

**MCT BERHAD**

**Company No: 200901038658 (881786-X)**  
**(Incorporated In Malaysia)**

**Interim Financial Reports**  
**For The Quarter Ended 31 March 2020**

**MCT BERHAD 200901038658 (881786-X)**  
**Incorporated In Malaysia**

**Interim Financial Reports**

**For The Quarter Ended 31 March 2020**

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**MCT BERHAD 200901038658 (881786-X)**  
**Incorporated In Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2020**  
*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER  31-Mar-20  RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-Mar-19  RM'000	CURRENT YEAR TO DATE  31-Mar-20  RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-Mar-19  RM'000
Revenue	51,819	102,401	51,819	102,401
Cost of sales	(33,357)	(72,966)	(33,357)	(72,966)
Gross profit	<u>18,462</u>	<u>29,435</u>	<u>18,462</u>	<u>29,435</u>
Other Income	2,780	2,042	2,780	2,042
Selling and marketing expenses	(2,147)	(1,636)	(2,147)	(1,636)
Direct operating and general administrative expenses	(16,246)	(21,135)	(16,246)	(21,135)
Finance costs	(8,818)	(1,911)	(8,818)	(1,911)
(Loss)/Profit before tax	(5,969)	6,795	(5,969)	6,795
Income tax credit/(expense)	<u>5,325</u>	<u>(1,107)</u>	<u>5,325</u>	<u>(1,107)</u>
(Loss)/Profit for the period	(644)	5,688	(644)	5,688
Other comprehensive expense, net of tax				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Cash flow hedge	(20,739)	-	(20,739)	-
Total comprehensive (loss)/income for the period	<u>(21,383)</u>	<u>5,688</u>	<u>(21,383)</u>	<u>5,688</u>

**MCT BERHAD 200901038658 (881786-X)**  
**Incorporated In Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2020**

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER  31-Mar-20  RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-Mar-19  RM'000	CURRENT YEAR TO DATE  31-Mar-20  RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-Mar-19  RM'000
Total comprehensive income attributable to:				
Owners of the parent	(21,369)	5,696	(21,369)	5,696
Non-controlling interest	(14)	(8)	(14)	(8)
	<u>(21,383)</u>	<u>5,688</u>	<u>(21,383)</u>	<u>5,688</u>
Earnings per share attributable to owners of the parent:				
Basic earnings per share (sen) - Note B13	(1.47)	0.39	(1.47)	0.39
Diluted earnings per share (sen)	NA	NA	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 year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**MCT BERHAD 200901038658 (881786-X)**  
**Incorporated In Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	<b>(UNAUDITED)</b> <b>AS AT END OF</b> <b>CURRENT</b> <b>FINANCIAL</b> <b>QUARTER</b> <b>31-Mar-20</b> <b>RM'000</b>	<b>(AUDITED)</b> <b>AS AT</b> <b>PRECEDING</b> <b>FINANCIAL</b> <b>YEAR END</b> <b>31-Dec-19</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	269,638	269,554
Investment properties	246,713	248,478
Inventories - land held for property development	277,936	275,293
Deferred tax assets	7,754	2,874
<b>Total Non-Current Assets</b>	<b>802,041</b>	<b>796,199</b>
<b>Current Assets</b>		
Inventories - at cost	16,721	16,802
Inventories - property development costs	316,920	302,067
Trade receivables	82,434	104,775
Other receivables and prepaid expenses	50,348	48,787
Contract assets	33,477	75,688
Tax recoverable	32,894	28,577
Cash and bank balances	452,231	469,660
<b>Total Current Assets</b>	<b>985,025</b>	<b>1,046,356</b>
<b>Total Assets</b>	<b>1,787,066</b>	<b>1,842,555</b>

**MCT BERHAD 200901038658 (881786-X)**  
**Incorporated In Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	<b>(UNAUDITED)</b> <b>AS AT END OF</b> <b>CURRENT</b> <b>FINANCIAL</b> <b>QUARTER</b> <b>31-Mar-20</b> <b>RM'000</b>	<b>(AUDITED)</b> <b>AS AT</b> <b>PRECEDING</b> <b>FINANCIAL</b> <b>YEAR END</b> <b>31-Dec-19</b> <b>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	(1,084,772)	(1,064,477)
Retained earnings	426,621	427,264
Non-controlling interests	943	944
<b>Total Equity</b>	<b>883,884</b>	<b>904,823</b>
<b>Non-Current Liabilities</b>		
Other payables	5,583	7,906
Provisions	1,859	3,136
Amount owing to ultimate holding company	544,373	515,221
Derivative financial liabilities	3,762	10,967
Lease liabilities	4,111	6,219
<b>Total Non-Current Liabilities</b>	<b>559,688</b>	<b>543,449</b>
<b>Current Liabilities</b>		
Trade payables	86,238	104,622
Other payables and accrued expenses	85,547	112,940
Provisions	5,376	5,376
Contract liabilities	155,908	159,141
Tax liabilities	1,831	3,465
Lease liabilities	8,594	8,739
<b>Total Current Liabilities</b>	<b>343,494</b>	<b>394,283</b>
<b>Total Liabilities</b>	<b>902,911</b>	<b>937,732</b>
<b>Total Equity and Liabilities</b>	<b>1,787,066</b>	<b>1,842,555</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**MCT BERHAD 200901038658 (881786-X)**  
**Incorporated In Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 MARCH 2020**  
*(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		
<b>As at 31 December 2018 (as previously reported)</b>	1,541,092	(1,062,627)	-	403,610	882,075	1,457	883,532
Prior year adjustments	-	-	-	(22,378)	(22,378)	-	(22,378)
<b>As at 1 January 2019 (restated)</b>	1,541,092	(1,062,627)	-	381,232	859,697	1,457	861,154
Total comprehensive income for the year	-	-	(1,850)	46,032	44,182	(513)	44,384
<b>As at 31 December 2019</b>	1,541,092	(1,062,627)	(1,850)	427,264	903,879	944	904,823
Total comprehensive income for the period	-	-	(20,739)	(643)	(21,382)	(1)	(21,383)
<b>As at 31 March 2020</b>	1,541,092	(1,062,627)	(22,589)	426,621	882,497	943	883,440

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**MCT BERHAD 200901038658 (881786-X)**  
**Incorporated In Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2020**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>3 MONTHS</b>	<b>12 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>31-Mar-20</b>	<b>31-Dec-19</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before tax	(5,969)	54,378
Adjustments for:		
Depreciation of:		
Property, plant and equipment	2,068	9,671
Investment properties	225	435
Finance costs	8,603	19,090
Impairment loss on investment property	-	14,622
Ineffective cash flow hedge	-	1,172
Allowance for impairment loss no longer required	-	(1,396)
Bad debts written off	-	4
Property, plant and equipment written off	-	508
Gain on disposal of property, plant and equipment	(258)	(2,119)
Gain on disposal of asset held for sale	-	(4,721)
Interest income	(2,316)	(8,291)
Right-of-use asset amortisation	493	475
Lease interest	215	562
Unrealised loss/(gain) on foreign exchange	258	139
	3,319	84,528
Operating Profit Before Working Capital Changes	3,319	84,528
Decrease/(Increase) in:		
Inventories	81	(11,341)
Inventories - property development costs	(14,853)	36,012
Contract assets	42,211	(25,089)
Trade receivables	22,342	26,085
Other receivables and prepaid expenses	(1,562)	30,650
Increase/(Decrease) in:		
Contract liabilities	(3,233)	25,826
Trade payables	(18,595)	(61,646)
Other payables and accrued expenses	(29,986)	(90,144)
Provisions	(1,277)	(14,228)
	(1,553)	653
Cash (Used In)/Generated from Operations	(1,553)	653
Income taxes paid	(5,235)	(16,680)
	(6,788)	(16,027)
Net Cash Used In Operating Activities	(6,788)	(16,027)



**MCT BERHAD 200901038658 (881786-X)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2020**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>3 MONTHS</b>	<b>12 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>31-Mar-20</b>	<b>31-Dec-19</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	1,099	351
Proceeds from disposal of assets held for sale	-	47,000
Interest received	2,316	8,291
Additions to:		
Investment properties	-	(605)
Property, plant and equipment	(1,900)	(16,188)
Inventories - Land held for property development	(2,643)	(53,573)
Fixed deposits with maturity period more than 90 days	(14)	1
	<b>(1,142)</b>	<b>(14,723)</b>
Net Cash Used In Investing Activities		
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	-	19,950
Proceeds from lease liabilities	-	167
Repayment of:		
Term loans	-	(355,621)
Lease liabilities	(2,514)	(10,888)
Finance costs paid	(6,998)	(17,122)
Increase in amount owing to ultimate holding company	-	519,571
	<b>(9,512)</b>	<b>156,057</b>
Net Cash (Used In)/From Financing Activities		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(17,442)</b>	<b>125,307</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>469,247</b>	<b>343,940</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>451,805</b>	<b>469,247</b>
Represent by:		
Fixed deposits with maturity period more than 90 days	426	413
<b>CASH AND BANK BALANCES</b>	<b>452,231</b>	<b>469,660</b>

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2020**

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

**A1 Basis of preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. These interim financial statements contain selected explanatory notes which provide explanations of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("Group").

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 31 December 2019.

The Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2020:

Amendments to:

MFRS 3	Definition of a Business
MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
MFRS 101 and 108	Definition of Material

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	Reference to the Conceptual Framework <sup>3</sup>
MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
MFRS 16	Covid-19-Related Rent Concessions <sup>1</sup>
MFRS 101	Classification of Liabilities as Current or Non-current <sup>3</sup>
MFRS 116	Proceeds before Intended Use <sup>3</sup>
MFRS 137	Cost of Fulfilling a Contract <sup>3</sup>
Amendments to MFRSs	Annual Improvements to MFRSs 2018-2020 Cycle <sup>3</sup>

Amendments to References to the Conceptual Framework in MFRS Standards<sup>1</sup>

- 1 Effective for annual period beginning on or after 1 June 2020, with earlier application permitted.
- 2 Effective for annual period beginning on or after 1 January 2021, with earlier application permitted.
- 3 Effective for annual period beginning on or after 1 January 2022, with earlier application permitted.
- 4 Effective date deferred to a date to be determined and announced, with earlier application permitted.

The directors anticipate that the abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these MFRSs and amendments to MFRSs may have an impact on the financial statements of the Group and the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect until the Group and the Company undertake a detailed review.

**A2 Auditors' Report on preceding annual financial statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2019 were not subject to any qualification.

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2020**

**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 period ended 31 March 2020.

**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 YEAR QUARTER 31-Mar-20 RM'000</b>	<b>YEAR TO DATE 31-Mar-20 RM'000</b>
Staff costs	8,705	8,705
Depreciation of:		
Property, plant and equipment	2,068	2,068
Investment properties	225	225
Amortisation of right of use assets	493	493
Unrealised loss on foreign exchange	258	258
Realised loss on foreign exchange	7	7
Gain on disposal of property, plant and equipment	(258)	(258)
Interest income	(2,316)	(2,316)

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2020**

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

**A8 Segmental information**

The segmental information for the period ended 31 March 2020 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	45,733	-	-	2,359	3,727	51,819	-	51,819
Inter-segment revenue	-	21,871	-	3,711	541	26,123	(26,123)	-
<b>Total revenue</b>	<b>45,733</b>	<b>21,871</b>	<b>-</b>	<b>6,070</b>	<b>4,268</b>	<b>77,942</b>	<b>(26,123)</b>	<b>51,819</b>
<b>Results</b>								
Operating profit/(loss)	3,235	(3,500)	(464)	1,534	(736)	69	-	69
Interest income	1,677	197	342	77	22	2,316	-	2,316
Other income	50	296	4	35	80	464	-	464
Finance costs	(671)	(6)	(8,124)	(6)	(11)	(8,818)	-	(8,818)
<b>Profit/(Loss) before tax</b>	<b>4,291</b>	<b>(3,013)</b>	<b>(8,242)</b>	<b>1,640</b>	<b>(645)</b>	<b>(5,969)</b>	<b>-</b>	<b>(5,969)</b>
Income tax expense	5,390	(39)	(6)	(27)	7	5,325	-	5,325
<b>Profit/(Loss) after tax</b>	<b>9,681</b>	<b>(3,052)</b>	<b>(8,248)</b>	<b>1,613</b>	<b>(638)</b>	<b>(644)</b>	<b>-</b>	<b>(644)</b>

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2020**

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

**A8 Segmental information**

The segmental information for the period ended 31 March 2020 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	2,172,009	677,990	2,262,019	208,656	94,011	5,414,685	(3,668,267)	1,746,418
Tax recoverable and deferred tax asset	17,565	10,505	-	1,277	75	29,422	11,226	40,648
<b>Total assets</b>	<b>2,189,574</b>	<b>688,495</b>	<b>2,262,019</b>	<b>209,933</b>	<b>94,086</b>	<b>5,444,107</b>	<b>(3,657,041)</b>	<b>1,787,066</b>
Segment liabilities	1,741,470	563,635	722,407	142,196	113,059	3,282,767	(2,381,687)	901,080
Tax liabilities and deferred tax liabilities	1,826	-	5	-	-	1,831	-	1,831
<b>Total liabilities</b>	<b>1,743,296</b>	<b>563,635</b>	<b>722,412</b>	<b>142,196</b>	<b>113,059</b>	<b>3,284,598</b>	<b>(2,381,687)</b>	<b>902,911</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 31 March 2020 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	-	-	-	-	-	-
Property, plant and equipment	1,858	28	-	9	5	1,900
Depreciation of:						
Investment properties	225	-	-	-	-	225
Property, plant and equipment	975	317	-	34	742	2,068

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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 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

	<b>As at 31-Mar-20 RM'000</b>	<b>As at 31-Dec-19 RM'000</b>
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	<u>14,842</u>	<u>14,545</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**

There were no commitments in the Group for the current quarter under review.

**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>YEAR TO DATE</b> <b>31-Mar-20</b> <b>RM'000</b>
Interest paid/payable to ultimate holding company	<u>8,124</u>

**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.

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**B1 Performance Review**

For the current quarter under review

The Group recorded revenue of RM52 million for the current quarter ended 31 March 2020, compared to RM102 million in the corresponding quarter of the previous financial year, representing a 49% decrease in revenue. The decrease was mainly due to lower sales and slowdown in construction progress due to the festive season. It was further exacerbated by the Covid-19 pandemic and the ensuing enforcement of the movement control order (“MCO”) by the Government of Malaysia effective from 18 March 2020.

During the current quarter under review, the Group’s gross profit margin improved to 36% from 29% for corresponding quarter of the previous financial year low margin products such as PR1MA Homes from the Lakefront @ Cyberjaya development were the main revenue drivers. There were no new launches for the current quarter under review.

Expenses recorded for the current quarter under review was RM27 million as compared to RM23 million in the corresponding quarter of the previous financial year. This is mainly due to the interest charged by ultimate holding company of RM8 million whereas the interest expenses for the corresponding quarter of the previous financial year was only RM2 million as interest expense for the development projects were charged out based on sales and construction progress. Excluding interest expense, the other expenses would be at RM19 million as compared to RM21 million for corresponding quarter of the previous financial year.

Consequently, the Group recorded loss after tax of RM1 million for the current quarter under review as compared to RM6 million for the corresponding quarter of the previous financial year.

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

The Group recorded revenue of RM52 million for the current quarter ended 31 March 2020, compared to RM118 million in the preceding quarter, representing a 56% decrease in revenue. The decrease was mainly due to lower sales and slowdown in construction progress due to the festive season. It was further exacerbated by the Covid-19 pandemic and the ensuing enforcement of the MCO by the Government of Malaysia effective from 18 March 2020.

Expenses recorded for the current quarter under review was RM27 million as compared to RM52 million in the preceding. This is mainly due to the one-off recognition in the preceding quarter of inventories written down of RM9 million, impairment loss on investment properties and right of use assets of RM11 million and RM3 million respectively as well as recognition of realised loss on foreign exchange of RM3 million of which the Group had entered into a cross currency swap to mitigate the risk.

Consequently, the Group recorded loss after tax of RM1 million for the current quarter under review as compared to RM19 million for the preceding quarter.

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**B3 Prospects for the next financial year**

The Malaysian gross domestic product growth dropped to 0.7% in the first quarter of 2020 compared to 3.6% in the fourth quarter of 2019. In addition, the issues that plagued the property market such as market overhang, price unaffordability and lack of financing are expected to persist in spite of the various measures introduced by the Government to stimulate the property market. The COVID-19 pandemic has affected all sectors, which will add more downward pressure on the property market. The MCO has resulted in a nationwide shutdown of all non-essential business premises.

To mitigate the impact of the slowdown of the economy, the Government has taken various measures to stimulate the property market. Firstly, the Government has reintroduced the Home Ownership Campaign (“HOC”), which was a success when it was first introduced in 2019. Under the HOC, stamp duty exemption will be given on the instruments of transfer (e.g. sales and purchase agreement) – on the first RM1 million of the residential property value. There will also be a 100% stamp duty exemption on the loan agreement. In addition, gains arising from the disposal of residential properties by Malaysian citizens between 1 June 2020 and 31 December 2021 will be exempted from real property gains tax, which will help to stimulate the sub-sale housing market. The Group is optimistic that such measures would help to stimulate the Malaysian property market.

**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 March 2020 were as follows:

	<b>Short-term RM'000</b>	<b>Long-term RM'000</b>	<b>Total RM'000</b>
Unsecured:			
Hire-purchase	<u>167</u>	<u>132</u>	<u>299</u>

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 March 2020.

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

	<b>Short-term RM'000</b>	<b>Long-term RM'000</b>	<b>Total RM'000</b>
Unsecured:			
Hire-purchase	<u>249</u>	<u>147</u>	<u>396</u>

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.

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

	<b>31-Mar-20</b>
Hire-purchase	2.95%

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**B9 Group borrowings (continued)**

The interest rate profile of the borrowings are:

	<b>31-Mar-20</b>	
	<b>RM'000</b>	<b>% to total borrowings</b>
Fixed rate	299	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, Chellapa is seeking the following orders:
- i. A declaration that the affairs of the Sri Maha Marianman temple (“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. Due to the Movement Control Order by the Government of Malaysia, the case management dated 26 March 2020 has been vacated and rescheduled to 26 June 2020.
- (d) Two (2) trustees have been identified and will be appointed by the consent of the different factions of the temple management. The Plaintiff’s counsel will contact the AG to arrange for a meeting with all parties to discuss on the terms for the appointment and transfer of the land.
- (e) The next case management is fixed on 26 September 2020 for parties to update the Court on the progress of the settlement/discussion.

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**B11 Income Tax Expense/(Income)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEEDING YEAR CORRESPONDING PERIOD
	RM'000	RM'000	RM'000	RM'000
Income tax expense/(income) comprises:				
Current tax	1,877	5,016	1,877	5,016
Deferred tax	(7,112)	(3,909)	(7,112)	(3,909)
	<u>(5,235)</u>	<u>1,107</u>	<u>(5,235)</u>	<u>1,107</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 attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEEDING YEAR CORRESPONDING PERIOD
	31-Mar-20 RM'000	31-Mar-20 RM'000	31-Mar-20 RM'000	31-Mar-20 RM'000
Basic earnings per share				
Profit attributable to owners of the parent (RM'000)	(21,369)	5,696	(21,369)	5,696
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995	1,456,995	1,456,995
Basic earnings per share (sen)	<u>(1.47)</u>	<u>0.39</u>	<u>(1.47)</u>	<u>0.39</u>

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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>31-Mar-20</b> <b>RM'000</b>
Neither past due nor impaired	71,807
1 to 30 days past due	1,482
31 to 60 days past due	1,795
61 to 90 days past due	1,582
More than 90 days past due	8,472
	85,138
Less: Provision for doubtful debt for trade receivables	(2,704)
	<u>82,434</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.