

MCT BERHAD

Company No: 200901038653 (881786-X)
(Incorporated In Malaysia)

Interim Financial Reports
For The Quarter Ended 30 June 2021

MCT BERHAD 200901038653 (881786-X)
Incorporated In Malaysia

Interim Financial Reports

For The Quarter Ended 30 June 2021

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MCT BERHAD 200901038653 (881786-X)
Incorporated In Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2021
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Jun-21 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 30-Jun-20 RM'000	CURRENT YEAR TO DATE 30-Jun-21 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 30-Jun-20 RM'000
Revenue	79,484	59,358	168,984	111,177
Cost of sales	(45,993)	(46,683)	(111,192)	(80,040)
Gross profit	<u>33,491</u>	<u>12,675</u>	<u>57,792</u>	<u>31,137</u>
Other Income	1,263	1,588	2,127	4,368
Selling and marketing expenses	(1,472)	(649)	(1,666)	(2,796)
Direct operating and general administrative expenses	(17,617)	(19,898)	(32,690)	(36,143)
Finance costs	<u>(8,903)</u>	<u>(8,804)</u>	<u>(17,966)</u>	<u>(17,622)</u>
Profit/(Loss) before tax	6,762	(15,088)	7,597	(21,056)
Income tax (expense)/credit	<u>(8,810)</u>	<u>(1,504)</u>	<u>(8,930)</u>	<u>3,820</u>
Loss for the period	(2,048)	(16,592)	(1,333)	(17,236)
Other comprehensive income/(loss), net of tax				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	(38)	1,329	2,912	(18,965)
Total comprehensive income/(loss) for the period	<u>(2,086)</u>	<u>(15,263)</u>	<u>1,579</u>	<u>(36,201)</u>

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2021

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Jun-21 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 30-Jun-20 RM'000	CURRENT YEAR TO DATE 30-Jun-21 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 30-Jun-20 RM'000
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(2,084)	(15,263)	1,585	(36,200)
Non-controlling interest	(2)	-	(6)	(1)
	<hr/>	<hr/>	<hr/>	<hr/>
	(2,086)	(15,263)	1,579	(36,201)
	<hr/>	<hr/>	<hr/>	<hr/>
Earnings per share attributable to owners of the parent:				
Basic earnings per share (sen) - Note B13	(0.14)	(1.05)	0.11	(2.48)
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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	(UNAUDITED) AS AT END OF CURRENT FINANCIAL QUARTER 30-Jun-21 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-20 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	256,198	260,004
Investment properties	249,524	250,701
Land held for property development	234,929	229,462
Deferred tax assets	5,844	7,879
Total Non-Current Assets	746,495	748,046
Current Assets		
Inventories	7,434	12,778
Property development costs	355,970	351,991
Trade receivables	99,508	151,468
Other receivables	43,028	39,352
Contract assets	6,244	6,304
Tax recoverable	29,257	30,868
Cash and bank balances	532,334	599,300
Total Current Assets	1,073,775	1,192,061
Total Assets	1,820,270	1,940,107
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	1,541,092	1,541,092
Reserves	(1,071,943)	(1,074,855)
Retained earnings	405,501	406,828
	874,650	873,065
Non-controlling interests	231	237
Total Equity	874,881	873,302

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	(UNAUDITED) AS AT END OF CURRENT FINANCIAL QUARTER 30-Jun-21 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-20 RM'000
Non-Current Liabilities		
Other payables	-	3,216
Amount owing to ultimate holding company	519,000	502,125
Derivative financial liabilities	14,036	34,848
Lease liabilities	1,431	1,822
	534,467	542,011
Total Non-Current Liabilities		
Current Liabilities		
Trade payables	111,889	88,999
Other payables and accrued expenses	117,269	154,652
Contract liabilities	163,044	241,956
Tax liabilities	8,191	7,658
Borrowings	8,000	25,000
Lease liabilities	2,529	6,529
	410,922	524,794
Total Current Liabilities		
	945,389	1,066,805
Total Liabilities		
	1,820,270	1,940,107
Total Equity and Liabilities		

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2021
(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)	427,265	903,880	944	904,824
Prior year adjustments	-	-	444	(30,386)	(29,942)	-	(29,942)
As at 1 January 2020 (restated)	1,541,092	(1,062,627)	(1,406)	396,879	873,938	944	874,882
Reduction in capital vide minority interest	-	-	-	-	-	(704)	(704)
Total comprehensive income for the year	-	-	(10,822)	9,949	(873)	(3)	(876)
As at 31 December 2020 (restated)	1,541,092	(1,062,627)	(12,228)	406,828	873,065	237	873,302
Total comprehensive income for the period	-	-	2,912	(1,327)	1,585	(6)	1,579
As at 30 June 2021	1,541,092	(1,062,627)	(9,316)	405,501	874,650	231	874,881

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2021

	(UNAUDITED)	(AUDITED)
	6 MONTHS	12 MONTHS
	ENDED	ENDED
	30-Jun-21	31-Dec-20
	RM'000	RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before tax	7,597	34,069
Adjustments for:		
Depreciation of:		
Property, plant and equipment	4,309	13,895
Investment properties	824	2,760
Right-of-use assets	437	640
Finance costs	17,966	35,297
Impairment loss on:		
Property, plant and equipment	-	4,702
Investment properties	-	834
Reversal of impairment loss on:		
Trade receivables	-	(1,943)
Investment properties	-	(895)
Allowance for impairment loss on:		
Trade receivables	-	10,684
Other receivables	-	225
Bad debts written off	-	48
Property, plant and equipment written off	-	506
Gain on disposal of property, plant and equipment	(165)	(258)
Interest income	(1,820)	(6,415)
Unrealised loss/(gain) on foreign exchange	106	(77)
	29,254	94,072
Operating Profit Before Working Capital Changes		
Decrease/(Increase) in:		
Inventories	5,344	7,859
Property development costs	(3,979)	14,401
Contract assets	60	69,385
Trade receivables	51,960	(55,483)
Other receivables and prepaid expenses	(3,676)	5,597
(Decrease)/Increase in:		
Contract liabilities	(78,912)	22,947
Trade payables	22,799	(15,557)
Other payables and accrued expenses	(43,782)	28,512
	(20,932)	171,733
Cash (Used In)/Generated from Operations		
Income taxes paid	(5,775)	(15,179)
	(26,707)	156,554
Net Cash (Used In)/Generated from Operating Activities		

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2021

	(UNAUDITED)	(AUDITED)
	6 MONTHS	12 MONTHS
	ENDED	ENDED
	30-Jun-21	31-Dec-20
	RM'000	RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	247	1,948
Interest received	1,820	6,415
Additions to:		
Investment properties	-	(4,922)
Property, plant and equipment	(2,571)	(9,686)
Land held for property development	(5,467)	(5,792)
Repayment of share capital	-	(704)
	<u>(5,971)</u>	<u>(12,741)</u>
Net Cash Used In Investing Activities		
CASH FLOWS USED IN FINANCING ACTIVITIES		
Proceeds/(Repayment) from bank borrowings	(17,000)	25,000
Withdrawal of fixed deposits placed with licensed banks	-	413
Repayment of lease liabilities	(5,163)	(9,859)
Finance costs paid	(12,125)	(29,314)
	<u>(34,288)</u>	<u>(13,760)</u>
Net Cash Used In Financing Activities		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(66,966)	130,053
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	599,300	469,247
CASH AND CASH EQUIVALENTS AT END OF PERIOD	532,334	599,300

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2021

	(UNAUDITED)	(AUDITED)
	6 MONTHS	12 MONTHS
	ENDED	ENDED
	30-Jun-21	31-Dec-20
	RM'000	RM'000
Cash and cash equivalents included in the statements of cash flows comprise the following:		
Fixed deposits with licensed banks	29,579	43,309
Deposits under Housing Development Accounts	494,661	547,032
Cash on hand and in bank	8,094	8,959
Cash and bank balances	502,755	555,991
Cash and cash equivalents	532,334	599,300

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2021

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 2020. 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 2020.

The Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2021:

Amendments to:

MFRS 9, MFRS 139,

MFRS 7, MFRS 4 and

MFRS 16

MFRS 108

Interest Rate Benchmark Reform-Phase 2

Definition of Accounting Estimates

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

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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 ²
Amendments to:	
MFRS 3	Reference to the Conceptual Framework ¹
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
MFRS 101	Classification of Liabilities as Current or Non-current ²
MFRS 101	Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
MFRS 112	Deferred tax related to assets and liabilities arise from a single transaction
MFRS 116	Proceeds before Intended Use ¹
MFRS 137	Cost of Fulfilling a Contract ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2018-2020 Cycle ¹

- 1 Effective for annual period beginning on or after 1 January 2022, with earlier application permitted.
- 2 Effective for annual period beginning on or after 1 January 2023, 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 year ended 31 December 2020 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 period ended 30 June 2021.

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 30-Jun-21 RM'000	YEAR TO DATE 30-Jun-21 RM'000
Staff costs	7,845	16,661
Depreciation of:		
Property, plant and equipment	2,403	4,309
Investment properties	411	824
Right-of-use assets	219	437
Unrealised loss on foreign exchange	57	106
Realised loss on foreign exchange	35	104
Gain on disposal of property, plant and equipment	(82)	(165)
Interest income	(1,089)	(1,820)

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

A8 Segmental information

The segmental information for the period ended 30 June 2021 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	163,643	-	-	292	5,049	168,984	-	168,984
Inter-segment revenue	-	964	-	6,927	1,330	9,221	(9,221)	-
Total revenue	163,643	964	-	7,219	6,379	178,205	(9,221)	168,984
Results								
Operating profit/(loss)	36,494	(8,546)	(1,459)	(1,847)	(1,200)	23,442	(6)	23,436
Interest income	1,759	4	17,737	54	1	19,555	(17,735)	1,820
Other income	16	243	-	8	40	307	-	307
Finance costs	(13,817)	(3,723)	(16,784)	(964)	(419)	(35,707)	17,741	(17,966)
Profit/(Loss) before tax	24,452	(12,022)	(506)	(2,749)	(1,578)	7,597	-	7,597
Income tax expense	(9,124)	-	-	206	(12)	(8,930)	-	(8,930)
Profit/(Loss) after tax	15,798	(12,022)	(506)	(2,543)	(1,590)	(1,333)	-	(1,333)

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2021

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

A8 Segmental information

The segmental information for the period ended 30 June 2021 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	2,292,089	616,623	2,268,629	169,251	79,103	5,425,695	(3,640,526)	1,785,169
Tax recoverable and deferred tax asset	7,585	18,194	3,028	1,922	229	30,958	4,143	35,101
Total assets	2,299,674	634,817	2,271,657	171,173	79,332	5,456,653	(3,636,383)	1,820,270
Segment liabilities	1,801,343	565,349	719,819	159,589	110,264	3,356,364	(2,419,166)	937,198
Tax liabilities and deferred tax liabilities	2,390	-	5,801	-	-	8,191	-	8,191
Total liabilities	1,803,733	565,349	725,620	159,589	110,264	3,364,555	(2,419,166)	945,389

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

A8 Segmental information

The segmental information for the period ended 30 June 2021 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	178	-	-	2,392	-	2,570
Investment properties	-	-	-	-	-	-
Depreciation of:						
Property, plant and Equipment	2,507	309	-	97	1,396	4,309
Investment properties	824	-	-	-	-	824
Right-of-use assets	437	-	-	-	-	437

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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 30-Jun-21 RM'000	As at 31-Dec-20 RM'000
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	<u>43,857</u>	<u>43,817</u>

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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 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 30-Jun-21 RM'000
Interest paid/payable to ultimate holding company	<u>16,123</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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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2021**

**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 RM79 million for the current quarter ended 30 June 2021, compared to RM59 million in the corresponding quarter of the preceding year, representing a 34% increase in revenue. This was mainly due to higher contribution from our Market Homes project at Lakefront @ Cyberjaya in terms of sales conversion and construction completion as compared with last year owing to the implementation of the first Movement Control Order (“MCO”) by the Government resulting to activity restriction with all businesses grinded to a halt.

Expenses recorded for the current quarter under review was lower at RM28 million versus RM29 million accounted in the corresponding quarter of the preceding year. The reduction in expenses (11% reduction in direct operating and general administrative expenses) was a result of our cost rationalisation program that we undertook in 2020 but was negated by the increase in sales expense due to increase in activity level compared to corresponding quarter of the preceding year.

Consequently, the Group recorded loss after tax of RM2 million for the current quarter under review as compared to a loss after tax of RM17 million for the corresponding quarter of the preceding year.

For the current year

The Group recorded revenue of RM169 million for the 6-months period ended 30 June 2021. The Group’s gross profit margin was at 34% which was mainly driven by sales and construction progress from Market Homes at the Lakefront @ Cyberjaya and Casa Bayu @ Cybersouth development coupled with sales coming from our completed units ie. Lakefront Villa and Lakefront Residence Phase 1.

Expenses recorded for the period was RM52 million, out of which RM16 million were for the interest charged on the advances from its ultimate holding company.

Consequently, the Group recorded loss after tax of RM1 million for the 6-months period ended 30 June 2021.

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2021**

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

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

The Group recorded revenue of RM79 million for the current quarter ended 30 June 2021, compared to RM90 million in the preceding quarter. The decrease in revenue recorded was mainly due to the re-implementation of the Full Movement Control Order (“FMCO”) in June 2021. The gross profit margin for the current quarter increased to 42% as the Group was also able to clear some of its existing inventory of completed units which had a higher gross profit margin.

Total expenses recorded for the current quarter of RM28 million is higher than the expenses recorded in the preceding quarter of RM25 million. This is due to higher advertising and promotional expenses to gear up for the upcoming new launches.

Consequently, the Group recorded loss after tax of RM2 million for the current quarter under review as compared to profit after tax of RM1 million in the previous quarter.

B3 Prospects for the next financial year

In view of the COVID-19 pandemic and ongoing geopolitical uncertainties, the global business climate remains challenging. The Group continues to adapt and operate under the new normal, adhering to the Government’s strict standard operating procedures while remaining proactive and vigilant in mitigating any potential impacts of the pandemic. The Group also emphasises on the wellbeing and safety of its employees, customers and business associates by imposing internal SOPs and measures while operating during the pandemic.

There may be some inadvertent slowdown in earnings recognition in the upcoming quarters due to the Government’s imposition of the FMCO which limited sales and construction progress. Nonetheless, the Group lauds the Government’s support in the form of Home Ownership Campaign extension, creating a low interest rate environment, flexi loan moratorium options and MM2H program as well as the business protection mechanism from the COVID-19 Act among others. This would help cushion the impact as well as help revive the economy as a whole and in particular the property industry.

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 also continue leveraging on digital platforms such as online marketing and sales campaigns during the MCO in order to continue reaching out to potential customers. In addition, the Group is preparing for new launches in the second half of 2021 under a cautious watch and will continue to manage activities that will contribute to cost efficiencies and prudence in asset utilisation.

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B4 Variance of profit forecast

No profit forecast has been issued by the Group previously in any public document.

B5 Profit forecast or profit guarantee

The Group has not issued any profit forecast or profit guarantee for the 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 30 June 2021 were as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
Unsecured:			
Lease liabilities	33	85	118
Revolving credit	<u>8,000</u>	<u>-</u>	<u>8,000</u>

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 30 June 2021 and 31 December 2020.

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

	30-Jun-21
Lease liabilities	3.16%
Revolving credit	2.91%

The interest rate profile of the borrowings are:

	30-Jun-21	
	RM'000	% to total borrowings
Fixed rate	118	1%
Floating rate	<u>8,000</u>	<u>99%</u>
	<u>8,118</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, 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) On 21 July 2021, AG informed the court that it wishes to be removed from the suit as an intervener since the Temple is not deemed to be a charitable trust under Section 9 of the Government Proceedings Act 1956.
- (c) The Judge directed for expedition of land surrendering process and for Nagaraju to submit names of the Trustees to the Plaintiff. The case management is scheduled on 23 September 2021.

B11 Income Tax Expense/(Credit)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Jun-21 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 30-Jun-20 RM'000	CURRENT YEAR TO DATE 30-Jun-21 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 30-Jun-20 RM'000
Income tax expense/(credit) comprises:				
Current tax	6,964	736	7,919	2,613
Deferred tax	1,846	768	1,011	(6,433)
	<u>8,810</u>	<u>1,504</u>	<u>8,930</u>	<u>(3,820)</u>

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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/(loss) 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 30-Jun-21 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 30-Jun-20 RM'000	CURRENT YEAR TO DATE 30-Jun-21 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 30-Jun-20 RM'000
Basic earnings per share				
Profit/(Loss) attributable to owners of the parent (RM'000)	(2,084)	(15,263)	1,585	(36,200)
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995	1,456,995	1,456,995
Basic earnings per share (sen)	(0.14)	(1.05)	0.11	(2.48)

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B14 Trade Receivables

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

	30-Jun-21 RM'000
Neither past due nor impaired	63,226
1 to 30 days past due	8,778
31 to 60 days past due	9,383
61 to 90 days past due	5,625
More than 90 days past due	23,941
	47,727
Less: Provision for doubtful debt for trade receivables	(11,445)
	<u>99,508</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.