

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

Interim Financial Reports
For The Period Ended 31 December 2018

MCT BERHAD (881786-X)
Incorporated In Malaysia

Interim Financial Reports

For The Period Ended 31 December 2018

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MCT BERHAD (881786-X)
Incorporated In Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018

(The figures have not been audited)

	CURRENT PERIOD QUARTER 31-Dec-18 RM'000	CUMULATIVE PERIOD TO DATE 31-Dec-18 RM'000
Revenue	182,225	308,017
Cost of sales	(109,187)	(181,670)
Gross profit	73,038	126,347
Other Income	4,409	6,431
Selling and marketing expenses	(4,343)	(11,458)
Direct operating and general administrative expenses	(25,503)	(46,322)
Finance costs	(1,080)	(2,035)
Profit before tax	46,521	72,963
Income tax expense	(9,947)	(16,094)
Profit for the period	36,574	56,869
Profit attributable to:		
Owners of the parent	36,579	56,884
Non-controlling interest	(5)	(15)
	36,574	56,869

Earnings per share attributable to owners of the parent:

Basic earnings per share (sen) - Note B13	2.51	3.90
Diluted earnings per share (sen)	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 2018 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 2018

(The figures have not been audited)

	AS AT END OF CURRENT FINANCIAL PERIOD 31 Dec-18 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30-Jun-18 RM'000 (restated)
ASSETS		
Non-Current Assets		
Property, plant and equipment	128,397	128,045
Investment properties	392,659	388,589
Inventories- land held for property development	163,252	50,674
Deferred tax assets	2,866	12,017
	687,174	579,325
Current Assets		
Inventories - at cost	4,803	4,671
Inventories - property development costs	367,891	266,737
Accrued billings	36,958	284,982
Trade receivables	123,094	58,333
Other receivables and prepaid expenses	75,855	109,388
Contract assets	8,939	4,990
Tax recoverable	32,050	28,341
Deposits with licensed banks	83,926	44,636
Cash and bank balances	249,778	142,062
	983,294	944,140
Non-current assets held for sale	39,000	11,932
Total Assets	1,709,468	1,535,397

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

(The figures have not been audited)

	AS AT END OF CURRENT FINANCIAL PERIOD 31-Dec-18 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30-Jun-18 RM'000 (restated)
EQUITY AND LIABILITIES		
Non-Current Liabilities		
Borrowings	214,428	167,508
Hire-purchase payables	355	1,247
Total Non-Current Liabilities	214,783	168,755
Current Liabilities		
Trade payables	157,936	116,642
Other payables and accrued expenses	190,112	214,575
Contract liabilities	14,124	19,648
Progress billings	122,630	125,757
Borrowings	121,243	63,774
Hire-purchase payables	1,513	2,162
Tax liabilities	6,197	23
Total Current Liabilities	613,755	542,581
Total Liabilities	828,538	711,336

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS 31 DECEMBER 2018

(The figures have not been audited)

	AS AT END OF CURRENT FINANCIAL PERIOD 31 Dec-18 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30-Jun-18 RM'000 (restated)
Equity Attributable to Owners of the Company		
Share capital	1,541,092	1,541,092
Reserves	(1,062,627)	(1,062,627)
Retained earnings	401,008	344,124
Non-controlling interests	879,473 1,457	822,589 1,472
Total Equity	880,930	824,061
Total Equity and Liabilities	1,709,468	1,535,397

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 2018 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018
(The figures have not been audited)

	Share capital RM'000	ICULS RM'000	Non- distributable reserves Reverse acquisition reserve RM'000	Distributable reserves Retained earnings RM'000	Attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
As at 30 June 2018 (as previously reported)	1,541,092	-	(1,062,627)	383,364	861,829	1,472	863,301
Effects of adoption of MFRS	-	-	-	(11,632)	(11,632)	-	(11,632)
Prior year adjustments	-	-	-	(27,608)	(27,608)	-	(27,608)
As at 1 July 2018 (restated)	1,541,092	-	(1,062,627)	344,124	822,589	1,472	824,061
Total comprehensive income for the period	-	-	-	56,884	56,884	(15)	56,869
As at 31 December 2018	1,541,092	-	(1,062,627)	401,008	879,473	1,457	880,930
As at 1 July 2017 (as previously reported)	1,418,874	122,218	(1,062,627)	304,554	783,019	1,492	784,511
Effects of adoption of MFRS	-	-	-	(53,175)	(53,175)	-	(53,175)
Prior year adjustments	-	-	-	(78,612)	(78,612)	-	(78,612)
As at 1 July 2017 (restated)	1,418,874	122,218	(1,062,627)	172,767	651,232	1,492	652,724
Conversion of ICULS	122,218	(122,218)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	171,357	171,357	(20)	171,337
As at 30 June 2018 (restated)	1,541,092	-	(1,062,627)	344,124	822,589	1,472	824,061

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 2018 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2018

(The figures have not been audited)

	6 MONTHS ENDED 31-Dec-18 RM'000	12 MONTHS ENDED 30-Jun-18 RM'000 (restated)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	72,963	195,622
Adjustments for:		
Depreciation of:		
Property, plant and equipment	3,200	11,157
Investment properties	322	646
Provision for liquidated and ascertained damages	897	3,444
Land held for property development written off	-	257
Gain on disposal of subsidiaries	-	(39,443)
Finance costs	2,035	3,835
Allowance/(Reversal) for doubtful debts		
Trade receivables	4,076	(3,164)
Other receivables	-	325
Bad debts written off	5	242
Inventories written off	-	8
Impairment loss on property, plant and equipment	848	-
Gain on disposal of property, plant and equipment	(2,839)	(113)
Interest income	(2,609)	(1,993)
Unrealised (gain)/loss on foreign exchange	(37)	125
	78,861	170,948
Operating Profit Before Working Capital Changes	78,861	170,948
Decrease/(Increase) in:		
Inventories	(131)	(4,660)
Property development costs	(96,078)	192,223
Accrued billings	248,024	(378,276)
Trade receivables	(68,842)	(16,637)
Other receivables and prepaid expenses	29,584	(60,730)
Increase/(Decrease) in:		
Trade payables	41,331	(20,548)
Other payables and accrued expenses	(23,878)	326,886
Progress billings	(3,127)	15,953
	205,744	225,159
Cash From Operations	205,744	225,159
Tax paid	(11,483)	(38,093)
	194,261	187,066
Net Cash From Operating Activities	194,261	187,066

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2018

(The figures have not been audited)

	6 MONTHS ENDED 31-Dec-18 RM'000	12 MONTHS ENDED 30-Jun-18 RM'000 (restated)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	9,119	1,424
Proceeds from disposal of investment properties	6,450	-
Net cash inflow from disposal of investment in subsidiaries	-	4,666
Interest received	2,609	1,993
Additions to:		
Investment properties	(4,392)	(56,133)
Property, plant and equipment	(5,198)	(10,367)
Land held for property development	(151,578)	(1,154)
 (Increase)/Decrease in:		
Fixed deposits pledged with licensed banks	462	1,105
Fixed deposits with maturity period more than 90 days	(12)	(13)
 Net Cash Used In Investing Activities	(142,540)	(58,479)
 CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of term loans	113,964	21,680
Proceeds from bank borrowings	55,000	63,361
Repayment of:		
Term loans	(45,043)	(37,423)
Hire-purchase payables	(1,540)	(2,686)
Bank borrowings	(20,000)	(52,799)
Finance costs paid	(6,644)	(21,138)
 Net Cash From/(Used In) Financing Activities	95,737	(29,005)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	147,458	99,582
 CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	142,156	42,574
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	289,614	142,156

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2018
(The figures have not been audited)

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

	6 MONTHS ENDED 31-Dec-18 RM'000	12 MONTHS ENDED 30-Jun-18 RM'000
Fixed deposits with licensed banks	83,886	44,596
Investments in short-term funds	40	40
Deposits with licensed banks	83,926	44,636
Deposits under Housing Development Accounts	223,968	130,879
Cash on hand and in bank	25,810	11,183
Cash and bank balances	<u>249,778</u>	<u>142,062</u>
	333,704	186,698
Less: Fixed deposits pledged with licensed banks	(43,676)	(44,140)
Fixed deposits with maturity period more than 90 days	<u>(414)</u>	<u>(402)</u>
Cash and cash equivalents	<u><u>289,614</u></u>	<u><u>142,156</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 2018 and the accompanying explanatory notes attached to these interim financial statement.

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018. 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 2018.

On 25 September 2018, the Group and the Company have changed the financial year end from 30 June to 31 December. Therefore, the current accounting period is a 6-month period from 1 July 2018 to 31 December 2018. As a result of the change in the financial year end, no comparative figures have been disclosed in the interim financial statements except for the Condensed Consolidated Statement of Financial Position.

The Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2018:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to:	
MFRS 2	Classification and Measurement of Share-based Payment Transactions
MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Considerations
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016 Cycle

The adoption of the above amendments to MFRSs does not have any significant impact to the Group except for MFRS 15 - Revenue with Contract Customers and MFRS 9 - Financial Instruments upon initial application.

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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:

MFRS 16	Leases ¹
MFRS 17	Insurance Contracts ³
Amendments to:	
MFRS 3	Definition of a Business ²
MFRS 9	Prepayment Features with Negative Compensation ¹
MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
MFRS 101 and MFRS 108	Definition of Material ²
MFRS 119	Plan Amendment, Curtailment or Settlement ¹
MFRS 128	Long-term Interests in Associates and Joint Venture ¹
IC Interpretation 23	Uncertainty over Income Tax Treatments ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2015-2017 Cycle ¹
Amendments to References to the Conceptual Framework in MFRS Standards ²	

- 1 Effective for annual period beginning on or after 1 January 2019, with earlier application permitted.
- 2 Effective for annual period beginning on or after 1 January 2020, with earlier application permitted.
- 3 Effective for annual period beginning on or after 1 January 2021, with earlier application permitted.
- 4 Effective date deferred to a date to be determined and announced, with earlier application permitted.

The directors anticipate that the abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these MFRSs and amendments to MFRSs may have an 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.

A2 Auditors' Report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2018 were not subject to any qualification.

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

A3 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 2018 except as disclosed in A16.

A4 Changes in estimates

There were no changes in estimates that have a material effect on the amounts reported for the current quarter under review.

A5 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 quarter under review.

A6 Dividend paid

There were no dividends paid in the current quarter under review.

A7 Profit before tax

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

	3 MONTHS ENDED 31-Dec-18 RM'000	CUMULATIVE CURRNT PERIOD ENDED 31-Dec-18 RM'000
Provision for liquidated and ascertained damages	435	897
Developer interest bearing scheme	191	970
Staff costs	12,839	27,742
Depreciation of:		
Property, plant and equipment	1,481	3,200
Investment properties	161	322
Bad debt written off	-	5
Allowance for doubtful debts	1,005	4,076
Gain on disposal of property, plant and equipment	(2,762)	(2,839)
Interest income	(1,446)	(2,609)
Unrealised gain on foreign exchange	(157)	(37)

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

A8 Segmental information

The segmental information for the period ended 31 December 2018 is as follows:

	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	298,341	-	-	471	9,205	308,017	-	308,017
Inter-segment revenue	-	120,693	-	50,700	5,072	176,465	(176,465)	-
Total revenue	298,341	120,693	-	51,171	14,277	484,482	(176,465)	308,017
Results								
Operating profit/(loss)	39,475	5,239	(1,909)	932	(1,956)	41,781	26,786	68,567
Interest income	2,242	85	29	101	152	2,609	-	2,609
Other income	474	642	2,479	2,636	70	6,301	(2,479)	3,822
Finance costs	(582)	(575)	(1,880)	(46)	(429)	(3,512)	1,477	(2,035)
Profit/(Loss) before tax	41,609	5,391	(1,281)	3,623	(2,163)	47,179	25,784	72,963
Income tax expense	(13,878)	(1,367)	-	(559)	(138)	(15,942)	(152)	(16,094)
Profit/(Loss) after tax	27,731	4,024	(1,281)	3,064	(2,301)	31,237	25,632	56,869

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

A8 Segmental information

The segmental information for the period ended 31 December 2018 is as follows: *(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	2,080,555	636,117	1,728,667	207,402	95,460	4,748,201	(3,073,649)	1,674,552
Tax recoverable and deferred tax asset	20,767	12,377	1	93	41	33,279	1,637	34,916
Total assets	<u>2,101,322</u>	<u>648,494</u>	<u>1,728,668</u>	<u>207,495</u>	<u>95,501</u>	<u>4,781,480</u>	<u>(3,072,012)</u>	<u>1,709,468</u>
Segment liabilities	1,740,455	530,195	159,049	128,510	113,273	2,671,482	(1,849,141)	822,341
Tax liabilities	6,085	-	-	87	25	6,197	-	6,197
Total liabilities	<u>1,746,540</u>	<u>530,195</u>	<u>159,049</u>	<u>128,597</u>	<u>113,298</u>	<u>2,677,679</u>	<u>(1,849,141)</u>	<u>828,538</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS

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

A8 Segmental information

The segmental information for the period ended 31 December 2018 is as follows: *(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	4,392	-	-	-	-	4,392
Property, plant and equipment	4,737	139	-	232	90	5,198
Depreciation of:						
Property, plant and equipment	942	675	-	521	1,062	3,200
Investment properties	322	-	-	-	-	322
Provision for liquidated and ascertained damages	897	-	-	-	-	897

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A9 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 were not reflected in the financial statements for the current quarter under review.

A10 Changes in the composition of the Group

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

A11 Changes in contingent liabilities and contingent assets

Details of contingent liabilities of the Group as at end of the quarter under review are as follows:

(a) Performance bond

	As at 31-Dec-18 RM'000	As at 30-Jun-18 RM'000
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	<u>61,112</u>	<u>53,063</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 ("**Notification**"). LRSB is required to charge RM21 million Goods and Services Output Tax to PR1MA and subsequently remit the said amount to RMCD.

On 31 July 2018, RMCD via its letter, notified that the construction services provided by LRSB to PR1MA is in relation to exempt supply goods, which supersedes the Notification. Therefore, LRSB is not required to charge any Goods and Services Output Tax. Accordingly, this matter has concluded.

There were no contingent assets.

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

A12 Commitments

The Group has the following commitments:

Approved and contracted for:

(a) Commitment under a Joint Development Agreement

	As at 31-Dec-18 RM'000	As at 30-Jun-18 RM'000
Commitment under a Joint Development Agreement	65,000	65,000

(b) Corporate Guarantees

	As at 31-Dec-18 RM'000	As at 30-Jun-18 RM'000
Corporate guarantee granted by a wholly-owned subsidiary, MCT Consortium Bhd in support of credit facilities granted to subsidiaries	110,115	82,663
Corporate guarantee extended in support of credit facilities granted to subsidiaries	212,644	100,135
	322,759	182,798

(c) Rental and Operating Lease Commitments

	As at 31-Dec-18 RM'000	As at 30-Jun-18 RM'000
Rental commitments from leaseback arrangement:		
Less than 1 year	4,862	4,862
More than 1 year and less than 2 years	4,862	4,862
More than 2 years and less than 5 years	3,638	5,169
	13,362	14,893
Operating lease commitments:		
Less than 1 year	727	1,964
	14,089	16,857

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A12 Commitments (continued)

(d) Others

	As at 31-Dec-18 RM'000	As at 30-Jun-18 RM'000
Acquisition of land	38,058	128,700
Total commitments	439,906	393,355

A13 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-18 RM'000
Rental of premises paid/payable to related parties	1,076
Property management fees paid/payables to related parties	131
Utilities fees paid/payable to related parties	2,478

A14 Seasonal or Cyclical Factors

The Group's operations were not significantly affected by any seasonal or cyclical factors during the quarter under review.

A15 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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NOTES TO INTERIM FINANCIAL STATEMENTS
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PART A - EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD
("MFRS") 134: INTERIM FINANCIAL REPORTING

A16 Prior year adjustments

Prior year adjustments were made in respect of adoption of MFRS and on recognition of revenue of certain sales contracts in which the corresponding cost of sales were also adjusted accordingly.

The financial effects arising from the prior year adjustments are as follows:

	As previously reported 30 June 2018 RM'000	Prior year adjustments RM'000	Effects of adoption of MFRS RM'000	As restated 30 June 2018 RM'000
Deferred tax assets	7,952	-	4,065	12,017
Accrued billings	362,095	(76,073)	(1,040)	284,982
Property development cost	226,991	39,746	-	266,737
Contract assets	-	-	4,990	4,990
Tax recoverable	19,623	8,718	-	28,341
Other payables and accrued expenses	340,332	(125,757)	-	214,575
Progress billings	-	125,757	-	125,757
Contract liabilities	-	-	19,648	19,648
Retained earnings	<u>383,364</u>	<u>(27,608)</u>	<u>(11,632)</u>	<u>344,124</u>
	As previously reported 1 July 2017 RM'000	Prior year adjustments RM'000	Effects of adoption of MFRS RM'000	As restated 1 July 2017 RM'000
Retained earnings	<u>304,554</u>	<u>(78,612)</u>	<u>(53,175)</u>	<u>172,767</u>

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B1 Performance Review

For the quarter

The Group recorded revenue of RM182 million for the current quarter ended 31 December 2018. Major revenue drivers are from Casawood @ Cybersouth project with a 52% take up since its launch in May 2018.

Cybersouth Phase 1B Casa Green was completed and handed over in October 2018, while Cybersouth Phase 2B Casa View and Lakefront Residence Phase 1 were handed over in November 2018. There were no new launches in the quarter ended 31 December 2018.

Property development segment contributed to 97% of the total revenue of the Group.

Expenses recorded was RM29 million during the quarter which includes staff costs of RM14 million and sales and marketing expenses of RM4 million.

For the financial period

The Group recorded revenue of RM308 million for the financial period with a gross profit margin of 41%.

The financial period noted several project completions and delivery. Skypark @ Cyberjaya was completed and delivered in July 2018, whereas Casa Green and Casa View was completed and delivered in October and November 2018, respectively. Lakefront Residence Phase 1 was also completed and delivered in November 2018. Period reviews were done for development costs at various stages of project construction and savings were realised for Lakefront Homes and Lakefront Residences Phase 1 and Lakefront Villa as these projects have been completed pending final costs for the defect liability period. Also, there were no new launches during the financial period ended 31 December 2018.

The Group recorded RM57 million in profit after tax with an effective tax rate of 22% which is lower compared to the statutory tax rate of 24%, mainly due to the utilisation of business losses arising from certain loss-making subsidiaries.

B2 Material Changes for the Current Quarter as Compared to the Preceding Quarter

Due to the change in the financial year end, the Group did not prepare any comparative consolidated statement of comprehensive income for the current quarter.

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B3 Prospects for the next financial year

The current Government has introduced various means to promote home ownership and implement reforms to benefit home buyers. In November 2018, the Government has announced its 2019 budget which encourages home ownership amongst first-time home buyers. These initiatives are expected to boost the property sector specifically those developers with products priced between RM300,000 and RM700,000 which is the sweet spot for first-time home buyers.

Despite the current market conditions of over-supply of properties and weak market sentiment, the Group intends to launch new projects at the Group's existing townships at Lakefront and Cybersouth in 2019 as the Group continues to capitalise on the growth of existing townships while still being cautiously optimistic on products that will sell in that market.

The Group's existing landbanks are within strategic areas in Subang Jaya, Cyberjaya, and Dengkil which have good connectivity through highways and existing and future train stations. Since listed in 2015, MCT made its first strategic acquisition in Subang Jaya and Petaling Jaya in previous financial year, which is expected to bear fruit by expanding its market from existing landbanks.

The Group will also continue to explore strategic acquisitions to expand the Group's footprint and feed future growth.

With improved products and realignment of marketing strategies coupled with maximisation of supply chain management in construction activities, the Group remains steadfast on the property market and is confident of the existing plans already put in place to grow the Group.

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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 quarter 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 21 August 2018, One Residence Sdn Bhd, a wholly owned subsidiary of MCT Consortium Berhad, which in turn is a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement to acquire a piece of leasehold land from Tropicana Golf & Country Resort Berhad for a total cash consideration of RM42,287,000. As at the end of the reporting period, the acquisition is yet to be completed.

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B9 Group borrowings

Total loans and borrowings as at 31 December 2018 were as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
Secured:			
Term loans	51,243	214,428	265,671
Revolving credit	70,000	-	70,000
Unsecured:			
Hire-purchase	1,513	355	1,868
	<u>122,756</u>	<u>214,783</u>	<u>337,539</u>

There were no loans and borrowings denominated in foreign currency as at 31 December 2018.

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	28,774	167,508	196,282
Revolving credit	35,000	-	35,000
Unsecured:			
Hire-purchase	2,162	1,247	3,409
	<u>65,936</u>	<u>168,755</u>	<u>234,691</u>

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

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

	31-Dec-18
Revolving credit	5.52%
Term loans	6.49%
Hire-purchase	2.95%

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B9 Group borrowings (continued)

The interest rate profile of the borrowings are:

	31-Dec-18	
	RM'000	% to total borrowings
Fixed rate	10,336	3%
Floating rate	<u>327,203</u>	97%
	<u><u>337,539</u></u>	

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 Sdn Bhd ("**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.

On 28 September 2018, the court bailiff on instructions of OCD presented a notice to illegal occupiers of the Land to vacate the premise by 15 October 2018.

On 25 October 2018, the exercise for possession of Land and subsequent relocation of the temple was carried out. However, due to the advice of the Selangor State Government and an appeal by Federal and Local politicians, OCD agreed to defer the said exercise until after Deepavali.

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B10 Material litigation (continued)

On a separate note, a fresh suit was filed by new plaintiffs claiming to be temple devotees against the legitimate council, OCD, the Selangor State Government and the Registrar of Societies. The cause of action was premised primarily on the same causes previously claimed by the Plaintiffs.

The new plaintiffs have also filed an intervener action and also a stay of execution of the order of Possession on 12 October 2018 but were unsuccessful and their applications were both dismissed with costs. They had also appealed on the said decision by the High Court Registrar but the appeal was dismissed on 13 December 2018.

Two fresh suit was filed by alleged devotees against the all parties to the consent judgement. On 13 February 2019, the High Court had dismissed the alleged devotees claims in one of the suit for an interlocutory injunction to restrain OCD from entering the land and demolish the temple as well as the order for stay of execution of the Writ. The alleged devotes were also ordered to pay damages to OCD. The High Court has fixed 10 April 2019 for the hearing.

B11 Income Tax Expense

	Current quarter ended 31-Dec-18 RM'000	Cumulative current period ended 31-Dec-18 RM'000
Income tax expense comprises:		
Current tax		
- for current quarter / financial period-to-date	6,159	6,943
Deferred tax		
- for current quarter / financial period-to-date	3,788	9,151
	9,947	16,094

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B12 Dividend Payable

No interim dividends have been recommended in respect of the current quarter under review.

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.

Basic earnings per share

	Current quarter ended 31-Dec-18	Cumulative current period ended 31-Dec-18
Profit attributable to owners of the parent (RM'000)	36,579	56,884
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995
Basic earnings per share (sen)	2.51	3.90

B14 Trade Receivables

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

	31-Dec-18 RM'000
Neither past due nor impaired	97,224
Past due 1 to 30 days	6,256
Past due 31 to 60 days	8,258
Past due 61 to 90 days	2,495
Past due more than 90 days	12,962
	127,195
Provision for doubtful debt for trade receivables	(4,101)
	123,094

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B14 Trade Receivables (continued)

Provision for doubtful debt for trade receivables was provided for balances aged beyond 180 days as it is probable the Group will be unable to collect such debts after sending reminder letters and letter of demand.

On confirmation of insolvency of receivables, the balances will be written off.