

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

**Interim Financial Reports**  
**For The Period Ended 30 June 2019**

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

**Interim Financial Reports**

**For The Period Ended 30 June 2019**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2019**  
*(The figures have not been audited)*

	<b>CURRENT PERIOD QUARTER 30-Jun-19 RM'000</b>	<b>CUMULATIVE PERIOD TO DATE 30-Jun-19 RM'000</b>
Revenue	107,165	209,566
Cost of sales	(71,794)	(144,760)
Gross profit	35,371	64,806
Other Income	5,709	7,752
Selling and marketing expenses	(2,706)	(4,341)
Direct operating and general administrative expenses	(32,012)	(53,147)
Finance costs	(2,464)	(4,375)
Profit before tax	3,898	10,695
Income tax expenses	(1,145)	(2,253)
Profit for the period	2,753	8,442
Profit attributable to:		
Owners of the parent	2,760	8,457
Non-controlling interest	(7)	(15)
	2,753	8,442

Earnings per share attributable to owners of the parent:

Basic earnings per share (sen) - Note B13	0.19	0.58
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 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 the interim financial statements.

**MCT BERHAD (881786-X)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

*(The figures have not been audited)*

	<b>(UNAUDITED) AS AT END OF CURRENT FINANCIAL PERIOD 30-Jun-19 RM'000</b>	<b>(AUDITED) AS AT PRECEDING FINANCIAL PERIOD END 30-Dec-18 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	269,030	272,082
Investment properties	252,529	251,882
Inventories - land held for property development	464,991	410,241
Deferred tax assets	6,336	1,931
Right of use assets	731	-
	993,617	936,136
<b>Total Non-Current Assets</b>		
<b>Current Assets</b>		
Inventories - at cost	4,291	5,461
Inventories - property development costs	172,918	180,283
Trade receivables	133,170	129,468
Other receivables and prepaid expenses	50,594	74,594
Contract assets	30,488	50,600
Tax recoverable	36,096	32,014
Deposits with licensed banks	80,936	83,926
Cash and bank balances	247,068	260,428
	755,561	816,774
<b>Total Current Assets</b>		
Non-current assets held for sale	41,472	39,000
<b>Total Assets</b>		
	1,790,650	1,791,910

**MCT BERHAD (881786-X)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

*(The figures have not been audited)*

	<b>(UNAUDITED) AS AT END OF CURRENT FINANCIAL PERIOD 30-Jun-19 RM'000</b>	<b>(AUDITED) AS AT PRECEDING FINANCIAL PERIOD END 31-Dec-18 RM'000</b>
<b>EQUITY AND LIABILITIES</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	412,068	403,611
	890,533	882,076
Non-controlling interests	1,442	1,457
	<b>Total Equity</b>	<b>883,533</b>
<b>Non-Current Liabilities</b>		
Borrowings	186,274	212,532
Hire-purchase payables	80	328
Other payables	14,597	16,697
Lease liabilities	254	-
	<b>Total Non-Current Liabilities</b>	<b>229,557</b>
<b>Current Liabilities</b>		
Trade payables	86,421	166,129
Other payables and accrued expenses	174,531	211,533
Provisions	20,964	27,845
Contract liabilities	89,585	142,435
Amount owing to holding company	203,742	-
Borrowings	120,927	123,139
Hire-purchase payables	768	1,541
Tax liabilities	45	6,197
Lease liabilities	487	-
	<b>Total Current Liabilities</b>	<b>678,820</b>
	<b>Total Liabilities</b>	<b>908,377</b>
	<b>Total Equity and Liabilities</b>	<b>1,791,910</b>

The 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 the interim financial statements.

**MCT BERHAD (881786-X)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2019**  
*(The figures have not been audited)*

	Attributable to the owners of the Company			Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Non- Distributable Acquisition reserve RM'000	Distributable Retained earnings RM'000			
<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	-	-	8,457	8,457	(15)	8,442
<b>As at 30 June 2019</b>	1,541,092	(1,062,627)	412,068	890,533	1,442	891,975
<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>	1,541,092	(1,062,627)	343,138	821,603	1,472	823,075
Total comprehensive income for the period	-	-	60,473	60,473	(15)	60,458
<b>As at 31 December 2018</b>	1,541,092	(1,062,627)	403,611	882,076	1,457	883,533

The 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 the interim financial statements.

**MCT BERHAD (881786-X)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

*(The figures have not been audited)*

	<b>(UNAUDITED)</b> <b>6 MONTHS</b> <b>ENDED</b> <b>30-Jun-19</b> <b>RM'000</b>	<b>(AUDITED)</b> <b>6 MONTHS</b> <b>ENDED</b> <b>31-Dec-18</b> <b>RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before tax	10,695	78,871
Adjustments for:		
Depreciation of:		
Property, plant and equipment	2,466	3,009
Investment properties	118	323
Finance costs	4,375	2,023
Impairment loss on property, plant and equipment	-	848
Allowance for impairment loss	-	3,085
Bad debts written off	-	5
Property, plant and equipment written off	-	86
Gain on disposal of property, plant and equipment	(2,057)	(271)
Gain on disposal of assets held for sale	-	(2,568)
Interest income	(3,513)	(2,609)
Unrealised loss/(gain) on foreign exchange	2,058	(34)
Amortisation of right of use assets	244	-
Lease interest	24	-
	14,410	82,768
Operating Profit Before Working Capital Changes	14,410	82,768
Decrease/(Increase) in:		
Inventories	1,171	(790)
Inventories - property development costs	12,533	(75,321)
Contract assets	20,111	235,994
Trade receivables	(3,702)	(68,044)
Other receivables and prepaid expenses	28,842	23,327
Increase/(Decrease) in:		
Contract liabilities	(52,850)	(47,308)
Trade payables	(79,708)	49,453
Other payables and accrued expenses	(41,332)	17,520
Provisions	(6,881)	(3,928)
	(107,406)	213,671
Cash (Used In)/Generated from Operations	(107,406)	213,671
Income taxes paid	(16,890)	(5,906)
	(124,296)	207,765
Net Cash (Used In)/From Operating Activities	(124,296)	207,765

**MCT BERHAD (881786-X)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2019**  
*(The figures have not been audited)*

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>6 MONTHS</b>	<b>6 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>30-Jun-19</b>	<b>31-Dec-18</b>
	<b>RM'000</b>	<b>RM'000</b>
 <b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	283	911
Proceeds from disposal of assets held for sale	-	14,500
Interest received	3,513	2,609
Additions to:		
Investment properties	(3,680)	(7,554)
Property, plant and equipment	(1,071)	(6,645)
Inventories - Land held for property development	(54,751)	(152,522)
Decrease/(Increase) in:		
Fixed deposits pledged with licensed banks	3,514	462
Fixed deposits with maturity period more than 90 days	(794)	(12)
Net Cash Used In Investing Activities	(52,986)	(148,251)
 <b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Drawdown of term loans	16,430	113,964
Proceeds from bank borrowings	-	55,000
Repayment of:		
Term loans	(45,583)	(44,576)
Bank borrowings	-	(20,000)
Hire-purchase payables	(1,021)	(1,540)
Lease liabilities	(258)	-
Finance costs paid	(7,600)	(4,254)
Increase in amount owing to holding company	201,684	-
Net Cash From Financing Activities	163,652	98,594
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(13,630)</b>	<b>158,108</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>300,264</b>	<b>142,156</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>286,634</b>	<b>300,264</b>



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

*(The figures have not been audited)*

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

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>6 MONTHS</b>	<b>6 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>30-Jun-19</b>	<b>31-Dec-18</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits with licensed banks	80,895	83,886
Investments in short-term funds	41	40
Deposits with licensed banks	80,936	83,926
Deposits under Housing Development Accounts	212,353	228,399
Cash on hand and in bank	34,715	32,029
Cash and bank balances	247,068	260,428
Less: Fixed deposits pledged with licensed banks	(40,162)	(43,676)
Fixed deposits with maturity period more than 90 days	(1,208)	(414)
Cash and cash equivalents	286,634	300,264

The 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 the interim financial statements.

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 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 9	Financial Instrument
MFRS 15	Revenue from Contracts with Customers
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.

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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**

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.

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 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 period ended 30 June 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>CURRENT PERIOD QUARTER 30-Jun-19 RM'000</b>	<b>CUMULATIVE PERIOD TO DATE 30-Jun-19 RM'000</b>
Staff costs	12,904	25,829
Depreciation of:		
Property, plant and equipment	929	2,466
Investment properties	43	118
Unrealised loss on foreign exchange	1,476	2,058
Gain on disposal of property, plant and equipment	(1,926)	(2,057)
Interest income	(1,925)	(3,513)

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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 30 June 2019 is as follows:

	<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>Revenue</b>								
External revenue	198,656	-	-	717	10,193	209,566	-	209,566
Inter-segment revenue	-	145,099	-	28,716	4,315	178,130	(178,130)	-
<b>Total revenue</b>	<b>198,656</b>	<b>145,099</b>	<b>-</b>	<b>29,433</b>	<b>14,508</b>	<b>387,696</b>	<b>(178,130)</b>	<b>209,566</b>
<b>Results</b>								
Operating profit/(loss)	5,689	5,750	(3,220)	(5,776)	952	3,395	3,923	7,318
Interest income	2,755	69	257	277	155	3,513	-	3,513
Other income	445	509	4,555	3,160	75	8,744	(4,505)	4,239
Finance costs	(1,275)	(1,179)	(4,751)	(286)	(399)	(7,890)	3,515	(4,375)
<b>Profit/(Loss) before tax</b>	<b>7,614</b>	<b>5,149</b>	<b>(3,159)</b>	<b>(2,625)</b>	<b>783</b>	<b>7,762</b>	<b>2,933</b>	<b>10,695</b>
Income tax expense	(3,559)	(1,221)	-	(253)	(84)	(5,117)	2,864	(2,253)
<b>Profit/(Loss) after tax</b>	<b>4,055</b>	<b>3,928</b>	<b>(3,159)</b>	<b>(2,878)</b>	<b>699</b>	<b>2,645</b>	<b>5,799</b>	<b>8,442</b>

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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 30 June 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	1,918,146	635,911	1,907,988	417,368	94,463	4,973,876	(3,225,658)	1,748,218
Tax recoverable and deferred tax asset	21,427	15,811	6	476	58	37,778	4,654	42,432
<b>Total assets</b>	<b>1,939,573</b>	<b>651,722</b>	<b>1,907,994</b>	<b>417,844</b>	<b>94,521</b>	<b>5,011,654</b>	<b>(3,221,004)</b>	<b>1,790,650</b>
Segment liabilities	1,713,857	522,330	341,534	110,209	112,893	2,800,823	(1,902,193)	898,630
Tax liabilities and deferred tax liabilities	-	-	-	-	45	45	-	45
<b>Total liabilities</b>	<b>1,713,857</b>	<b>522,330</b>	<b>341,534</b>	<b>110,209</b>	<b>112,938</b>	<b>2,800,868</b>	<b>(1,902,193)</b>	<b>898,675</b>

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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 30 June 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>Other segment information</b>						
Capital expenditure:						
Investment properties	3,680	-	-	-	-	3,680
Property, plant and equipment	655	81	-	101	76	913
Depreciation of:						
Investment properties	118	-	-	-	-	118
Property, plant and equipment	529	401	-	360	1,176	2,466

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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**

**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 30-Jun-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>61,224</u>	<u>61,112</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**

**A12 Commitments**

The Group has the following commitments:

Approved and contracted for:

(a) Corporate Guarantees

	<b>As at 30-Jun-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	87,830	110,115
Corporate guarantee extended in support of credit facilities granted to subsidiaries	208,151	212,644
	295,981	322,759
(b) Others		
Acquisition of land	-	38,058
<b>Total commitments</b>	<b>295,981</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 30-Jun-19 RM'000</b>
Rental of premises paid/payable to related parties	802
Interest paid/payable to holding company	2,204
Utilities fees received/receivable from related parties	2,854
Advances from holding company	199,509

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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**

**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 is 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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**B1 Performance Review**

For the quarter

The Group recorded revenue of RM107 million for the current period ended 30 June 2019, a 5% improvement from the previous quarter. This is backed by the pick-up in the construction progress from the festive season. The Group expects construction progress to pick-up moving ahead as the Group expects to handover three projects by early 2020.

Expenses recorded was RM35 million during the quarter, up from RM22 million from the previous quarter. This is mainly attributed by the increase in sales and marketing expenses of RM3 million which is in line with the increased in sales. In addition, unrealised loss on foreign exchange and maintenance expenses for the investment properties held at SkyPark @ Cyberjaya also contributed to the said increase.

For the current period to date

The Group recorded revenue of RM210 million for the 6 months period ended 30 June 2019. Savings realised from SkyPark @ Cyberjaya coupled with the improvement of construction progress has contributed to the revenue and profit recognition for the period. Property development segment contributed to 95% of the total revenue of the Group.

Gross profit margin remained healthy at 30% as the contribution from low margin products such as PR1MA Homes were the main revenue drivers.

The lower effective tax rate of 21% 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 RM8 million at 4% net profit margin following the increase in expenses incurred which coincided with the slow construction progress for the same period.

**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**

With the introduction of Home Ownership Campaign (“HOC”) by the Government, the property sector have shown improvement as the campaign has stirred interest among homebuyers. With the Group’s experience in residential development, the outlook for the Group is positive given that the Group is expecting several key launches at Cybersouth and Lakefront @ Cyberjaya project by the end of 2019. The focus will remain at residential properties that are priced between RM250,000 and RM750,000, 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.

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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**

There were no material corporate proposals entered into during the quarter under review.

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**B9 Group borrowings**

Total loans and borrowings as at 30 June 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	50,927	186,274	237,201
Revolving credit	70,000	-	70,000
<b>Unsecured:</b>			
Hire-purchase	768	80	848
	<u>121,695</u>	<u>186,354</u>	<u>308,049</u>

Save for the advances from holding company and its related interest payable, there were no loans and borrowings denominated in foreign currency as at 30 June 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	265,271
Revolving credit	70,000	-	70,000
<b>Unsecured:</b>			
Hire-purchase	1,541	328	1,869
	<u>124,680</u>	<u>212,860</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>30-Jun-19</b>
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:

	30-Jun-19	
	RM'000	% to total borrowings
Fixed rate	7,104	2%
Floating rate	300,945	98%
	<u>308,049</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 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 suits were 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 suits 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.

Another originating summons was filed by Chellappa A/L Kalimuthu seeking a declaration, amongst others, that the affairs of the temple are subject to a constructive trust for religious purposes as well as seeking directions for the administration and management of the temple and the vesting of immovable property(ies) (if any) of the temple, or to be donated to the temple, or to be acquired for the benefit of the temple to the Court appointed Trustees, and the intervention of the Attorney General of Malaysia in respect of matters concerning the affairs of the temple.

OCD responded by filing an affidavit in reply on 30 May 2019 and a supplemental affidavit on 12 July 2019.

On 8 August 2019, the plaintiff's solicitors informed the Court that they do not intend to file any further affidavit in reply to OCD's affidavits. The Court then directed the plaintiff to file core bundles and written submissions first, and fixed the next case management date on 10 September 2019 pending filing of submissions. OCD are at liberty to also file submission by 10 September 2019.

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**B11 Income Tax Expense**

	<b>Current period quarter 30-Jun-19 RM'000</b>	<b>Cumulative current period ended 30-Jun-19 RM'000</b>
Income tax expense comprises:		
Current tax		
- for current quarter/financial period-to-date	1,642	6,658
Deferred tax		
- for current quarter/financial period-to-date	(496)	(4,405)
	1,146	2,253

**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 period quarter 30-Jun-19</b>	<b>Cumulative current period ended 30-Jun-19</b>
Profit attributable to owners of the parent (RM'000)	2,761	8,457
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995
Basic earnings per share (sen)	0.19	0.58



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**B14 Trade Receivables**

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

	<b>30-Jun-19</b> <b>RM'000</b>
Neither past due nor impaired	100,788
1 to 30 days past due	17,204
31 to 60 days past due	3,488
61 to 90 days past due	1,351
More than 90 days past due	14,439
	137,270
Less: Provision for doubtful debt for trade receivables	(4,100)
	<u>133,170</u>

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.