

MCT BERHAD

Company No: 200901038653 (881786-X)

(Incorporated In Malaysia)

Financial Reports

For The Year Ended 31 December 2020

MCT BERHAD 200901038653 (881786-X)
Incorporated In Malaysia

Financial Reports

For The Year Ended 31 December 2020

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Dec-20 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-Dec-19 RM'000 (restated)	CURRENT YEAR TO DATE 31-Dec-20 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-Dec-19 RM'000 (restated)
Revenue	207,089	82,576	462,438	433,038
Cost of sales	(118,566)	(51,698)	(303,410)	(281,268)
Gross profit	88,523	30,878	159,028	151,770
Other Income	3,349	4,529	9,392	19,726
Selling and marketing expenses	(2,151)	5,009	(6,808)	(6,403)
Direct operating and general administrative expenses	(31,331)	(32,471)	(92,246)	(112,367)
Finance costs	(8,806)	(15,326)	(35,297)	(23,265)
Profit/(Loss) before tax	49,584	(7,381)	34,069	29,461
Income tax credit/(expense)	(20,691)	6,715	(24,123)	(3,745)
Profit/(Loss) for the period	28,893	(666)	9,946	25,716
Other comprehensive expense, net of tax				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	9,785	(1,406)	(10,822)	(1,406)
Total comprehensive income/(loss) for the period	38,678	(2,072)	(876)	24,310

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Dec-20 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-Dec-19 RM'000 (restated)	CURRENT YEAR TO DATE 31-Dec-20 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-Dec-19 RM'000 (restated)
Total comprehensive income attributable to:				
Owners of the parent	38,678	(2,058)	(873)	24,823
Non-controlling interest	-	(14)	(3)	(513)
	<u>38,678</u>	<u>(2,072)</u>	<u>(876)</u>	<u>24,310</u>
Earnings per share attributable to owners of the parent:				
Basic earnings per share (sen) - Note B13	2.65	(0.14)	(0.06)	1.70
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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	(UNAUDITED) AS AT 31-Dec-20 RM'000	(RESTATED) AS AT 31-Dec-19 RM'000	(RESTATED) AS AT 1-Jan-19 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	259,432	269,554	272,082
Investment properties	251,272	248,478	251,882
Inventories - land held for property development	229,083	275,293	397,862
Deferred tax assets	7,879	3,318	-
Total Non-Current Assets	747,666	796,643	921,826
Current Assets			
Inventories - at cost	12,778	16,802	5,461
Inventories - property development costs	352,370	318,604	189,692
Trade receivables	151,377	104,775	129,468
Other receivables and prepaid expenses	45,140	45,174	74,594
Contract assets	164	75,688	50,600
Tax recoverable	31,179	36,934	35,258
Cash and bank balances	599,300	469,660	344,354
	1,192,308	1,067,637	829,425
Non-current assets held for sale	-	-	39,000
Total Current Assets	1,192,308	1,067,637	868,425
Total Assets	1,939,974	1,864,280	1,790,251
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share capital	1,541,092	1,541,092	1,541,092
Reserves	(1,074,855)	(1,064,033)	(1,062,627)
Retained earnings	407,138	397,189	370,960
	873,375	874,248	849,425
Non-controlling interests	237	944	1,457
Total Equity	873,612	875,192	850,882

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	(UNAUDITED) AS AT 31-Dec-20 RM'000	(RESTATED) AS AT 31-Dec-19 RM'000	(RESTATED) AS AT 1-Jan-19 RM'000
Non-Current Liabilities			
Borrowings	-	-	212,532
Deferred tax liabilities	-	-	5,654
Other payables	3,217	7,906	16,698
Provisions	-	-	8,734
Contract liabilities	-	3,136	5,271
Amount owing to ultimate holding company	502,125	515,221	-
Derivative financial liabilities	34,848	10,967	-
Lease liabilities	1,822	6,219	327
Total Non-Current Liabilities	542,012	543,449	249,216
Current Liabilities			
Trade payables	87,658	104,622	166,129
Other payables and accrued expenses	164,337	112,940	211,533
Provisions	-	-	5,494
Contract liabilities	233,168	215,873	176,121
Tax liabilities	7,658	3,465	6,196
Borrowings	25,000	-	123,139
Lease liabilities	6,529	8,739	1,541
Total Current Liabilities	524,350	445,639	690,153
Total Liabilities	1,066,362	989,088	939,369
Total Equity and Liabilities	1,939,974	1,864,280	1,790,251

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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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		
As at 31 December 2018 (as previously reported)	1,541,092	(1,062,627)	-	381,232	859,697	1,457	861,154
Prior year adjustments	-	-	-	(10,272)	(10,272)	-	(10,272)
As at 1 January 2019 (restated)	1,541,092	(1,062,627)	-	370,960	849,425	1,457	850,882
Total comprehensive income for the year	-	-	(1,406)	26,229	24,823	(513)	24,310
As at 31 December 2019 (restated)	1,541,092	(1,062,627)	(1,406)	397,189	874,248	944	875,192

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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		
As at 31 December 2019 (as previously reported)	1,541,092	(1,062,627)	(1,850)	427,264	903,879	944	904,823
Prior year adjustments	-	-	444	(30,075)	(29,631)	-	(29,631)
As at 1 January 2020 (restated)	1,541,092	(1,062,627)	(1,406)	397,189	874,248	944	875,192
Total comprehensive income for the year	-	-	(10,822)	9,949	(873)	(3)	(876)
Capital reduction vide non-controlling interests	-	-	-	-	-	(704)	(704)
As at 31 December 2020	1,541,092	(1,062,627)	(12,228)	407,138	873,375	237	873,612

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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	(UNAUDITED)	(RESTATED)
	12 MONTHS	12 MONTHS
	ENDED	ENDED
	31-Dec-20	31-Dec-19
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	34,069	29,461
Adjustments for:		
Depreciation of:		
Property, plant and equipment	9,009	9,671
Investment properties	512	435
Finance costs	34,253	22,703
Impairment loss/(Reversal) on investment property	(67)	14,622
Impairment loss on property, plant and equipment	4,740	-
Ineffective cash flow hedge	-	1,172
Allowance/(Reversal) for impairment loss on trade receivables	8,782	(1,396)
Bad debts written off	48	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	(6,438)	(8,291)
Right-of-use asset amortisation	2,811	474
Lease interest	1,044	562
Unrealised loss/(gain) on foreign exchange	(77)	139
	88,428	63,224
Operating Profit Before Working Capital Changes	88,428	63,224
Decrease/(Increase) in:		
Inventories	4,024	(11,341)
Inventories - property development costs	16,524	31,298
Contract assets	75,525	(25,089)
Trade receivables	(55,432)	26,085
Other receivables and prepaid expenses	34	34,262
Increase/(Decrease) in:		
Contract liabilities	22,671	42,723
Trade payables	(16,899)	(61,646)
Other payables and accrued expenses	35,668	(95,250)
	170,543	4,266
Cash Generated from Operations	170,543	4,266
Income taxes paid	(16,232)	(16,680)
	154,311	(12,414)
Net Cash Generated from/(Used In) Operating Activities	154,311	(12,414)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	(UNAUDITED)	(RESTATED)
	12 MONTHS	12 MONTHS
	ENDED	ENDED
	31-Dec-20	31-Dec-19
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1,951	351
Proceeds from disposal of assets held for sale	-	47,000
Interest received	6,438	8,291
Additions to:		
Investment properties	(5,494)	(605)
Property, plant and equipment	(6,422)	(16,188)
Inventories - Land held for property development	(1,423)	(53,573)
Decrease in minority interests	(704)	-
Fixed deposits with maturity period more than 90 days	413	1
	(5,241)	(14,723)
Net Cash Used In Investing Activities		
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from bank borrowings	25,000	19,950
Proceeds from lease liabilities	-	167
Repayment of:		
Term loans	-	(355,621)
Lease liabilities	(9,764)	(10,888)
Finance costs paid	(34,253)	(20,735)
Increase in amount owing to ultimate holding company	-	519,571
	(19,017)	152,444
Net Cash (Used In)/From Financing Activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	130,053	125,307
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	469,247	343,940
CASH AND CASH EQUIVALENTS AT END OF PERIOD	599,300	469,247

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	(UNAUDITED)	(RESTATED)
	12 MONTHS	12 MONTHS
	ENDED	ENDED
	31-Dec-20	31-Dec-19
	RM'000	RM'000
Cash and cash equivalents included in the statements of cash flows comprise the following:		
Fixed deposits with licensed banks	43,309	93,744
Investments in short-term funds	-	41
Deposits with licensed banks	43,309	93,785
Deposits under Housing Development Accounts	547,032	349,653
Cash on hand and in bank	8,959	26,222
Cash and bank balances	555,991	375,875
Less: Fixed deposits with maturity period more than 90 days	-	(413)
Cash and cash equivalents	599,300	469,247

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 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 4	Extension of the Temporary Exemption from Applying MFRS 9
MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
MFRS 16	Covid-19-Related Rent Concessions
MFRS 101 and 108	Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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 ³
Amendments to:	
MFRS 3	Reference to the Conceptual Framework ²
MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform-Phase ¹
MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
MFRS 101	Classification of Liabilities as Current or Non-current ³
MFRS 116	Proceeds before Intended Use ²
MFRS 137	Cost of Fulfilling a Contract ²
Amendments to MFRSs	Annual Improvements to MFRSs 2018-2020 Cycle ²

- 1 Effective for annual period beginning on or after 1 January 2021, with earlier application permitted.
- 2 Effective for annual period beginning on or after 1 January 2022, with earlier application permitted.
- 3 Effective for annual period beginning on or after 1 January 2023, 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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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 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:

	CURRENT YEAR QUARTER 31-Dec-20 RM'000	YEAR TO DATE 31-Dec-20 RM'000
Staff costs	8,657	41,991
Depreciation of:		
Property, plant and equipment	1,603	9,009
Investment properties	168	512
Amortisation of right of use assets	773	2,811
Unrealised (gain)/loss on foreign exchange	(103)	(77)
Realised gain on foreign exchange	(1)	(143)
Loss/(Gain) on disposal of property, plant and equipment	33	(258)
Interest income	(1,931)	(6,438)

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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 2020 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	450,461	-	-	460	11,517	462,438	-	462,438
Inter-segment revenue	-	40,160	-	4,750	1,933	46,843	(46,843)	-
Total revenue	450,461	40,160	-	5,210	13,450	509,281	(46,843)	462,438
Results								
Operating profit/(loss)	81,073	(384)	(1,538)	(10,760)	(8,417)	59,974	-	59,974
Interest income	5,587	261	36,312	186	33	42,379	(35,941)	6,438
Other income	1,597	512	159	514	172	2,954	-	2,954
Finance costs	(25,968)	(7,198)	(33,102)	(1,442)	(848)	(68,558)	33,261	(35,297)
Profit/(Loss) before tax	62,289	(6,809)	1,831	(11,502)	(9,060)	36,749	(2,680)	34,069
Income tax expense	(16,077)	2,669	(6,811)	(239)	46	(20,412)	(3,711)	(24,123)
Profit/(Loss) after tax	46,212	(4,140)	(4,980)	(11,741)	(9,014)	16,337	(6,391)	9,946

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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 2020 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	2,443,928	635,853	2,290,191	155,775	81,182	5,606,929	(3,706,013)	1,900,916
Tax recoverable and deferred tax asset	24,309	12,745	53	1,706	245	39,058	-	39,058
Total assets	2,468,237	648,598	2,290,244	157,481	81,427	5,645,987	(3,706,013)	1,939,974
Segment liabilities	1,952,926	522,732	742,125	142,235	110,772	3,470,790	(2,412,086)	1,058,704
Tax liabilities and deferred tax liabilities	1,430	-	6,228	-	-	7,658	-	7,658
Total liabilities	1,954,356	522,732	748,353	142,235	110,772	3,478,448	(2,412,086)	1,066,362

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A8 Segmental information

The segmental information for the year ended 31 December 2020 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:						
Property, plant and equipment	6,087	28	-	9	12	6,136
Investment properties	5,494	-	-	-	-	5,494
Depreciation of:						
Property, plant and equipment	4,609	2,393	-	130	1,877	9,009
Investment properties	512	-	-	-	-	512
Impairment loss/(Reversal) of:						
Property, plant and equipment	268	797	-	-	3,675	4,740
Investment properties	(67)	-	-	-	-	(67)

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("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-20 RM'000	As at 31-Dec-19 RM'000
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	<u>43,817</u>	<u>14,545</u>

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A12 Commitments

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

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-20 RM'000
Interest paid/payable to ultimate holding company	<u>32,674</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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A16 Prior Year Adjustments

Prior year adjustments were made on recognition of revenue of certain sales contract in which the corresponding cost of sales were also adjusted accordingly.

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

	As previously reported 31 December 2019 RM'000	Prior year adjustments RM'000	As restated 31 December 2019 RM'000
Deferred tax assets	2,874	444	3,318
Inventories - Property development costs	302,067	16,537	318,604
Other receivables and prepaid expenses	48,787	(3,613)	45,174
Tax recoverable	28,577	8,357	36,934
Contract liabilities	164,516	51,357	215,873
Reserves	(1,064,477)	444	(1,064,033)
Retained earnings	427,264	(30,075)	397,189
	-----	-----	-----
	As previously reported 1 January 2019 RM'000	Prior year adjustments RM'000	As restated 1 January 2019 RM'000
Inventories - Property development costs	177,869	11,823	189,692
Tax recoverable	32,014	3,244	35,258
Contract liabilities	150,782	25,339	176,121
Retained earnings	381,232	(10,272)	370,960
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B1 Performance Review

For the current quarter under review

The Group recorded revenue of RM207 million for the current quarter ended 31 December 2020, compared to RM83 million in the corresponding quarter of the preceding year, representing a 249% increase in revenue. The increase was mainly due to higher sales conversion and construction progress pursuant to the delivery of vacant possession for Casa Bluebell @ Cybersouth and Casa Wood @ Cybersouth during the current quarter under review.

Expenses recorded for the current quarter under review is at RM42 million which is consistent with the corresponding quarter of the preceding year. Of the RM42 million, interest expense for the advances from the ultimate holding company was RM9 million. Excluding interest expense, the other expenses would be at RM34 million as compared to RM28 million for the corresponding quarter of the preceding year. This is resultant of the variable expenses as a factor of activity level during the quarter.

Consequently, the Group recorded profit after tax of RM29 million for the current quarter under review as compared to a loss after tax of RM0.7 million for the corresponding quarter of the preceding year.

For the current year

The Group recorded revenue of RM462 million for the financial year ended 31 December 2020. The Group's gross profit margin is at 34% which is mainly driven by the Market Homes project at the Lakefront @ Cyberjaya development.

The Group launched Casa Bayu @ Cybersouth during the year which has since achieved sales of 57% as at 31 December 2020. Further, the Group also successfully handed over vacant possession for Phase 2 of the Lakefront Residence and Lakefront PR1MA Homes located at the Lakefront @ Cyberjaya development which comprised of 606 and 1,932 units of condominium, respectively. The Group also handed over vacant possession for Casa Bluebell and Casa Wood located at Cybersouth development which comprised of 264 and 251 units, respectively.

Expenses recorded for the year was RM134 million, out of which RM35 million were for the interest charged on the advances from its ultimate holding company. In addition, the Group recognised impairment of RM14m for the Group's investment properties, equipment and other assets pursuant to the weak market sentiment following the COVID-19 pandemic.

Consequently, the Group recorded profit after tax of RM10 million for the financial year ended 31 December 2020.

The effective tax rate is at 71% mainly due to a lower tax base arising from the recognition of impairment for the Group's investment properties and equipment. It also includes tax provision owing to the tax deductibility of the interest expense at the holding company under the Earnings Stripping Rules.

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

The Group recorded revenue of RM207 million for the current quarter ended 31 December 2020, compared to RM144 million in the preceding quarter as construction progress and sales conversion picked up during the quarter under review. The gross profit margin for the current quarter increased to 43% from 27% in the preceding quarter due to higher percentage of completion and declaration of savings in construction cost in the current quarter under review. In addition, the delivery of vacant possession for Casa Bluebell @ Cybersouth and Casa Wood @ Cybersouth in November 2020 and December 2020 respectively also contributed to the higher revenue for the current quarter under review.

The Group launched Casa Bayu @ Cybersouth in the preceding quarter which has achieved 57% sales as at 31 December 2020. Further, the Group handed over vacant possession for Casa Bluebell @ Cybersouth and Casa Wood @ Cybersouth development which comprised of 264 and 251 units, respectively in the current quarter under review.

Expenses recorded for the current quarter under review was RM42 million as compared to RM36 million in the previous quarter due to recognition of impairment of assets. Save for above, all other expenses for the quarter under review were in-line with the preceding quarter.

Consequently, the Group recorded profit after tax of RM29 million for the current quarter under review as compared to loss after tax of RM2 million in the previous quarter.

B3 Prospects for the next financial year

The Malaysian gross domestic product growth contracted 4.5% in 2020. 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.

Owing to the persistently high number of COVID-19 incidents, the Malaysian government reinstated Movement Control Order ("MCO") in January 2021, which has slowed the resumption of economic activities and disrupted the property market recovery. Although the MCO's impact is anticipated to be less severe than the previous, it could put pressure on the economy and real estate markets, which were previously on the mend. In view of the COVID-19 pandemic and ongoing geopolitical uncertainties, the global business climate remains challenging.

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 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.

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B3 Prospects for the next financial year (continued)

The Group is optimistic that the Government's concerted efforts, combined with the historically low interest rate environment, will continue to fuel the property market's growth. Nonetheless, the Group will maintain its prudent management strategy in the coming quarters to ensure a satisfactory performance while consolidating its market position and refining its competitive edge in order to seize any opportunities that will arise as the situation improves. The Group will continue leveraging on digital solutions such as online marketing and sales campaigns to broaden its reach to potential customers. Further, the Group will be ready with precise and selective new launches plans in 2021, coupled with various cost efficiency measures.

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 2020 were as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
Unsecured:			
Lease liabilities	45	102	147
Revolving credit	<u>25,000</u>	<u>-</u>	<u>25,000</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 2020.

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

	Short-term RM'000	Long-term RM'000	Total RM'000
Unsecured:			
Lease liabilities	<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:

	31-Dec-20
Lease liabilities	2.95%
Revolving credit	2.90%

The interest rate profile of the borrowings are:

	31-Dec-20	
	RM'000	% to total borrowings
Fixed rate	147	1%
Floating rate	<u>25,000</u>	<u>99%</u>
	<u>25,147</u>	<u>100%</u>

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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 May 2019, Chellapa 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) With the intervention of the AG in this suit granted, the Plaintiff’s Solicitors is arranging a meeting for all parties with the AG to resolve all pending issues so that a Consent Judgment can be recorded by the Court.
- (c) The parties are in the midst of discussing the terms of the settlement agreement with the involvement of AG and temple representatives.

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B11 Income Tax Expense/(Income)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Dec-20 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-Dec-19 RM'000	CURRENT YEAR TO DATE 31-Dec-20 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-Dec-19 RM'000
Income tax expense/(income) comprises:				
Current tax	21,563	5,801	28,684	12,717
Deferred tax	(872)	(12,516)	(4,561)	(8,972)
	20,691	(6,715)	24,123	3,745

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 31-Dec-20 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-Dec-19 RM'000	CURRENT YEAR TO DATE 31-Dec-20 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-Dec-19 RM'000
Basic earnings per share				
Profit attributable to owners of the parent (RM'000)	38,678	(2,058)	(873)	24,823
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995	1,456,995	1,456,995
Basic earnings per share (sen)	2.65	(0.14)	(0.06)	1.70

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B14 Trade Receivables

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

	31-Dec-20 RM'000
Neither past due nor impaired	112,103
1 to 30 days past due	14,718
31 to 60 days past due	6,633
61 to 90 days past due	6,370
More than 90 days past due	22,998
	162,822
Less: Provision for doubtful debt for trade receivables	(11,445)
	<u>151,377</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.