

**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				
<b>Items that may be reclassified subsequently to profit or loss</b>				
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>

**MCT BERHAD 200901038653 (881786-X)**  
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**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**

	<b>(UNAUDITED)</b> <b>AS AT END OF</b> <b>CURRENT</b> <b>FINANCIAL</b> <b>QUARTER</b> <b>30-Sep-21</b> <b>RM'000</b>	<b>(AUDITED)</b> <b>AS AT</b> <b>PRECEDING</b> <b>FINANCIAL</b> <b>YEAR END</b> <b>31-Dec-20</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
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
<b>Total Non-Current Assets</b>		
<b>Current Assets</b>		
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
<b>Total Current Assets</b>		
	1,733,449	1,940,107
<b>Total Assets</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	1,541,092	1,541,092
Reserves	(1,069,553)	(1,074,855)
Retained earnings	392,168	406,828
	863,707	873,065
Non-controlling interests	232	237
	863,939	873,302
<b>Total Equity</b>		

**MCT BERHAD 200901038653 (881786-X)**  
**Incorporated In Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	<b>(UNAUDITED)</b> <b>AS AT END OF</b> <b>CURRENT</b> <b>FINANCIAL</b> <b>QUARTER</b> <b>30-Sep-21</b> <b>RM'000</b>	<b>(AUDITED)</b> <b>AS AT</b> <b>PRECEDING</b> <b>FINANCIAL</b> <b>YEAR END</b> <b>31-Dec-20</b> <b>RM'000</b>
<b>Non-Current Liabilities</b>		
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
<b>Total Non-Current Liabilities</b>		
<b>Current Liabilities</b>		
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
<b>Total Current Liabilities</b>		
	869,510	1,066,805
<b>Total Liabilities</b>		
	1,733,449	1,940,107
<b>Total Equity and Liabilities</b>		

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

**MCT BERHAD 200901038653 (881786-X)**  
**Incorporated In Malaysia**

**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		
<b>As at 31 December 2019 (as previously reported)</b>	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)
<b>As at 1 January 2020 (restated)</b>	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)
<b>As at 31 December 2020 (restated)</b>	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)
<b>As at 30 September 2021</b>	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**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>9 MONTHS</b>	<b>12 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>30-Sep-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
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		



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

	<b>(UNAUDITED)</b>	<b>(RESTATED)</b>
	<b>9 MONTHS</b>	<b>12 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>30-Sep-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
 <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
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)
	(3,850)	(12,741)
Net Cash Used In Investing Activities	(3,850)	(12,741)
 <b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
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)
	(54,204)	(13,760)
Net Cash Used In Financing Activities	(54,204)	(13,760)
 <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	 (105,557)	 130,053
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	 599,300	 469,247
 <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	 493,743	 599,300

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

	<b>(UNAUDITED)</b>	<b>(RESTATED)</b>
	<b>9 MONTHS</b>	<b>12 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>30-Sep-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
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	<u>457,028</u>	<u>555,991</u>
Cash and cash equivalents	<u><u>493,743</u></u>	<u><u>599,300</u></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 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**  
**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**

At the date of the unaudited interim financial statements, the new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 17	Insurance Contracts <sup>2</sup>
Amendments to:	
MFRS 3	Reference to the Conceptual Framework <sup>1</sup>
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
MFRS 101	Classification of Liabilities as Current or Non-current <sup>2</sup>
MFRS 108	Definition of Accounting Estimates <sup>2</sup>
MFRS 112	Deferred tax related to assets and liabilities arise from a single transaction <sup>2</sup>
MFRS 116	Proceeds before Intended Use <sup>1</sup>
MFRS 137	Cost of Fulfilling a Contract <sup>1</sup>
Amendments to MFRSs	Annual Improvements to MFRSs 2018-2020 Cycle <sup>1</sup>

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

	<b>CURRENT YEAR QUARTER 30-Sep-21 RM'000</b>	<b>YEAR TO DATE 30-Sep-21 RM'000</b>
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)

**MCT BERHAD 200901038653 (881786-X)**  
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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:

	<b>Property Development RM'000</b>	<b>Construction Activities RM'000</b>	<b>Investment Holding RM'000</b>	<b>Complementary Business RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>The Group RM'000</b>
<b>Revenue</b>								
External revenue	232,181	-	-	442	7,219	239,842	-	239,842
Inter-segment revenue	-	-	-	12,942	1,906	14,848	(14,848)	-
<b>Total revenue</b>	<b>232,181</b>	<b>-</b>	<b>-</b>	<b>13,384</b>	<b>9,125</b>	<b>254,690</b>	<b>(14,848)</b>	<b>239,842</b>
<b>Results</b>								
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)
<b>Profit/(Loss) before tax</b>	<b>27,953</b>	<b>(18,817)</b>	<b>(559)</b>	<b>(4,511)</b>	<b>(2,389)</b>	<b>1,677</b>	<b>-</b>	<b>1,677</b>
Income tax expense	(11,884)	-	(4,672)	243	(29)	(16,342)	-	(16,342)
<b>Profit/(Loss) after tax</b>	<b>16,069</b>	<b>(18,817)</b>	<b>(5,231)</b>	<b>(4,268)</b>	<b>(2,418)</b>	<b>(14,665)</b>	<b>-</b>	<b>(14,665)</b>

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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)*

	<b>Property Development RM'000</b>	<b>Construction Activities RM'000</b>	<b>Investment Holding RM'000</b>	<b>Complementary Business RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>The Group RM'000</b>
<b>Assets and liabilities</b>								
Segment assets	2,257,277	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
<b>Total assets</b>	<b>2,260,286</b>	<b>631,816</b>	<b>2,266,562</b>	<b>179,329</b>	<b>78,082</b>	<b>5,416,075</b>	<b>(3,682,626)</b>	<b>1,733,449</b>
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
<b>Total liabilities</b>	<b>1,746,739</b>	<b>568,462</b>	<b>721,174</b>	<b>170,168</b>	<b>109,944</b>	<b>3,316,487</b>	<b>(2,446,977)</b>	<b>869,510</b>

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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)*

	<b>Property Development RM'000</b>	<b>Construction Activities RM'000</b>	<b>Investment Holding RM'000</b>	<b>Complementary Business RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Other segment information</b>						
Capital expenditure:						
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

	<b>As at 30-Sep-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
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:

	<b>YEAR TO DATE</b> <b>30-Sep-21</b> <b>RM'000</b>
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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**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:

	<b>Short-term RM'000</b>	<b>Long-term RM'000</b>	<b>Total RM'000</b>
Unsecured:			
Lease liabilities	<u>33</u>	<u>77</u>	<u>110</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 September 2021.

Total loans and borrowings as at 31 December 2020 were as follows:

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

Save for the advances from ultimate holding company and its related interest payable, there were no loans and borrowings denominated in foreign currency as at 31 December 2020.

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

	<b>30-Sep-21</b>
Lease liabilities	3.16%
Revolving credit	2.91%

The interest rate profile of the borrowings are:

	<b>30-Sep-21</b>	
	<b>RM'000</b>	<b>% to total borrowings</b>
Fixed rate	<u>110</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, 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:

	<b>30-Sep-21 RM'000</b>
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.