

MCT BERHAD

Company No: 200901038653 (881786-X)

(Incorporated In Malaysia)

Interim Financial Reports

For The Quarter Ended 30 September 2021

MCT BERHAD 200901038653 (881786-X)
Incorporated In Malaysia

Interim Financial Reports

For The Quarter Ended 30 September 2021

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MCT BERHAD 200901038653 (881786-X)
Incorporated In Malaysia

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

(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|--|
| | CURRENT YEAR QUARTER 30-Sep-21 RM'000 | PRECEEDING YEAR CORRESPONDING QUARTER 30-Sep-20 RM'000 | CURRENT YEAR TO DATE 30-Sep-21 RM'000 | PRECEEDING YEAR CORRESPONDING PERIOD 30-Sep-20 RM'000 |
| Revenue | 70,859 | 144,172 | 239,842 | 255,349 |
| Cost of sales | (54,912) | (104,804) | (166,104) | (184,844) |
| Gross profit | <u>15,947</u> | <u>39,368</u> | <u>73,738</u> | <u>70,505</u> |
| Other Income | 1,928 | 1,676 | 4,055 | 6,044 |
| Selling and marketing expenses | (665) | (1,862) | (2,330) | (4,657) |
| Direct operating and general administrative expenses | (13,950) | (24,771) | (46,639) | (60,915) |
| Finance costs | <u>(9,181)</u> | <u>(8,870)</u> | <u>(27,147)</u> | <u>(26,492)</u> |
| Profit/(Loss) before tax | (5,921) | 5,541 | 1,677 | (15,515) |
| Income tax expense | <u>(7,412)</u> | <u>(7,253)</u> | <u>(16,342)</u> | <u>(3,432)</u> |
| Loss for the period | (13,333) | (1,712) | (14,665) | (18,947) |
| Other comprehensive income/(loss), net of tax | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Cash flow hedge | 2,950 | (1,642) | 5,302 | (20,607) |
| Total comprehensive loss for the period | <u>(10,383)</u> | <u>(3,354)</u> | <u>(9,363)</u> | <u>(39,554)</u> |

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Incorporated In Malaysia

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

(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|--|--|
| | CURRENT YEAR QUARTER 30-Sep-21 RM'000 | PRECEEDING YEAR CORRESPONDING QUARTER 30-Sep-20 RM'000 | CURRENT YEAR TO DATE 30-Sep-21 RM'000 | PRECEEDING YEAR CORRESPONDING PERIOD 30-Sep-20 RM'000 |
| Total comprehensive loss attributable to: | | | | |
| Owners of the parent | (10,384) | (3,352) | (9,358) | (39,551) |
| Non-controlling interest | 1 | (2) | (5) | (3) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <u>(10,383)</u> | <u>(3,354)</u> | <u>(9,363)</u> | <u>(39,554)</u> |
| | | | | |
| Earnings per share attributable to owners of the parent: | | | | |
| | | | | |
| Basic earnings per share (sen) - Note B13 | (0.71) | (0.23) | (0.64) | (2.71) |
| 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.

MCT BERHAD 200901038653 (881786-X)
Incorporated In Malaysia

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

| | (UNAUDITED) AS AT END OF CURRENT FINANCIAL QUARTER 30-Sep-21 RM'000 | (AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-20 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 252,455 | 260,004 |
| Investment properties | 249,144 | 250,701 |
| Land held for property development | 233,294 | 229,462 |
| Deferred tax assets | 11,532 | 7,879 |
| | 746,425 | 748,046 |
| Total Non-Current Assets | | |
| Current Assets | | |
| Inventories | 7,026 | 12,778 |
| Property development costs | 314,227 | 351,991 |
| Trade receivables | 89,732 | 151,468 |
| Other receivables | 48,867 | 39,352 |
| Contract assets | 18,126 | 6,304 |
| Tax recoverable | 15,303 | 30,868 |
| Cash and bank balances | 493,743 | 599,300 |
| | 987,024 | 1,192,061 |
| Total Current Assets | | |
| | 1,733,449 | 1,940,107 |
| Total Assets | | |
| EQUITY AND LIABILITIES | | |
| Equity Attributable to Owners of the Company | | |
| Share capital | 1,541,092 | 1,541,092 |
| Reserves | (1,069,553) | (1,074,855) |
| Retained earnings | 392,168 | 406,828 |
| | 863,707 | 873,065 |
| Non-controlling interests | 232 | 237 |
| | 863,939 | 873,302 |
| Total Equity | | |

MCT BERHAD 200901038653 (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

| | (UNAUDITED) AS AT END OF CURRENT FINANCIAL QUARTER 30-Sep-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 | 523,375 | 502,125 |
| Derivative financial liabilities | 6,517 | 34,848 |
| Lease liabilities | 1,384 | 1,822 |
| | 531,276 | 542,011 |
| Total Non-Current Liabilities | | |
| Current Liabilities | | |
| Trade payables | 99,117 | 88,999 |
| Other payables and accrued expenses | 116,748 | 154,652 |
| Contract liabilities | 108,907 | 241,956 |
| Tax liabilities | 12,348 | 7,658 |
| Borrowings | - | 25,000 |
| Lease liabilities | 1,114 | 6,529 |
| | 338,234 | 524,794 |
| Total Current Liabilities | | |
| | 869,510 | 1,066,805 |
| Total Liabilities | | |
| | 1,733,449 | 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 SEPTEMBER 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 | - | - | 5,302 | (14,660) | (9,358) | (5) | (9,363) |
| As at 30 September 2021 | 1,541,092 | (1,062,627) | (6,926) | 392,168 | 863,707 | 232 | 863,939 |

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.

MCT BERHAD 200901038653 (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021

| | (UNAUDITED) | (AUDITED) |
|--|--------------------|------------------|
| | 9 MONTHS | 12 MONTHS |
| | ENDED | ENDED |
| | 30-Sep-21 | 31-Dec-20 |
| | RM'000 | RM'000 |
| CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES | | |
| Profit before tax | 1,677 | 34,069 |
| Adjustments for: | | |
| Depreciation of: | | |
| Property, plant and equipment | 7,901 | 13,895 |
| Investment properties | 1,111 | 2,760 |
| Right-of-use asset | 656 | 640 |
| Finance costs | 27,147 | 35,297 |
| Impairment loss on: | | |
| -Property, plant and equipment | - | 4,702 |
| -Investment property | - | 834 |
| Reversal of impairment loss on: | | |
| -Trade receivables | (3) | (1,943) |
| -Investment properties | - | (895) |
| Allowance for impairment loss on: | | |
| -Trade receivables | 15 | 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 | (199) | (258) |
| Interest income | (2,615) | (6,415) |
| Unrealised loss/(gain) on foreign exchange | 44 | (77) |
| | 35,734 | 94,072 |
| Operating Profit Before Working Capital Changes | | |
| Decrease/(Increase) in: | | |
| Inventories | 5,752 | 7,859 |
| Property development costs | 37,764 | 14,401 |
| Contract assets | (11,823) | 69,385 |
| Trade receivables | 61,724 | (55,483) |
| Other receivables and prepaid expenses | (9,460) | 5,597 |
| (Decrease)/Increase in: | | |
| Contract liabilities | (133,049) | 22,947 |
| Trade payables | 10,089 | (15,557) |
| Other payables and accrued expenses | (44,494) | 28,512 |
| | (47,763) | 171,733 |
| Cash (Used In)/Generated from Operations | | |
| Income taxes refund/(paid) | 260 | (15,179) |
| | (47,503) | 156,554 |
| Net Cash (Used In)/Generated from Operating Activities | | |

MCT BERHAD 200901038653 (881786-X)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021

| | (UNAUDITED) | (RESTATED) |
|---|--------------------|-------------------|
| | 9 MONTHS | 12 MONTHS |
| | ENDED | ENDED |
| | 30-Sep-21 | 31-Dec-20 |
| | RM'000 | RM'000 |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 225 | 1,948 |
| Interest received | 2,615 | 6,415 |
| Additions to: | | |
| Investment properties | - | (4,922) |
| Property, plant and equipment | (2,859) | (9,686) |
| Land held for property development | (3,831) | (5,792) |
| Repayment of share capital | - | (704) |
| | <u>(3,850)</u> | <u>(12,741)</u> |
| Net Cash Used In Investing Activities | | |
| CASH FLOWS USED IN FINANCING ACTIVITIES | | |
| Proceeds/(Repayment) from bank borrowings | (25,000) | 25,000 |
| Withdrawal of fixed deposits placed with licensed banks | - | 413 |
| Repayment of lease liabilities | (6,580) | (9,859) |
| Finance costs paid | (22,624) | (29,314) |
| | <u>(54,204)</u> | <u>(13,760)</u> |
| Net Cash Used In Financing Activities | | |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (105,557) | 130,053 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 599,300 | 469,247 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 493,743 | 599,300 |

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

| | (UNAUDITED) | (RESTATED) |
|--|--------------------|-------------------|
| | 9 MONTHS | 12 MONTHS |
| | ENDED | ENDED |
| | 30-Sep-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 | 36,715 | 43,309 |
| Deposits under Housing Development Accounts | 365,612 | 547,032 |
| Cash on hand and in bank | 91,416 | 8,959 |
| Cash and bank balances | 457,028 | 555,991 |
| Cash and cash equivalents | 493,743 | 599,300 |

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

Interest Rate Benchmark Reform-Phase 2

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 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 108 | Definition of Accounting Estimates ² |
| MFRS 112 | Deferred tax related to assets and liabilities arise from a single transaction ² |
| 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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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

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 September 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-Sep-21 RM'000 | YEAR TO DATE 30-Sep-21 RM'000 |
|---|--|--|
| Staff costs | 5,153 | 21,814 |
| Depreciation of: | | |
| Property, plant and equipment | 3,592 | 7,901 |
| Investment properties | 287 | 1,111 |
| Amortisation of right of use assets | 219 | 656 |
| Unrealised loss on foreign exchange | (62) | 44 |
| Realised loss on foreign exchange | (3) | 101 |
| Gain on disposal of property, plant and equipment | (34) | (199) |
| Interest income | (795) | (2,615) |

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 September 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 | 232,181 | - | - | 442 | 7,219 | 239,842 | - | 239,842 |
| Inter-segment revenue | - | - | - | 12,942 | 1,906 | 14,848 | (14,848) | - |
| Total revenue | 232,181 | - | - | 13,384 | 9,125 | 254,690 | (14,848) | 239,842 |
| Results | | | | | | | | |
| Operating profit/(loss) | 45,977 | (14,057) | (2,308) | (2,957) | (1,867) | 24,788 | (18) | 24,770 |
| Interest income | 2,533 | 5 | 26,765 | 72 | 2 | 29,377 | (26,762) | 2,615 |
| Other income | 300 | 930 | 75 | 9 | 125 | 1,439 | - | 1,439 |
| Finance costs | (20,857) | (5,695) | (25,091) | (1,635) | (649) | (53,927) | 26,780 | (27,147) |
| Profit/(Loss) before tax | 27,953 | (18,817) | (559) | (4,511) | (2,389) | 1,677 | - | 1,677 |
| Income tax expense | (11,884) | - | (4,672) | 243 | (29) | (16,342) | - | (16,342) |
| Profit/(Loss) after tax | 16,069 | (18,817) | (5,231) | (4,268) | (2,418) | (14,665) | - | (14,665) |

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 September 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 | 2,257,277 | 618,444 | 2,264,286 | 177,365 | 77,835 | 5,395,207 | (3,688,593) | 1,706,614 |
| Tax recoverable and deferred tax asset | 3,009 | 13,372 | 2,276 | 1,964 | 247 | 20,868 | 5,967 | 26,835 |
| Total assets | 2,260,286 | 631,816 | 2,266,562 | 179,329 | 78,082 | 5,416,075 | (3,682,626) | 1,733,449 |
| Segment liabilities | 1,744,717 | 568,462 | 710,848 | 170,168 | 109,944 | 3,304,139 | (2,446,977) | 857,162 |
| Tax liabilities and deferred tax liabilities | 2,022 | - | 10,326 | - | - | 12,348 | - | 12,348 |
| Total liabilities | 1,746,739 | 568,462 | 721,174 | 170,168 | 109,944 | 3,316,487 | (2,446,977) | 869,510 |

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

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 30 September 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 | 334 | - | - | 2,525 | - | 2,859 |
| Investment properties | - | - | - | - | - | - |
| Depreciation of: | | | | | | |
| Property, plant and Equipment | 5,279 | 446 | - | 189 | 1,987 | 7,901 |
| Investment properties | 1,111 | - | - | - | - | 1,111 |
| Right-of-use assets | 656 | - | - | - | - | 656 |

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

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-Sep-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>35,772</u> | <u>43,817</u> |

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

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-Sep-21 RM'000 |
|---|--|
| Interest paid/payable to ultimate holding company | <u>24,329</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 SEPTEMBER 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 RM71 million for the current quarter ended 30 September 2021, compared to RM144 million in the corresponding quarter of the preceding year, representing a 51% decrease in revenue. The significant reduction in revenue was attributed to the re-implementation of a nation-wide movement control order (Full MCO) in June 2021, followed by a National Recovery Plan Phases 1 and 2 where most restrictions in business activities were still in place.

Expenses recorded for the current quarter under review was lower at RM24 million as compared to RM36 million accounted in the corresponding quarter of the preceding year. The reduction in expenses was a result of our cost rationalisation program that we undertook in 2020.

Consequently, the Group recorded loss after tax of RM13 million for the current quarter under review as compared to a loss after tax of RM2 million for the corresponding quarter of the preceding year.

For the current year

The Group recorded revenue of RM239 million for the 9-months period ended 30 September 2021. The Group's gross profit margin remains healthy at 31% 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 RM76 million, out of which RM24million were for the interest charged on the advances from its ultimate holding company.

Consequently, the Group recorded loss after tax of RM15 million for the 9-months period ended 30 September 2021.

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

The Group recorded revenue of RM70 million for the current quarter ended 30 September 2021, compared to RM79 million in the preceding quarter. The decrease in revenue was mainly due to the introduction of NRP Phase 1 which resulted slower construction progress due to restriction of activities.

Total expenses recorded for the current quarter of RM24 million is lower than the expenses recorded in the preceding quarter of RM28 million. This is mainly due to the reversal of expense provision in the current quarter and reduction in variable expenses as activity level have yet to fully resume.

Consequently, the Group recorded loss after tax of RM13 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

With the high level of vaccination rates in Malaysia, the property market looks forward to rebound and return to pre-covid levels in 2022. The recent passing of Budget 2022 by the Government will further spur the recovery of the property industry. Budget 2022 includes the waiver of real property gains tax for property disposed from sixth year and above coupled with a low interest rate environment will indirectly help invigorate the industry.

The Malaysian economy contracted by 4.5% in the third quarter of 2021, largely attributable to the strict containment measures particularly in July, under Phase 1 of the National Recovery Plan (NRP). The construction sector contracted the most due to operating capacity limits. Following the reimposition of movement control measures from June 2021, Bank Negara Malaysia has revised its full-year growth forecast to the range of 3.0% to 4.0%, from the previous forecast of 6.0% to 7.5%. The growth forecast is supported by the increase in economic activities as restrictions are progressively relaxed including the interstate travel for fully vaccinated individuals.

The Group will maintain its prudent management strategy in the coming quarters to ensure a satisfactory performance. It will consolidate its market position and reinforce its competitive edge in order to seize any opportunities that will arise as the situation improves. In addition, the Group 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 September 2021 were as follows:

| | Short-term RM'000 | Long-term RM'000 | Total RM'000 |
|-------------------|------------------------------|-----------------------------|-------------------------|
| Unsecured: | | | |
| Lease liabilities | 33 | 77 | 110 |

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 September 2021.

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 | 25,000 | - | 25,000 |

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.

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

| | 30-Sep-21 |
|-------------------|------------------|
| Lease liabilities | 3.16% |
| Revolving credit | 2.91% |

The interest rate profile of the borrowings are:

| | 30-Sep-21 | |
|------------|------------------|----------------------------------|
| | RM'000 | % to total borrowings |
| Fixed rate | 110 | 100% |

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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, the Judge directed for expedition of land surrendering process to the State Authority. Once the land has been surrendered, One City Development Sdn Bhd does not need to remain as a party to the suit. The case management is scheduled on 20 December 2021.

B11 Income Tax Expense/(Credit)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|--|
| | CURRENT YEAR QUARTER 30-Sep-21 RM'000 | PRECEEDING YEAR CORRESPONDING QUARTER 30-Sep-20 RM'000 | CURRENT YEAR TO DATE 30-Sep-21 RM'000 | PRECEEDING YEAR CORRESPONDING PERIOD 30-Sep-20 RM'000 |
| Income tax expense/(credit) comprises: | | | | |
| Current tax | 13,837 | 4,509 | 21,756 | 7,121 |
| Deferred tax | (6,425) | 2,744 | (5,414) | (3,689) |
| | <u>7,412</u> | <u>7,253</u> | <u>16,342</u> | <u>3,432</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 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-Sep-21 RM'000 | PRECEEDING YEAR CORRESPONDING QUARTER 30-Sep-20 RM'000 | CURRENT YEAR TO DATE 30-Sep-21 RM'000 | PRECEEDING YEAR CORRESPONDING PERIOD 30-Sep-20 RM'000 |
| Basic earnings per share | | | | |
| Loss attributable to owners of the parent (RM'000) | (10,384) | (3,352) | (9,358) | (39,551) |
| 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>(0.71)</u> | <u>(0.23)</u> | <u>(0.64)</u> | <u>(2.71)</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:

| | 30-Sep-21 RM'000 |
|---|-----------------------------|
| Neither past due nor impaired | 66,600 |
| 1 to 30 days past due | 5,210 |
| 31 to 60 days past due | 1,299 |
| 61 to 90 days past due | 861 |
| More than 90 days past due | 27,219 |
| | 34,589 |
| Less: Provision for doubtful debt for trade receivables | (11,457) |
| | <u>89,732</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.