

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

**Interim Financial Reports**  
**For The Quarter Ended 31 March 2019**

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**Interim Financial Reports**

**For The Quarter Ended 31 March 2019**

	Page no.
Unaudited Condensed Consolidated Statement of Comprehensive Income	1
Unaudited Condensed Consolidated Statement of Financial Position	2 - 4
Unaudited Condensed Consolidated Statement of Changes in Equity	5
Unaudited Condensed Consolidated Statement of Cash Flows	6- 8
Notes to Interim Financial Statements	9 – 17
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad	18 - 24

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2019**

*(The figures have not been audited)*

	<b>CURRENT PERIOD QUARTER 31-Mar-19 RM'000</b>	<b>CUMULATIVE PERIOD TO DATE 31-Mar-19 RM'000</b>
Revenue	102,401	102,401
Cost of sales	(72,966)	(72,966)
Gross profit	29,435	29,435
Other Income	2,042	2,042
Selling and marketing expenses	(1,636)	(1,636)
Direct operating and general administrative expenses	(21,135)	(21,135)
Finance costs	(1,911)	(1,911)
Profit before tax	6,795	6,795
Income tax expense	(1,107)	(1,107)
Profit for the period	5,688	5,688
Profit attributable to:		
Owners of the parent	5,696	5,696
Non-controlling interest	(8)	(8)
	5,688	5,688

Earnings per share attributable to owners of the parent:

Basic earnings per share (sen) - Note B13	0.39	0.39
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 period ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

*(The figures have not been audited)*

	<b>AS AT END OF CURRENT FINANCIAL PERIOD 31-Mar-19 RM'000</b>	<b>AS AT PRECEDING FINANCIAL PERIOD END 31-Dec-18 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	268,327	272,082
Investment properties	253,327	251,882
Inventories- land held for property development	459,383	410,241
Deferred tax assets	5,840	1,931
Right of use assets	860	-
	<b>987,737</b>	<b>936,136</b>
<b>Total Non-Current Assets</b>		
<b>Current Assets</b>		
Inventories - at cost	4,714	5,461
Inventories - property development costs	188,857	180,283
Trade receivables	140,260	129,468
Other receivables and prepaid expenses	42,823	74,594
Contract assets	33,104	50,600
Tax recoverable	32,297	32,014
Deposits with licensed banks	101,747	83,926
Cash and bank balances	190,322	260,428
	<b>734,124</b>	<b>816,774</b>
<b>Total Current Assets</b>		
	<b>42,070</b>	<b>39,000</b>
Non-current assets held for sale		
<b>Total Assets</b>	<b>1,763,931</b>	<b>1,791,910</b>

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

*(The figures have not been audited)*

	<b>AS AT END OF CURRENT FINANCIAL PERIOD 31-Mar-19 RM'000</b>	<b>AS AT PRECEDING FINANCIAL PERIOD END 31-Dec-18 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Borrowings	188,384	212,532
Hire-purchase payables	291	328
Other payables	14,597	16,697
Lease liabilities	343	-
	203,615	229,557
<b>Total Non-Current Liabilities</b>		
<b>Current Liabilities</b>		
Trade payables	139,510	166,129
Other payables and accrued expenses	183,541	211,533
Provisions	24,405	27,846
Contract liabilities	91,258	142,435
Amount owing to holding company	100,453	-
Borrowings	122,034	123,139
Hire-purchase payables	946	1,541
Tax liabilities	8,432	6,197
Lease liabilities	516	-
	671,095	678,820
<b>Total Current Liabilities</b>		
	874,710	908,377
<b>Total Liabilities</b>		

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

*(The figures have not been audited)*

	<b>AS AT END OF CURRENT FINANCIAL PERIOD 31-Mar-19 RM'000</b>	<b>AS AT PRECEDING FINANCIAL PERIOD END 31-Dec-18 RM'000</b>
<b>Equity Attributable to Owners of the Company</b>		
Share capital	1,541,092	1,541,092
Reserves	(1,062,627)	(1,062,627)
Retained earnings	409,307	403,611
Non-controlling interests	887,772 1,449	882,076 1,457
<b>Total Equity</b>	889,221	883,533
<b>Total Equity and Liabilities</b>	1,763,931	1,791,910

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 MARCH 2019**  
*(The figures have not been audited)*

	<b>Distributable reserves</b>		<b>Retained earnings RM'000</b>	<b>Attributable to owners of the Company RM'000</b>	<b>Non-controlling interests RM'000</b>	<b>Total equity RM'000</b>
	<b>Share capital RM'000</b>	<b>Reverse acquisition reserve RM'000</b>				
<b>As at 1 January 2019</b>	1,541,092	(1,062,627)	403,611	882,076	1,457	883,533
Total comprehensive income for the period	-	-	5,696	5,696	(8)	5,688
<b>As at 31 March 2019</b>	<u>1,541,092</u>	<u>(1,062,627)</u>	<u>409,307</u>	<u>887,772</u>	<u>1,449</u>	<u>889,221</u>
<b>As at 30 June 2018 (as previously reported)</b>	1,541,092	(1,062,627)	383,365	861,830	1,472	863,302
Effects of adoption of MFRS	-	-	(12,619)	(12,619)	-	(12,619)
Prior year adjustments	-	-	(27,608)	(27,608)	-	(27,608)
<b>As at 1 July 2018 (restated)</b>	<u>1,541,092</u>	<u>(1,062,627)</u>	<u>343,138</u>	<u>821,603</u>	<u>1,472</u>	<u>823,075</u>
Total comprehensive income for the period	-	-	60,473	60,473	(15)	60,458
<b>As at 31 December 2018</b>	<u>1,541,092</u>	<u>(1,062,627)</u>	<u>403,611</u>	<u>882,076</u>	<u>1,457</u>	<u>883,533</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2019**

*(The figures have not been audited)*

	<b>3 MONTHS ENDED 31-Mar-19 RM'000</b>	<b>6 MONTHS ENDED 31-Dec-18 RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before tax	6,795	78,871
Adjustments for:		
Depreciation of:		
Property, plant and equipment	1,537	3,009
Investment properties	161	323
Finance costs	1,911	2,023
Impairment loss on property, plant and equipment	-	848
Allowance for doubtful debts	-	3,085
Bad debts written off	-	5
Property, plant and equipment written off	-	86
Gain on disposal of property, plant and equipment	(131)	(271)
Gain on disposal of assets held for sale	-	(2,568)
Interest income	(1,588)	(2,609)
Unrealised loss/(gain) on foreign exchange	582	(34)
	9,267	82,768
Operating Profit Before Working Capital Changes	9,267	82,768
Decrease/(Increase) in:		
Inventories	747	(790)
Inventories - property development costs	8,532	(75,321)
Contract assets	17,496	235,994
Trade receivables	(10,793)	(68,044)
Other receivables and prepaid expenses	31,771	23,327
Increase/(Decrease) in:		
Trade payables	(26,725)	49,453
Other payables and accrued expenses	(45,262)	17,520
Provisions	(3,441)	(3,928)
Contract liabilities	(51,177)	(47,308)
	(69,585)	213,671
Cash From Operations	(69,585)	213,671
Tax paid-net	(3,065)	(5,906)
	(72,650)	207,765
Net Cash From Operating Activities	(72,650)	207,765



**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2019**

*(The figures have not been audited)*

	<b>3 MONTHS ENDED 31-Mar-19 RM'000</b>	<b>6 MONTHS ENDED 31-Dec-18 RM'000</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	266	911
Proceeds from disposal of assets held for sale	-	14,500
Interest received	1,588	2,609
Additions to:		
Investment properties	(1,211)	(7,554)
Property, plant and equipment	(937)	(6,645)
Inventories - Land held for property development	(48,018)	(152,522)
 (Increase)/Decrease in:		
Fixed deposits pledged with licensed banks	2,292	462
Fixed deposits with maturity period more than 90 days	-	(12)
 Net Cash Used In Investing Activities	(46,020)	(148,251)
 <b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Drawdown of term loans	264	113,964
Proceeds from bank borrowings	-	55,000
Repayment of:		
Term loans	(25,868)	(44,576)
Hire-purchase payables	(631)	(1,540)
Bank borrowings	-	(20,000)
Finance costs paid	(5,065)	(4,254)
Increase in amount owing to holding company	99,977	-
 Net Cash From/(Used In) Financing Activities	68,677	98,594
 <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(49,993)	158,108
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	300,264	142,156
 <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	250,271	300,264

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2019**

*(The figures have not been audited)*

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

	<b>3 MONTHS ENDED 31-Mar-19 RM'000</b>	<b>6 MONTHS ENDED 31-Dec-18 RM'000</b>
Fixed deposits with licensed banks	101,707	83,886
Investments in short-term funds	40	40
Deposits with licensed banks	101,747	83,926
Deposits under Housing Development Accounts	168,851	228,399
Cash on hand and in bank	21,471	32,029
Cash and bank balances	<u>190,322</u>	<u>260,428</u>
Less: Fixed deposits pledged with licensed banks	(41,384)	(43,676)
Fixed deposits with maturity period more than 90 days	<u>(414)</u>	<u>(414)</u>
Cash and cash equivalents	<u><u>250,271</u></u>	<u><u>300,264</u></u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statement.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

**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 period ended 31 December 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 period ended 31 December 2018.

On 25 September 2018, the Group and the Company have changed the financial year end from 30 June to 31 December. 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 2019:

MFRS 16	Leases
Amendments to:	
MFRS 9	Prepayment Features with Negative Compensation
MFRS 119	Plan Amendment, Curtailment or Settlement
MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRSs	Annual Improvements to MFRSs 2015-2018 Cycle

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

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

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 17	Insurance Contracts <sup>2</sup>
Amendments to:	
MFRS 3	Definition of a Business <sup>1</sup>
MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
MFRS 101 and MFRS 108	Definition of Material <sup>1</sup>
Amendments to References to the Conceptual Framework in MFRS Standards <sup>1</sup>	

- 1 Effective for annual period beginning on or after 1 January 2020, with earlier application permitted.
- 2 Effective for annual period beginning on or after 1 January 2021, with earlier application permitted.
- 3 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 period ended 31 December 2018 were not subject to any qualification.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

**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 quarter ended 31 March 2019.

**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:

	<b>3 MONTHS ENDED 31-Mar-19 RM'000</b>	<b>CUMULATIVE CURRENT PERIOD ENDED 31-Mar-19 RM'000</b>
Staff costs	12,925	12,925
Depreciation of:		
Property, plant and equipment	1,537	1,537
Investment properties	161	161
Unrealised loss on foreign exchange	582	582
Gain on disposal of property, plant and equipment	(131)	(131)
Interest income	(1,588)	(1,588)

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**A8 Segmental information**

The segmental information for the quarter ended 31 March 2019 is as follows:

	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
<b>Revenue</b>								
External revenue	97,059	-	-	338	5,004	102,401	-	102,401
Inter-segment revenue	-	81,103	-	20,530	2,249	103,882	(103,882)	-
<b>Total revenue</b>	<b>97,059</b>	<b>81,103</b>	<b>-</b>	<b>20,868</b>	<b>7,253</b>	<b>206,283</b>	<b>(103,882)</b>	<b>102,401</b>
<b>Results</b>								
Operating profit/(loss)	6,261	6,160	(1,042)	(1,905)	2,671	12,145	(5,481)	6,664
Interest income	1,333	30	90	59	76	1,588	-	1,588
Other income	94	396	1,062	3	35	1,590	(1,136)	454
Finance costs	(337)	(340)	(1,674)	(58)	(201)	(2,610)	699	(1,911)
<b>Profit/(Loss) before tax</b>	<b>7,351</b>	<b>6,246</b>	<b>(1,564)</b>	<b>(1,901)</b>	<b>2,581</b>	<b>12,713</b>	<b>(5,918)</b>	<b>6,795</b>
Income tax expense	(2,253)	(1,566)	-	(42)	(98)	(3,959)	2,852	(1,107)
<b>Profit/(Loss) after tax</b>	<b>5,098</b>	<b>4,680</b>	<b>(1,564)</b>	<b>(1,943)</b>	<b>2,483</b>	<b>8,754</b>	<b>(3,066)</b>	<b>5,688</b>

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**A8 Segmental information/**

The segmental information for the quarter ended 31 March 2019 is as follows: *(continued)*

	<b>Property development RM'000</b>	<b>Construction activities RM'000</b>	<b>Investment holding RM'000</b>	<b>Complementary business RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>The Group RM'000</b>
<b>Assets and liabilities</b>								
Segment assets	1,905,057	633,806	1,820,783	433,522	95,195	4,888,363	(3,162,569)	1,725,794
Tax recoverable and deferred tax asset	17,705	15,526	1	218	47	33,497	4,640	38,137
Total assets	<u>1,922,762</u>	<u>649,332</u>	<u>1,820,784</u>	<u>433,740</u>	<u>95,242</u>	<u>4,921,860</u>	<u>(3,157,929)</u>	<u>1,763,931</u>
Segment liabilities	1,695,275	519,146	252,729	131,341	112,722	2,711,213	(1,844,935)	866,278
Tax liabilities	8,349	-	-	-	83	8,432	-	8,432
Total liabilities	<u>1,703,624</u>	<u>519,146</u>	<u>252,729</u>	<u>131,341</u>	<u>112,805</u>	<u>2,719,645</u>	<u>(1,844,935)</u>	<u>874,710</u>

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**A8 Segmental information**

The segmental information for the quarter ended 31 March 2019 is as follows: *(continued)*

	<b>Property development RM'000</b>	<b>Construction activities RM'000</b>	<b>Investment holding RM'000</b>	<b>Complementary business RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b><i>Other segment information</i></b>						
Capital expenditure:						
Investment properties	1,211	-	-	-	-	1,211
Property, plant and equipment	694	81	-	86	76	937
Depreciation of:						
Property, plant and equipment	487	370	-	184	496	1,537
Investment properties	161	-	-	-	-	161



**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**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

	<b>As at 31-Mar-19 RM'000</b>	<b>As at 31-Dec-18 RM'000</b>
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	<u>61,254</u>	<u>61,112</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.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

**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) Corporate Guarantees

	<b>As at 31-Mar-19 RM'000</b>	<b>As at 31-Dec-18 RM'000</b>
Corporate guarantee granted by a wholly-owned subsidiary, MCT Consortium Bhd in support of credit facilities granted to subsidiaries	87,474	110,115
Corporate guarantee extended in support of credit facilities granted to subsidiaries	210,872	212,644
	298,346	322,759

(b) Others

	<b>As at 31-Mar-19 RM'000</b>	<b>As at 31-Dec-18 RM'000</b>
Acquisition of land	-	38,058
<b>Total commitments</b>	<b>298,346</b>	<b>360,817</b>

**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:

	<b>As at 31-Mar-19 RM'000</b>
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
Advances from holding company	99,977

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**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.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD  
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

**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 RM102 million for the current quarter ended 31 March 2019 on the back of steady progress in the construction of PR1MA Homes and Casa Bluebell @ Cybersouth where both projects were more than 99% sold. The new launches at Casa Wood @ Cybersouth and Market Homes also contributed positively to the Group's revenue given the positive take-up rate of 56% and 20% respectively. However, there has been a slowdown in construction progress due to the festive season and newly launched projects are at the initial stage of construction, contributing to low revenue and profit recognition for the quarter under review. The Group expects construction progress to pick-up moving ahead. Property development segment contributed to 94% of the total revenue of the Group.

Gross profit margin remained healthy at 29% as the contribution from low margin products such as PR1MA Homes were the main revenue drivers following the completion of four major projects in the fourth quarter of 2018 which had higher gross profit margins.

Expenses recorded was RM23 million during the quarter which included staff costs of RM13 million and sales and marketing expenses of RM2 million where were in line with the expenses recorded in previous quarters.

The lower effective tax rate of 16% as compared to the statutory tax rate of 24% is mainly due to the utilisation of business losses arising from certain subsidiaries.

Profit after tax was RM6 million at 6% margin following the decrease in gross profit margin and low gross profit recognition arising from slower progress in construction.

**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.

**B3 Prospects for the next financial year**

Whilst the outlook for the overall real estate market in Malaysia does not look rosy, the Group is still uncovering pockets of growth in the affordable market - both in landed residential and retail segments, as demand was somewhat stronger than expected in 2018. The supply overhang market as reported by Malaysia's National Property Information Center (NAPIC) is concentrated in the RM500,000 and above (39%) residential segments, whereas supply in the affordable segment RM300,000 and below is well below forecasted demand. With the Group's experience in mixed and affordable housing development, the Group is well poised to the serve this segment of the market.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD  
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**B3 Prospects for the next financial year (cont'd)**

The Group is expecting several key launches at Cybersouth township Lakefront @ Cyberjaya project. The focus will remain at residential properties that are priced between RM250,000 and RM700,000, with some commercial units to complement the completed projects. The Group's landbanking efforts in 2018 will also bear fruit in 2019 as the Group is targeting to launch the first phase of the newly acquired land in Subang Jaya by 4Q 2019.

**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. On 13 March 2019, the proposed land acquisition was completed.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD  
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**B9 Group borrowings**

Total loans and borrowings as at 31 March 2019 were as follows:

	<b>Short-term RM'000</b>	<b>Long-term RM'000</b>	<b>Total RM'000</b>
<b>Secured:</b>			
Term loans	52,034	188,384	240,418
Revolving credit	70,000	-	70,000
<b>Unsecured:</b>			
Hire-purchase	946	291	1,237
	<u>122,980</u>	<u>188,675</u>	<u>311,655</u>

There were no loans and borrowings denominated in foreign currency as at 31 March 2019.

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

	<b>Short-term RM'000</b>	<b>Long-term RM'000</b>	<b>Total RM'000</b>
<b>Secured:</b>			
Term loans	53,139	212,532	265,671
Revolving credit	70,000	-	70,000
<b>Unsecured:</b>			
Hire-purchase	1,541	327	1,868
	<u>124,680</u>	<u>212,859</u>	<u>337,539</u>

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

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

	<b>31-Mar-19</b>
Revolving credit	5.52%
Term loans	6.49%
Hire-purchase	2.95%

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD  
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**B9 Group borrowings (continued)**

The interest rate profile of the borrowings are:

	<b>31-Mar-19</b>	
	<b>RM'000</b>	<b>% to total borrowings</b>
Fixed rate	8,600	3%
Floating rate	<u>303,055</u>	97%
	<u><u>311,655</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.

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD  
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**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 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. Therefore, this case is deemed to be concluded.

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 and were also ordered to pay damages to OCD. In relation to the other suit, the Court had also struck out the Plaintiff's claim against OCD on 10 April 2019. Therefore, this case is also deemed to be concluded.

On 28 May 2019, OCD had informed the court that OCD would like to withdraw the application for direction of assessment of damages with liberty to file afresh and the Court has allowed OCD's application thereof.

**B11 Income Tax Expense**

	<b>Current quarter ended 31-Mar-19 RM'000</b>	<b>Cumulative current period ended 31-Mar-19 RM'000</b>
Income tax expense comprises:		
Current tax		
- for current quarter / financial period-to-date	5,016	5,016
Deferred tax		
- for current quarter / financial period-to-date	(3,909)	(3,909)
	1,107	1,107



**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD  
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**B12 Dividend Payable**

No interim 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

	<b>Current quarter ended 31-Mar-19</b>	<b>Cumulative current period ended 31-Mar-19</b>
Profit attributable to owners of the parent (RM'000)	5,696	5,696
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995
Basic earnings per share (sen)	0.39	0.39

**B14 Trade Receivables**

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

	<b>31-Mar-19 RM'000</b>
Neither past due nor impaired	101,370
Past due 1 to 30 days	20,735
Past due 31 to 60 days	4,910
Past due 61 to 90 days	3,313
Past due more than 90 days	14,032
	144,360
Provision for doubtful debt for trade receivables	(4,100)
	140,260

**MCT BERHAD (881786-X)**  
**Incorporated In Malaysia**

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD  
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2019**

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

**B14 Trade Receivables (continued)**

Allowance 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.