

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

Interim Financial Reports
For The Year Ended 31 December 2019

MCT BERHAD (881786-X)
Incorporated In Malaysia

Interim Financial Reports

For The Year Ended 31 December 2019

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MCT BERHAD (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

(The figures have not been audited)

	CURRENT YEAR QUARTER 31-Dec-19 RM'000	CUMULATIVE YEAR TO DATE 31-Dec-19 RM'000
Revenue	118,195	468,657
Cost of sales	(52,899)	(282,468)
Gross profit	65,296	186,189
Other Income	4,523	19,720
Selling and marketing expenses	(6,081)	(17,493)
Direct operating and general administrative expenses	(35,501)	(115,396)
Finance costs	(11,670)	(19,609)
Profit before tax	16,567	53,411
Income tax expenses	2,100	(8,360)
Profit for the period/year	18,667	45,051
Other comprehensive expense, net of tax		
Items that may be reclassified subsequently to profit or loss		
Cash flow hedge	(3,022)	(3,022)
Total comprehensive income for the period/year	15,645	42,029
Total comprehensive income attributable to:		
Owners of the parent	15,659	42,542
Non-controlling interest	(14)	(513)
	15,645	42,029
Earnings per share attributable to owners of the parent:		
Basic earnings per share (sen) - Note B13	1.07	2.92
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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

(The figures have not been audited)

	AS AT END OF CURRENT FINANCIAL YEAR 31-Dec-19 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31-Dec-18 RM'000 (restated)
ASSETS		
Non-Current Assets		
Property, plant and equipment	272,376	272,082
Investment properties	241,008	251,882
Inventories - land held for property development	263,325	397,862
Deferred tax assets	10,081	1,931
Right of use assets	4,892	-
	791,682	923,757
Total Non-Current Assets		
Current Assets		
Inventories - at cost	16,532	5,461
Inventories - property development costs	340,562	177,869
Trade receivables	106,389	129,468
Other receivables and prepaid expenses	45,479	74,594
Contract assets	78,993	50,600
Tax recoverable	29,151	32,014
Deposits with licensed banks	93,785	83,926
Cash and bank balances	373,004	260,428
	1,083,895	814,360
Total Current Assets		
Non-current assets held for sale	-	39,000
	-	39,000
Total Assets		
	1,875,577	1,777,117

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

(The figures have not been audited)

	AS AT END OF CURRENT FINANCIAL YEAR 31-Dec-19 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31-Dec-18 RM'000 (restated)
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	1,541,092	1,541,092
Acquisition reserve	(1,062,627)	(1,062,627)
Cash flow hedge reserve	(3,022)	-
Retained earnings	435,322	389,758
	910,765	868,223
Non-controlling interests	944	1,457
Total Equity	911,709	869,680
Non-Current Liabilities		
Borrowings	-	212,532
Hire-purchase payables	148	328
Other payables	7,906	16,697
Derivative financial liabilities	10,968	-
Amount owing to ultimate holding company	515,221	-
Lease liabilities	6,071	-
Total Non-Current Liabilities	540,314	229,557
Current Liabilities		
Trade payables	98,570	166,129
Other payables and accrued expenses	148,240	211,533
Provisions	8,511	27,846
Contract liabilities	156,029	141,495
Borrowings	-	123,139
Hire-purchase payables	249	1,541
Tax liabilities	3,465	6,197
Lease liabilities	8,490	-
Total Current Liabilities	423,554	677,880
Total Liabilities	963,868	907,437
Total Equity and Liabilities	1,875,577	1,777,117

The 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 the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019
(The figures have not been audited)

	Attributable to the owners of the Company						Non- controlling interests RM'000	Total equity RM'000
	<--- Non-Distributable --->			Distributable		Total RM'000		
	Share capital RM'000	Acquisition reserve RM'000	Cash flow hedge reserve RM'000	Retained earnings RM'000				
As at 31 December 2018 (as previously stated)	1,541,092	(1,062,627)	-	403,610	882,075	1,457	883,532	
Prior year adjustments	-	-	-	(13,852)	(13,852)	-	(13,852)	
As at 1 January 2019 (restated)	1,541,092	(1,062,627)	-	389,758	868,223	1,457	869,680	
Total comprehensive income for the year	-	-	(3,022)	45,564	42,542	(513)	42,029	
As at 31 December 2019	1,541,092	(1,062,627)	(3,022)	435,322	910,765	944	911,709	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019
(The figures have not been audited)

Attributable to the owners of the Company

	<--- Non-Distributable --->			Distributable		Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Acquisition reserve RM'000	Cash flow hedge reserve RM'000	Retained earnings RM'000	Total RM'000		
As at 30 June 2018 (restated)	1,541,092	(1,062,627)	-	343,137	821,602	1,472	823,074
Prior year adjustments	-	-	-	(13,004)	(13,004)	-	(13,004)
As at 1 July 2018 (restated)	1,541,092	(1,062,627)	-	330,133	808,598	1,472	810,070
Total comprehensive income for the period	-	-	-	59,625	59,625	(15)	59,610
As at 31 December 2018 (restated)	1,541,092	(1,062,627)	-	389,758	868,223	1,457	869,680

The 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 the interim financial statements.

MCT BERHAD (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	12 MONTHS ENDED 31-Dec-19 RM'000	6 MONTHS ENDED 31-Dec-18 RM'000 (restated)
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before tax	53,411	78,022
Adjustments for:		
Depreciation of:		
Property, plant and equipment	8,986	3,009
Investment properties	434	323
Finance costs	19,100	2,023
Impairment loss on property, plant and equipment	-	848
Impairment loss on investment properties	10,937	-
Impairment loss on right of use assets	3,684	-
Inventories - land held for property development written off	8,726	-
Allowance for doubtful debts	103	3,085
Allowance for impairment loss no longer required	(1,499)	-
Bad debts written off	4	5
Property, plant and equipment written off	5	86
Gain on disposal of property, plant and equipment	(2,114)	(271)
Gain on disposal of asset held for sale	(4,721)	(2,568)
Interest income	(8,291)	(2,609)
Right-of-use asset amortisation	475	-
Amortisation of arrangement costs for borrowings	2,496	-
Lease interest	509	-
Unrealised loss/(gain) on foreign exchange	230	(34)
	92,475	81,919
Operating Profit Before Working Capital Changes	92,475	81,919
(Increase)/Decrease in:		
Inventories	(11,071)	(790)
Inventories - property development costs	(8,943)	(75,652)
Contract assets	(27,127)	235,994
Trade receivables	24,470	(68,044)
Other receivables and prepaid expenses	32,528	23,327
Increase/(Decrease) in:		
Contract liabilities	13,594	(47,308)
Trade payables	(67,790)	49,453
Other payables and accrued expenses	(37,076)	17,520
Provisions	(18,395)	(3,928)
	(7,335)	212,491
Cash (Used In)/Generated from Operations	(7,335)	212,491
Income taxes paid - net	(16,680)	(5,906)
	(24,015)	206,585
Net Cash (Used In)/From Operating Activities	(24,015)	206,585

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	12 MONTHS ENDED 31-Dec-19 RM'000	6 MONTHS ENDED 31-Dec-18 RM'000 (restated)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	342	911
Proceeds from disposal of assets held for sale	47,000	14,500
Interest received	8,291	2,609
Additions to:		
Investment properties	(5,862)	(7,554)
Property, plant and equipment	(9,164)	(6,645)
Inventories - Land held for property development	(40,700)	(151,342)
Decrease/(Increase) in:		
Fixed deposits pledged with licensed banks	5,064	462
Fixed deposits with maturity period more than 90 days	1	(12)
Net Cash From/(Used In) Investing Activities	4,972	(147,071)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	20,117	113,964
Proceeds from bank borrowings	-	55,000
Payment of lease liabilities	(9,249)	-
Repayment of:		
Term loans	(360,638)	(44,576)
Bank borrowings	-	(20,000)
Hire-purchase payables	(1,638)	(1,540)
Finance costs paid	(21,619)	(4,254)
Increase in amount owing to ultimate holding company	519,570	-
Net Cash From Financing Activities	146,543	98,594
NET INCREASE IN CASH AND CASH EQUIVALENTS	127,500	158,108
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	300,264	142,156
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	427,764	300,264

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

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

	12 MONTHS ENDED 31-Dec-19 RM'000	6 MONTHS ENDED 31-Dec-18 RM'000 (restated)
Fixed deposits with licensed banks	93,744	83,886
Investments in short-term funds	41	40
Deposits with licensed banks	93,785	83,926
Deposits under Housing Development Accounts	341,013	228,399
Cash on hand and in bank	31,991	32,029
Cash and bank balances	<u>373,004</u>	<u>260,428</u>
Less: Fixed deposits pledged with licensed banks	(38,612)	(43,676)
Fixed deposits with maturity period more than 90 days	<u>(413)</u>	<u>(414)</u>
Cash and cash equivalents	<u><u>427,764</u></u>	<u><u>300,264</u></u>

The 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 the interim financial statements.

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 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 2015-2017 Cycle

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

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("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 ²
Amendments to:	
MFRS 3	Definition of a Business ¹
MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
MFRS 101 and MFRS 108	Definition of Material ¹
MFRS 7, MFRS 9 and MFRS 139	Interest Rate Benchmark Reform ¹
Amendments to References to the Conceptual Framework in MFRS Standards ¹	

- 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
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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 year ended 31 December 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:

	CURRENT YEAR QUARTER 31-Dec-19 RM'000	YEAR TO DATE 31-Dec-19 RM'000
Staff costs	11,985	50,061
Depreciation of:		
Property, plant and equipment	4,445	8,986
Investment properties	249	434
Allowance for doubtful debts	3	103
Impairment loss on investment properties	10,937	10,937
Impairment loss on right of use assets	3,684	3,684
Inventories - land held for property development written off	8,726	8,726
Unrealised (gain)/loss on foreign exchange	(4,251)	230
Bad debts written off	4	4
Property, plant and equipment written off	5	5
Allowances for doubtful debts no longer required	(1,499)	(1,499)
Gain on disposal of property, plant and equipment	(57)	(2,114)
Interest income	(2,452)	(8,291)

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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 year ended 31 December 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
Revenue								
External revenue	450,537	-	-	805	17,315	468,657	-	468,657
Inter-segment revenue	-	275,465	-	67,279	2,247	344,991	(344,991)	-
Total revenue	450,537	275,465	-	68,084	19,562	813,648	(344,991)	468,657
Results								
Operating profit/loss	58,423	1,601	(4,430)	(1,544)	(750)	53,300	-	53,300
Interest income	7,066	184	471	251	319	8,291	-	8,291
Other income	6,573	810	51	3,432	563	11,429	-	11,429
Finance costs	(6,102)	(53)	(12,764)	(37)	(653)	(19,609)	-	(19,609)
Profit/(Loss) before tax	65,960	2,542	(16,672)	2,102	(521)	53,411	-	53,411
Income tax expense	(7,152)	(935)	-	(197)	(76)	(8,360)	-	(8,360)
Profit/(Loss) after tax	58,808	1,607	(16,672)	1,905	(597)	45,051	-	45,051

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

A8 Segmental information

The segmental information for the year ended 31 December 2019 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	2,241,592	686,567	2,259,612	189,995	106,266	5,484,032	(3,647,687)	1,836,345
Tax recoverable and deferred tax asset	12,404	7,552	-	816	28	20,800	18,432	39,232
Total assets	2,253,996	694,119	2,259,612	190,811	106,294	5,504,832	(3,629,255)	1,875,577
Segment liabilities	1,765,381	558,417	698,129	142,142	124,952	3,289,021	(2,328,618)	960,403
Tax liabilities and deferred tax liabilities	1,895	-	25	1,545	-	3,465	-	3,465
Total liabilities	1,767,276	558,417	698,154	143,687	124,952	3,292,486	(2,328,618)	963,868

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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 year ended 31 December 2019 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
Other segment information						
Capital expenditure:						
Investment properties	5,862	-	-	-	-	5,862
Property, plant and equipment	6,969	272	-	86	1,837	9,164
Depreciation of:						
Investment properties	434	-	-	-	-	434
Property, plant and equipment	3,368	1,484	-	943	3,191	8,986
Impairment loss of:						
Investment properties	10,937	-	-	-	-	10,937

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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 year

There were no material events subsequent to the end of the current quarter under review 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 current quarter under review are as follows:

(a) Performance bond

	As at 31-Dec-19 RM'000	As at 31-Dec-18 RM'000
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	<u>59,545</u>	<u>61,112</u>

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("MFRS") 134: INTERIM FINANCIAL REPORTING

A12 Commitments

The Group has the following commitments:

Approved and contracted for:

(a) Corporate Guarantees

	As at 31-Dec-19 RM'000	As at 31-Dec-18 RM'000
Corporate guarantee granted by a wholly-owned subsidiary, MCT Consortium Bhd in support of credit facilities granted to subsidiaries	-	110,115
Corporate guarantee extended in support of credit facilities granted to subsidiaries	-	212,644
	-	322,759
(b) Others		
Acquisition of land	-	38,058
Total commitments	-	360,817

A13 Significant related party transactions

During the financial year, the significant related party transactions entered by the Group, which were determined based on negotiations agreed between the parties, are as follows:

	YEAR TO DATE 31-Dec-19 RM'000
Interest paid/payable to ultimate holding company	9,746
Advances from ultimate holding company	719,079
Repayment made to ultimate holding company	(199,509)
	<u><u> </u></u>

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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 current 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.

A16 Prior year adjustments

Prior year adjustments were made in respect of adoption of MFRS 16 Leases and clarification made by IFRS Interpretations Committee on MFRS 123 Borrowing Costs.

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

	As previously reported 31 December 2018 RM'000	Prior year adjustments RM'000	As restated 31 December 2018 RM'000
Inventories - land held for property development	410,240	(12,378)	397,862
Inventories - Property development costs	180,283	(2,414)	177,869
Contract liabilities	142,435	(940)	141,495
Retained earnings	403,610	(13,852)	389,758
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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 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 current quarter under review

The Group recorded revenue of RM118 million for the current quarter under review, a 16% drop from the RM141 million recorded for the preceding quarter ended 30 September 2019. The decrease was mainly due to the slowdown in sales velocity for projects with high completion rates such as Lakefront Residence Phase 2 and Casa Wood @ Cybersouth.

During the current quarter under review, the Group's gross profit margin improved from 40% to 55% arising from savings in construction cost for Cybersouth's Casa Bluebell and Casa Wood as these projects are nearing completion and in line with the clarification made by the IFRIC on project related interest expense.

Total expenses for the quarter under review increased by RM16 million to RM53 million from RM37 million recorded for the preceding quarter ended 30 September 2019. The increase was mainly due to the recognition of inventories written down of RM9 million and impairment loss on investment properties and right of use assets of RM11 million and RM3 million respectively.

Further, as part of the Group's cash management efforts, the Group undertook a RM515 million loan from the ultimate holding company to repay all outstanding borrowings. This led to a realised loss on foreign exchange amounting to RM3 million for the current quarter under review. Consequently, the Group recorded profit after tax of RM18 million for the current quarter under review. The Group also manages the risks of the loan by entering into a hedge.

For the 12-months period ended 31 December 2019

The Group recorded revenue of RM461 million for the 12 months period ended 31 December 2019. The Group revenue was mainly driven by sales for projects with high completion rates as well as construction progress as the Group expects to complete and hand-over more than 3,000 units of properties across four projects. The property development segment contributed to 96% of the total revenue of the Group.

In July 2019, the Group launched Park Place I @ Cybersouth which recorded take up rate of 44% as at 31 December 2019.

Gross profit margin remained healthy at 39% whilst total expenses stood at 33% of revenue.

The Group also completed the RM47 million disposal of land for development in Cyberjaya which recorded a gain on disposal of RM5 million.

The effective tax rate of 14% is lower than the statutory tax rate of 24% following the utilisation of losses from certain subsidiaries.

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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 under review.

B3 Prospects for the next financial year

The property sector saw a marginal uptick in transaction in the 2nd half of 2019 pursuant to the Home Ownership Campaign initiated by the Government to increase first-time home ownership. The outlook for the Group remains positive given that the Group is expecting to launch a new phase at Cybersouth by the first quarter of 2020. This will be followed by a few more new launches for the rest of 2020 across several projects. The Group's landbanking efforts in 2018 will also bear fruit in 2020 as the Group is targeting to launch the first phase of the newly acquired land in Subang Jaya by the first half of 2020. The Group's focus will remain at residential properties that are priced between RM250,000 and RM750,000, with some commercial units to complement the completed projects.

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 current quarter under review.

B6 Profit/(Loss) on sale of unquoted investments

There was no sale of unquoted investments during the current quarter under review.

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 current quarter under review.

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B9 Group borrowings

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

	Short-term RM'000	Long-term RM'000	Total RM'000
Unsecured:			
Hire-purchase	249	147	396

Save for the advances from ultimate holding company and its related interest payable, there were no loans and borrowings denominated in foreign currency as at 31 December 2019.

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	53,139	212,532	265,671
Revolving credit	70,000	-	70,000
Unsecured:			
Hire-purchase	1,541	328	1,869
	124,680	212,860	337,540

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:

	31-Dec-19
Hire-purchase	2.95%

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B9 Group borrowings (continued)

The interest rate profile of the borrowings are:

	31-Dec-19	
	RM'000	% to total borrowings
Fixed rate	<u>396</u>	100%

B10 Material litigation

- (a) By virtue of an originating summons (“OS”) filed by Chellappa Kalimuthu, President of the Jawatankuasa Pengurusan Kuil (“Chellappa”) of the Sri Maha Mariamman Temple (“Temple”) in the High Court on 3.5.2019, Chellappa is seeking the following orders:
- i. A declaration that the affairs of the Temple are subject to a constructive trust for religious purposes;
 - ii. the administration and management of the Temple;
 - iii. 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;
 - iv. intervention of the Attorney General (“AG”) in respect of matters involving the Temple.
- (b) OCD responded by filing an affidavit in reply on 30 May 2019 and a supplemental affidavit on 12 July 2019.
- (c) The AG has filed an application to intervene in the matter, which was allowed by the Court on 25 February 2020. The Court has fixed 26 March 2020 for the AG to file any affidavits and for further directions in respect of the OS.

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B11 Income Tax Expense/(Income)

	Current Year Quarter 31-Dec-19 RM'000	Year To Date 31-Dec-19 RM'000
Income tax expense/(income) comprises:		
Current tax		
- for current quarter/financial year-to-date	9,594	16,510
Deferred tax		
- for current quarter/financial year-to-date	<u>(11,694)</u>	<u>(8,150)</u>
	<u>(2,100)</u>	<u>8,360</u>

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/year attributable to owners of the Company by the number of ordinary shares in issue.

Basic earnings per share

	Current Year Quarter 31-Dec-19	Year To Date 31-Dec-19
Profit attributable to owners of the parent (RM'000)	15,659	42,542
Number of ordinary shares ('000)	1,456,995	1,456,995
Basic earnings per share (sen)	<u>1.07</u>	<u>2.92</u>

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B14 Trade Receivables

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

	31-Dec-19 RM'000
Neither past due nor impaired	85,791
1 to 30 days past due	2,125
31 to 60 days past due	4,576
61 to 90 days past due	509
More than 90 days past due	16,092
	109,093
Less: Provision for doubtful debt for trade receivables	(2,704)
	<u>106,389</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.