May 2018, a wholly-owned subsidiary of the Company, MCT Consortium Bhd ("MCTCB") has entered a conditional share sale agreement with DA Perfect Holding Sdn. Bhd. for the proposed disposal of its 100% equity interest in Ecity Hotel Sdn. Bhd. ("ECH") comprising 6,000,000 ordinary shares in ECH for cash consideration for RM1. The conditional sale was completed on 15 June 2018 and resulted in a net gain of RM21.5 million. Said divestment was in line with the Group's strategy to unlock value through monetization and maximizing working capital on ongoing projects and also aims to strengthen the focus on property development projects and landbank expansion.
- (b) On 13 April 2018, Next Delta Sdn Bhd ("NDSB"), a wholly-owned subsidiary the Company has entered into a conditional sale and purchase agreement ("SPA") with Tropicana Metropark Sdn Bhd ("TMSB") to acquire two (2) contiguous parcels of commercial land measuring 5.61 acres and 3.2 acres respectively at Pekan Country Height, Daerah Petaling, Negeri Selangor for a total cash consideration of RM143.0 million ("Purchase Price") ("Proposed Acquisition").

The completion of the Proposed Acquisition is conditional upon the following conditions precedent being fulfilled/obtained within 3 months from the date of SPA:

- i. approval from the Economic Planning Unit, Prime Minister's Department, if required; and
- ii. successfully obtaining the State Authority's consent.

On 4 July 2018, the conditions for sale have been met.

- (c) 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 3,500,000 ordinary shares in OCP for cash consideration for RM7.5 million. The conditional sale was completed on 31 January 2018 and resulted in a net gain of RM17.9 million. Said divestment was in line with the Group's strategy to unlock value through monetization and opportunistic divestment while increasing its working capital for ongoing property development projects.

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A11 Changes in the composition of the Group (continued)

(d) The results during the period for OCP and ECH disclosed separately as discontinued operations is as follows:

(i) One City Properties Sdn Bhd (current year up to 31 January 2018)

	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-Jan-18	31-Mar-17	RM'000	%	31-Jan-18	31-Mar-17	RM'000	%	31-Jan-18	31-Dec-17	RM'000	%
Revenue	1,192	3,201	(2,009)	-63%	6,220	9,390	(3,171)	-34%	1,192	1,195	(3)	0%
Cost of sales	(1,001)	(3,476)	(2,474)	-71%	(5,816)	(11,387)	(5,571)	-49%	(1,001)	(1,300)	(299)	-23%
Gross profit/(loss)	191	(275)	466	169%	404	(1,997)	2,401	120%	191	(105)	296	282%
Other Income	1,327	26	1,301	5,014%	1,526	174	1,352	778%	1,327	47	1,280	2721%
Selling and marketing expenses	(59)	(13)	46	354%	(348)	(332)	16	5%	(59)	(137)	(78)	-57%
Direct operating and general administrative expenses	(1,247)	(2,448)	(1,202)	-49%	(4,962)	(7,286)	(2,324)	-32%	(1,247)	(1,299)	(52)	-4%

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A11 Changes in the composition of the Group (continued)

(i) One City Properties Sdn Bhd (current year up to 31 January 2018) (continued)

	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-Jan-18 RM'000	31-Mar-17 RM'000	RM'000	%	31-Jan-18 RM'000	31-Mar-17 RM'000	RM'000	%	31-Jan-18 RM'000	31-Dec-17 RM'000	RM'000	%
Finance costs	(16)	(19)	(3)	-17%	(74)	(49)	25	51%	(16)	(39)	(23)	-59%
Profit/(Loss) before tax	196	(2,729)	2,925	107%	(3,454)	(9,490)	(6,036)	-64%	196	(1,533)	1,729	113%
Income tax expense	-	-	-	0%	-	-	-	0%	-	-	-	0%
Profit/(Loss) for the period	196	(2,729)	2,925	107%	(3,454)	(9,490)	(6,036)	-64%	196	(1,533)	1,729	113%

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A11 Changes in the composition of the Group (continued)

(i) One City Properties Sdn Bhd (current year up to 31 January 2018) (continued)

The financial position of OCP as of 31 January 2018 is as follows:

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31-Jan-18 RM'000
ASSETS	
Non-Current Assets	
Property, plant and equipment	115,374
Available-for-sale investments	254
	<hr/>
Total Non-Current Assets	115,628
	<hr/>
Current Assets	
Inventories - at cost	2,614
Trade receivables	1,150
Other receivables and prepaid expenses	1,826
Tax recoverable	11,208
Deposits with licensed banks	111
Cash and bank balances	2,680
	<hr/>
Total Current Assets	19,589
	<hr/>
Total Assets	135,217
	<hr/> <hr/>

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A11 Changes in the composition of the Group (continued)

(i) One City Properties Sdn Bhd (current year up to 31 January 2018) (continued)

The financial position of OCP as of 31 January 2018 is as follows:

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31-Jan-18 RM'000
LIABILITIES	
Non-Current Liability	
Hire-purchase payables	54
Total Non-Current Liability	54
Current Liabilities	
Progress billings	442
Trade payables	114
Other payables and accrued expenses	144,947
Hire-purchase payables	45
Total Current Liabilities	145,548
Net Liabilities	10,385

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A11 Changes in the composition of the Group (continued)

(i) One City Properties Sdn Bhd (current year up to 31 January 2018) (continued)

The cash flows of OCP as of 31 January 2018 is as follows:

	(UNAUDITED) 7 MONTHS ENDED 31-Jan-18 RM'000
Cash used in operating activities	2,475
Cash flows from investing activities	155
Cash used in financing activities	<u>(4,162)</u>
Net decrease in cash and cash equivalents	(1,532)
Cash and cash equivalents at beginning of period	4,323
Cash and cash equivalents at end of period	<u><u>2,791</u></u>

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A11 Changes in the composition of the Group (continued)

(ii) Ecity Hotel Sdn Bhd (current year up to 31 May 2018)

	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-18	30-Jun-17	RM'000	%	30-Jun-18	30-Jun-17	RM'000	%	30-Jun-18	31-Mar-18	RM'000	%
Revenue	2,552	4,306	(1,754)	-41%	16,388	19,841	(3,454)	-17%	2,552	3,763	(1,211)	-32%
Cost of sales	(753)	2,146	(2,899)	135%	(4,561)	(5,845)	(1,284)	-22%	(753)	(1,181)	(428)	-36%
Gross profit	1,799	6,452	(4,653)	-72%	11,827	13,996	(2,170)	-16%	1,799	2,582	(783)	-30%
Other Income	(62)	97	(159)	164%	227	225	2	1%	(62)	146	(208)	-142%
Selling and marketing expenses	(19)	(549)	(530)	97%	(21)	(549)	(528)	-96%	(19)	(23)	(4)	-18%
Direct operating and general administrative expenses	(2,272)	(7,284)	(5,012)	-69%	(14,649)	(17,102)	(2,453)	-14%	(2,272)	(4,084)	(1,812)	-44%
Finance costs	(329)	(353)	(23)	-7%	(1,332)	(1,451)	(119)	-8%	(329)	(324)	5	2%
Loss before tax	(884)	(1,637)	(754)	46%	(3,948)	(4,881)	(933)	-19%	(884)	(1,703)	(820)	-48%
Income tax expense	-	(8)	(8)	-100%	-	(8)	(8)	-100%	-	-	-	0%
Loss for the period	(884)	(1,645)	(762)	46%	(3,948)	(4,889)	(941)	-19%	(884)	(1,703)	(820)	-48%

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A11 Changes in the composition of the Group (continued)

(ii) Ecity Hotel Sdn Bhd (current year up to 31 May 2018) (continued)

The financial position of ECH as of 31 May 2018 is as follows:

	(UNAUDITED) 11 MONTHS ENDED 31-May-18 RM'000
ASSETS	
Non-Current Asset	
Property, plant and equipment	29,046
Total Non-Current Assets	<u>29,046</u>
Current Assets	
Inventories - at cost	84
Trade receivables	893
Other receivables and prepaid expenses	1,809
Tax recoverable	41
Cash and bank balances	43
Total Current Assets	<u>2,870</u>
Total Assets	<u><u>31,916</u></u>

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A11 Changes in the composition of the Group (continued)

(ii) Ecity Hotel Sdn Bhd (current year up to 31 May 2018) (continued)

The financial position of ECH as of 31 May 2018 is as follows:

	(UNAUDITED) 11 MONTHS ENDED 31-May-18 RM'000
LIABILITIES	
Non-Current Liability	
Hire-purchase payables	49
Total Non-Current Liability	<u>49</u>
Current Liabilities	
Trade payables	17
Other payables and accrued expenses	53,408
Total Current Liabilities	<u>53,425</u>
Net Liabilities	<u><u>21,558</u></u>

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A11 Changes in the composition of the Group (continued)

(ii) Ecity Hotel Sdn Bhd (current year up to 31 May 2018) (continued)

The cash flows of ECH as of 31 May 2018 is as follows:

	(UNAUDITED) 11 MONTHS ENDED 31-May-18 RM'000
Cash used in operating activities	(3,112)
Cash flows from investing activities	(29)
Cash used in financing activities	(44)
	<hr/>
Net decrease in cash and cash equivalents	(3,185)
Cash and cash equivalents at beginning of period	3,228
	<hr/>
Cash and cash equivalents at end of period	<u>43</u>

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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 30-Jun-18 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>53,063</u>	<u>49,609</u>

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

In 2017, Lakefront Residence Sdn. Bhd. ("**LRSB**"), a wholly-owned subsidiary of the Company, received a notification from Royal Malaysia Customs Department ("**RMCD**") that the relief supply certificate pursuant to the construction service provided by LRSB to PR1MA Corporation Malaysia ("**PR1MA**") has been revoked. LRSB is required to charge RM21 million Goods and Services Output Tax to PR1MA and subsequently remit the said amount to RMCD.

LRSB has appointed a tax consultant for submission of appeal and documents to RMCD. RMCD is currently reviewing the appeal.

No provision of liability has been made by the Group as the directors are of the opinion that with information currently available and the advice of tax consultant, the ultimate outcome of the GST assessment is yet to be determinable and that LRSB has a basis to defend the said GST assessment.

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 30-Jun-18 RM'000	As at 30-Jun-17 RM'000
Commitment under a Joint Development Agreement	65,000	65,000

(b) Corporate Guarantees

	As at 30-Jun-18 RM'000	As at 30-Jun-17 RM'000
Corporate guarantee granted by a wholly-owned subsidiary, MCT Consortium Bhd in support of credit facilities granted to subsidiaries	82,663	92,047
Corporate guarantee extended in support of credit facilities granted to subsidiaries	100,135	124,960
	182,798	217,007

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A13 Commitments (continued)

(c) Rental and Operating Lease Commitments

	As at 30-Jun-18 RM'000	As at 30-Jun-17 RM'000
Rental commitments from leaseback arrangement:		
Less than 1 year	4,939	5,029
More than 1 year and less than 2 years	4,939	6,495
More than 2 years and less than 5 years	5,195	7,273
	15,072	18,797
 Operating lease commitments:		
Less than 1 year	1,964	3,421
More than 1 year and less than 2 years	-	2,624
	1,964	6,045
	17,036	24,842

(d) Others

	As at 30-Jun-18 RM'000	As at 30-Jun-17 RM'000
Purchase of property, plant and equipment	-	527
Acquisition of land	128,700	-
	128,700	527
	393,534	307,376

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A13 Commitments (continued)

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 30-Jun-18 RM'000
Rental of premises paid/payable to related parties	2,041
Utilities fees paid/payable to related parties	1,407
Rental of premises received/receivable from related parties	778
Property management fees paid/payables to related parties	264
Sale of construction materials and provision of construction work to related parties	<u>61</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 30 June 2018.

A16 Default of a Loan Agreement

Term loan between Ecity Hotel Sdn Bhd ("ECH"), a wholly-owned subsidiary of the Company, defaulted on a financial covenant with Bank Pembangunan Malaysia Berhad ("BPMB") for the financial year 30 June 2017. BPMB has issued a temporary waiver on the compliance on 8 December 2017. Following, the temporary waiver, the current portion of the term loan of RM25 million has been reclassified to non-current portion.

The loan was redeemed as of 15 June 2018. All covenants have been complied with.

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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.

A18 Fair Value Hierarchy

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

	Level 1 RM'000
30-June-18	
Financial Assets	
Available-for-sale investments	<u><u>-</u></u>
30-Jun-17	
Financial Assets	
Available-for-sale investments	<u><u>250</u></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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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA
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**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 RM184.6 million for the current quarter ended 30 June 2018 as compared to the corresponding quarter of previous financial year of RM168.7 million. 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 is in the 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 mostly used with a few remaining inventories 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. Savings have been realised for Cybersouth Green Casa and Casa View (Phase 1B and 2B) which are in tail-end phases of completion, in current quarter.

Property development segment contributed to 88% of the total business revenue of the Group as compared to same quarter of fiscal year 2017 of 94%.

Gross profit margin was at 39% in the current quarter and 37% for the same quarter in fiscal year 2017. 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 launching of 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 RM50.3 million during the quarter which is 96% higher than the same period of last year's RM25.5 million. Despite the higher expenses recorded for the current quarter, the attributes of these expenses are one-off and would have resulted in a lower expenses recorded if the said expenses had not incurred. In addition to staff costs which is mainly fixed in nature, majority of the expenses came from sales and marketing expenses due to higher take-up of Bellevue and Lakefront Residence. One-off gain of RM21.5 million recorded in current quarter arising from disposal of investment in subsidiary as disclosed in Note A11. Also, the Group's gain on disposal were cushioned off by the liquidated damages of RM12.0 million for SkyPark @ Cyberjaya and provision for rebates of RM4 million for Sky Park @ Cyberjaya in the current quarter. The Group received RM14.9 million during the same period of last year as government grant and recorded under other income. Said grant is for infrastructure work for a public road adjacent to one of the project sites under the UKAS programme.

The current quarter achieved RM30.7 million in profit after tax which is 71% higher as compared to RM18.0 million profit after tax of the same quarter in FY 2017 mainly attributable by the one-off gain on disposal in subsidiaries. Effective tax rate for the current quarter is 25% as compared to 35% of the same period from the previous financial year. Higher effective tax rate compared to statutory rate of 24% mainly from adjustments in previous year's tax rate.

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA
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**PART B - EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND APPENDIX 9B OF
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B1 Performance Review (continued)

For the current year to date 30 June 2018

The Group recorded revenue of RM450.5 million for the current year ended 30 June 2018 as compared to the preceding year for corresponding period of RM589.7 million. 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 and Lakefront Villa @ Cyberjaya are in their tail-end phases of completion by the current year 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 Villa, Residences and Casa View. Also, there have been no launches in the current year.

Property development segment contributed to 88% of the total business revenue of the Group as compared to preceding year for corresponding period of 93%, due to higher revenue mix from utility provider and complementary business.

Gross profit margin was favourable at 43% in the current year as opposed to 34% of the preceding year for corresponding period in fiscal year 2017 as most of the projects are nearing its completion stage, savings have been realised for Skypark, two phases for Cybersouth and Lakefront Villa. The launching of Cybersouth Bellevue (Phase 1C) attributes to a higher gross profit margin contributing to higher gross profit rates for the current year.

Expenses recorded was RM112.2 million during the year which is 6% higher than the preceding year for corresponding period of RM107.1 million. Despite the high expenses recorded for the year, the attributes of certain of expenses are one-off and would have resulted in a lower expenses recorded if the said expenses had not incurred. In addition to staff costs which is mainly fixed in nature, majority of the expenses for the current fiscal year came from sales and marketing expenses due to higher take-up of Bellevue and Lakefront Residences. One-off gains of RM17.9 million and RM21.5 million recorded in current year arising from disposal of investment in two subsidiaries as disclosed in Note A11. The Group received RM14.9 million during the same period of last year as government grant and recorded under other income. Said grant is for infrastructure work for a public road adjacent to one of the project sites under the UKAS programme. The savings of expenses in preceding year had cushioned the effect of impairment of the Group's chiller plant at The Place @ One City and The Place @ Cyberjaya of RM13.6 million whereas the gain on disposal of investment in subsidiaries recognised during the year cushioned the effect of liquidated damages of RM24.0 million and provision for rebates of RM4 million which arose from SkyPark @ Cyberjaya.

The current year achieved RM78.3 million in profit after tax which is 23% higher as compared to RM63.7 million profit after tax of the preceding year for corresponding period due to one-off gain offsetting lower completion rates and take-up rates as inventories cleared in last year. Effective tax rate for the current year is 28% as compared to 27% of the preceding year for corresponding period due to settlement of tax audit.

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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 RM184.6 million for the quarter under review as compared to the immediate preceding quarter of RM122.5 million. Current quarter recorded higher completion rates as compared to the immediate preceding quarter due to construction catch up and savings realised for tail-end projects Cybersouth Green Casa and Casa View, hence the higher revenue. There have been no new launches in the current quarter of financial year 2018.

Gross profit margin for the current quarter is 39% and immediately preceding quarter remained stood at 45%. In preceding quarter, savings have been realised for two phases for Cybersouth and Lakefront Villa.

Expenses incurred for the current quarter amounted to RM50.3 million which is 127% higher of the level of spend of the immediately preceding quarter of RM22.8 million.

Income tax expense is lower at RM12.3 million as compared to the immediately preceding quarter of RM16.6 million due to recognition of deferred tax asset.

B3 Prospects for the next financial year

The conclusion of GE14 being a milestone in Malaysia generally stirred positive sentiments in the property market as reforms are crystallized and being effected immediately. Despite the wait-and-see attitude during the previous year, the promise of the elections and economic growth indicators have shifted sentiments into looking into the property sector as the number of inquiries increased.

Likewise, the first quarter of 2018 registered 5.4% economic growth, while GDP for the whole year is expected to be at 5.5% to 6%. Inflation rate slowed down to 1.8% during Q12018 with an estimated range of 2.0% to 3.0% for the whole year as opposed to 3.7% in 2017. Movements in inflation are caused by rising oil prices in previous year which recently recovered.

The effectivity of the three-month tax holiday effective 1st June with the zero rating of the Goods and Services Tax ("GST") is expected to encourage activities in the property segment. Commercial sub-sector buyers will take advantage of the 0% GST. While the residential sector is already exempt from GST, certain costs will be expected to be exempt from GST. Efforts on consolidated efforts on affordable housing strengthens key initiatives introduced by the government. These developments boost consumer confidence which is expected to positively affect the market.

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B3 Prospects for the next financial year (continued)

MCT is positive and cautiously optimistic in the recent developments in Malaysia. With the recent corporate exercise of the mandatory general offer (“MGO”), of Ayala Land, Inc. (“ALI”) through Regent Wise Investments Limited (“RWIL”), MCT is on its way to growing the business through a robust strategy notwithstanding all factors affecting the real property market. MCT has started in its efforts in streamlining business operations by monetizing certain business segments and focusing on the property development segment. Within two months after the conclusion of the MGO, MCT has started with its landbanking activities in promising growth areas to sustain long-term growth. Marketing and selling efforts are amplified and products are reviewed for repositioning in the market, complemented by continuous efforts in improving customer experience.

The current existing landbank of MCT are within strategic areas in Subang Jaya, Cyberjaya and Dengkil which have good connectivity through highways and existing and future train stations. To enable to feed future growth, footprint shall be expanded throughout the Klang Valley by looking into strategic acquisitions and project launches.

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.

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B8 Group borrowings

Total loans and borrowings as at 30 June 2018 were as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
Secured:			
Term loans	27,703	168,531	196,234
Hire-purchase	2,113	1,344	3,457
	<u>29,816</u>	<u>169,875</u>	<u>199,691</u>
Unsecured:			
Revolving credit	35,000	-	35,000
	<u>64,816</u>	<u>169,875</u>	<u>234,691</u>

There were no loans and borrowings denominated in foreign currency as at 30 June 2018.

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	62,744	174,874	237,618
Hire-purchase	2,617	3,626	6,242
	<u>65,361</u>	<u>178,500</u>	<u>243,861</u>

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

Additional term loan and revolving credit drawdown during the financial period to finance project development and construction of Lakefront@Cyberjaya and Cybersouth's common facilities.

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B8 Group borrowings (Continued)

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

	30-Jun-18
Revolving credit	5.52%
Term loans	6.74%
Hire-purchase	2.95%

The interest rate profile of the borrowings are:

	30-Jun-18	
	RM'000	% to total borrowings
Fixed rate	14,022	6%
Floating rate	220,669	94%
	234,691	

B9 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.

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B10 Income Tax Expenses

	Current quarter ended 30-Jun-18 RM'000	Cumulative Year To Date 30-Jun-18 RM'000
Income tax expense comprises:		
Current tax		
- for current quarter / financial year-to-date	10,570	28,357
- for prior years	(38)	2,514
Deferred tax		
- for current quarter / financial year-to-date	<u>1,887</u>	<u>3,912</u>
	<u>12,419</u>	<u>34,783</u>

B11 Dividend Payable

No interim dividends have been recommended in respect of the financial period ended 30 June 2018.

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B12 Earnings Per Share

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

(a) Basic earnings per share

	CURRENT QUARTER		CUMULATIVE YEAR TO DATE		IMMEDIATE PRECEDING QUARTER 31-Mar-18
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	
Profit attributable to owners of the parent (RM'000)	30,705	18,099	78,330	63,659	30,785
Weighted average number of ordinary shares ('000)	1,456,995	1,334,777	1,456,995	1,334,777	1,456,995
Basic earnings per share (sen)	2.11	1.36	5.38	4.77	2.11

(b) Diluted earnings per share

	CURRENT QUARTER		CUMULATIVE YEAR TO DATE		IMMEDIATE PRECEDING QUARTER 31-Mar-18
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	
Profit attributable to owners of the parent (RM'000)	30,705	18,099	78,330	63,659	30,785
Weighted average number of ordinary shares ('000)	1,456,995	1,337,620	NA	1,340,071	NA
Diluted earnings per share (sen)	2.11	1.35	NA	4.75	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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B13 Trade Receivables

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

	30-Jun-18
	RM'000
Neither past due nor impaired	9,918
Past due 1 to 30 days	12,811
Past due 31 to 60 days	14,530
Past due 61 to 90 days	10,078
Past due more than 90 days	5,041
	<hr/>
	52,378
Provision for doubtful debt for trade receivables	(2,781)
	<hr/> <hr/>
	49,597

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.