

MCT BERHAD

Company No: 200901038653 (881786-X)

(Incorporated In Malaysia)

Interim Financial Reports

For The Quarter Ended 31 March 2023

MCT BERHAD 200901038653 (881786-X)
Incorporated In Malaysia

Interim Financial Reports

For The Quarter Ended 31 March 2023

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MCT BERHAD 200901038653 (881786-X)
Incorporated In Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2023

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-MAR-23 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-MAR-22 RM'000	CURRENT YEAR TO DATE 31-MAR-23 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-MAR-22 RM'000
Revenue	76,581	38,618	76,581	38,618
Cost of sales	(50,975)	(25,211)	(50,975)	(25,211)
Gross profit	<u>25,606</u>	<u>13,407</u>	<u>25,606</u>	<u>13,407</u>
Other income	2,566	1,869	2,566	1,869
Selling and marketing expenses	(2,394)	(753)	(2,394)	(753)
Direct operating and general administrative expenses	(19,869)	(15,995)	(19,869)	(15,995)
Finance costs	(3,919)	(8,308)	(3,919)	(8,308)
Profit/(Loss) before tax	<u>1,990</u>	<u>(9,780)</u>	<u>1,990</u>	<u>(9,780)</u>
Income tax expense	(1,855)	(2,417)	(1,855)	(2,417)
Profit/(Loss) for the period	135	(12,197)	135	(12,197)
Other comprehensive income, net of tax				
Items that will be reclassified subsequently to profit or loss				
Change in fair value of cash flow hedge, net of tax	(1,306)	1,185	(1,306)	1,185
Total comprehensive loss for the period	<u>(1,171)</u>	<u>(11,012)</u>	<u>(1,171)</u>	<u>(11,012)</u>

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2023

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-MAR-23 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-MAR-22 RM'000	CURRENT YEAR TO DATE 31-MAR-23 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-MAR-22 RM'000
Profit/(Loss) for the year/period attributable to:				
Owners of the Company	136	(12,195)	136	(12,195)
Non-controlling interest	(1)	(2)	(1)	(2)
	135	(12,197)	135	(12,197)
	135	(12,197)	135	(12,197)
Total comprehensive loss attributable to:				
Owners of the Company	(1,170)	(11,010)	(1,170)	(11,010)
Non-controlling interest	(1)	(2)	(1)	(2)
	(1,171)	(11,012)	(1,171)	(11,012)
	(1,171)	(11,012)	(1,171)	(11,012)
Loss per share attributable to owners of the Company:				
Basic/Diluted (sen per share) - Note B12	0.01	(0.84)	0.01	(0.84)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

MCT BERHAD 200901038653 (881786-X)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	(UNAUDITED) AS AT 31-MAR-23 RM'000	(AUDITED) AS AT 31-DEC-22 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	222,605	223,868
Investment properties	248,444	248,601
Land held for property development	323,032	289,910
Deferred tax assets	6,389	6,389
	<hr/>	<hr/>
Total Non-Current Assets	800,470	768,768
Current Assets		
Inventories	3,806	4,070
Property development costs	257,802	266,967
Trade receivables	47,092	56,771
Other receivables	48,986	45,503
Contract assets	109,274	82,002
Tax recoverable	49,640	49,138
Cash and bank balances	103,387	117,924
	<hr/>	<hr/>
Total Current Assets	619,987	622,375
	<hr/>	<hr/>
Total Assets	1,420,457	1,391,143
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	1,541,092	1,541,092
Reserves	(1,062,437)	(1,061,131)
Retained earnings	391,217	391,081
	<hr/>	<hr/>
	869,872	871,042
Non-controlling interests	223	224
	<hr/>	<hr/>
Total Equity	870,095	871,266

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	(UNAUDITED) AS AT 31-MAR-23 RM'000	(AUDITED) AS AT 31-DEC-22 RM'000
Non-Current Liabilities		
Borrowings	70,915	47,905
Amount owing to ultimate holding company	242,935	197,550
Deferred tax liabilities	1,365	1,777
Derivative financial liabilities	13,521	14,187
Lease liabilities	728	218
Total Non-Current Liabilities	329,464	261,637
Current Liabilities		
Trade payables	52,823	55,477
Other payables	107,294	115,163
Contract liabilities	4,276	6,210
Amount owing to ultimate holding company	-	43,900
Tax payable	2,617	2,356
Borrowings	52,750	31,050
Lease liabilities	1,138	738
Derivative financial liabilities	-	3,346
Total Current Liabilities	220,898	258,240
Total Liabilities	550,362	519,877
Total Equity and Liabilities	1,420,457	1,391,143

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 31 MARCH 2023
(The figures have not been audited)

Attributable to the owners of the Company

	<--- Non-Distributable --->			Distributable		Non-controlling interests	Total equity
	Share capital	Reverse acquisition reserve	Cash flow hedge reserve	Retained earnings	Attributable to owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	1,541,092	(1,062,627)	(5,107)	390,592	863,950	230	864,180
Total comprehensive income for the period	-	-	1,185	(12,195)	(11,010)	(2)	(11,012)
As at 31 March 2022	1,541,092	(1,062,627)	(3,922)	378,397	852,940	228	853,168
As at 1 January 2023	1,541,092	(1,062,627)	1,496	391,081	871,042	224	871,266
Total comprehensive income for the period	-	-	(1,306)	136	(1,170)	(1)	(1,171)
As at 31 March 2023	1,541,092	(1,062,627)	190	391,217	869,872	223	870,095

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 2022 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 31 MARCH 2023

	(UNAUDITED) PERIOD ENDED 31-MAR-23 RM'000	(UNAUDITED) PERIOD ENDED 31-MAR-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,990	(9,780)
Adjustments for:		
Depreciation of:		
Property, plant and equipment	2,284	3,092
Investment properties	157	126
Finance costs	3,919	8,308
Net fair value loss on derivative	1,466	-
(Gain)/loss on disposal of property, plant and equipment	(126)	51
Interest income	(504)	(743)
Unrealised (gain)/loss on foreign exchange	(1,264)	33
	7,922	1,087
Operating Profit Before Working Capital Changes	7,922	1,087
Decrease/(Increase) in:		
Inventories	264	87
Property development costs	9,165	(7,102)
Contract assets	(27,272)	(3,689)
Trade receivables	9,680	41,742
Other receivables	(3,484)	2,738
(Decrease)/Increase in:		
Contract liabilities	(1,934)	(35,807)
Trade payables	(2,655)	(13,957)
Other payables	(7,855)	(24,877)
	(16,169)	(39,778)
Cash Used In Operations	(16,169)	(39,778)
Income taxes paid	(2,097)	(8,978)
	(18,266)	(48,756)
Net Cash Used In Operating Activities	(18,266)	(48,756)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2023

	(UNAUDITED)	(UNAUDITED)
	PERIOD	PERIOD
	ENDED	ENDED
	31-MAR-23	31-MAR-22
	RM'000	RM'000
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	126	159
Interest received	504	743
Additions to:		
Investment properties	-	(92)
Property, plant and equipment	(47)	(1,191)
Land held for property development	(33,122)	(1,216)
Payment of forward contract	(4,446)	-
	(36,985)	(1,597)
Net Cash Used In Investing Activities		
 CASH FLOWS FROM FINANCING ACTIVITIES		
Placement of fixed deposits placed with licensed banks	(191)	-
Drawdowns of borrowings	76,681	61,421
Drawdown of lease liabilities	257	-
Repayment of borrowings	(31,578)	-
Repayments of lease liabilities	(347)	(331)
Transaction costs paid	(565)	-
Finance costs paid	(3,735)	(8,358)
Changes in restricted cash held for borrowings	5,306	-
	45,828	52,732
Net Cash Generated From Financing Activities		
 NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	 (9,423)	 2,379
 CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	 72,120	 456,405
	62,697	458,784
CASH AND CASH EQUIVALENTS AT END OF PERIOD	62,697	458,784

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2023

	(UNAUDITED) PERIOD ENDED 31-MAR-23 RM'000	(UNAUDITED) PERIOD ENDED 31-MAR-22 RM'000
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Fixed deposits with licensed banks	29,511	28,094
Deposits under Housing Development Accounts	30,077	361,255
Cash on hand and in bank	43,799	72,512
Cash and bank balances	73,876	433,767
Less:		
Restricted cash	(20,889)	-
Fixed deposits with maturity period more than 90 days	(19,801)	(3,077)
Cash and cash equivalents	62,697	458,784

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2023

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 2022. 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 2022.

The Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2023:

MFRS 17 and amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred tax related to assets and liabilities arise from a single transaction

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 MALAYSIAN FINANCIAL REPORTING
STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

A1 Basis of preparation (cont'd)

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:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current ¹
Amendments MFRS 101	Presentation of Financial Statements: Non-Current Liabilities with Covenants ¹
Amendments MFRS 10	Consolidated Financial Statements ²
Amendments to MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual period beginning on or after 1 January 2024, with earlier application permitted.

² Effective date deferred to a date to be determined and announced, with earlier application permitted.

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 Exceptional or unusual items

There were no material items of exceptional or unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period ended 31 March 2023.

A3 Changes in estimates

There were no changes in estimates of amounts reported in prior in prior financial years that have a material effect on the amounts reported for the current quarter under review.

A4 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.

A5 Dividend paid

There were no dividends paid in the current quarter under review.

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NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2023

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

A6 Segmental information

The Group's segmental information for the quarter ended 31 March 2023 is as follows:

	Property Development RM'000	Investment Holding RM'000	Complementary Business RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Revenue							
External revenue	71,368	-	1,655	3,558	76,581	-	76,581
Inter-segment revenue	-	-	7,696	631	8,327	(8,327)	-
Total revenue	71,368	-	9,351	4,189	84,908	(8,327)	76,581
Results							
Operating profit/(loss)	7,718	(2,329)	(898)	(1,106)	3,385	(42)	3,343
Interest income	451	4,005	46	-	4,502	(3,998)	504
Other income	177	1,293	236	356	2,062	-	2,062
Finance costs	(3,608)	(3,253)	(926)	(172)	(7,959)	4,040	(3,919)
Profit/(Loss) before tax	4,738	(284)	(1,542)	(922)	1,990	-	1,990
Income tax expense	(1,782)	(67)	-	(6)	(1,855)	-	(1,855)
Profit/(Loss) after tax	2,956	(351)	(1,542)	(928)	135	-	135

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

A6 Segmental information

The segmental information for the quarter ended 31 March 2023 is as follows: *(continued)*

	Property Development RM'000	Investment Holding RM'000	Complementary Business RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Assets and liabilities							
Segment assets	1,884,299	1,933,789	482,719	68,111	4,368,918	(3,004,490)	1,364,428
Tax recoverable and deferred tax assets	24,555	8,989	11,101	346	44,991	11,038	56,029
Total assets	1,908,854	1,942,778	493,820	68,457	4,413,909	(2,993,452)	1,420,457
Segment liabilities	1,403,560	382,840	462,228	113,902	2,362,530	(1,816,150)	546,380
Tax payable and deferred tax liabilities	2,596	103	-	-	2,699	1,283	3,982
Total liabilities	1,406,156	382,943	462,228	113,902	2,365,229	(1,814,867)	550,362

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NOTES TO INTERIM FINANCIAL STATEMENTS
UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 31 MARCH 2023

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

A7 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 this report.

A8 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A9 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-MAR-23 RM'000	As at 31-MAR-22 RM'000
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	<u>28,236</u>	<u>14,818</u>

A10 Commitments

The amount of commitments for capital expenditure as at 31 March 2023 are as follows:

	As at 31-MAR-23 RM'000
Approved and contracted for: - Land held for property development	<u>122,647</u>

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

A11 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:

	3 MONTHS ENDED 31-MAR-23 RM'000
Interest paid/payable to ultimate holding company	<u>2,789</u>

A12 Seasonal or cyclical factors

The Group's operations were not significantly affected by any seasonal or cyclical factors.

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

A13 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:

Financial instruments carried at fair value

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	As at 31-MAR-23 RM'000	As at 31-MAR-22 RM'000
Level 2		
<u>Liabilities</u>		
Derivative financial instruments (foreign exchange forward)	-	3,346
Derivative financial instruments (cross currency interest rate swaps)	13,521	14,187

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF 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 and gross profit of RM76.6 million and RM25.6 million respectively for the current quarter ended 31 March 2023, compared to RM38.6 million and RM13.4 million in the corresponding quarter of the preceding year. This represents a substantial increase in revenue and gross profit mainly contributed by three new launch projects (Phase 2 of Alira Subang Jaya, Sanderling and Casa Embun).

As a result of the above, the Group has managed to achieve RM2.0 million of profit before tax (“PBT”) for the current quarter under review as compared to a loss before tax (“LBT”) of RM9.8 million from the corresponding quarter of the preceding year.

B2 Material changes for the current quarter as compared to the preceding quarter

The Group recorded revenue of RM76.6 million for the current quarter, which is similar to the revenue recorded in the preceding quarter ended 31 December 2022. However, gross profit for the current quarter was lower at RM25.6 million as compared to RM46.4 million in the preceding quarter as the Group recognised savings in the development cost from its completed projects in the preceding quarter.

As a result of the above, the Group recorded a PBT of RM2.0 million for the current quarter under review as compared to RM11.6 million recorded in the preceding quarter.

B3 Prospects

According to Department of Statistics Malaysia, Malaysia’s economy recorded a 5.6% growth in gross domestic product (GDP) in the first quarter of 2023, driven by the construction and services sectors, which is above Bank Negara Malaysia’s 2023 GDP forecast of 4-5%.

In the first quarter ended 31 March 2023, the Group recorded commendable net property sales growth of 19.7% to RM104.8 million from RM87.5 million in the corresponding quarter of the preceding year. The improved sales performance is in-line with the increased number of ongoing projects as the Group had launched Sanderling, Casa Embun and Phase 2 of Alira Subang Jaya in the second half of 2022.

In addition, the Group’s unbilled sales as at 31 March 2023 also grew 10% to RM792.4 million from RM720.2 million as at 31 December 2022, providing the Group with earnings visibility over the coming years.

Following the completion of the acquisition of a 4.0-acre commercial land in Bangi for RM31.5 million, we continued to acquire more land with the purchase of a 1.6-acre residential land in Seputeh, Kuala Lumpur for RM58.0 million and a 3.9-acre residential land at Taman Desa, Kuala Lumpur for RM64.6 million in February 2023. With a combined GDV of approximately RM1.2 billion, these new landbank will contribute positively to the Group’s future growth plans and earnings prospects.

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3 Prospects (cont'd)

Moving forward, the Group is targeting to launch 1,776 units of properties with an estimated GDV of RM1.2 billion. One of the new launches will be Alora Residences, the first phase of the 2Fifth Avenue development, will comprise 770 serviced apartments and 8 retail units with total GDV of RM551.9 million. On the back of the success of Alira Subang Jaya, another exciting project to look-out in 2023 is AMIKA Residences which is located adjacent to Alira Subang Jaya. AMIKA Residences is a Japanese-inspired development with 493 units of serviced apartments and retail units. With a total GDV of RM421.3 million, the Group is confident that the project will be well received judging by the favourable response for Alira Subang Jaya.

While Bank Negara Malaysia increased the Overnight Policy Rate by 25 basis points to 3.0% in May 2023, we are optimistic that our projects will continue to be well-received by the market as the Group's projects are located at strategic location with attractive value propositions. Underpinned by the Group's robust unbilled sales and contributions from the new launches, the Group is confident of maintaining its growth trajectory and recording a positive performance for the financial year ending 31 December 2023.

B4 Profit forecast or profit guarantee

No profit forecast or profit guarantee was issued by the Group for the financial period.

B5 Profit/(Loss) on sale of unquoted investments

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

B6 Quoted securities

There was no purchase or disposal of quoted and marketable securities during the current quarter under review.

B7 Status of corporate proposals

- (i) On 20 February 2023, Ardent Residence Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with HPC Development Sdn Bhd for the acquisition of a parcel of freehold residential development land in Bandar Kuala Lumpur measuring approximately 1.57 acres for a total cash consideration of RM58,000,000. The condition precedent of the sale and purchase agreement was subsequently fulfilled on 27 April 2023.
- (ii) On 1 March 2023, The Place Properties Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Sisi Tasik Sdn Bhd for the acquisition of three contiguous parcels of freehold residential development land in Mukim Kuala Lumpur measuring approximately 3.91 acres for a total cash consideration of RM64,646,632. The condition precedent of the sale and purchase agreement was subsequently fulfilled on 30 March 2023.

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PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8 Group borrowings

Group borrowings as at 31 March 2023 and 31 December 2022 were as follows:

	As at 31-MAR-23 RM'000	As at 31-DEC-22 RM'000
Short-term		
<u>Unsecured:</u>		
Lease liabilities	83	35
Revolving credit	52,750	31,050
	52,833	31,085
Long-term		
<u>Unsecured:</u>		
Lease liabilities	227	33
<u>Secured:</u>		
Term loan	70,915	47,905
	71,142	47,938
	123,975	79,023

Save for the advances from ultimate holding company and its related interest payable, there were no loans and borrowings denominated in foreign currency as at 31 March 2023 and 31 December 2022.

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

	31-MAR-23
Lease liabilities	2.35%
Revolving credit	4.69%
Term loan	4.65%

The proportion of borrowings between fixed and floating were as follows:

	31-MAR-23	
	RM'000	% to total borrowings
Fixed rate	310	0%
Floating rate	123,665	100%
	123,975	100%

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B9 Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEEDING YEAR CORRESPONDING PERIOD
	31-MAR-23	31-MAR-22	31-MAR-23	31-MAR-22
	RM'000	RM'000	RM'000	RM'000
Income tax expense comprises:				
Current tax	1,855	1,605	1,855	1,605
Deferred tax	-	812	-	812
	1,855	2,417	1,855	2,417
	1,855	2,417	1,855	2,417

B10 Trade receivables

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

	31-MAR-23 RM'000
Neither past due nor impaired	27,399
1 to 30 days past due	8,916
31 to 60 days past due	4,839
61 to 90 days past due	2,674
More than 90 days past due	17,562
	33,991
Less: Provision for doubtful debt for trade receivables	(14,298)
	47,092

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.

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B11 Dividend payable

There was no dividend proposed for the quarter under review.

B12 Earnings/(Loss) per share

The calculation of the earnings/(loss) 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 31-MAR-23 RM'000	PRECEEDING YEAR CORRESPONDING QUARTER 31-MAR-22 RM'000	CURRENT YEAR TO DATE 31-MAR-23 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31-MAR-22 RM'000
Basic earnings/(loss) per share				
Profit/(Loss) attributable to owners of the Company (RM'000)	136	(12,195)	136	(12,195)
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995	1,456,995	1,456,995
Basic/Diluted profit/(loss) (sen per share)	0.01	(0.84)	0.01	(0.84)

B13 Profit before tax

The following amounts have been included in arriving at profit before tax:

	CURRENT YEAR QUARTER 31-MAR-23 RM'000	YEAR TO DATE 31-MAR-23 RM'000
Staff costs	8,779	8,779
Depreciation of:		
Property, plant and equipment	2,284	2,284
Investment properties	157	157
Unrealised gain on foreign exchange	(1,264)	(1,264)
Realised loss on foreign exchange	419	419
Gain on disposal of property, plant and equipment	(126)	(126)
Interest income	(504)	(504)
Net fair value loss on derivative	1,466	1,466

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B14 Changes in material litigation

There was no material litigation against the Group as at the reporting date.

B15 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 were not subject to any qualification.

B16 Authorisation for issue

The current interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 24 May 2023.