REINVENT THE VISION
RESET FOR GROWTH

ANNUAL REPORT 2021

RATIONALE

Socrates once said, "The secret of change is to focus all of your energy, not on fighting the old but building the new." After a year of volatility and turmoil, MCT Berhad ("MCT" or "Company") celebrated the unfolding of a new year embarking on a transformative journey by reinventing our vision, mission and core values to unlock new opportunities and drive new growth while cherishing our long-standing history.

Our new vision is Innovative, Timeless Value Creator and this is seen in the refined Company logo, where the Corporate name is further enhanced by the infinity symbol around the name, which is both gracefully simple yet profoundly meaningful to signify the concept of limitlessness.

The seedling on the cover represents a rich symbol of the process of living and new beginnings, the early stages of growth and development as it resonates well with our new mission - creating communities, enhancing lives for all generations across all ages where people enjoy a complete lifestyle experience.

The icons used on the left of the cover were purposely chosen to portray the seven core values: Winning Mindset, Empowerment & Ownership, Agility, Customer Centricity, Ethics & Integrity, Innovation and Teamwork (WE ACE IT) as we move towards culture building, embracing sustainability, and a healthy working environment.

The creation of the new vision, mission and core values are the basic foundation of our transformation agenda.

Overall, the cover has a modern, clean, and transformational design to embody this year's Annual Report theme - Reinvent the vision, Reset for growth. Now is the time for us to move forward with our transformation and growth strategies to facilitate our stance as a property developer as we create and deliver long-term value to all our stakeholders.

TABLE OF CONTENTS

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COMPANY PROFILE

MCT AND ITS GROUP OF COMPANIES ("GROUP") ARE A REAL ESTATE GROUP THAT IS FAST EMERGING AS A LEADING PROPERTY DEVELOPER IN MALAYSIA.

Cybersouth Clubhouse

We were listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 6 April 2015.

In February 2018, we became a subsidiary of Ayala Land, Inc. ("Ayala Land"), one of the largest property developers in ASEAN after a mandatory general offer by Ayala Land's wholly owned subsidiary, Regent Wise Investments Limited ("RWIL"). Ayala Land is one of the largest property developer in ASEAN and we have since been collaborating closely to create synergistic opportunities for both organisations and to accelerate our presence in the Malaysian property market.

In safeguarding our development processes to remain efficient and sustainable, we ensure our in-house capabilities in development planning, architectural and engineering design as well as project management are crucial in charting our Group's growth.

Our Group's accomplishments include developments in Cyberjaya, Subang Jaya, as well as Cybersouth, a township covering over 400 acres in Dengkil where we focused on the lower and middle segment of the property market.

We have since expanded our product offerings to luxury residences, with the development of Aetas Damansara in Petaling Jaya in 2020 which has been well-received thus far.

In 2021, we launched Alira @ Tropicana Metropark, a resort-style living residences within a 9.2 acre central park and a water spine feature inspired by the Yarra River in Melbourne, Australia. To date, the response for Alira @ Tropicana Metropark, has been very encouraging from buyers who have taken the project's concept to heart.

Moving forward, our Group is heading into a new growth cycle supported by a strong foundation and structure which will allow us to be flexible in planning new projects based on market demands while ensuring it remains viable. We will also be managing our balance sheet to safeguard our Group's sustainable growth whilst establishing our market position as a long-term industry player.

ABOUT AYALA LAND

Ayala Land is the largest and most established property developer in the Philippines. It is a publicly listed company with more than 12,000 hectares of landbank and a solid record in developing large-scale, integrated, mixed-use and sustainable estates.

With 47 estates across the country, Ayala Land hosts a diversified portfolio of businesses: development of residential, office, commercial, and industrial properties for sale, commercial leasing through shopping centers, offices, hotels, resorts, factory buildings, warehouses, co-living, and co-working spaces, and services such as construction, property management, retail energy supply, airlines, and strategic investments.

Following the success of the Makati Central Business District (Makati CBD), Ayala Alabang, Cebu Park District, Bonifacio Global City (BGC), and NUVALI in the Philippines, Ayala Land pioneers sustainability standards and practices in all of its developments and acts with integrity, foresight, and prudence as a responsible corporate citizen. Focused on the vision of "enhancing land and enriching lives for more people," Ayala Land continuously strives to deliver quality products and services that result in long-term value for our stakeholders. Ayala Land ownership of MCT is 66.2% through RWIL, a company incorporated in Hong Kong and is part of its strategic investments outside the Philippines. To visit Ayala Land's website please click https://ir.ayalaland.com.ph/

KEY PERFORMANCE MEASURES

LANDBANK INFORMATION

Estimated Gross Development Value ("GDV") of

RM11.6 BILLION

from on-going and future developments

UNBILLED SALES

RM518.0 MILLION

as at 31 December 2021

238.0 Acres

Remaining landbank for future developments

TOTAL LANDBANK **285.9** Acres

47.9 Acres

Remaining landbank for current developments

SALES STATUS as at 31 December 2021

STAND ALONE DEVELOPMENTS

PETALING JAYA

56.7% SOLD

Aetas Damansara

SUBANG JAYA

19.1% SOLD

Alira @ Tropicana Metropark

MIXED-USED/TOWNSHIP DEVELOPMENTS

CYBERSOUTH

100% SOLD

- Casa Green
- Casa Bluebell
- Casa View
- Casa Wood

87.0% SOLD

Park Place I

91.9% SOLD

Casa Bayu Apartment

23.0% SOLD

Casa Bayu Townhouse

LAKEFRONT @ CYBERJAYA

100% SOLD

- LakeFront Villa
- LakeFront Residence Ph 1
- LakeFront Residence Ph 2
- PR1MA Homes
- Market Homes

46.7% SOLD

PR1MA Shops

SKYPARK @ CYBERJAYA

100% SOLD

- Duplex Studios
- Service Apartments
- SOFO Studios
- Office Suites
- En-Bloc Tower

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Independent Non-Executive Chairman

TAN SRI DATO' HJ. ABD KARIM BIN SHAIKH MUNISAR
Independent Non-Executive Director

LAO CHOK KEANG
Independent Non-Executive Director

BERNARD VINCENT OLMEDO DY
Non-Independent Non-Executive Director

ANNA MARIA MARGARITA BAUTISTA DY
Non-Independent Non-Executive Director

JAIME ALFONSO ANTONIO EDER ZOBEL DE AYALA
Non-Independent Non-Executive Director

MA. DIVINA YEE LOPEZ
Non-Independent Non-Executive Director

TEH HENG CHONG
Executive Director and Chief Executive Officer ("CEO")

APOLLO BELLO TANCO
Executive Director and Chief Operating Officer ("COO")

AUDIT AND RISK MANAGEMENT COMMITTEE

Lao Chok Keang (Chairman)
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar
Anna Maria Margarita Bautista Dy

NOMINATION AND REMUNERATION COMMITTEE

Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar (Chairman)
Lao Chok Keang
Bernard Vincent Olmedo Dy

COMPANY SECRETARIES

Wong Youn Kim (MAICSA 7018778)
Liew Fui Li (MAICSA 7051052)

REGISTERED OFFICE

Level 2, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

Tel No. : 603-2241 5800
Fax No. : 603-2282 5022

HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

Lot C-02, Level 2,
SkyPark @ One City,
Jalan USJ 25/1,
47650 Subang Jaya,
Selangor Darul Ehsan, Malaysia.

Tel No. : 603-5115 9988
Fax No. : 603-5115 9995
Website: www.mct.com.my

REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

Tel No. : 603-7890 4700
Fax No. : 603-7890 4670

Board room at our new corporate office

AUDITORS

Ernst & Young PLT 202006000003
(LLP0022760-LCA & AF 0039)
Chartered Accountants
Level 23A, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

SOLICITORS

PRETAM SINGH, NOR & CO

Suite A-10-9, Level 10,
Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1,
59000 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

SKRINE

Level 8, Wisma UOA Damansara,
50 Jalan Dungun,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

JUSTIN VOON, CHOOI & WONG

D6-5-13A, Bangunan Perdagangan D6,
801, Jalan Sentul,
51000 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

STOCK EXCHANGE LISTING

Main Market of Bursa Securities
Stock Name : MCT
Stock Code : 5182

INVESTOR RELATIONS

Email: investorrelations@mct.com.my

CORPORATE STRUCTURE

MCT BERHAD
200901038653 (881786-X)

MCT CONSORTIUM BHD.
200401035485 (673995-D)

PROPERTY DEVELOPMENT

ECO GREEN CITY SDN. BHD.
200801020987 (822302-T)

ECOLAKE RESIDENCE SDN. BHD.
201001025781 (909695-H)

LAKEFRONT RESIDENCE SDN. BHD.
201101005895 (934038-V)

MCT STORE SDN. BHD.
200801029658 (830987-V)

NEXT DELTA SDN. BHD.
201501005067 (1130397-A)

ONE RESIDENCE SDN. BHD.
201501001356 (1126688-P)

SKYPARK FITNESS SDN. BHD.
201001025835 (909750-X)

SKY PARK PROPERTIES SDN. BHD.
201001009247 (893877-V)

THE PLACE PROPERTIES SDN. BHD.
200801035745 (837086-M)

USJ CITYPOINT SDN. BHD.
(FORMERLY KNOWN AS ONE CITY DEVELOPMENT SDN. BHD.)
200801001667 (802951-A)

CHERISH PROPERTIES SDN. BHD.
201301028670 (1058500-W)

70%

VISTA GLOBAL DEVELOPMENT SDN. BHD.*
201301029749 (1059579-W)

PROPERTY INVESTMENT

ARDENT RESIDENCE SDN. BHD.
(FORMERLY KNOWN AS SUBANG RESIDENCY SDN. BHD.)
200601021941 (741694-V)

LEISURE EVENT SDN. BHD.
201001025599 (909513-V)

NEXUS ADVERTISING SDN. BHD.
200801029709 (831038-V)

PREMIUM CINEMA SDN. BHD.
201101002765 (930903-M)

ROARING GAIN SDN. BHD.
201001007334 (891955-P)

SOLID BENEFIT SDN. BHD.
200401036210 (674721-X)

SOLID INTEREST SDN. BHD.
201001026135 (910055-T)

SOLID RECOMMENDATION SDN. BHD.
201001011672 (896332-P)

TIMELESS HECTARES SDN. BHD.
201001038121 (922045-X)

UNDERSEA CITY SDN. BHD.
200701015362 (773369-P)

USJ ONE AVENUE SDN. BHD.
200401011948 (650451-T)

COMPLEMENTARY BUSINESSES

MCT CONSTRUCTION MATERIALS SDN. BHD.
200101030390 (566149-U)

MCT GREEN TECHNOLOGY SDN. BHD.
201001011898 (896561-H)

MCT HOMES SDN. BHD.
200401008703 (647207-M)

MCT PROPERTIES SDN. BHD.
200501036143 (718290-A)

MCT PROPERTY MANAGEMENT SDN. BHD.
201001025598 (909512-U)

MODULAR CONSTRUCTION TECHNOLOGY SDN. BHD.
199601037171 (409524-X)

SPCJ GREEN TECH SDN. BHD.
201501021538 (1146866-W)

NOTES:

70% held by **Cherish Properties Sdn. Bhd.*

Except as otherwise expressly stated, all companies in this structure are wholly-owned by their respective holding companies

DRIVE-THRU SERVICE FOR HAND OVER OF VACANT POSSESSION ("HOVP")

JANUARY – DECEMBER

We continued our HOVP exercise via drive-thru throughout the year. This innovative idea came about following the effects of the pandemic where the strict adherence to social distancing, wearing of masks and sanitisation was a priority. The drive-thru exercise allowed customers to collect their keys from the comfort of their cars as our employees approached them with the HOVP kit while keeping a safe distance.

At MCT, the safety of both home owners and employees are a top priority.

Casa Wood @ Cybersouth

LakeFront Residence

PR1MA Homes

Drive through service for handing over of keys

TREE PLANTING CEREMONY AT CYBERSOUTH NURSERY

FEBRUARY

On 5 February 2021, we initiated this meaningful effort to save 18 adult trees from the construction site of our Aetas Damansara project

To ensure the survival of these trees, arborists were hired to identify and study the trees before they were uprooted properly and transplanted at our very own nursery at Cybersouth for future landscaping programmes.

Tree planting initiative at Cybersouth Nursery

VISITING XI YING OLD FOLKS HOME

FEBRUARY

A group of MCT employees made a visit to Xi Ying Old Folks Home, USJ ("Xi Ying") on 23 February 2021 and were welcomed warmly by the senior citizens and Mr. Steven Gee, chaperon of the home.

Xi Ying has been receiving patients from Kuala Lumpur General Hospital and Hospital Universiti Kebangsaan Malaysia who were left behind by their relatives while seeking medical aid. The residents are aged between 60 to 92 years old and need continuous medications and support.

As a responsible corporate citizen, we took a step forward and moved in sync with our mission of enriching communities to gift them with goodies and festive cheer as part of the Chinese New Year celebration.

MCT employees delivering essential supplies to Xi Ying Old Folks Home

VISITING EN YUAN OLD FOLKS HOME

APRIL

On 26 April 2021, as part of our commitment to serve the communities in need, we treated the residents of En Yuan Old Folks Home ("En Yuan") with goodie bags and cheer.

En Yuan is an old folk's home that provides shelter, support and medical care to the destitute, paralysed and handicapped elders.

Due to the COVID-19 pandemic, we were unable to interact with the 33 home residents but managed to get a sneak peek of their living conditions and have a quick photo session.

MCT employees delivering essential supplies to En Yuan Old Folks Home

PROPERTY SALES FAIR

MAY & NOVEMBER

We participated in a sales fair at D'Pulze Shopping Centre during the period 10-16 May and another one from 1-7 November.

The two events showcased our LakeFront @ Cyberjaya project to prospective buyers. The fair was well received and was able to generate leads and conversion.

Customers being briefed by our Sales team

COFFEE CHAT WITH KEY MANAGEMENT TEAM

AUGUST – DECEMBER

After a long period of working from home ("WFH") and the lack of staff engagement, we had an informal chat session between our C-suites and staff to communicate the happenings and direction of our Company.

The first of these sessions was held on 12 August 2021 with a small group of 10 employees from different departments. The session was well received by the staff where everyone enjoyed a casual talk about life outside of work, how to cope with the pandemic situation and other thought-provoking ideas that they can share with the C-suites.

Coffee Chat calendar invite

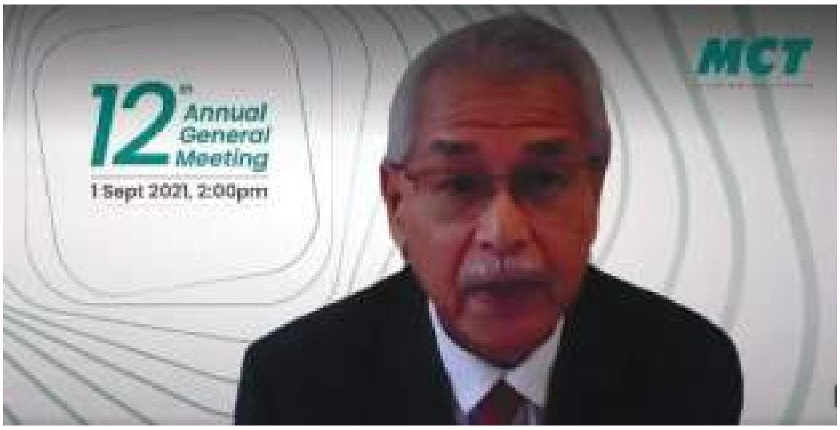
VIRTUAL AGM

SEPTEMBER

Our 12th Annual General Meeting ("AGM") was conducted on 1 September 2021 via a fully virtual platform due to restrictions of the pandemic.

The meeting was led by our Chairman where the Annual Report for the financial year ended 31 December 2020 ("FY 2020") was presented to our shareholders and all resolutions were successfully passed by shareholders through electronic voting.

The AGM was attended by our shareholders and our board of directors ("Board") through remote participation.



MCT's fully virtual AGM

VIRTUAL TOWNHALL

SEPTEMBER

We organised our first virtual Townhall meeting on 29 September 2021. The meeting was attended by most of our staff through Microsoft Teams. Our CEO presented our Group's current position, future direction and unveiled our new Mission, Vision and Core Values.

Our management team also presented the seven core values to the staff complete with examples of how to adapt the values into our current business operations.

We then had a dialogue session between our employees and key management team to clarify any questions the employees may have. Overall, the townhall was well received and proceeded smoothly.

MCT's first virtual Townhall meeting

Team MCT during the virtual townhall session

OFFICE REOPENING

OCTOBER

After the Government imposed movement restrictions were lifted and business premises could be reopened, we decided to give all MCT staff a "Welcome Back to Office" treat where each staff were given a welcome pack upon their return. There were happy faces all around as staff were glad to be back after months of working from home.

Staff being welcomed back to the office after reopening of office

FRIDAY EVENING UNWIND

OCTOBER

Friday Evening Unwind, an inaugural employee engagement session between our C-suites and Head of Department (HOD) kicked-off last 8 October 2021.

The virtual session was a venue to chill and relax with colleagues through fun filled games and activities.

This aims to forge better interaction and serves as a guide to HODs to roll out the same activity to their respective teams.

Participants of the Friday Evening Unwind engagement session

CUSTOMER CENTRIC TRAINING

NOVEMBER-JANUARY

We organised a Group-wide training programme specifically on Customer Centricity, where participants went through 5 day sessions, culminating in a group presentation to selected panel members on their improvement plan to further raise our service level to our customers.

A total of 165 employees went through the whole programme with 5,320 training hours accumulated. Well done Team MCT!

Customer Centricity training session in action.

E-WASTE RECYCLING CAMPAIGN

NOVEMBER

MCT, in collaboration with ERTH (Electronic Recycling Through Heroes), a non-profit social organisation focusing on e-Waste Recycling, launched an internal corporate social responsibility ("CSR") initiative.

All staff were encouraged to participate by discarding their e-waste (end-of-life personal electronics such as, laptops, smartphones, etc.) in an allocated disposal box. We collected 30 kg of e-waste in 30 days.

E-waste collected from MCT staff were handed over to ERTH for recycling

VISITING SHELTER HOME FOR CHILDREN

DECEMBER

On December 17, our staff visited the SHELTER Home For Children, a home for children who come from challenging backgrounds.

The visit brought cheer and twinkles in their eyes as snacks and sundry supplies were presented to the children.

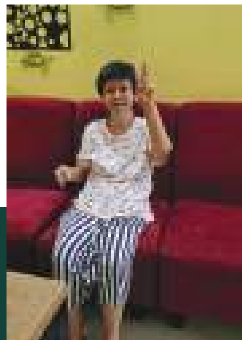
This serves as an early Christmas gift given by MCT's very own Santa Claus and Santa Rina.

Children from SHELTER Home For Children with Santa Claus and Santa Rina.

VISITING NOBLE CARE HOME

DECEMBER

We did our small part in taking care of our community by visiting the residents of Noble Care Home on December 17. This is a nursing facility with a home-like environment where families have the freedom and privacy to visit their loved ones as often as they wish. Residents of the home were presented with some food supplies.



MCT team contributing essential items to Noble Care Home residents.

FLOOD RELIEF DRIVE

DECEMBER

Our staff were quick to volunteer when some of their colleagues' homes were hit by floods last December 20. These volunteers assisted with the house cleaning, providing necessities and donations to their afflicted colleagues.

It was truly a display of togetherness as the staff upheld one of our Group's core values; Teamwork and got the houses cleaned in no time.

MCT team helping dispose furniture damaged by the floods at a colleagues home

REOPENING OF CYBERSOUTH CLUBHOUSE

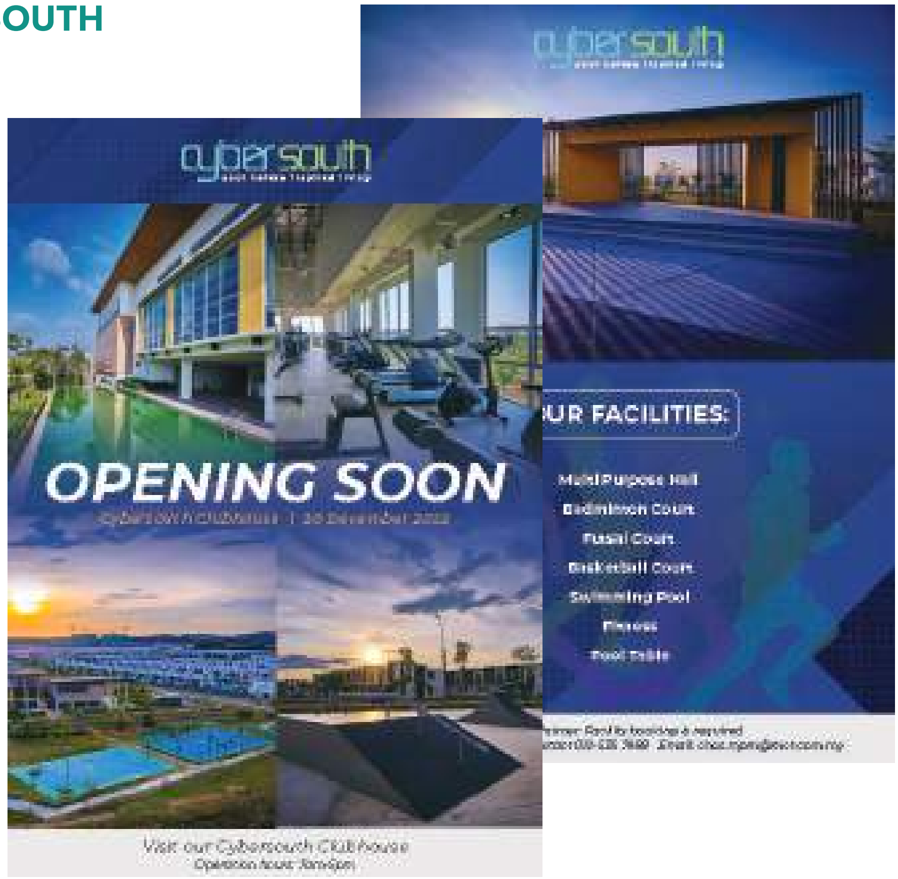
DECEMBER

After a long hiatus due to the pandemic, we decided to re-open the clubhouse at Cybersouth on 20 December 2021.

This was to benefit the residents of the township as they could now enjoy the use of sporting facilities such as the badminton and futsal court as well as the gymnasium at the clubhouse.

SOPs and protocols were put in place to ensure the safety and wellness of the residents.

The Clubhouse is part of the Central Park area where the residents can enjoy the nature inspired living concept.



Announcement of Cybersouth Clubhouse reopening

CHRISTMAS WALKAROUND

DECEMBER

To mark the year-end festivities and show appreciation to our staff, we distributed little "treats" on December 23. Staff were encouraged to take selfies or Tik Tok with Santa Claus and Santa Rina. We rewarded the most creative team/individual with a token of appreciation. Our staff were excited, and some waited in anticipation for the walkaround of Santa Claus and Santa Rina and posed gleefully for photos.

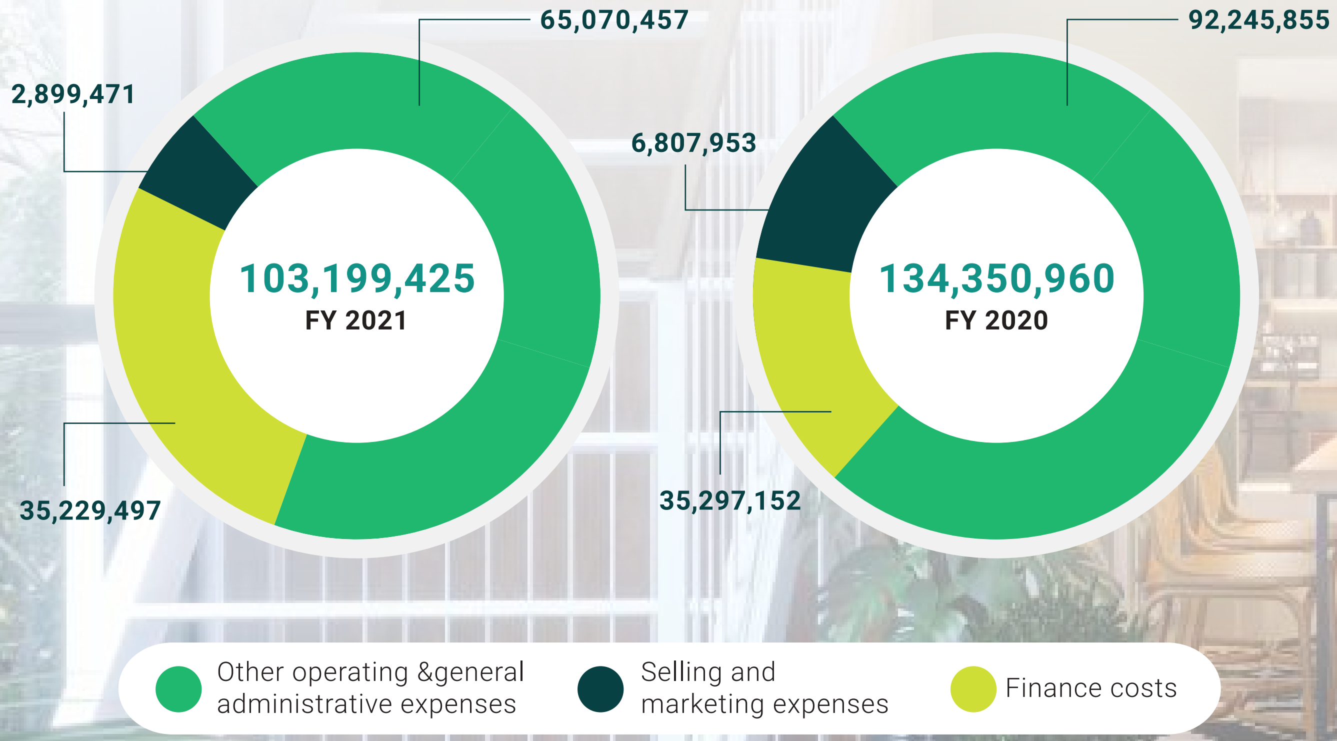
MCT staff mingling with Santa Claus and Santa Rina

FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED	31 December 2021 ("FY 2021")	31 December 2020 ("FY 2020")
Financial Results (RM)		
Revenue	326,941,466	462,438,361
Total Expenses	103,199,425	134,350,960
Earnings before interest, taxes, depreciation, and amortisation ("EBITDA")	57,549,000	86,660,979
Profit before Tax	5,100,689	34,069,474
Profit attributable to Equity Holders	-16,242,266	9,946,046
Financial Position (RM)		
Total Cash and Bank Balances	459,481,754	599,300,385
Total Current Assets	904,425,631	1,192,060,976
Total Borrowings	-	25,000,000
Total Current Liabilities	841,741,110	524,793,823
Total Equity	864,180,719	873,302,006
Financial Ratios		
Basic Earnings Per Share (sen)	-1.1	0.7
Net Assets Per Share (RM)	0.6	0.6
Current Ratio (times)	1.1	2.3
Net Debt-to-Equity Ratio (%)	N/A*	N/A*
Return on Equity (%)	-1.9%	1.1%

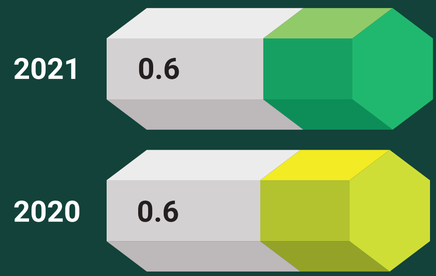
** Net cash position*

TOTAL EXPENSES



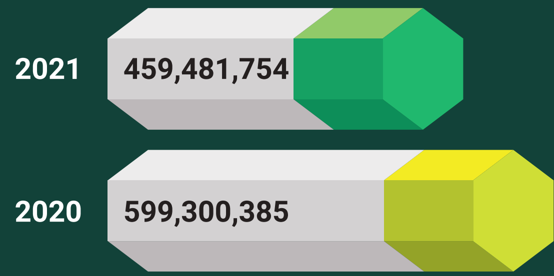
NET ASSET PER SHARE

(RM) **0.6**



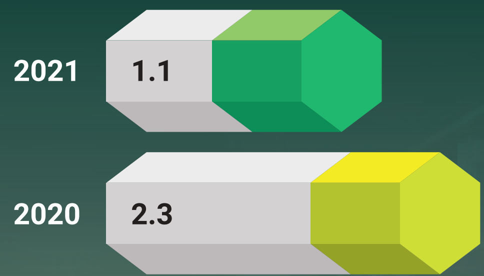
TOTAL CASH AND BANK BALANCE

(RM) **459,481,754**



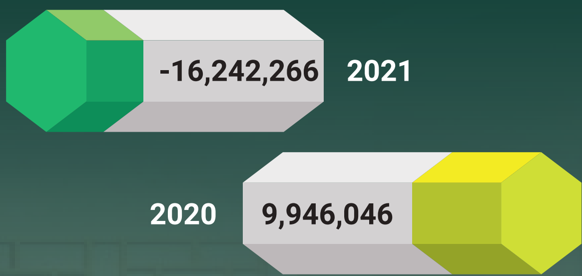
CURRENT RATIO

(TIMES) **1.1**



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

(RM) **-16,242,266**



BOARD OF DIRECTORS

TEH HENG CHONG
Executive Director and Chief Executive Officer

MA. DIVINA YEE LOPEZ
Non-Independent Non-Executive Director

BERNARD VINCENT OLMEDO DY
Non-Independent Non-Executive Director

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Independent Non-Executive Chairman

TAN SRI DATO' HJ. ABD KARIM BIN SHAIKH MUNISAR
Independent Non-Executive Director

LAO CHOK KEANG
Independent Non-Executive Director

ANNA MARIA MARGARITA BAUTISTA DY
Non-Independent Non-Executive Director

APOLLO BELLO TANCO
Executive Director and Chief Operating Officer

JAIME ALFONSO ANTONIO EDER ZOBEL DE AYALA
Non-Independent Non-Executive Director

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR

Independent Non-Executive Chairman

Age

72

Nationality

Malaysian

Gender

Male

Board Meeting Attendance

6/6

Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor was appointed to our Board as an Independent Non-Executive Director on 1 April 2015 and was subsequently re-designated as the Chairman of our Company on 3 April 2015.

He holds a Bachelor of Economics (Honours) from the University of Malaya and a D.D.A from the University of Birmingham, United Kingdom. He obtained a Master's in Business Administration from the University of Birmingham, United Kingdom. He also holds an Honorary Doctorate in Economic Management from Sultan Idris Education University.

He had served 33 years in the Malaysian Civil Service from 1973 until his retirement in 2006. He started work as an Assistant Director in the Public Service Department in 1973. He then served in the National Bureau of Investigation, National Institute of Public Administration and Petroleum Development Unit of the Prime Minister's Department before being appointed as the Deputy Budget Director in the Ministry of Finance in 1995. In 1998, he joined the Federal Agriculture Marketing Authority as Director General and subsequently as the Secretary General of the Ministry of Agriculture and Agro-based Industry from 2001 before retiring in 2006.

He is the Non-Independent Non-Executive Chairman of HeiTech Padu Berhad and the Independent Non-Executive Chairman of Swift Haulage Berhad, both public listed companies on the Main Market of Bursa Securities.

Mr. Teh Heng Chong was appointed to our Board as an Executive Director and CEO on 4 March 2019.

He graduated with a Bachelor's in Economics from the University Malaya, Kuala Lumpur, in 1995.

He has over 25 years' extensive experience in the real estate industry and was the Marketing Director of UOA Development Berhad from February 2017 to January 2019. Before this, he was the Chief Marketing Officer of MCT in 2016 and the Chief Operating Officer (Marketing) of Mah Sing Group Berhad from 2009 to 2015. Prior to 2009, he held various positions in various companies.

He is currently serving as a director of our Group and is also a director of MCT Consortium Bhd., a non-listed public company. Save for the above, he does not hold any other directorship in public companies and listed issuers in Malaysia.

TEH HENG CHONG

Executive Director and CEO

Age

51

Nationality

Malaysian

Gender

Male

Board Meeting Attendance

6/6

NOTES:

Save as disclosed above, none of the Directors have:

- *any family relationship with any Director and/or major shareholder of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past five (5) years (other than traffic offences, if any) and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

TAN SRI DATO' HJ. ABD KARIM BIN SHAIKH MUNISAR

Independent Non-Executive Director

Age

71

Nationality

Malaysian

Gender

Male

Board Meeting Attendance

6/6

Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar was appointed to our Board as an Independent Non-Executive Director on 22 December 2015. He is the Chairman of the Nomination and Remuneration Committee and serves as a member of the Audit and Risk Management Committee.

He graduated with a Bachelor of Economics (Honours) from the University of Malaya. He further obtained an Advanced Diploma in Economic Development (with Distinction) from the University of Manchester, United Kingdom and a Master of Business Administration (Business Finance) from The University of Edinburgh, Scotland. He also attended an Advanced Course in Urban Planning JICA in Tokyo, Japan.

He first joined the Malaysian public service in 1974 as the Assistant Director at the Ministry of Finance. Between 1975-1982, he held various positions in the Districts Office of different districts in Perak and Pahang. Between 1982 and 2004, he held the position of Deputy Director of Klang Valley Planning Secretariat at the Prime Minister's Department (4 years); Chief Assistant State Secretary of Selangor (Local Government Division) (5 years); First President of Ampang Jaya Municipal Council (6 years); District Officer cum Acting President of Sepang District Council (5 years); and President of Petaling Jaya Municipal Council (2 years).

After optional retirement from the Government sector, he joined the corporate sector and held directorships in various public listed companies, including President and Chief Executive Officer of Kumpulan Darul Ehsan Berhad; Executive Chairman of Kumpulan Perangsang Selangor Berhad, Kumpulan Hartanah Selangor Berhad and Chairman of Taliworks Corporation Berhad.

He was also the chairman of various companies, namely Konsortium Abass Sdn Bhd, Titisan Modal Sdn Bhd, Central Spectrum Sdn Bhd, Cekal Tulin Development Sdn Bhd, JAKS-KDEB Consortium Sdn Bhd, Hydrovest Sdn Bhd and Perangsang Hotel & Properties Sdn Bhd. In addition, he was also a director of Syarikat Bekalan Air Selangor Sdn Bhd (Syabas), Syarikat Pengeluaran Air Selangor Holdings Berhad (Splash), Cyberview Sdn Bhd and Alam Flora Sdn Bhd..

He is currently the Independent Non-Executive Director of Lion Posim Berhad and Jaks Resources Berhad, both public companies listed on the Main Market of Bursa Securities.

Mr. Lao Chok Keang was appointed to our Board as an Independent Non-Executive Director on 24 February 2017. He is the Audit and Risk Management Committee Chairman and serves as a member of the Nomination and Remuneration Committee.

He started his career in a public accounting firm and is a Malaysian Institute of Accountants member.

He held several senior management positions in large property development companies, including the Chief Operating Officer of Saujana Triangle Sdn. Bhd., the developer for the 800-acre township development known as Damansara Perdana in Petaling Jaya, Selangor. He was also the Director of Murray Riverside Pty Ltd, a 1,000-acre mixed development developer in Western Australia.

In 2004, he joined Setia Haruman Sdn Bhd, the then Master Developer of Cyberjaya, as a Director/Chief Operating Officer and had since been responsible for the company's overall performance. In 2013, he assumed the position of Executive Director of Setia Haruman Sdn Bhd. He was re-designated as a Director/Business Advisor in May 2016.

He does not hold any other directorship in public companies and listed issuers in Malaysia.

LAO CHOK KEANG

Independent Non-Executive Director

Age

65

Nationality

Malaysian

Gender

Male

Board Meeting Attendance

6/6

NOTES:

Save as disclosed above, none of the Directors have:

- *any family relationship with any Director and/or major shareholder of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past five (5) years (other than traffic offences, if any) and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

BERNARD VINCENT OLMEDO DY

Non-Independent Non-Executive Director

Age

58

Nationality

Filipino

Gender

Male

Board Meeting Attendance

6/6

Mr. Bernard Vincent Olmedo Dy was appointed to our Board as a Non-Independent Non-Executive Director on 3 April 2015. He was later re-designated as a member of the Nomination and Remuneration Committee.

He earned a degree of Bachelor of Business Administration in Accountancy from the University of Notre Dame in 1985. He received his Master of Business Administration in 1989 and Master of Arts in International Relations in 1997, both from the University of Chicago.

He is the President and Chief Executive Officer of Ayala Land, a Senior Managing Director of Ayala Corporation, and a member of the Ayala Group Management Committee since April 2014. He is also a director of Philippine publicly listed companies, AREIT, Inc. and AyalaLand Logistics Holdings Corp..

He does not hold any other directorship in public companies and listed issuers in Malaysia.

Ms. Anna Maria Margarita Bautista Dy was appointed to our Board as a Non-Independent Non-Executive Director on 7 May 2015 and served as a member of the Audit and Risk Management Committee.

She graduated magna cum laude from the Ateneo De Manila University with a Bachelor of Arts Degree under the university's Economics Honors Programme. She earned her Master's Degree in Economics from the London School of Economics and Political Science in the United Kingdom. She received her Master of Business Administration at the Harvard Business School in Boston, United States of America.

She is presently the Senior Vice President and member of the Management Committee of Ayala Land and Head of the AyalaLand Estates Group. Her other significant positions are Vice Chairman and President of Vesta Properties Holdings, Inc.; Director and President of Nuevocentro, Inc.; Alviera Country Club, Inc. and Aurora Properties, Inc.; Director and Executive Vice President of Fort Bonifacio Development Corporation; and Director of CECI Realty, Inc..

Prior to joining Ayala Group, she was a Vice President of Benpress Holdings Corporation.

She does not hold any other directorship in public companies and listed issuers in Malaysia.

ANNA MARIA MARGARITA BAUTISTA DY

Non-Independent Non-Executive Director

Age

52

Nationality

Filipino

Gender

Female

Board Meeting Attendance

6/6

NOTES:

Save as disclosed above, none of the Directors have:

- *any family relationship with any Director and/or major shareholder of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past five (5) years (other than traffic offences, if any) and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

JAIME ALFONSO ANTONIO EDER ZOBEL DE AYALA

Non-Independent Non-Executive Director

Age
31

Nationality
Filipino

Gender
Male

Board Meeting Attendance
6/6

Mr. Jaime Alfonso Antonio Eder Zobel de Ayala was appointed to our Board as a Non-Independent Non-Executive Director on 1 June 2020.

He graduated from Harvard University with a Primary Concentration in Government in 2013, and his Master of Business Administration from Columbia Business School in New York in 2019.

He currently heads the Business Development and Innovation Units of Ayala Corporation. He is the Co-Deputy Head of Corporate Strategy Group. He is a board member of BPI Capital Corporation, BPI Direct BanKo, Inc., AyalaLand Logistics Holdings Corp., R.U.S.H, RETC-LLC, AC Energy International and ACE Enexor, Inc.

He is the Global Ideas Committee Chairman of the Makati Business Club and a member of the Investment Committee of the Kickstart Ventures Inc..

Prior to this, he was the Head of Fixed-Mobile Convergence (Product Management) and Head of Business Development (Prepaid Division) of Globe Telecom. During his stint in Globe, he led the development and marketing strategy of Globe Switch, the most successful digital app in company history.

Before joining Ayala Group, he was an Analyst at Goldman Sachs Singapore under the Macro-Sales Desk (Fixed Income, Currency and Commodities (FICC) Division).

He does not hold any other directorship in public companies and listed issuers in Malaysia.

Ms. Ma. Divina Yee Lopez, was appointed to our Board as a Non-Independent Non-Executive Director on 1 June 2021.

She holds a Bachelor of Science in Business Administration and Accountancy from the University of the Philippines and placed 11th in the Certified Public Accountants Board Examinations in 1993. She obtained a Master of Science in Computational Finance from the De La Salle University in 2002.

She is currently Vice President of Ayala Land and Chief Finance Officer of AyalaLand Estates Group. Her other current significant positions are Corporate Finance Officer of Aurora Properties Incorporated, CECI Realty, Inc. and Vesta Properties Holdings, Inc., Comptroller and Chief Finance & Compliance Officer of Alviera Country Club, Inc. and Comptroller of Nuevocentro, Inc.

She does not hold any other directorship in public companies and listed issuers in Malaysia.

MA. DIVINA YEE LOPEZ

Non-Independent Non-Executive Director

Age

51

Nationality

Filipino

Gender

Female

Board Meeting Attendance

3/6 **(Appointed on 1 June 2021)**

NOTES:

Save as disclosed above, none of the Directors have:

- *any family relationship with any Director and/or major shareholder of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past five (5) years (other than traffic offences, if any) and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

APOLLO BELLO TANCO

Executive Director and COO

Age

55

Nationality

Filipino

Gender

Male

Board Meeting Attendance

6/6

Mr. Apollo Bello Tanco was appointed to our Board as a Non-Independent Non-Executive Director on 23 January 2019. He was subsequently re-designated as an Executive Director and the COO on 4 March 2019.

He graduated cum laude from the Central Philippine University, Iloilo City, with a Bachelor of Science in Commerce, major in Accounting in 1987. He earned his Master of Arts in Applied Business Economics from the University of Asia and the Pacific in 1994. He is also a Certified Public Accountant who passed the Philippine licensure exams in 1987.

He was the Head of Project and Strategic Management Group and a member of the Management Committee of Avida Land Corp., a subsidiary of Ayala Land. He served as an Assistant Vice President of Ayala Land and has been for twenty-six (26) years, being assigned to the residential group. Prior to this, he was the Project Development Manager involved in the master planning of Nuvali and other major land development projects of Ayala Land.

He is currently serving as a director of our Group and is also a director of MCT Consortium Bhd., a non-listed public company. Save for the above, he does not hold any other directorship in public companies and listed issuers in Malaysia.

NOTES:

Save as disclosed above, none of the Directors have:

- *any family relationship with any Director and/or major shareholder of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past five (5) years (other than traffic offences, if any) and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

KEY MANAGEMENT TEAM

TEH HENG CHONG

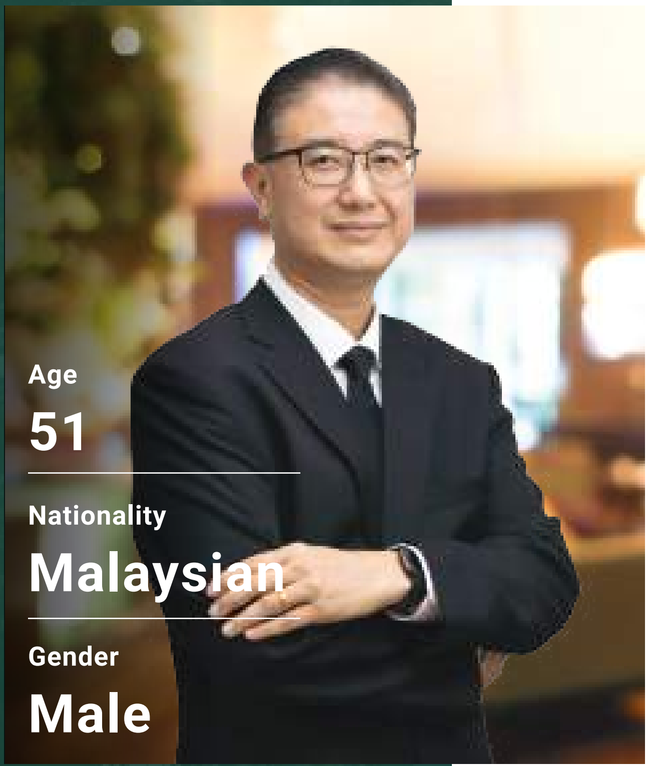
Executive Director and CEO

SUSAN JACOB SECRETO

Chief Financial Officer CFO

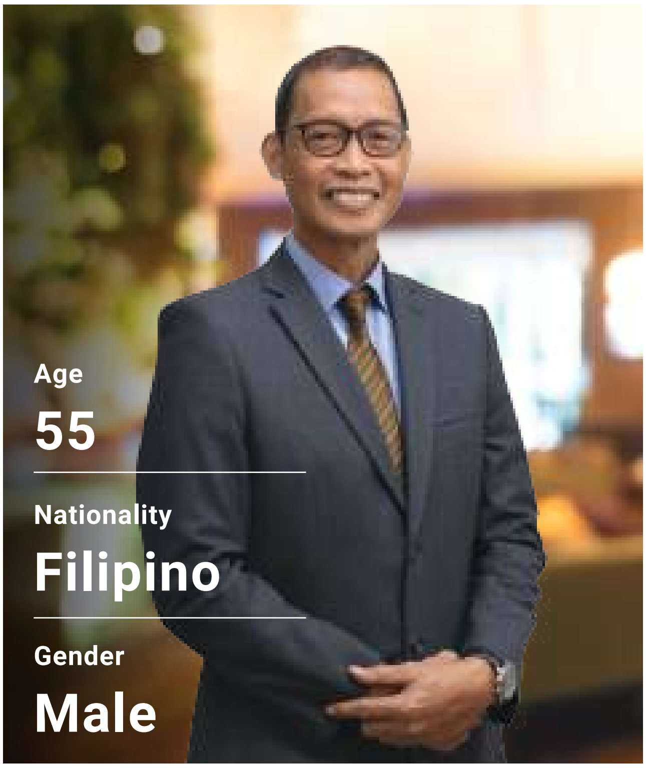
APOLLO BELLO TANCO

Executive Director and COO



TEH HENG CHONG

Executive Director and CEO



APOLLO BELLO TANCO

Executive Director and COO

SUSAN JACOB SECRETO

CFO

Ms. Susan Jacob Secreto was appointed as the CFO of our Group on 4 March 2019.

She is a Certified Public Accountant, passing the Philippine licensure exams in 1994. She earned her Bachelor of Science in Business Administration major in Accounting from the University of the City of Manila.

She is an experienced manager with a demonstrated history of working in the real estate industry. Previously, Susan was a Division Manager of Ayala Land and has been with Ayala Land's Finance Group for twenty-six (26) years. Before joining MCT, she was the Chief Financial Officer and member of the management committee of Ayala Land Offices (July 2017 - February 2019), Avida Land Corp. and subsidiaries (May 2014 – June 2017) and Amaia Land Corporation (March 2011 – April 2014). Prior to March 2011, she held various positions in Ayala Land in the Philippines.

She is currently a director of MCT Consortium Bhd., a non-listed public company. Save for the above, she does not hold any other directorship in public companies and listed issuers in Malaysia.

NOTES:

Save as disclosed above, none of the Key Management Team have:

- *any family relationship with any Director and/or major shareholder of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past five (5) years (other than traffic offences, if any) and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

MANAGEMENT TEAM

Age	Nationality	Gender
47	Malaysian	Male

CHEE KOK KEONG

Head, Sales and Marketing

Age	Nationality	Gender
45	Malaysian	Male

YAW SHENG FUNG

Head, Property Development (1)

Age	Nationality	Gender
45	Malaysian	Male

KOGELEVANAN THINAKARAM

Head, Property Development (2)

Age	Nationality	Gender
57	Malaysian	Male

HENG AIK CHAU

Head, Property Development (3)

Age	Nationality	Gender
54	Malaysian	Male

TAN CHING PIN

Head, Project Management

Age	Nationality	Gender
43	Malaysian	Male

AZNUL RIZAL SHAHID

Head, Design and Planning

Age	Nationality	Gender
57	Malaysian	Male

LIM TEK GUAN

Head, Property and Utilities Management

Age	Nationality	Gender
54	Malaysian	Male

SAM LOH CHIN HAU

Head, Legal Management

Age	Nationality	Gender
64	Malaysian	Male

MUHAMMAD SYAFIQ SOH BIN ABDULLAH

Head, Human Capital and Administration

Age	Nationality	Gender
36	Malaysian	Male

AW CHONG SENG

Head, Strategic Corporate Finance

Age	Nationality	Gender
57	Malaysian	Female

CHENG MEY CHING

Head, Supply Chain Management

Age	Nationality	Gender
45	Malaysian	Male

STEPHEN WONG YEW FUI

Head, Information Technology

Note : Jacqueline Kua Ai Lian was appointed Financial Controller effective 1 October 2021.

VISION

MCT is an Innovative, Timeless Value Creator.

MISSION

Creating Communities,
Enhancing Lives For Generations
Where People Enjoy A Complete Lifestyle Experience.

CORE VALUES

At MCT, we are proud to share our seven (7) core values that shape our culture as presented below:

WINNING MINDSET

Embrace high standards of excellence

EMPOWERMENT AND OWNERSHIP

Deliver with Commitment, Responsibility abd Accountability

AGILITY

Proactive and able to adapt to constant changes.

CUSTOMER CENTRIC

Enjoyable customer experience throughout the purchase journey and more! Giving care, building trust and providing mutual support to one another

ETHICS & INTEGRITY

Exhibit good work ethics and moral principles Being truthful and doing the right thing all the time

INNOVATIVENESS

Think out-of-the box mindset Challenge the norms for improvement

TEAMWORK

Open communication to effective collaboration.

MCT employees at co-working space

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

ON BEHALF OF OUR BOARD, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR FY 2021

A YEAR OF RELENTLESS PURSUIT

The COVID-19 pandemic has led to an unprecedented crisis and FY 2021 continued to be a tumultuous one as the pandemic further impacted the global economy. In the first half of 2021, with the virus continuing to spread with new variants, many countries slowed their economic reopening and some reinstated partial lockdowns to protect susceptible populations. As a result, we saw economic activities, business operations and life in general come to a standstill.

Consequently, global supply chains were disrupted, and global shipping prices spiked. Raw material prices have also been volatile which further impacted the global economy. Meanwhile, the launch of Malaysia's vaccination drive highlights a rush of activity nationwide to achieve herd immunity. Hence, as vaccination rates increase and proved effective in combating the effects of the virus, many countries began to open up their borders gradually by implementing measures such as travel bubble and reduced quarantine requirements. These initiatives fuelled economic activities across the globe. The global economy rebounded by 5.9% in 2021, after contracting by 3.5% in 2020, as it slowly climbed out from the depths to which it had plummeted in 2020.

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Independent Non-Executive Chairman

Managing the uncertainties of COVID-19 has been a dominant feature for many over the last two years. As we navigate through the uncertainties brought about by the pandemic, our Company was not spared from this situation. For FY 2021, our revenue of RM326.9 million dropped by 29.3% against the previous year while our bottom line registered a loss after tax of RM16.2 million. Our financial performance was affected as we had to defer some of our launches while some required changes and adjustments to cater to new market trends.

During the year, we have to exercise prudence in executing activities by focusing on the following: Be very selective in launching new projects, clear out all remaining inventories from our legacy projects, monetise non-core assets and conserve on cash by ensuring the completion of all on-going projects and in improving product quality and delivery. Nonetheless, we also focused our efforts on putting the necessary building blocks in place to fuel future value creation and growth.

Aerial view of Alira @ Tropicana Metropark

EMBARKING ON CHANGE AND REINVENTION

As we adjust to the new norm particularly adopting to a hybrid work set up, we took the opportunity to rethink our business plans and, in many cases, make fundamental changes to our operations to cope with this new reality and prepare for recovery once the economic activity increase momentum. With this scenario, we leveraged on our ongoing transformation plans and growth imperatives to ensure the continuity and the sustainable growth of our businesses.

As a Company, it is absolutely critical for us to establish a vision that does not only embody our goals but is also able to inspire, motivate and align our people around our Group's future direction. Bearing this in mind, our Management team organised a series of strategic planning programmes with the aim of revisiting our long-term business goals and plans. These programmes not only involved strategic thinking and analysis that led to a clear set of directions but also to encourage new ideas so that we can thrive in this competitive and ever-changing environment.

From the sessions made, it gave birth to our Group's new vision of being an "Innovative, Timeless Value Creator" together with a new mission of "Creating communities, enhancing lives for generations, where people enjoy a complete lifestyle experience". This is in-line with our ongoing transformation plans of establishing an Innovative and Dynamic Team whose focus is to develop products and communities that will give value and cater to the needs of the end buyers that will last for generations. Using our Core Values to support our Vision, we will be able to reset the culture and promote the working principles that will help drive our business. This empowers our employees with a sense of purpose, inspiration and focus towards effective execution and an established strategic direction that will help align our annual goals and actions. As such, we now have a compass to guide our decision-making process that can be assessed against the backdrop of economic realities, market forces and available resources.

In a nutshell, we are heading into a new growth cycle embodying this year's theme - Reinvent the Vision, Reset for Growth.

UPHOLDING GOOD CORPORATE GOVERNANCE

Our strong commitment to accountability, transparency and good governance provides our Group with the necessary internal controls for mitigating financial and non-financial risks. Our Group-wide governance framework enables a faster and proactive response to market forces and ensures strong oversight across our businesses.

For the purpose of promoting good corporate governance, the Securities Commission released the Malaysian Code of Corporate Governance 2021 ("MCCG 2021") on 28 April 2021. The MCCG 2021 updates aim to promote new and enhanced best practices to fortify corporate governance practices and build business resilience and sustainability. As MCT strives to be a company with good corporate governance, we endeavour and continue to work towards implementing the MCCG 2021 criteria concerning board representation, gender diversity, tenure of independent directors and the composition of the board committees.

As our continued effort to upholding high standards of ethical, moral and legal business conduct, we appointed an independent consultant to review our Group's anti-corruption compliance programmes. The independent consultant performed a gap assessment of our Group's practices against the Malaysian Anti-Corruption Commission Act 2009 as our Group is committed to upholding a zero-tolerance stance on bribery and corruption at all levels of our business operations. This will go a long way in strengthening our operations and driving value creation for all stakeholders.

At MCT, we promote diversity and inclusion at the workplace.

PREPPING UP FOR RECOVERY

The International Monetary Fund projects that the global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022. The post-COVID-19 pandemic recovery is hit by a global supply shock that will ultimately reduce growth and push up inflation. Upward pressure on inflation has continued in 2022, underpinned by rising producer costs due to the Russia-Ukraine conflict and the lockdown in China — both events adding further pressure on the already disrupted global supply chain.

Nonetheless, on the domestic front, Malaysia's GDP is projected to grow by 5.8% in 2022 compared to 3.1% in 2021. Malaysia's vaccine roll-out has been very successful thus far with 97.5% of the adult population vaccinated, while 98.7% had received at least one dose of the vaccine. In addition, after two years of stringent border controls, Malaysia finally welcomed international travellers starting 1 April 2022 onwards. This will boost economic activities in Malaysia and also attract foreign investments. Unemployment rate is at 4.3%, the lowest since 2020 and continues to trend downwards as demand for labour continue to surge. This in turn will boost consumer confidence and induce spending and investments.

While the economy is anticipated to begin recovery in 2022, on the property development front, it is expected to take some time given the prolonged pandemic amidst a resurgence of cases. Despite all of these, we are ready to ride the wave of recovery while remaining cautiously optimistic about the future. Leveraging on our current resources and strategies, as well as a more upbeat economic outlook, we will continue to deliver value to our stakeholders while strengthening the prospects of our business.

ACKNOWLEDGEMENTS

The past year has been nothing short of challenging for the world in general. However, coming into 2022 with a new game plan: Reinvent the Vision, Reset for Growth, we are hopeful of better days ahead.

Having said that, this will of course not be possible without the support of various parties, most importantly, our shareholders, government regulators, partners, bankers, suppliers and customers who have our utmost gratitude for their growing trust and continued support.

On behalf of the Board of Directors, I would like to extend our heartiest welcome to Ms. Ma. Divina Yee Lopez ("Ms. Lopez") who joined us as our Non-Independent Non-Executive Director in June 2021. Ms. Lopez brings to our Group a wealth of invaluable experience which will be pivotal as we further advance our new mission, vision, core values and goals.

My thanks is also extended to our workforce who have been resilient while operating in tough circumstances. As we continue to navigate this tough operating landscape, we are hopeful that our transformation plans combined with the renewed vigour will result in creating sustainable value for our shareholders.

I would also like to take this opportunity to thank my fellow Board members for their immense contributions and invaluable guidance.

CEO'S STATEMENT

DEAR SHAREHOLDERS,

THE YEAR 2021 WAS AN EXTRA-ORDINARY PERIOD FOR MCT AS WE WERE ABLE TO EXERCISE RESILIENCE AND KICK-START A NEW GROWTH CYCLE AMIDST A PANDEMIC, AS WE IMPLEMENTED CHANGES IN OUR GROUP'S BUSINESS STRATEGIES AND DIRECTION.

We began with optimism that the year would be better than the unprecedented 2020. The COVID-19 pandemic, continued to dominate headlines, keeping lives, economies, and industries on the edge. The pandemic has had many of us rethink our business plans and make fundamental changes to our daily operations to adapt to the new reality. With so much uncertainty, the disruption of global supply shortages, unprecedented cybersecurity threats and many other challenges sent our way, it is easy to feel lost and destabilised. However, these challenges have made us even more resilient and adaptable as individuals and as an organisation.

The Government-imposed lockdowns in FY 2021 saw all construction activities come to a complete halt for close to half a year from June to October. Most of our on-going projects were at the tail-end and new launches were at the preliminary construction stage, resulting in lower revenue recognition. This significantly impacted our FY 2021 revenue whereby we only managed to achieve RM326.9 million, representing a decrease of 29.3% compared to RM462.4 million registered in the preceding year. Consequently, we recorded a loss after tax of RM16.2 million for FY 2021, from a profit after tax of RM9.9 million in FY 2020.

Notwithstanding a challenging situation, we placed our focus on two major aspects - transformation and growth. And this is aptly summed up in this year's theme - "Reinvent the Vision, Reset for Growth".

TEH HENG CHONG
Executive Director and CEO

REINVENT THE VISION

In line with our transformation and growth strategies, we continue to focus on our new operational stance as a full-fledged property developer. To gear up the organisation, we launched an internal rebranding initiative concentrated on the following:

1 Introduce a new corporate Mission, Vision and Core Values:

This established our very core existence with the cascading of these guiding principles to all employees. We placed great emphasis on working on four critical success factors – enhancing our business model, improving our customer service, refining our internal processes and equipping our people with the necessary tools and skills to help drive our new Vision and Mission

2 Revisiting our Strategic Thrust:

The effects of the pandemic coupled with our Group's transformation have prompted us to adjust and calibrate our plans and targets. Our priorities were centered on five major goals over the next five years (5-in-5 strategy):

- Fire up MCT's rebranding by promoting and injecting our core values in our Group's DNA towards a total customer centric organisation.
- Introduce a minimum of two new launches every year, incorporating innovative features that enhances buyer's lifestyle experience.
- Improve product quality: As part of our journey of quality assessment, we endeavoured to obtain Quality Assessment System in Construction ("QLASSIC") certification and aim to target a score of above 75% for all our projects.
- Vet on sustainable growth targets which covers financial and other operating metrics that can be achieved through teamwork while adopting a winning mindset that delivers with ethics and integrity.
- Establish MCT to be among the top 15 developers in Malaysia in the next 5 years, an aspiration that we hope to work on over the next growth cycle.

To help us in the execution, we will be guided by our new set of Core Values. This will be the delivering force for us to achieve our 5-year goals and beyond.

3 Instituting a positive work culture and environment

Having a strong positive corporate culture is an integral part of the organisation to help employees feel energised and perform their level best at work. We have initiated changes in MCT to foster collaboration, improve communication, productivity and team dynamics as well as to promote safety and wellness through the following:

a. **Redesign of office layout and work space:** We relocated our corporate office to our own premise at SkyPark @ OneCity. A modern layout with staff well-being and performance in mind was adopted as part of our interior design concept taking into account the requirements of the new norm post-pandemic. A co-working space, open pantry and chill-out creative areas were created to foster creativity, agility, innovation and encourage internal collaboration. These shared spaces will also pivot towards supporting the physical distancing protocols that are required to create a safe and conducive work environment for everyone.

Co-working space at our new corporate office

b. **Digitalisation:** The dynamics of digitalisation and connectivity is the backbone of our business operation nowadays. We have upgraded our network infrastructure and enhanced our backup and recovery system to increase efficiency and reduce downtime. We also embarked on a drive to replace our productivity tools (laptops) and automate some of our business processes such as the payment process and defects monitoring process. This provides us with a strong foundation to achieve operational excellence and better work efficiency as we are fully geared up to adopt digital transformation. We continuously strive to optimise our business processes and adopt new innovation on an incremental basis to respond quickly to changes in the workplace, competition and the marketplace.

c. **Employee Engagement & Wellness:** We introduced various employee engagement sessions to further strengthen the MCT team bond through Coffee-Chat, Virtual Townhall and Brown Bag sessions. To empower our people and promote a culture of creativity and collaboration, we appointed Change Champions, an informal team where employees from different departments share ideas on process improvement and innovation. They also acted as the mouthpiece of our Group's rebranding initiatives.

   On employee wellness, the health and safety of our people is still our top priority as we continue to enable a hybrid work force of doing a work-from-home arrangement for most of our employees while mandatory temperature checks and safety measures are present in our office premises and regular COVID-19 testing for all construction workers at our project sites.

   We acknowledge the importance of complying with standard operating procedures ("SOP"), thereby promoting the benefits of Government sponsored vaccinations and booster shots to all employees where we at MCT are almost 100% compliant.

d. **Training and Development:** At MCT, we believe our performance is driven by our dedicated team. We are of the view that it is imperative that we nurture and develop our talents as these people are fundamental to the long-term success of MCT. Our culture and people are the distinct markers that differentiate our Group from the rest of the industry. We are proud to have an agile team that strives for excellence and growth while remaining resilient, focused and united, even throughout unprecedented times.

   We were able to roll out training programmes for our employees that instil greater teamwork and enhance our customer service built upon our Group's values and new vision. To implement the key drivers and our new Core Values, a series of training have been conducted as follows: our first Virtual Townhall to cascade the new mission, vision and core values of our Group. Communication programmes among HODs were implemented to develop an Internal Customer Service Level Standard and gain insights by attending a Strategic Improvement Action Plan session to enable each department to operate effectively by providing exceptional and quality internal service. A Customer Service Programme was also rolled out among the staff to improve our Group's image and branding to our customers and future employees alike.

e. **Corporate Social Responsibility:** Getting involved in CSR activities is part of our culture building initiatives to embrace a positive culture and a positive attitude. Among the activities conducted during the year consists of visiting senior care homes and orphanages, collaborating with ERTH, a social organisation focused on responsible e-waste recycling. We also took care of our own, as it was evident during the flooding in December 2021 where MCT employees were quick to volunteer when some of their colleagues' homes were affected, by providing a helping hand in cleaning up the affected homes and providing necessities and donations to their afflicted colleagues.

4 Redefining our Product Offering

In line with our core value to be innovative, we took the initiative to review our product offerings. We revisited the layout and amenities at Alira @ Tropicana Metropark. We analysed the changes in the market trend due to the pandemic and reviewed the entire facilities offering. As the market prefers more spacious homes with facilities that would accommodate a work-life balance, we also added a co-working space for those who need a more conducive setting for their work needs. It is important for us to design homes that meet the current needs and demands of our customers and yet be conscious of the affordability of these homes.

Main Lobby, Alira @ Tropicana Metropark

RESET FOR GROWTH

Against the backdrop of an economic crisis due to the COVID-19 pandemic, our Group remained focused on our business continuity and robust strategies while adapting to the many challenges caused by the pandemic. Building upon our pre-pandemic strategies, we continued to drive key operational imperatives for FY 2021.

1. **Executing project launches based on timing and viability:** We were selective in launching our projects as we believe they must be viable, well-accepted and incorporate innovative features. In November 2021, we launched Alira @ Tropicana Metropark. This is the fruit of our land-banking initiative that we undertook in 2018 and the project has been well received thus far with 90 units with GDV of RM60.5 million being sold within one month from its launch. We believe that the positive response thus far is a result of our initiative to relook into our offerings to ensure that it meets the current market demand. This overwhelming support is also a testimony of the confidence that our customers have in the MCT brand following our rebranding initiatives which begun in 2020.

2. **Focusing on clearing out inventories:** We achieved sales of RM488.4 million comprising of 551 units in FY 2021, a 34% increase from the RM365.2 million achieved in FY 2020. This was commendable given the year's challenging operating environment. Our sales were mainly driven from Aetas Damansara which contributed 48.9% of total sales for FY 2021. It is noteworthy to share that we were able to sell all inventories from our legacy projects and are now focused on moving units from our newly launched projects. For FY 2021, contribution from our projects launched over the last two years accounted for 68.8% of our total sales.

   Our unbilled sales increased to RM518.0 million on the back of the strong sales performance for Aetas Damansara and Alira @ Tropicana Metropark. This will serve to contribute to our revenue stream moving forward.

3. **Improving product quality and delivery:** The various Government imposed lockdowns and movement restrictions in FY 2021 slowed down our progress as our construction progress was at a standstill during the year. While there was no delivery of vacant possession, we have been driving our team to ensure the timely completion of all ongoing projects through close monitoring and coordination with our contractors/ business partners. We are scheduled to deliver vacant possession of three of our developments in 2022. As such, we will continue to endeavour to meet the expectations of our customers through the timely delivery of projects that embody the standards of quality that we as a reputable brand continue to uphold.

4. **Introduce market driven designs and concepts for all new projects:** We apply the element of innovation and creativity under the planning stage of the development, ensure designs and features are able to meet current market trends and demands whilst remaining viable. This involves future proofing all development plans and activities by continuously planning ahead, synchronising all internal activities before we put a new MCT project in the market.

5. **Monetising non-core assets:** We also started taking stock of all our assets as our way to help unlock the value to generate cash that can be reinvested to our business operations. We are in the midst of fixing and refurbishing our list of assets to actively offer to prospective buyers and /or investors. A total of RM6 million were realised during the year and we are in the works of further monetising non-core assets in the near future.

OUTLOOK

2021 proved to be another tough year globally as the end of the pandemic is still nowhere to be seen. The global economic downturn had impacted almost everyone. During the year, our Government announced four assistance and economic stimulus packages, namely Perlindungan Ekonomi dan Rakyat Malaysia ("PERMAI"), Strategic Programme to Empower the People and Economy ("PEMERKASA"), Strategic Programme to Empower the People and Economy Plus ("PEMERKASA+") and National People's Well-Being and Economic Recovery Package ("PEMULIH"), totalling RM225 billion, with a fiscal injection of RM25 billion to assist our nation to weather through the impact of COVID-19. Our Government had also extended the Home Ownership Campaign ("HOC") to 31 December 2021. HOC is an initiative by our Government to stimulate the housing sector and help buyers in homeownership through stamp duties exemptions. With such incentives in place, buyers were encouraged to make purchases as there was a decrease in the affordability gap.

Although the HOC has not been extended in 2022, we are confident that the initiatives introduced in Budget 2022 will spur the property industry and accelerate its recovery. The abolishment of the Real Property Gains Tax ("RPGT") from the disposal of properties by residents and permanent residents ("PR") from the sixth year onwards will hopefully translate into a positive multiplier effect on the economy. The Malaysia My Second Home ("MM2H") programme has also been reopened after being suspended for over a year due to the pandemic, with improvements to policies and application conditions so as to balance security and economic aspects. The programme is a valuable contributor to Malaysia's economic growth especially in the property industry. Furthermore, Bank Negara Malaysia has maintained the overnight policy rate ("OPR") at 1.75% to support economic recovery. The low interest rate environment would make property purchases more affordable which will drive activities in the property market, especially amongst first-time home buyers.

Moreover, in order to revive the economy in 2022, our Government had allowed a fourth round of withdrawals from our country's Employees Provident Fund ("EPF") retirement scheme and officiated initiatives totalling RM40 billion that will assist those affected by the COVID-19 pandemic while spurring the business sector to rise again.

Combined with the news of the continuation and acceleration of major infrastructure projects, such as Light Rail Transit Line 3 ("LRT3"), Mass Rail Transit Line 3 ("MRT3"), Johor-Singapore Rapid Transit System ("RTS"), as well as the Pan Borneo highways in Sabah and Sarawak, the positive spill-over effect from ongoing megaprojects will hopefully boost consumer and business confidence while bringing about the much-anticipated economy recovery in 2022.

Nevertheless, we will continue to exercise prudence while consolidating our market position and reinforce our competitive edge in order to seize any opportunities that will arise as the situation improves. We also believe that the groundwork laid to further our transformation agenda will enable us to better cater to the changing needs of our prospective and existing stakeholders.

MCT's Executive Office lobby

ACKNOWLEDGEMENT

As another challenging year comes to a close, I am proud that the MCT Team continue to respond to the many challenges presented during the year while taking action to collectively rally and support each other to perform and deliver as a team. My sincere gratitude goes to them for their resilience and in driving the business towards recovery in a trying year. 2022 will yet be another challenging year but I have no doubt that as a team we shall be able to overcome these challenges and continue our journey to drive our Group forward whilst achieving new milestones along the way.

I would also like to extend my gratitude to Ayala Land and our Board for their continued wisdom, guidance and support in navigating the challenging year that was 2021.

To the authorities, our customers, vendors, advisors and our stakeholders, thank you for the unwavering support and the trust you continue to place in our Group.

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Over the last three years, we have been introducing changes in the organisation and implemented necessary reforms and restructuring in our business model for us to achieve a solid and steady platform for growth. However, disruption came in the form of COVID-19 pandemic which not only affected our own operations but the whole world in general. This brought in unprecedented business challenges during the last two years and was further aggravated when a prolonged nationwide lock-down was again imposed during 2021 given the rising cases of infection brought in by new variants. The slowdown in the activities restricted our operational efficiency which affected our performance for FY 2021 where we recorded revenue of RM326.9 million and a net loss of RM16.2 million.

Despite registering lower profitability results, we consider this a temporary setback as we were able to put in place all platforms for growth as indicated in the other financial and operating metrics that we are closely monitoring. A discussion of the activities will be covered in the succeeding sections:

Sky Garden, Alira @ Tropicana Metropark

RESULTS OF OPERATIONS

The selective and limited activities resulted to a lower total revenue of RM326.9 million recorded in FY 2021 as compared to the preceding year of RM462.4 million. The 29.3% decrease was a result of the low construction progress from our projects that were launched in FY 2020 namely Aetas Damansara and Casa Bayu at Cybersouth where we are only at the initial stage of construction combined with the revenue contributed by Market Homes from our LakeFront @ Cyberjaya development as the main driver. Please also note that in FY 2020, we successfully completed and handed over four projects totalling 3,053 housing units with a revenue share of 36.5% in FY 2020 versus 3.6% in FY 2021.

Following the restructuring of our business model in FY 2020, our main source of revenue is derived from our property development business at RM316.6 million or 96.9% with the balance of the revenue coming from our complementary and other businesses. Meanwhile, the construction segment of our group has been fully absorbed to service our Group's internal requirements as we started to outsource all new projects to third parties.

Our gross profit margin also decreased to 29.1% from 34.4% in FY 2021 as our main revenue contributor was Market Homes from our LakeFront @ Cyberjaya development, a low profit margin product. This is in contrast to FY 2020 which was mainly supported by the completion of landed properties (i.e. Casa Bluebell and Casa Wood at Cybersouth) that had higher profit margins.

Our profit margins were also affected by the extension of the defects liability period for some of our projects due to introduction of the Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) Act 2020 ("COVID-19 Act").

On the other hand, our earnings before interest, taxes, depreciation, and amortisation ("EBITDA") stood at RM57.5 million as a result of our cost rationalisation programme that we started in FY 2020. In FY 2021, our other operating and general administrative expenses decreased by 29.5% to RM65.1 million from the RM92.2 million that was recorded in FY 2020. In addition, sales and marketing expenses also decreased from RM6.8 million to RM2.9 million which is in-line with the lower revenue recognised for FY 2021.

Whilst our property development business recorded a profit of RM24.6 million for FY 2021, our complementary business was severely affected by the lockdowns and movement restrictions which resulted in a loss of RM6.1 million where the business is mainly dependent on the retail and office segment. In addition, the extension of the defects liability period pursuant to the COVID-19 Act affected our construction business servicing our development business and led to a loss of RM22.3 million. Accordingly, we recorded a loss after tax of RM16.2 million for FY 2021 at our Group level. Nonetheless, we remain optimistic given the anticipated recovery of the economic activities in 2022 coupled with the phasing out of our projects with the extended defects liability period.

FINANCIAL POSITION & LIQUIDITY

Our cash and bank balances stood at RM459.5 million at the end of FY 2021 as compared to RM599.3 million recorded in FY 2020. The decrease in cash is mainly attributed to the profit withdrawal that we were able to unlock from the Housing Development Account ("HDA") of the four projects that were handed-over in FY 2020. The profit withdrawn were subsequently deployed to fund operating requirements, plan for new projects and pare down bank borrowings by RM25 million. Total debt in FY 2021 stood at RM520.6 million which mainly accounts for the inter-company loan from Ayala Land, our ultimate holding company.

The remaining cash will be used to fund our new projects as we embark on our growth journey. We have spent a total capital expenditure of RM290.9 million in FY 2021 to fund our construction completion.

Our strong cash flow and robust balance sheet are reflective of our sound financial management and prudent use of resources. This will enable us to execute our growth strategy, be agile in responding to opportunities while mitigating risk, and to tide through any challenges we may encounter in our business environment.

OUR BUSINESS IN 2021

There were three lockdowns and full movement control order of 162 days in FY 2021 which brought all business and economic activities to a standstill. According to the National Property Information Centre ("NAPIC"), property transactions decreased from RM36.1 billion in the first quarter ("Q1") of 2021 to RM25.9 billion in the second quarter ("Q2") of 2021 as a result of the lockdowns. However, the property market rebounded to record RM36.0 billion in the third quarter ("Q3") of 2021 and further strengthened to RM46.9 billion in the fourth quarter ("Q4") of 2021. On the back of the strong performance for the second half of 2021, total property transactions for 2021 increased by 21.7% from 2020 to RM144.9 billion. It was also higher than what was recorded in 2019 (RM141.4 billion) and 2018 (RM140.3 billion).

The Government implemented many initiatives in 2020 and 2021 i.e. namely Pelan Jana Semula Ekonomi Negara ("PENJANA") and Prihatin Rakyat Economic Stimulus Package ("PRIHATIN") to stimulate the economy. For PENJANA, the financial initiatives introduced by the Government that helped soften the impact on property market included:

- Re-introduction of HOC to 31 December 2021 - Stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million;

- RPGT exemption for disposal of residential homes from 1st June 2020 to 31 December 2021; and

- The lifting of the current 70 percent margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above, during the period of the HOC.

- Bank Negara Malaysia maintained the OPR at 1.75% (which is the lowest since 2004) to support the economic recovery. Lower interest rates means cheaper loans for development and property purchase.

Demand for residential properties continued to focus on those properties priced below RM1 million with properties priced below RM500,000 accounted for 80.5% of the total residential transaction. Properties priced between RM500,000 and RM1 million comprised 14.8% of total residential transactions. This bodes well for our Group's continued strategy to focus on the mid-tier and affordable market segment.

PROJECT LAUNCHES AND SALES PERFORMANCE

In November 2021, we launched Alira @ Tropicana Metropark, the first phase of our development at Subang Jaya. By the end of FY 2021, we managed to sell 90 units equivalent to a GDV of RM60.5 million. This is a testament of the trust purchasers have over the MCT brand and that our products are able to meet the needs of the customers.

Our property development initiatives remain the key revenue driver for our Group with contributions of RM316.6 million. Our use of digital innovations in our marketing proved successful as we sold 551 units of properties with a total GDV of RM488.4 million in FY 2021. This represents an increase of 33.7% from the total sales recorded in FY 2020 which was commendable given the year's challenging operating environment. We were also able to sell-out all our inventory from our projects that were launched prior to FY 2020 which illustrates that our products are well-received by purchasers.

The favourable take-up rates from our projects that were launched after FY 2020 were reflected in the increase in unbilled sales from RM310.6 million in FY 2020 to RM518.0 million as at 31 December 2021. As such, our financial position remains secure as this will contribute to our revenue stream moving forward.

As of 31 December 2021, MCT holds a sizeable landbank of 285.9 acres which will contribute an estimated GDV of RM11.6 billion over the next 12 years. The landbank for future development projects accounts for 238.0 acres or 83.3% of our total landbank, while the landbank for current development projects make up the remainder 47.9 acres.

Alira Hanging Swing Seat

Alira @ Tropicana Metropark

ALIRA @ TROPICANA METROPARK

Poolside Cabana

LAUNCH DATE
NOVEMBER 2021

GDV
RM316.2 MILLION

TYPE
Serviced residences & low-rise villas

TARGET MARKET SEGMENT
MID-TIER

NO. OF UNITS
492

PERCENTAGE OF SALES
19.1%

Alira @ Tropicana Metropark is the second development that we have ventured outside the Cyberjaya – Dengkil corridor. It is a freehold development comprising of serviced residences and low-rise villas located at Subang Jaya. Alira @ Tropicana Metropark features a diverse selection of modern resort-style facilities and an excellent connectivity to a variety of business, dining, education, medical, recreation and shopping amenities. As at 31 December 2021, we sold 90 units worth RM60.5 million equivalent to 19.1% of the project's total GDV.

Alira Spa Gallery

Living Room, Alira @ Tropicana Metropark

AETAS DAMANSARA

LAUNCH DATE
DECEMBER 2020

GDV
RM573.5 MILLION

TYPE
Condominium

TARGET MARKET SEGMENT
LUXURY

NO. OF UNITS
226

PERCENTAGE OF SALES
56.7%

Aetas Damansara is our first luxury development with GDV of RM573.5 million. Spanning 1.76 acres, Aetas Damansara is adjacent to the prestigious Tropicana Golf and Country Resort in Petaling Jaya. Each unit features seamless wide open living spaces with a multi-functional kitchen that opens to the dining area which flows to an expansive scenic balcony with a breathtaking view of the award-winning golf course. The residential development features an exclusive private lift lobby for each unit which is further safeguarded by a multi-tier security system. As at 31 December 2021, the development has achieved 56.7% sales take-up.

Aetas, Dining Room

LAKEFRONT @ CYBERJAYA

LakeFront @ Cyberjaya is a mixed-used development consisting of high-rise condominiums, villas and commercial outlets. Situated on a 60-acre freehold land by the lake, the development is surrounded by lush greenery and beautiful landscaping. The development boasts resort-styled facilities such as themed recreational gardens, jogging paths, outdoor workout stations, rooftop infinity pool and a clubhouse which comes with complete amenities. LakeFront @ Cyberjaya also houses the first Chinese school in Cyberjaya, SJK(C) Union that started operation in 2018.

LAKEFRONT HOMES

LAUNCH YEAR 2017	
GDV RM1.1 BILLION	**TARGET MARKET SEGMENT** AFFORDABLE
TYPE Condominium (7 towers)	**NO. OF UNITS** 3,243
	PERCENTAGE OF SALES PR1MA Homes : 100% Market Homes : 100%

LakeFront Homes is a high-rise project that comprises 3,243 units with combined GDV of RM1.1 billion. Catering to the affordable housing market, the development of this project was carried out in two phases. Phase 1 of the LakeFront Homes development comprises PR1MA Homes, a residential project carried out in partnership with Perbadanan PR1MA Malaysia. Completely sold out as of 31 December 2019, PR1MA Homes was completed in July 2020. Phase 2 of the LakeFront Homes development, Market Homes, was launched in November 2018 with 1,311 units and an average price of RM450,000. Market Homes achieved 100% sales as of 31 December 2021. We expect to handover Market Homes to purchasers by the second half of FY 2022.

A total of three projects (1,298 units) were completed and handed over since 2018 at our LakeFront @ Cyberjaya development consisting of 86 units of bungalows and four blocks of condominium with 1,212 units. We still have one commercial parcel and four more blocks of condominiums that can be developed in the coming years.

Pool view at LakeFront Homes

CYBERSOUTH TOWNSHIP

Cybersouth is our first integrated township that has been designed to cater to family living in a lush and green environment. The 417-acre township consists of affordably priced homes that boast of beautiful designs and spacious built-up areas. Residents of the township can enjoy a 25-acre central park which features a jogging track that doubles as a cycling track, complemented by a clubhouse/ amenity area and is surrounded by nature and a playground nestled within the grounds. The township is strategically located in Dengkil with connections to major highways such as the Maju Expressway (MEX), SILK Highway, ELITE, KLIA Expressway, South Klang Valley Expressway (SKVE), LDP and the Putrajaya-Cyberjaya Expressway. It is also serviced by the Express Rail Link (ERL) and the future MRT Line 2.

CASA BAYU @ CYBERSOUTH

LAUNCH YEAR
2020

GDV
RM158.2 MILLION

TYPE
Low-rise apartments and townhouses

TARGET MARKET SEGMENT
AFFORDABLE

NO. OF UNITS
Apartments: 80
Townhouse: 180

PERCENTAGE OF SALES
Apartments: 91.9%
Townhouse: 23.0%

Casa Bayu @ Cybersouth features a mixed residential development consisting of low-density apartments and townhouses designed to emphasise nature and greenery. The low-density four-storey apartments comprise four units per level that overlook nature. The townhouses feature an open-plan living-dining-kitchen area as well as green spaces. Launched in 2020, the apartments are 92.3% sold while the townhouses are 23.8% sold as at 31 December 2021. The handover of the apartments to purchasers is expected to take place in the second half of 2022.

Casa Bayu @ Cybersouth

PARK PLACE PHASE 1 @ CYBERSOUTH

LAUNCH YEAR
2019

GDV
RM 56.0 MILLION

NO. OF UNITS
53

TYPE
Double storey shop lots

PERCENTAGE OF SALES
87.0%

TARGET MARKET SEGMENT
INVESTORS AND BUSINESS OWNERS

Park Place I is Cybersouth's first commercial development launched in July 2019. The development consists of 53 shop-lot units which will cater to the community within the township. Handover to purchasers is expected to take place in 2022.

Completed projects within the township consists of Casa Green, Casa View, Casa Bluebell and Casa Wood. A total of 1,463 units were handed over and 68.0% are estimated to be already residing in the community.

Approximately 201.2 acres have been earmarked for future commercial and residential developments in Cybersouth. A 482-unit development is currently on the drawing board and is scheduled for launch in the second half of 2022.

Park Place Phase 1 @ Cybersouth

OTHER BUSINESSES

Since 2020, we moved towards a pure developer model by engaging external contractors for new projects in line with our transformation and growth strategy. All outsourced services will be overseen by our in-house project management team. This arrangement allows us to efficiently manage the expected project pipeline with optimised capital and human resources requirement.

On the other hand, we retained our property management and utilities services operations to service our completed developments. We are constantly reviewing our plans for these complementary businesses for operational efficiency and to add value to our developments.

BUSINESS RISKS AND MITIGATION STRATEGIES

Our Group's sales performance is dependent on the performance of the property market. Unemployment, cost escalation and lower affordability caused by uncertainties of the pandemic remain the key deterrents for potential spending by house buyers. The demand for properties in all areas that our Group operate in could be affected by weaknesses in the domestic and international economic environment, changes in Government policies, tightening of bank lending policies and oversupply of properties. Our Group assesses its risk exposure on a quarterly basis and seeks to optimise the balance between opportunities and risks.

This assessment helps us identify the potential risks to our business and determine the appropriate mitigation strategies. We consider both external and internal risks from our business units through to our Group level to ensure that we are able to deliver our committed growth plans and sustain our competitive edge.

As our Group moves forward, we have identified our vulnerability to four key sectors which have a material effect on our operations:

1. **Depletion of landbank**
2. **Delay in project completion and handover**
3. **Health, safety and security**
4. **Economic outlook and market conditions**

RISK AND IMPACT	HOW WE MANAGE OUR RISKS	CHANGES MADE IN FY 2021
Depletion of Landbank		
Land banking is the practice of aggregating parcels of land for future property development. Currently, we have land banks for residential and commercial development in Subang Jaya, Damansara, Dengkil and Cyberjaya.	As at 31 December 2021, we have landbank of 238.0 acres for future development projects with GDV of RM11.6 billion which is estimated to last for the next 12 years. We are actively exploring for potential acquisitions in prime areas of the Klang Valley which are aligned with our business direction, either via direct acquisitions or joint ventures.	As land acquisitions are capital intensive endeavours, cautious evaluation and due diligence is required in our search for suitable lands. We established a task force which involves various departments with different areas of expertise to conduct legal, technical and financial due diligence and assessment. This arrangement helps to improve information sharing and thus leading to a comprehensive assessment.
Delay in project completion and handover		
Implementation of the various movement control orders affected the continuity progress of the construction site. Resources planning of our contractors has largely been affected whilst time required by authorities to process our applications has also increased.	Periodic project reporting and coordination meetings are held regularly such that project progress are regularly updated and any key challenges are identified at the early stage so that the appropriate mitigation and catch-up plan can be implemented. Regular updates are also being made to the Audit and Risk Management Committee as captured in the risk register report.	To mitigate potential delays in completion of our projects, our contractors have established a revised construction work programme to catch-up which include mitigating measures such as deploying more resources on-site and extending working hours. Our contracts with external contractors are firm price contract whereby fluctuation of material and labour price is borne by the external contractors.
Health, safety and security		
Managing the safety of our people, assets and environment remains a top priority for MCT. This is imperative as we operate in the real estate development industry where an increasing number of security threats, work-related injuries, illness and inherent risks are becoming more apparent.	We strive to create a positive culture on security, safety and health while empowering everyone within the organisation to be part of the solution. Our Group has developed extensive Health and Safety policies, while also increasing the monitoring of workplace safety compliance on a Group-wide basis. Our Group has also proactively monitored and updated its SOPs to be in line with the Government's policies. These measures include improved work environment conditions and enhanced precautionary measures.	Our Group recognises the risk to workers from being impacted by injuries, deaths or ill-health related to working conditions and safety. We are also aware of the risk of non-compliance with the Government's COVID-19 SOPs and the costs associated with health screening of workers. To this end, we have rolled out several health and safety measures that comply with the Ministry of Health's COVID-19 guidelines. We also provide regular reminders and encouragement to support the Government's programme on vaccination and booster shots administration.

RISK AND IMPACT	HOW WE MANAGE OUR RISKS	CHANGES MADE IN FYE 2021

Economic outlook and market conditions

Risk and impact

Changes in the economic climate and market conditions pose some of the most significant risks and opportunities to our business as they dictate consumer trends which ultimately affect our growth strategy and financial performance.

How we manage our risks

All economic and market risks are constantly assessed by our project team together with our senior management. The results of our evaluations help us to align our strategies for future launches with the market environment as well as to assess whether the changing economic outlook requires a reassessment of our Group's risk management.

Our business plan is regularly reviewed and revised against negative outlooks to ensure that our financial position remains resilient during a downturn.

We also continue to incorporate innovative changes to our business to advance our prospects while safeguarding our position as a marketplace competitor.

Changes made in FYE 2021

Our Group recognises the potential market risks triggered by the prolonged COVID-19 pandemic, which has caused changes in purchasing behaviour. A change in market sentiment may exacerbate the property overhang issue as consumers divert spending for more essential purposes.

To mitigate the impact from a change in market sentiment, our Group has a diversified product offerings ranging from affordable housing to luxury residential project. The affordable housing segment will still remain a key part of our main portfolio as we continue catering to sensitivity of market trends and demands.

We have also deployed innovative marketing campaigns and used technology to expand our reach and to target specific customer segments.

OUTLOOK & PROSPECTS

The International Monetary Fund projects that the global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022. Malaysia's economy is expected to grow by 5.8% in 2022, taking cue from the recovery in the global economy throughout the second half of 2021, particularly as the country moves into the endemic phase.

The property market showed signs of recovery in 2021 following the implementation of various stimulus provided by the Government such as PENJANA. In addition, initiatives introduced under Budget 2022 augurs well for the property market in 2022. Among the initiatives included:

- An allocation of RM1.2 billion for providing comfortable and quality housing, especially for the low-income group;
- Full stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers will be extended until 31 December 2025, effective for sale and purchase executed from 1 January 2021 to 31 December 2025;
- Stamp Duty exemption on loan agreement and instruments of transfer given to rescuing contractors and the original house purchasers is extended for five years; and
- Collaboration with selected financial institutions to provide a Rent-to-Own Scheme. The programme will be implemented until 2022 involving 5,000 units PR1MA houses with a total value of more than RM1 billion.

With the Government's initiative to continue with major infrastructure projects, such as the LRT3, MRT3, RTS, as well as the Pan Borneo highways in Sabah and Sarawak, the sentiments in the property market has turned optimistic as these projects would add much value to the surrounding areas.

We are also confident that the initiatives introduced in Budget 2022 coupled with the removal of RPGT from the disposal of properties by residents and PRs from the sixth year onwards and the reopening of the MM2H programme will spur the property industry and accelerate its recovery.

With OPR being at the lowest since 2004, it has also created a low interest environment making it an attractive proposition for the property industry.

We are cautiously optimistic that our Group is well positioned to navigate the challenges ahead and realise steady progress going forward. The optimism stems from our diverse property portfolios from township projects to high-rise developments at varying price points that meet real market demands. As economic activity normalises following the easing of containment measures, we will continue to plan for our projects so that we can capitalise on any opportunities that may present itself in the future. As an integrated developer with a commitment to deliver quality products, we have the flexibility to scale our development accordingly to respond to market conditions.

Moving Forward into 2022

Our primary market is still the affordable market segment where we have reasonable product diversification with prices ranging from RM400,000 to RM800,000 per unit. As we move forward, we will continue to develop a variety of products to cater to the sensitivity of market trends and demands.

Timely launches will provide a boost for us to achieve our sales conversion and revenue target as well as replenish our unbilled sales. In 2022, we have earmarked to launch 1,313 units with a combined GDV of RM723.2million.

One of the new launches will be Casa Embun at Cybersouth. The first phase of this development comprises 482 units of service apartment units with total GDV of approximately RM176.5 million and will be our first serviced apartment development in Cybersouth. We also plan to launch Narra Residence, the 1st phase of our USJ Citypoint development that is located at Subang Jaya. Narra Residence has an estimated GDV of RM546.7 million comprising 831 units of service apartment and commercial units. Two more projects are likewise under a push button mode pending authorities' approvals.

We will also look into enhancing our planning, coordination and ability to anticipate issues and resolve them early on. This entails timely loan drawdown to avoid cash flow constraints. To that end, we have managed to secure project financing for all active projects. This would provide our Group better leverage on resources and provide flexibility to effectively manage construction and sales activities to achieve the desired results.

In 2022, we will remain focused on achieving our transformation and growth plans as we implement our key strategies based on an enhanced organisational structure concentrating on culture building, customer centricity and sustainability. We intend to adopt our new core values in all MCT deliverables to ensure we are able to embody our new vision: Innovative, Timeless Value Creator.

SUSTAINABILITY STATEMENT

Lobby, Aetas Damansara

ABOUT THIS STATEMENT

This Sustainability Statement presents the Economic, Environmental and Social ("EES") issues that relate to our business and the corresponding actions that we have undertaken to achieve sustainable development. This disclosure underlines that sustainability remains foundational to our overall value proposition during our transformation.

Scope and Boundary:
This report covers our entire domestic operations, including subsidiaries that we directly control and where we hold a majority stake.

Reporting Period:
This statement comprises our EES activities spanning from 1 January to 31 December 2021. Historical information from previous reports have been included to provide context and illustrate actionable patterns.

We are marking our transformation with a redefined Vision and Mission to demonstrate our readiness to face and overcome challenges for better outcomes. Our new, more ambitious Vision and Mission comes with our strengthened commitment to sustainable development for the betterment of future generations.

Reporting Guidelines:

Principal Guide : Bursa Securities Sustainability Reporting Guide, 2nd Edition

Reference : The United Nations Sustainable Development Goals ("SDGs")

Reporting Cycle:

Annual; coinciding with our financial year-end.

Feedback:

We value your thoughts. Please send your feedback or concerns to investorrelations@mct.com.my.

Our Values

The Group's newly redefined set of values exemplifies the beliefs and principles that we collectively and firmly stand by. These values spell out how we deal with our stakeholders and how we approach our operations in order to build good relationships and reach our goals.

W.E. A.C.E. I.T!

Winning Mindset
Empowerment & Ownership
Agility
Customer Centric
Ethics & Integrity
Innovativeness
Teamwork

SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD

The 17 SDGs were established as part of the 2030 Agenda, which was adopted by all United Nations Member States in 2015. The SDGs were designed "to achieve a better and more sustainable future for all" by ending poverty and other deprivations, improving the health and education sectors, reducing inequality, and preserving our natural environment.

The SDGs are incorporated in the Malaysian government's development plans, and the business sector has been encouraged to follow suit. We have heeded our Government's call by mapping strategies that contribute to the attainment of the SDGs in order to create a more sustainable future for everyone.

The presentation below summarises our contributions to the SDGs:

United Nations Sustainable Development Goals		Our Contributions
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.	- Provide fair remuneration, employee health benefits and various types of leave. - Promote healthy lifestyles amongst employees and prevent environmental pollution. - Prevent accidents and injuries at the workplace through safe work practices. - Adapt COVID-19 SOPs to changes in government SOPs.
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls.	- Implemented equal opportunities for leadership at all levels of decision making and encourage consistent increase in number of women employees across our Group. - Adopted a Code of Ethics ("COE") committing to non-discriminatory practices.
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all.	- Undertake measures to prevent discharge of untreated construction effluents into local waterways.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	- Mixed development projects spur local and national economic growth. - Prioritise local employment and material procurement. - Committed to complying with Occupational Health and Safety best practices.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	- Actively support the Industrialised Building System ("IBS"). - Projects in Cyberjaya complement its Smart City agenda. - Quality Management System ("QMS") ensures process consistency and facilitates compliance with regulatory requirements.

United Nations Sustainable Development Goals	Our Contributions
Reduce inequality within and among countries.	- Recruit and treat foreign workers equitably. - Embrace diversity in employment practices. - Support welfare homes through visits, gifts and monetary assistance.
Make cities and human settlements inclusive, safe, resilient and sustainable.	- Projects integrate high, medium and affordable homes with easy access to public transportation. - Projects feature high security to ensure peace of mind. - Support the 1Malaysia Housing Programme and HOC to improve access to quality accommodation.
Ensure sustainable consumption and production patterns.	- Continually reduce waste generation through prevention, reduction, recycling and reuse where possible. - Rely on alternative water sources to reduce our consumption of municipal water.
Take urgent action to combat climate change and its impacts.	- Implemented guidelines for energy management efficiency. - Adopted the "green building" concept in construction and rainwater harvesting for landscaping operations. - Select suppliers based on our environmental requirements.
Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	- Practise sustainable landscaping to mitigate changes to natural habitats and release of chemicals to air, water and soil.
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	- Restored and converted tin mining pools for recreational purposes. - Prevented the introduction of invasive plant species that are foreign to our natural environment.
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	- Conduct regular engagements with public- and private-sector stakeholders. - Updated policies to prevent corruption and bribery in all forms.

MATERIALITY

Materiality analysis identifies the important EES themes where our actions can make an impact on sustainable development according to the assessment of our Group and our stakeholders.

We determined the material issues by collecting survey responses from our stakeholders and by conducting meetings with key management and HODs. The materiality assessment revealed the EES issues that presented risks and opportunities. The collated data also allowed us to address the concerns of our stakeholders. The scope of our business activities did not undergo any significant change, so the identified materiality issues are presumed the same for the year under review.

We will carry out a materiality assessment analysis in the next financial reporting period, which is expected to reflect changes in-line with our transformation.

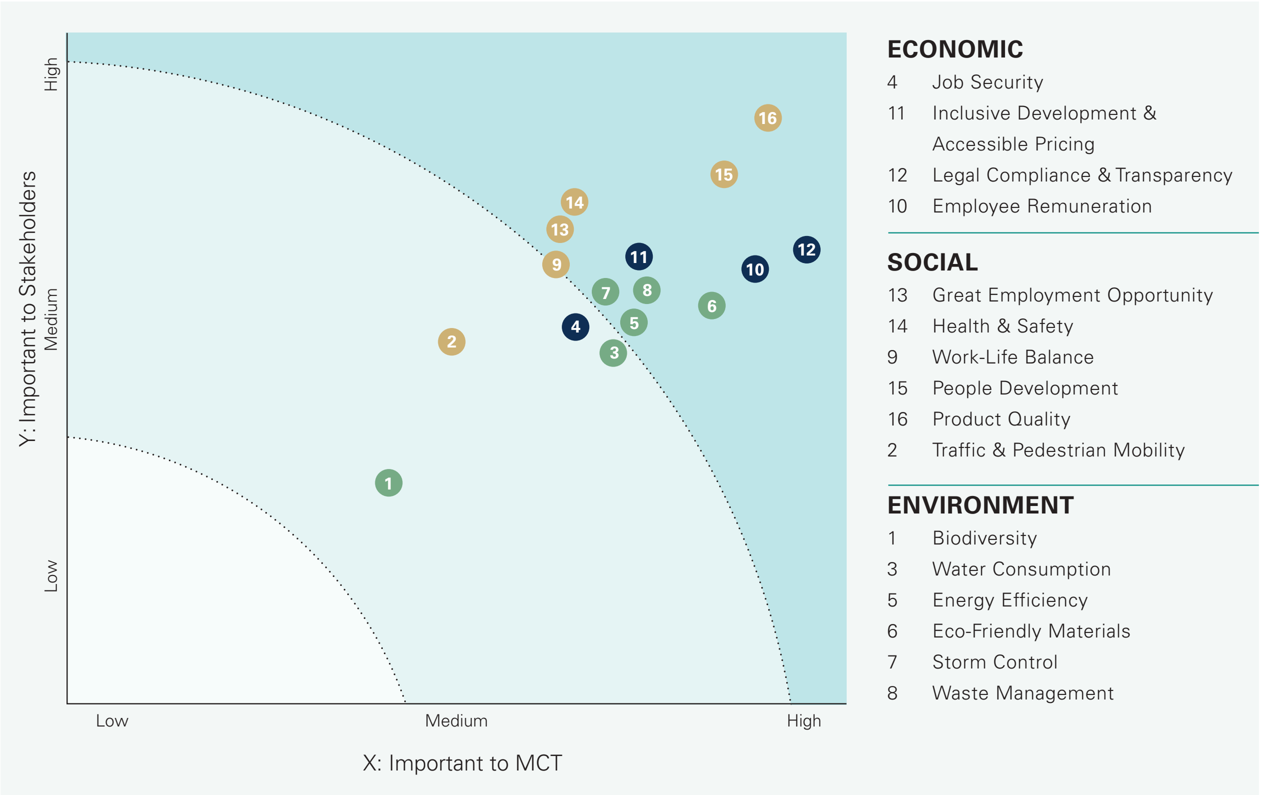
Materiality Matrix

Our materiality matrix is shown in the diagram below. The X-axis denotes the significance of the EES issues to our Group, and the Y-axis reflects their significance to our stakeholders. Therefore, the EES issues that are deemed most important by both our Group and our stakeholders are those graphed on the top right-hand quadrant. For FY 2021, they are Product Quality (No. 16), People Development (No. 15), Legal Compliance & Transparency (No. 12) and Employee Remuneration (No. 10).

In the middle of the quadrant are the EES issues deemed moderately significant. They include Eco-Friendly Materials (No. 6), Inclusive Development & Accessible Pricing (No. 11) and Waste Management (No. 8).

Biodiversity (No. 1) was considered of low significance, because our project sites do not threaten the natural habitats of wildlife species.

Though Traffic & Pedestrian Mobility (No. 2) was also ranked low, we have been proactively addressing this issue because our ongoing projects are now at locations with higher traffic and denser populations.



STAKEHOLDER ENGAGEMENT

We constantly engage with our stakeholders to build strong relationships, solidify their trust, and address any concerns they might have. Our stakeholders can use a variety of communication channels and we provide timely responses. The following table presents a list of our stakeholder groups, their concerns, and our corresponding mode of engagement and response.

Stakeholders	Concerns	Mode of Engagement and Response
Customers	• Product quality • Transparent and timely information	• Reaffirmation of quality certifications • Timely defect management • Customer engagement via open house and in-person discussions • Meetings with property owner and tenants
Shareholders	• Timely company updates • Reputation	• Provision of comprehensive and timely data to shareholders • Protection of company image via responsible actions
Government	• Compliance with regulations	• Timely submission of accurate reports based on requirements • Site monitoring to avoid non-compliance issues • Meetings and site inspections with regulators • Compliance conference and seminars • Collaborative partnerships
Contractors and Suppliers	• Health and safety • Fair contract conditions	• Health, Safety, Security and Environment ("HSSE") training and monitoring • Meetings and negotiations with vendors • Fair and equal procurement policies and opportunities
Community and Neighbours	• Safe environment • Corporate social responsibility	• Security Site Control and Patrolling • HSSE monitoring of construction sites • Philanthropic activities
Employees	• Remunerations • Career advancement • Work–life balance	• Work–life balance activities • Performance reviews • Employee career development

SUSTAINABILITY GOVERNANCE

Sustainability governance refers to the implementation of a sustainability strategy across the entire operation by setting targets and publishing regular progress reports. Sustainability governance emphasises our accountability as a company and consequently strengthens our relations with our stakeholders.

Our sustainability practices are aligned with those of our parent company, Ayala Land, which has forged a strong global reputation of being a champion of sustainable development.

Board of Directors

Our Board acts as the leader that presides over all matters relating to sustainable development. They ensure that sustainability is embedded in our Group's strategic direction. They practise oversight over all implemented strategies and risk processes to ensure that sustainable value is created for all stakeholders.

They direct our Management Team in identifying and acting upon EES obligations to stakeholders that are impacted by our operations. Our Board also receives regular reports regarding the progress of all adopted sustainability measures.

Management Team

Our Management Team is in charge of raising the organisation's sustainability standards. They proactively find areas where the quality of the EES practices can still be improved.

Their duties include setting key initiatives, performing sustainability appraisals, evaluating performance, and reporting to our Board.

Heads of Department

Our HODs manage the EES issues on the ground. Under the guidance of the Management Team, they develop plans and execute initiatives that fulfil our EES responsibilities. The HODs also monitor data and formulate timely responses to ensure the success of the initiatives under their purview.

SUSTAINABILITY RISK MANAGEMENT

We firmly believe that an accurate business review process must take into account environmental and social risks to have a more balanced assessment of our business opportunities. In this respect, we have established a risk framework to ensure that EES risks are fully integrated in the core of our corporate governance process.

Our business review process entails the identification, analysis, assessment, evaluation, treatment and monitoring of EES risk registers that are relevant to our Group's business. This review is also inclusive of regulatory and standards compliance assessments for ISO 9001:2015.

ETHICS AND INTEGRITY

To bolster our newly redefined values, we give a high priority to ethics and integrity. Our Code of Ethics is our ethical handbook that all employees and external stakeholders must abide by in conducting business activities. This covers a wide range of ethical considerations, such as supplier responsibility, human rights, health and safety, environment, conflicts of interest, regulatory compliance, and confidentiality.

Our Group established the Anti-Bribery and Anti-Corruption Policy and the Sponsorship and Donation Policy in FY 2020. In the year under review, we continued to implement these policies to institutionalise zero-tolerance for corruption and bribery at all levels of our organisation.

Our Whistle-Blowing Policy builds upon the aforementioned policies by providing a platform where employees can securely and confidentially report incidences of improper conduct.

CREATING ECONOMIC VALUE

The national economy is partly energised by the tripartite relationships between economic growth, property investment and construction activities. The construction and property development sector creates vast employment opportunities and therefore plays a crucial role in economic development. By introducing constant innovation, the sector can force markets to become more competitive and improve the standard of living.

Property development is an industry with substantial multiplier effects. Our activities require multiple inputs from sectors related to property development, e.g., building materials and professional consultancy services. By increasing the demand for these sectors, we indirectly drive employment and accelerate national economic growth.

DIRECT ECONOMIC IMPACTS

Property development stimulates direct economic activities during construction (e.g. direct employment and business opportunities) and after construction (revenue and profit from sales). The direct and indirect revenue payments to the Government also contribute to the advancement of community welfare.

Property developers generate revenue and profit from the sales of their properties and provide their employees with sustainable employment incomes.

Direct Economic Impacts in FY 2021:

REVENUE

RM326,941,466

EQUITY

RM864,180,719

NUMBER OF EMPLOYEES

Internal Employees: **283**

Construction Workers: **51**

CURRENT PROJECTS
(Market Homes, Park Place 1, Casa Bayu Townhouse, Aetas Damansara, Alira @ Tropicana Metropark and Casa Bayu Apartments)

2,354 UNITS

UPCOMING PROJECTS
(USJ Citypoint and Casa Embun)

1,313 UNITS

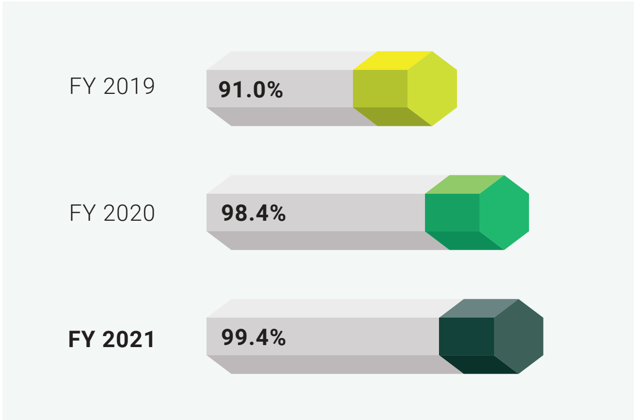
INDIRECT ECONOMIC IMPACTS

Local Purchasing

We strongly believe in supporting the growth of local businesses. It has been our practice to purchase from local businesses as much as possible.

We have incorporated sustainable procurement into our purchasing decisions to generate robust economic investments. Our continued priority for local businesses is evidenced by our consistent record where at least 90% of our materials are locally-sourced materials, as shown in the adjacent illustration:

Target: >90%



Property Buyers

Our new mission echoes our promise to become a timeless value creator. By offering products that appreciate with time, we are:

Creating communities, enhancing lives for generations where people enjoy a complete lifestyle experience.

Continuous Economic Growth

Our mixed development projects are hubs for economic growth. They bring together a mix of people – workers, residents, visitors and investors – whose activities contribute to the gross domestic product of the country. As the economy grows, businesses flourish, and more employment opportunities are created, leading to further economic growth. This cycle goes on and on.

Customers being briefed by our sales team at Aetas Sales Gallery

EMPLOYEE

"Our employees have become the focal point of our transformation activities."

At MCT, we see our people not merely as our greatest assets but also as one of the keys to attaining sustainable development. Our employees are integral in bringing our transformation plan to reality and consequently delivering greater value to our stakeholders. Our employees are the ones who link the execution of our transformation plan with our new set of values.

Employees will work towards the same goals as the company if they understand that the transformation is also beneficial to them and not just the business. As such, our employees have become the focal point of our transformation activities. They play a critical role in our Group's strategy to gain a competitive advantage and compete.

REBRANDING

Culture change is typically the most challenging part of any corporate transformation. To overcome this challenge, we have reached out to our employees to assuage any concerns they might have. We facilitated various engagements where wellbeing, career management, and other relevant issues can be discussed.

More employee-centric programmes will be introduced alongside our rebranding exercise to inculcate our new values, on which our new mission and vision are anchored.

Conducive Work Setting

A conducive workspace is very important as it is where employees spend most of their day. As part of our transformation plan, we looked into possible improvements that could be made at the physical work setting that will raise the comfort of our employees. We believe that such changes will significantly contribute to the success of our transformation plan.

We took advantage of the movement restrictions when our employees were working remotely to renovate and move our office to a more spacious location. We integrated ergonomic designs to reduce physical strain and optimised the windows, colour and lighting to help employees be alert and attentive. Employees who want to rejuvenate between work can use the new communal spaces like bathrooms, pantries and break rooms.

More of our employees were allowed to work back onsite once movement restrictions were relaxed. We organised welcoming ceremonies where each staff member received a welcome pack. As a preventive measure against the spread of COVID-19, employees are broken into two groups that work alternately.

EMPLOYEE (CONTD.)

Performance Management System ("PMS")

Our Management Team held meetings from July to September 2021 to create a PMS that embodies our newly established vision, mission, strategic framework and core values. The objective of the PMS is to develop committed individuals with the required competencies to work towards meaningful shared objectives.

Our Management Team set departmental key performance indicators ("KPIs") and key result areas ("KRAs"). These indicators were defined alongside corporate KPIs so that the employees, resources, and systems are aligned with our Group's strategic objectives. The departmental KPIs and KRAs were then cascaded to the rest of our employees.

Top Team Integration and Internal Customer Service Level Agreement

Good leadership is important in carrying out business transformation, enhancing value creation, improving efficiencies, and inspiring employees to deliver excellent results.

In November 2021, we organised a leadership training with the following goals:

- Understand the Leadership Profile;
- Improve team communication and collaboration through the Internal Customer Service Level Agreement; and
- Cultivate customer centricity for both internal and external customers.

Customer-Centric Programmes

Internal Customer > External Customer

Our new business model has obligated our employees to a new customer-centric work culture, where internal and external customers are now accorded equal importance.

To instil this customer-centric mindset in our employees, we ran a five-day Customer Centric Programme between November 2021 and January 2022. The objective of the programme was to strengthen interdepartmental communication and collaboration amongst our employees so they can provide better customer service.

After undergoing the programme, which was also a crucial constituent of our internal rebranding exercise, our employees are expected to display the following outcomes:

- Appreciate the importance of personal branding, which would differentiate MCT from other industry players;
- Improve communication with internal and external customers of different generations in an effective and efficient manner;
- Provide a memorable customer service experience;
- Resolve customer enquiries in a fast and professional manner; and
- Demonstrate a customer-centric mindset in performing daily activities.

A total of 160 employees successfully completed this programme.

The Sharing Platforms

We have set up three (3) sharing channels, namely, Coffee Chats with our C-suites, Friday Evening Unwind and Brown Bag Sessions, where our employees have the opportunity for a bottom-up, top-down as well as horizontal sharing of information, ideas, and feelings.

COFFEE CHATS WITH C-SUITES

Direct engagement and open communication with senior management can substantially boost employee morale, particularly during times of uncertainty when employees value clarity about our Group's plans.

Our first "Coffee Chat" session took place virtually in April 2020, where our CEO shared his insights. These engagement sessions were continued in August 2021, where the employees openly shared their views on the current practices within our Group and their suggestions for improvement with the C-suites.

These sessions were conducted fortnightly with an average of 10-12 employees randomly selected from various departments. By the end of December 2021, a total of 90 employees had completed the first round of these sessions and the response was very encouraging with the employees appreciating the opportunity to share their thoughts and ideas in the presence of C-suites.

FRIDAY EVENING UNWIND

An unwinding session between C-suites and the HODs was initiated on 8 October 2021. These sessions enable the HODs to express themselves outside of meetings and discussions. The agenda included breaking up the HODs and the C-suites into small groups to promote engagement amongst them as well as to encourage light banter, fun and games.

These sessions were done to subsequently encourage HODs to replicate similar sessions amongst their own department employees.

Ultimately, an unwinding session creates a healthier, productive and customer-focused work environment whilst satisfying the needs of our employees.

BROWN BAG SESSIONS

The Brown Bag Sessions are conduits where employees can voice whatever concerns they may have as an individual or at a department level. These remote sessions are scheduled as monthly meetings with various departments. All issues raised are investigated, and findings are reported to our key Management Team.

Our Human Resources Department also uses the platform to make quick interventions before issues escalate. We have found that a more open dialogue between management and employees creates a healthier work environment.

EMPLOYEE (CONTD.)

EMPLOYEE FEEL-GOOD MOMENTS

We believe that employees with a happy disposition are more likely to be loyal and eager to work. Additionally, festive celebrations are a great way to foster good relationships and boost camaraderie.

We postponed all sports events, gatherings, and recreational activities until the Government's movement restrictions were lifted to minimise disease transmission.

Staff at Chill Out area, MCT HQ

Christmas celebration at LakeFront Sales Gallery

CHRISTMAS CELEBRATION

After a long and challenging year, we were glad to have celebrated Christmas via a scaled-down get-together on 23 December 2021.

Some of our employees dressed in bright Santa and Santarina outfits enlivened the celebration. They distributed Christmas goodies and put together creative photoshoots for all our employees.

TEAMWORK MAKES THE DREAM WORK!

As a display of compassion and empathy, some employees spent their Christmas holiday assisting one of our colleagues in Puchong whose place of residence was affected by a flood

MCT staff helping to clean flood affected homes of colleagues

EQUAL OPPORTUNITY AND FAIR REMUNERATION

EMBRACING DIVERSITY

We take pride in being a workplace that provides equal opportunity and fair remuneration to our employees. These policies raise the living standards of our employees and cause an indirect positive impact on the welfare of the communities we serve. As a microcosm of multicultural and multireligious Malaysia, MCT embraces and actively promotes diversity in our workforce.

We consider the wide range of perspectives offered by our diverse employees as a huge advantage in our solution-making process. Our workplace espouses equal opportunity, where employees are encouraged to grow and contribute, regardless of their race, religion and gender. This policy is also enshrined in our hiring, compensation, benefits and succession planning processes, where gender is not a determining factor. Moreover, employees can refer to our Employee Handbook about the equitable treatment of employees and their protection against sexual harassment through pre-established grievance procedures.

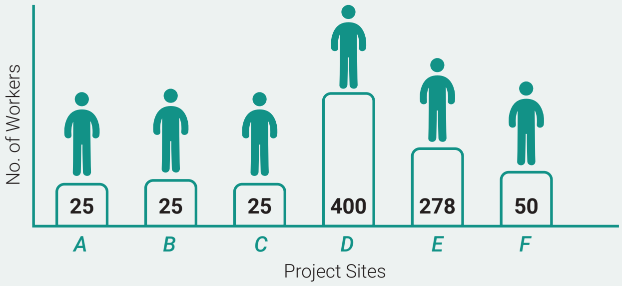
	Ethnic Composition		
Ethnicity	**FY 2021**	**FY 2020**	**FY 2019**
Malay	136	161	246
Chinese	109	117	164
Indian	28	28	32
Others	10	10	14
Total	**283**	**316**	**456**
	Gender Distribution		
Male	149	160	257
Female	134	156	199
Total	**283**	**316**	**456**

At MCT, team members with a variety of backgrounds, cultures and experiences are encouraged to help solve problems and be innovative in working together

EMPLOYEE (CONTD.)

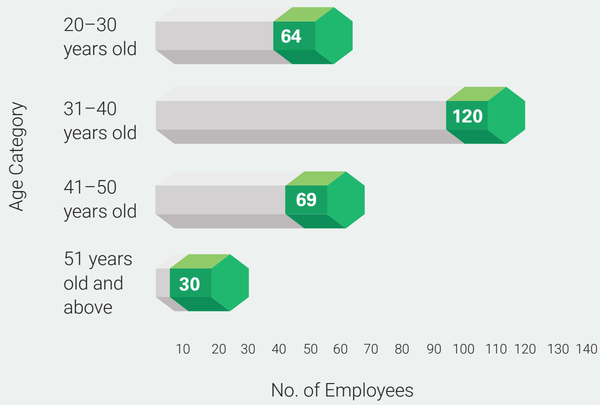
EMPLOYEE SUSTAINABILITY INDICATORS

Average Number of Workers at Project Sites



A: LakeFront Residence Phases 1 and 2
B: LakeFront Residence Phase 3 (Flood Mitigation Works)
C: PR1MA Homes @ LakeFront Cyberjaya
D: Market Homes @ LakeFront Cyberjaya
E: Cybersouth Projects
F: Aetas Damansara

Age Diversity FY 2021



Employee Gender Breakdown by Role						
	FY 2021		FY 2020		FY 2019	
Position	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Board of Directors	7	2	7	1	6	2
Managers	60	41	60	44	83	45
Executives	68	74	76	83	140	116
Non- Executives	14	17	17	28	28	36
Subtotal	149	134	160	156	257	199
Total	**283**		**316**		**456**	

FY 2021 Training Calendar

Soft Skills

- Managing Customer Experience During Crisis (Customer Centric Programme)
- KPI Review & Workshop
- Top Team Integration Workshop (Parts 1 & 2)
- Customer Service Training

No. of attendees: 652
No. of hours: 7,305.5

Technical Skills

- IFCA.NET – Property Sales
- IFCA.NET – Financial Accounting
- IFCA.NET - Procurement, Subcontract & Project Accounting System
- IFCA.NET – Property Sales Module
- Motor Control

No. of attendees: 189
No. of hours: 755

Governance

- Directors & Officers Liability Insurance
- MACC / ABAC Policy Briefing

No. of attendees: 101
No. of hours: 167

CUSTOMER

Property ownership is one of the largest purchases of an individual, but the expenses do not end with the purchase of the home. A homeowner must be ready to face financing, maintenance, and regulatory responsibilities. When property ownership changes hands either to the next generation or to another owner via reselling of the property, a sustained economic and sentimental value is passed along as well.

Therefore, as a Timeless Value Creator, we at MCT are committed to creating and delivering value that endures through time.

Our journey is that of continual transformation by pursuing excellence and seeking an in-depth understanding of customers' needs. In this way, we can improve our customer service processes to create better communities together.

Moving forward, our quality team will implement additional measures to further enhance the quality of our projects, in addition to achieving the following existing targets:

Transformation targets:

- **No Liquidated Ascertained Damages**
- **QLASSIC Score >75%**
- **Customer acceptance rating of at least 85%**

CUSTOMER (CONTD.)

QUALITY

In property development, product quality must satisfy not only regulatory and statutory requirements but also the customers' expectations.

QUALITY POLICY

Our Group's quality policy articulates our commitment to excellence. Specifically, we have implemented various measures that will ensure the constant improvement of the quality of our products and services.

MCT

QUALITY POLICY STATEMENT

"Building Excellence through Quality"

INTERNATIONAL QUALITY CERTIFICATION

Our key operational strategy is comprehensive quality management. This is reflected by our QMS ISO 9001:2015 certification. The QMS standardised our processes across different projects from their inception to occupancy. The QMS also ensures that every aspect of quality management adheres to statutory and regulatory requirements.

IQNet

CERTIFICATE

CERTIFICATE

QUALITY ASSESSMENT SYSTEM IN CONSTRUCTION

To further improve our projects, we have included QLASSIC in our transformation target to evaluate the workmanship quality of building construction. Assessments are conducted via first-time onsite inspections. The assessments are carried out through site inspection with the guiding principle of "Do Things Right the First Time and Every Time".

QUALITY ENHANCEMENTS

In line with our Quality Policy, we have established the following to improve our product and service offerings:

Independent Project Management Team
Our independent project management team performs regular reviews of our delivery and quality control systems. They propose improvements to our project monitoring development systems as they see fit.

QMS Implementation Guide
Our QMS implementation guide is updated whenever necessary to accommodate emerging improvement opportunities, anticipate upcoming needs, and adapt to breakthrough developments.

Defect Management
We are able to maintain high customer satisfaction levels because of our automated defect escalation system, My@Community. This system was meticulously designed for tracking, organising, analysing and monitoring defects in our properties.

With this feature, customers can conveniently submit property defect reports and monitor the progress of the defect rectification works being performed without having to leave their homes.

LEADERSHIP

Our leadership firmly believes in the merit of our QMS. They have dedicated sufficient resources to sustaining the effective implementation of the system across the organisation. Senior management is deeply involved in ensuring the effectiveness of the QMS.

CUSTOMER (CONTD.)

INNOVATION AND AGILITY

> "Innovation is not just about inventions; but also, development and implementation of new product, process or services with the aim of improving efficiency, effectiveness or competitive advantage."
>
> Aznul Rizal bin Abu Shahid: Design and Planning

Our core values embrace innovation and agility, because our transformation is concentrated on innovation that enables us to adapt quickly to a new operating environment. We have introduced new designs and concepts in both our upcoming projects and those that are in progress, in response to market changes and emerging opportunities. Our design and planning teams are collaborating with experienced consultants who can help us push innovative designs in our affordable, mid-range and premium products.

CUSTOMER ENGAGEMENTS

Alira @ Tropicana Metropark sales gallery

CUSTOMER SATISFACTION

Aside from superior product quality, exceptional service is another prerequisite for customer satisfaction. Our specialist teams are trained to provide the best possible customer service experience at all times.

DRIVE-THROUGH COLLECTION

To address our customers' concerns about meeting in person for our handover procedures during the year under review, our Customer Service Department launched a "drive-through" option for our customers. Customers were able to pick up their keys and other items in the handover kit at our premises in the comfort and safety of their vehicles.

JOINT INSPECTION

In our defect rectification process, our customers would typically inspect the completed works and indicate whether they are satisfied or not. If they are, their property defect report would be closed.

Some customers prefer a joint inspection with one of our personnel for this procedure. To safeguard the health of both parties, our personnel are required to wear personal protective equipment (i.e., face shields, face masks and gloves) when entering customers' premises to perform inspection works.

CUSTOMER SATISFACTION SURVEY

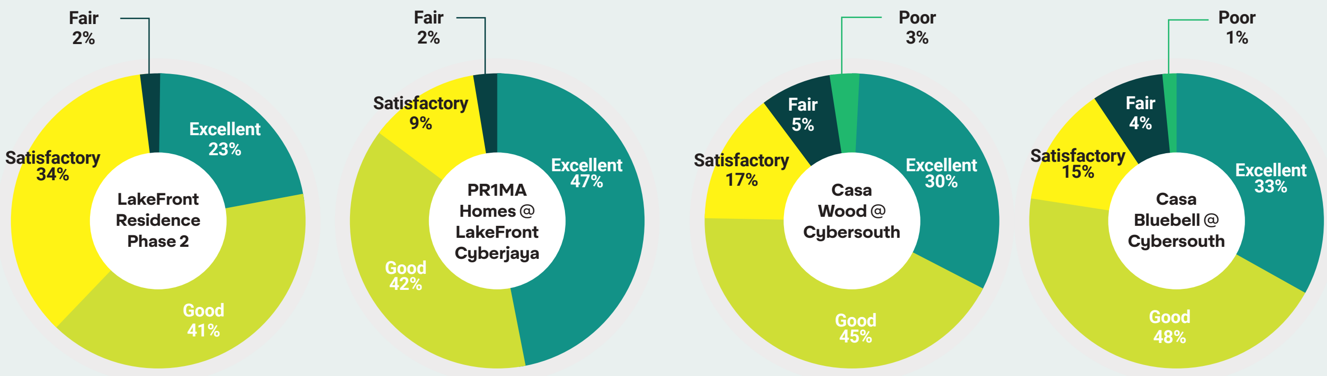
We use a customised survey to help us understand how our customers perceive our products, services and after-sales support.

In FY 2021, we conducted a Customer Satisfaction Survey ("CSS") after the handing over of vacant possession which comprised of questions relating to their experience at the key collection office, rating on the product or units and their recommendation of our products to friends and / or family.

Given My@Community's importance in facilitating the customers' submission of defect reports during the pandemic, our customers took a poll to determine the user-friendliness.

These pie charts refer to the results of the Customer Service Survey after the HOVP.

HOVP Customer Satisfaction Survey



User-Friendliness of My@Community Platform

As illustrated, My@Community was considerably well received with predominantly "Satisfactory" and "Good" ratings.

Our customer service personnel have taken note of the areas for improvement and are working closely with the relevant teams to further enhance our customer service experience.

CUSTOMER (CONTD.)

CUSTOMER ENGAGEMENTS (CONTD.)

REMOTE CUSTOMER SOLUTIONS

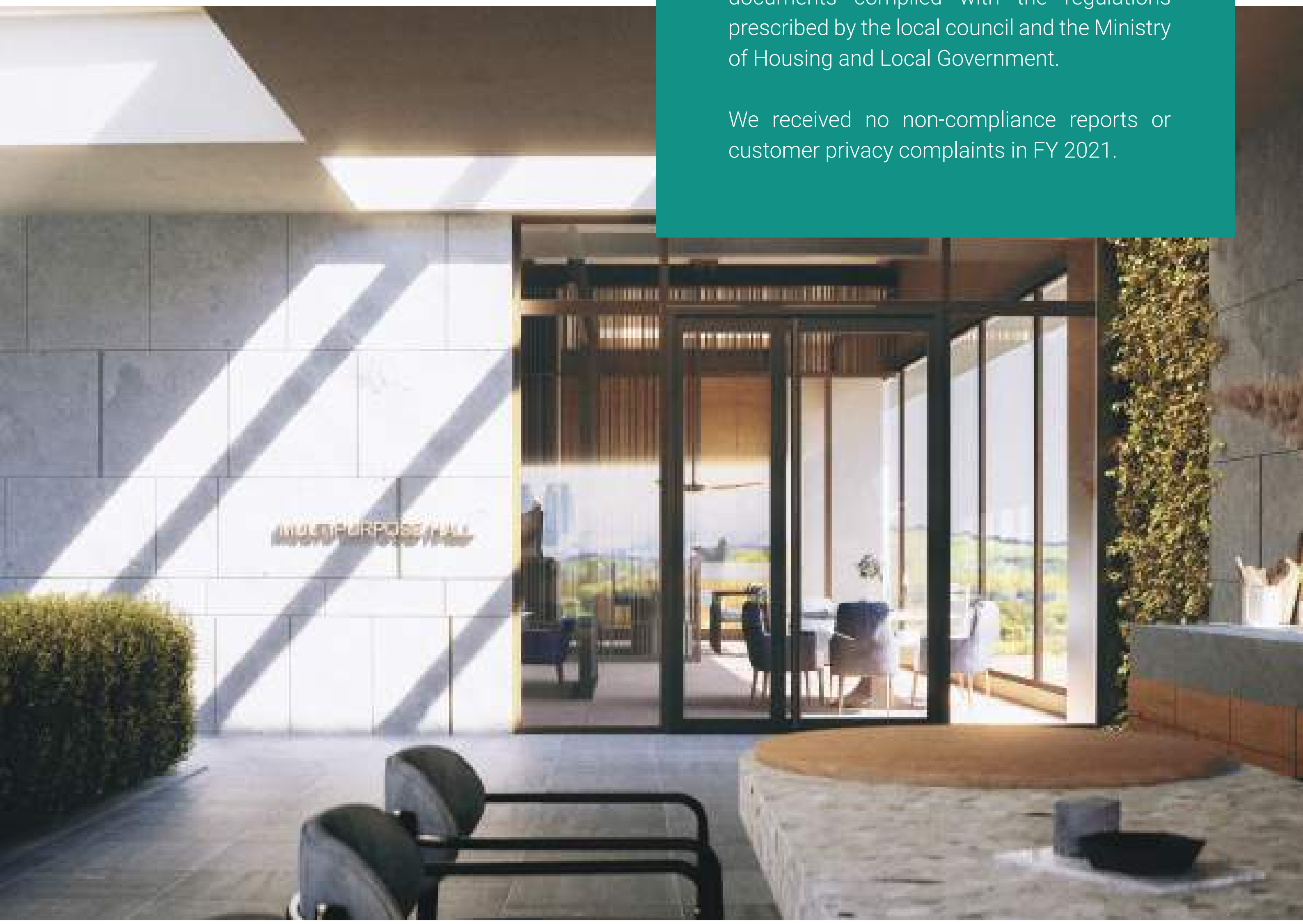
Since various movement restrictions and physical distancing requirements were still imposed in FY 2021, we continued using digital platforms to proactively engage with our existing and potential customers. Such platforms included video conferencing software like Zoom and Google Meet, WhatsApp's video calling function, as well as the innovative 360-degree virtual tours of our show units. Customers could also enjoy the convenience of making cashless payments through the Touch n Go e-Wallet platform.

CUSTOMER PRIVACY AND COMPLIANCE

The confidentiality of our customers' information is important to us. In FY 2021, we reviewed and improved our existing security measures in accordance with the Personal Data Protection Act ("PDPA") to safeguard our customers' privacy.

We also engaged a team of independent legal advisors to ensure that all our contractual documents complied with the regulations prescribed by the local council and the Ministry of Housing and Local Government.

We received no non-compliance reports or customer privacy complaints in FY 2021.



Multi-purpose Hall, Aetas Damansara

SUPPLY CHAIN

As an organisation that values sustainable development, we are fully cognisant of our role in promoting the sustainable procurement of goods and services throughout the supply chain. We have specialised teams that work closely with our suppliers in the following areas:

BUSINESS TRANSACTIONS

At MCT, we actively support fair and transparent dealings, where all business is conducted above board in an ethical manner. We have instituted a Vendor Code of Business Conduct, which clarifies our expectations of our suppliers' business conduct. The Vendor Code prohibits dealings of an unfair nature and works hand-in-hand with our Code of Conduct and Anti-Bribery and Anti-Corruption Policy. Strict penalties are imposed on employees or suppliers found to be in breach of these policies.

TENDER AWARDS

We have put in place a strict tender award process to maximise the created value for our customers. This policy ensures that all procured goods and services are of the best possible quality, and wastage is minimised.

For transactions exceeding pre-defined limits, our Tender Awards Committee will assess supplier proposals and collectively award tenders to the most deserving suppliers. The Committee consists of our C-Suites and other relevant departmental representatives.

ENVIRONMENTAL AND SOCIAL REQUIREMENTS

In addition to cost and quality, we evaluate and select suppliers based on how well their offerings meet our environmental, health and safety requirements. We consider several factors, such as energy efficiency, product durability and recyclability, in our assessments.

Upon their selection, all suppliers are briefed about our specific requirements. For example, contractors that will perform site-clearing works at our project sites and silo-dismantling works at our batching plants undergo induction briefings prior to work commencement. Their compliance will be strictly monitored, and non-complying suppliers will be subjected to punitive actions, such as a warning, fine or blacklisting, depending on the severity of the offence.

Central Park, Cybersouth

HEALTH, SECURITY, SAFETY AND ENVIRONMENT

We undertake considerable efforts to minimise the environmental impacts of our day-to-day tasks. We are always mindful of our responsibility to protect the health, security and safety of our stakeholders.

HSSE POLICY

Our HSSE Policy was created to achieve the following:

- Prioritisation of safety at all times;
- Compliance with applicable occupational HSSE legislation and regulatory requirements;
- Adoption of safe work practices to prevent accidents and injuries to all personnel at our workplace;
- Establishment of emergency response plans to deal with possible accidents or emergencies;
- Promotion of healthy lifestyles amongst employees and prevention of environmental pollution;
- Provision of HSSE resources, training and awareness programmes for employees; and
- Continuous improvement of HSSE-related policies, systems and programmes.

HSSE MANAGEMENT

Our HSSE Committee is in charge of formulating HSSE policies and ensuring their proper implementation throughout the organisation. Each of our project sites has its own HSSE team, which is responsible for monitoring, explaining and reviewing the HSSE work procedures at their location. The HSSE team managers regularly submit site performance reports to the HSSE Committee, where they identify and propose measures for further improvement.

The HSSE Committee is chaired by our COO, who reports the status of our initiatives and achievements to the key management team.

Each construction site has its own HSSE Committee, which consists of Site Safety Supervisors and Safety & Health Officers as members. The officers carry out improvement activities aimed at preventing occupational accidents and minimising environmental impacts. The Senior Executive and the Executive report to the HODs, who in turn is accountable to the Director of Project Management.

HSSE COMMITEE

HSSE MONITORING AUDIT & INSPECTION

Our HSSE personnel perform regular assessments of our project sites to ensure their strict compliance with legal and Group HSSE requirements. They are authorised to issue fines to any contractor found to be in breach of the requirements. After three warnings, contracts of non-complying contractors can be terminated.

Compliance monitoring is as much the responsibility of project managers as that of the HSSE Committee, personnel and teams at our project sites. Project managers must conduct formal and informal inspections under the supervision of a HSSE personnel.

In FY 2021, one contractor from one project site was found to be in breach of internal safety procedures. We have instituted measures to help prevent the recurrence of this non-compliance incident and have penalised the contractor accordingly.

HSSE TOOLBOX MEETINGS, INDUCTION BRIEFINGS AND TRAININGS

HSSE matters are essential to the smooth running of our operations. As such, our HSSE personnel undergo frequent training sessions to sharpen their existing competencies and acquire new knowledge in their areas of expertise.

Toolbox Meeting Topics
Electrical Safety
Dengue Prevention
Open Burning
Chemical Handling
Personal Protective Equipment
Housekeeping
COVID-19 SOP Compliance
Emergency Response Procedures
Gondola Standard Work Procedures
Public Safety
Working at Height
Pre-Vaccination (COVID-19)
Pre-RTK Test (COVID-19)

Regular HSSE-related training sessions include toolbox meetings, induction briefings and work-specific programmes. Toolbox meetings are short weekly sessions conducted onsite for all site workers, whereas induction briefings inform participants of the basic HSSE requirements before onsite work commences.

In addition, construction workers, contractors and suppliers undergo HSSE-related training programmes where they can learn more about HSSE matters, such as SOPs and standard work procedures ("SWPs"), company policies and legal requirements that affect their work. In FY 2021, we conducted 24 hours of HSSE-related training sessions for 873 attendees.

Topics	No. of Hours	No. of Attendees
HSSE SWP: electrical & power tools safety, safe ladder use, personal protective equipment, scaffolding, working on the glass canopy	8	348
HSSE SOP: gondola safety, working at height, security work instruction	4	38
Housekeeping	1	110
Basic Fire Drill	2	47
Dengue Prevention	1.5	87
COVID-19 Assessment and SOP Compliance	3.5	165
Emergency Response Plan (ERP, ERT & CMT)	2.5	29
HSSE Induction	1.5	49
TOTAL	**24**	**873**

HEALTH, SECURITY, SAFETY AND ENVIRONMENT (CONTD.)

HEALTH AND SAFETY INITIATIVES

COVID-19 PREVENTION

With the COVID-19 pandemic persisting in the year under review, our HSSE personnel implemented various health and safety initiatives to curb the spread of the infection and keep our workplace safe.

The table below shows some of the routine H&S initiatives that we are implementing.

Activity/Initiative	Objective	Frequency
Housekeeping at project sites	To upkeep and maintain safe work conditions	Daily
Temperature screening for workers; disinfection and sanitisation of workspaces	To reduce the risk of contracting/spreading COVID-19 at the workplace	Daily
RTK swab tests for frontline and general workers	To reduce the risk of contracting/spreading COVID-19 at the workplace	Fortnightly
Main Contractor site progress meetings	To disseminate information and discuss HSSE matters with project participants	Fortnightly
COVID-19 compliance assessments	To ensure our workspaces' compliance with SOPs	Monthly
HSSE assessments	To identify hazards and legal non-compliance, and provide suggestions for improvement	Monthly
Fogging and larviciding of project sites	To destroy and prevent the growth of disease-bearing mosquitoes	Fortnightly

ENVIRONMENT

Environmental sustainability is a vital component of our HSSE. We are committed to conserving natural resources and protecting the ecosystems to support the health and wellbeing of the current and future generations.

WASTE MANAGEMENT

Waste Segregation, Reuse and Recycling

Property development entails the use of significant quantities of building materials, such as wood, steel, glass and cement. As a sustainable organisation, we do not just strive for the responsible procurement of these materials, but also the responsible disposal of the materials we no longer need.

We employ professional waste contractors to recycle our waste in accordance with scheduled waste regulations. All wastes are segregated by type to facilitate recycling. Apart from recycling, we also attempt to reduce waste and reuse materials where possible. For example, we reuse durable modular form systems and scaffoldings as long as they pass stringent health and safety inspections.

3,158.64
tonnes of scrap disposed

0
non-compliance reports from local and national authorities

MANAGEMENT OF STORMWATER AND PROTECTION OF WATER BODIES

Malaysia is a tropical country that receives substantial rainfall in most parts of the year. Flooding can be minimised through efficient stormwater management. Specifically, waste should be prevented from entering into waterways that would hinder the smooth discharge of stormwater. To prevent the contamination of water bodies, our waste management strategy involves the following measures:

- Prevent construction wastewater and surface runoff from entering domestic sewerage lines;
- Treat wastewater at all project sites and monitor discharged effluents closely;
- Clean heavy vehicles at designated wash pits, from which wastewater will be treated;
- Install and maintain silt traps, and remove solid waste in sand traps, manholes and streambed; and
- Regularly monitor and clear drainage systems and discharge points of blockages.

Water Resource Management

Our project sites rely on alternative water sources as much as possible to reduce our consumption of municipal water. Such alternative sources include groundwater, pond water and rainwater.

Our properties are also installed with water-saving devices and rainwater harvesting systems to reduce the consumption of water. We reuse rainwater for landscaping and flushing toilets.

HEALTH, SECURITY, SAFETY AND ENVIRONMENT (CONTD.)

RESOURCE AND MATERIAL MANAGEMENT

It is our ongoing aim to reduce our impacts on the natural environment through the prudent management of water resources and deliberate choice of eco-friendly building materials.

Eco-Friendly Building Materials

Prefabricated, Pre-cut and Pre-sized Materials

We actively support the government's promotion of the innovative and sustainable IBS in the local construction industry. IBS entails the use of automation, mechanisation and component prefabrication to reduce wastage and conserve resources.

At our project sites, we use prefabricated beams and walls as well as pre-sized steel and timber products. These items are not manufactured at our sites, so there is no need to allocate space for manufacturing activities. In addition, we buy materials in bulk to cut down on packaging waste.

Park Place Phase 1

Casa Embun Service Apartments

Reduction in the Usage of Toxic Materials

Our teams continually find ways to reduce or altogether eliminate the use of toxic chemicals at our project sites.

As a general rule, we favour the use of water-based cleaning agents over solvent-based equivalents. Our potential suppliers are notified of our preference for eco-friendly products. In addition, we keep abreast of chemical regulations and the Occupational Safety and Health ("OSHA") Act and mandate our suppliers to do the same.

Material Planning

Our Design and Planning Department and Project Management Department work closely to maximise our efficiency in material usage. They ensure that our material requirements, namely technical specifications and quantities to be sourced, are accurately specified before authorising the relevant departments to proceed with procurement.

ENERGY AND EMISSIONS MANAGEMENT

Energy generation is a significant source of greenhouse gas emissions. When energy demand is reduced, emissions that pollute the Earth and aggravate climate change are also decreased. To this end, we have formulated the following guidelines for energy management efficiency:

01 Pre-Construction Planning

Before commencing the construction of any project, we meticulously identify the amount of energy needed for construction and work out how to allocate that energy. We continually improve our system to ensure that we utilise the most energy-efficient methods and materials.

02 Regulated Heating, ventilation and air-conditioning ("HVAC") Systems

HVAC systems are some of the most energy-intensive features of buildings. Our teams attentively regulate these systems in order to maintain sustainable temperatures whilst maximising energy efficiency. We also reduce energy usage by using automated systems for lighting and elevator operations.

03 Particulate Matter Level

We are aware of the respiratory health risks posed by breathing in particulate matter. As such, our project sites implement the following precautions to protect both our workers and our surrounding communities:

- Regularly hosing down roads used by our heavy vehicles transporting building materials;
- Monitoring daily temperature and wind conditions and adjusting traffic flow and workstations accordingly;
- Minimising disturbances to the natural features of the land;
- Using dust filter nets on the perimeters of high-rise buildings;
- Strictly banning open burnings;
- Washing heavy vehicles at a designated area upon their entry and exit; and
- Utilising the services of dust-monitoring professionals every quarter.

Casa Green

HEALTH, SECURITY, SAFETY AND ENVIRONMENT (HSSE) (CONTD.)

BIODIVERSITY

We recognise that our work as a property developer transforms the look and feel of our projects' locations. We also appreciate the importance of maintaining the biodiversity of those locations. For this purpose, we have conducted comprehensive assessments of the current and desired future states of biodiversity at these locations. The collected data will enable us to undertake suitable preservation measures.

Complementary Plant Species

We believe that our landscaping works should complement the existing natural environment as much as possible.

With this in mind, our designers used only non-invasive plant species to preserve the ecological health of the community. We also used plants that require low maintenance, fertilisers, pesticides and water. In this way, their visual and ecological benefits to the landscape do not come at the expense of the environmental impacts associated with their sustenance.

Avian Haven

Our Cybersouth project features a 25-acre lake and central park, with the lake being a carefully rehabilitated ex-mining pool. The lake and surrounding park currently play host to a range of resident and migratory birds, attracting birdwatchers and nature lovers from near and far.

HSSE Compliance and Performance

In the year under review, we continued to meet the stringent requirements of applicable federal and state government acts. These regulations, laws and codes are:

OSHA Act 1994	Factories and Machinery Act 1967 (Act 139)	Street, Drainage and Building Act 1974
Uniform Building by Laws 1984	Electricity Supply Act 1992	Environmental Quality Act 1974
Prevention and Control of Infectious Diseases Act 1998 (Act 342)	Guidelines of Public Safety & Health at Construction Sites	Notification of Accident, Dangerous Occurrence, Occupational Poisoning & Occupational Disease Regulations 2004 (NADOPOD)
Safety Committee Regulation 1996	Safety & Health Officer Regulation	Guidelines on First Aid Facility in the Workplace

We received no HSSE-related non-compliance notices from local and national authorities, and continue to have no accidents, recordable injuries, lost-time injuries, lost days and fatal accidents in FY 2021.

Activity/Initiative	FY 2021	FY 2020	FY 2019
Fatalities	0	0	0
Major Accidents (medical leave >3 days)	0	0	0
Minor Accidents (medical leave <3 days)	0	0	0
First Aid Cases	0	0	0

* *These indicators are from MCT's report to the Department of Occupational Safety and Health ("DOSH") as well as Registry of Accidents, Dangerous Incidents, Workplace Poisoning and Workplace Illnesses*

KEY HSSE DATA

Environmental Indicators

Activity/Initiative	FY 2021	FY 2020	FY 2019
Metal Waste Recycled (Tn)	0	1,579	1,007
Water Consumption (m^3)	0	14,827	93,159
Energy Consumption at Construction Sites (kwH)	293,494	1,899,303	2,692
Number of Completed Units	-*	3,053	2,475

* *No new projects were completed in FY 2021. Handovers continued to be performed for projects completed before FY 2020.*

Main Raw Materials Used (Tn)	FY 2021	FY 2020	FY 2019
Sand	-*	2,296	65,885
Aggregate	-*	906	46,633

* *We did not procure any sand or aggregate in FY 2021 as construction work performed by our in-house construction arm had mostly ended. With new construction work to be subcontracted to external contractors going forward, procurement of these materials will only be for rectification work to be performed by our in-house construction arm.*

Aerial view Alira @ Tropicana Metropark

COMMUNITY

To us, business growth is only meaningful – and indeed, sustainable – when our surrounding communities are growing alongside us.

To this end, we have invested substantial resources into developing and maintaining strong relationships with our community members as we pursue excellence in the delivery of our product and service offerings.

SMART GOVERNMENT PARTNERSHIPS

We are proud to be contributing to the transformation of Cyberjaya, Malaysia's premier technological hub, into a Smart City.

Many of our past and ongoing development projects are located in this township. We have frequent and close engagements with relevant authorities, such as the Urban Planning Centre and the local council. This familiarity ensures that our offerings, infrastructure and facilities meet the government's requirements for efficient traffic management and safe pedestrian movement, amongst others. This also addresses traffic and pedestrian mobility, a material issue that is increasing in significance as our business ventures into locations with higher traffic and denser populations.

We actively promoted the government's HOC, which kicked off on 1 June 2020. The HOC aims to encourage Malaysians to purchase their own property by offering incentives such as stamp duty exemptions on Instrument of Transfer and Instrument on Loan Agreement.

In support of the PR1MA initiative, we launched our PR1MA Homes at our LakeFront @ Cyberjaya development to empower lower-income groups to purchase quality accommodation at affordable prices.

Swimming pool, Cybersouth Clubhouse

COMMUNITY ENGAGEMENTS

It has been our longstanding practice to give back to the communities where we operate. Our Sponsorship and Donation Policy, which is available for public reference on our website, is a clear guide on how our employees should make decisions on sponsorships and donations from our Group to external parties.

Visiting Welfare Homes

To spread cheer to senior citizens and children, we visited the following welfare homes in the State of Selangor:

Noble Care Old Folks Home

En Yuan Old Folks Home

Xi Ying Old Folks Home

SHELTER Home for Children

On behalf of MCT, our employees from various departments distributed goodies to the residents and actively engaged with them during these visits. We strictly adhered to health and safety protocols at all times.

Recycling E-Waste

We are a strong supporter of environmental preservation efforts. We worked closely with ERTH to launch an e-waste recycling campaign in November 2021. This effort saw the collection of 30 kg of e-waste, such as old digital devices and charger cables, in just 30 days. Given its success, the campaign will be an ongoing one. ERTH has placed a collection box in the office for employees to drop off items. ERTH personnel will collect the items upon our request.

Upholding Human Rights

We treat all our employees with the dignity and respect that each individual deserves. We uphold the regulations on child labour, as specified in the Children and Young Persons (Employment) Act 1966. We also require our contractors to comply with all relevant immigration laws at all times in their recruitment of foreign labour.

Ensuring Health And Safety At Project Sites

As a property developer, our project sites are the hives of our activity and are therefore abounding with safety and health hazards. We strive to mitigate the risks not just to our workers but also to the surrounding communities.

Before any ground-breaking activity, our HSSE teams critically assess all potential issues, such as emissions into the air and waterways, traffic congestion, soil movement and waste disposition. They then formulate a mitigation plan to address each matter in detail. During the construction phase, the HSSE personnel still continue to conduct regular checks with project site members to ensure compliance with the prescribed health and safety procedures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of MCT Berhad ("MCT" or "Company") ("Board"), management, and employees are committed to conducting and upholding good corporate governance practices in the daily business operations of the Company and its' subsidiary companies ("Group").

We believe that sound corporate governance fosters the Group's long-term success by achieving the Group's mission and vision, safeguarding the interests of the shareholders and other stakeholders ("Parties"), and delivering sustainable values to the Parties.

This statement provides the Parties with an overview of how the Company has applied the three (3) key principles as set out in the latest Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia, which came into force on 28 April 2021 ("MCCG 2021"), during the financial year ended 31 December 2021 ("FY 2021") ("Statement").

The Company has also disclosed its application of each practice set out in the MCCG 2021 during FY 2021 in a prescribed format of the Corporate Governance Report ("CG Report"). The said CG Report is available on the Company's website at www.mct.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for the Group's governance and overall strategic direction. It has established precise functions reserved for the Board and those delegated to management. Both parties have clearly described and understood these functions to ensure accountability.

1.1 Clear Functions Reserved for Board and Delegation to Management

The roles of the chairman of the Board ("Chairman") and the Chief Executive Officer ("CEO") are separated from each other with a clear scope of duties and responsibilities.

The Chairman is responsible for instilling good corporate governance practices, providing leadership for the Board in its collective oversight of management, and ensuring the conduct and effectiveness of the Board.

The day-to-day management of the Group and implementation of the Board's policies, strategies, and decisions are delegated to the CEO within the prescribed limits of authority as approved by the Board.

The CEO further cascades the formal structure of delegation to the management, who is responsible and accountable for the day-to-day management of financial and operational matters of the Group following the strategic and direction approved by the Board.

The Chairman should not be a member of any board committees of the Company.

1.2 Clear Roles and Responsibilities

The roles and responsibilities of the Board are clearly described in the board charter of the Company ("Board Charter").

As the Board is entrusted with safeguarding the interests of shareholders and other stakeholders and ensuring sustainability in the Group's business, every director has a legal duty to act in the best interest of the Company. Thus, the Board assumes, amongst others, the following significant responsibilities:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

I. Board Responsibilities (CONTD.)

1.2 Clear Roles and Responsibilities (CONTD.)

- reviewing and adopting business plans, policies, and overall strategic direction for the Group;
- promoting good corporate governance culture together with senior management within the Company, which reinforces ethical, prudent, and professional behaviour;
- reviewing, challenging, and deciding on the management's proposals and monitoring the implementation by management;
- ensuring that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability;
- reviewing the adequacy and integrity of the internal control systems and risk management framework and policy;
- ensuring the integrity of the financial and non-financial reporting of the Company;
- supervising and accessing management's performance to determine whether the business is being properly managed;
- adopting succession planning policies;
- adopting an investors relations programme; and
- reviewing financial performance and annual budget.

1.3 Separation of the Position of the Chairman and CEO

Separate persons undertake the roles of the Chairman and CEO. The Chairman is an independent non-executive director.

1.4 Company Secretaries

The directors have full and unrestricted access to the advice and dedicated support services of the company secretaries as and when the need arises to discharge their duties effectively.

The suitably qualified and competent secretaries support the Board in its leadership role, discharge of fiduciary duties, and stewards of governance.

The company secretaries are responsible for advising and updating the Board on corporate governance matters required for its satisfactory operation and supporting the Board by ensuring adherence to the Board's policies and procedures and regulatory requirements.

1.5 Supply of Information

The agenda and board papers are circulated to all directors within a reasonable period before the meeting to ensure that the directors are given sufficient time to request additional information or seek clarification, where necessary. For matters that require the Board's approval, appropriate and detailed information will be given to the directors on a timely basis to discharge their duties.

The directors have direct access to the management to seek further information, explanations, and updates on any aspect of the Group's operations and businesses and the advice and services of the company secretaries. In addition, the directors may also seek independent professional advice, at the Company's expense, if required.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

I. Board Responsibilities (CONTD.)

1.6 Time Commitment

The Board meets at least four (4) times a year, with additional meetings convened when necessary.

A total of six (6) meetings were held during FY 2021. The directors' attendance was as follows:

Name of Director	Designation	No. of Meetings Attended / No. of Meetings Held
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	Chairman, Independent Non-Executive Director	6/6
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar	Independent Non-Executive Director	6/6
Lao Chok Keang	Independent Non-Executive Director	6/6
Bernard Vincent Olmedo Dy	Non-Independent Non-Executive Director	6/6
Anna Maria Margarita Bautista Dy ("Ms. Dy")	Non-Independent Non-Executive Director	6/6
Jaime Alfonso Antonio Eder Zobel de Ayala	Non-Independent Non-Executive Director	6/6
Ma. Divina Yee Lopez(1) ("Ms. Lopez")	Non-Independent Non-Executive Director	3/6
Teh Heng Chong	Executive Director and Chief Executive Officer	6/6
Apollo Bello Tanco	Executive Director and Chief Operating Officer	6/6

Note: (1) Appointed as a Non-Independent Non-Executive Director on 1 June 2021.

1.7 Directors' Continuous Training and Induction Programme

The directors of the Company undergo continuous training as an ongoing process to effectively discharge their duties as directors. They ensure that they attend such training programmes to develop and update themselves from time to time continually. The Company also provides an induction programme for new Board members to ensure that they have a comprehensive understanding of the operations of the Group and the Company.

The directors are also encouraged to attend courses and seminars relevant to the Group's operations and businesses conducted by professionals.

All directors have training sessions on various topics relevant to keeping abreast with the general economic, industry, and technical development.

In addition, the external auditors and company secretaries have briefed the Board on the relevant updates on statutory and regulatory requirements from time to time during the Board meetings.

1.8 Board Charter

The Company has adopted a revised Board Charter to provide guidance and clarity on the Board's roles and responsibilities and the relationship between the Board and the shareholders. The Board will review the Board Charter, where necessary, to ensure it remains consistent and relevant with the Board's objectives and practice.

A copy of the revised Board Charter is available on the Company's website at www.mct.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

1.9 Code of Ethics & Whistleblowing Policy

The Group is committed to upholding good corporate governance practices; thus, every director is required to observe the Code of Ethics ("Code") set out by the Companies Commission of Malaysia as a guideline. The Code is formulated to enhance the standard of corporate governance and ethical behaviour to achieve the following aims:

i. To establish a standard of ethical behaviour for directors, including executive and non-executive directors, based on trustworthiness and values that can be accepted, are held, or upheld by any one (1) person; and
ii. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations, and guidelines for administrating a company.

All directors should observe high ethical business standards in discharging their duties and responsibilities and acting in good faith and in the best interests of the Company and its shareholders.

The Company issued a separate business code of ethics that applies to all employees of the Group and ensures all employees perform and exercise their roles and responsibilities to sustain the confidence and trust of its customers and suppliers.

The business code of ethics sets out the standards of business conduct and ethical behaviour, including integrity, dealing with conflict of interest, proper use of Group's assets, compliance with all applicable laws, rules and regulations of the relevant regulators or governmental authorities, confidentiality and fairness.

The Board has implemented a set of whistleblowing policies and procedures ("Whistleblowing Policy") to provide an avenue for all employees to raise genuine concerns related to possible improprieties in matters of financial reporting, compliance, and other malpractices at the earliest opportunity and in an appropriate way. The management had engaged a third-party service provider to administer its whistleblowing programme with a dedicated hotline and procedures to allow review and investigation of incidents reported to be carried out with the approval from the Board. The Whistleblowing Policy is available for reference on the Company's website at www.mct.com.my.

1.10 Integrity and Governance Committee

Following the requirements under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has implemented a set of Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") as the Group observes and upholds zero tolerance on bribery and corruption and is committed to ensure that all business conducted by the Group is done in an honest and ethical manner. The ABAC policy was further extended to third parties to ensure that the Group is undertaking business with third parties that share the same standard of integrity and ethical business practice as the Group.

The Group also implemented the sponsorship and donation policy to guide the company and its employees in making decisions pertaining to sponsorship and donation from the Group to an external party.

The Board has also established the Integrity and Governance Committee, which is led by key management with the objective to strengthen the Group's goal of keeping it free of corruption and unhealthy practices and to synchronise various committees within the organisation to further strengthen the corporate framework geared towards a corruption-free working environment.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

II. Board Composition

2.1 Board Composition

Following the appointment of Ms. Lopez as a non-independent non-executive director, the Board now comprises nine (9) directors, where 1/3 of the Board are independent directors and 22% of the Board are women directors.

The board composition fulfils the requirements as stipulated in Paragraph 15.02(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

If any vacancy in the Board results in non-compliance with Paragraph 15.02(1) of the MMLR, the Company must fill the vacancy within three (3) months from the position becoming vacant.

The Board also takes cognisance that the current board composition is not aligned with the best practices of MCCG 2021, which stipulates that at least half of the Board comprises independent directors. The Board endeavours to seek suitable and calibre candidates as additional independent directors of the Company to apply the best practices of the MCCG 2021.

The Board comprises a mixture of directors from diverse professional backgrounds, skills, and experiences in business, marketing, commercial management, economics, construction, management, and finance, required for effective and independent decision-making at the Board level. The Board considers its current size adequate given the present scope and nature of the Group's business operations. The directors of the Company have exercised independent and objective judgement, discharged their duties with reasonable care, skill and diligence, and have the integrity and ethics that are essential indicators of independence.

2.2 Tenure of Independent Directors

The purpose of appointing independent directors is to ensure that the Board includes directors who can effectively exercise their independence and objective judgement during the Board's deliberations, particularly during decision-making by the Board and its board committees ("Board Committees").

As of the date of this Statement, none of the independent directors was serving the Board beyond nine (9) years.

However, the Board acknowledges that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completing the nine (9) years, the independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, the Board should justify and seek annual shareholders' approval through a two-tier voting process as prescribed under Practice 5.3 of the MCCG 2021.

As for the retention of an independent director above twelve (12) years:

a. such an independent director must have served a cooling-off period of at least three (3) years;
b. the Company must justify the appointment of such person as an independent director and explain why there is no other eligible candidate in the statement accompanying the notice of general meeting; and
c. to make an immediate announcement on such an appointment in accordance with the MMLR.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

II. Board Composition (CONTD)

2.3 Annual Assessment of Independence

The Board has set out policies and procedures to ensure the effectiveness of the Independent non-executive director ("INED") not defined previously. Assessment of the independence of the INED is carried out annually.

The Board and the Nomination Committee ("NC") have, upon their annual assessment, concluded that each INED fulfils the criteria of independence as prescribed under the MMLR. They have exercised independent and objective judgement, discharged their duties with reasonable care, skill and diligence and have the integrity and ethics essential indicators of independence.

2.4 Board Committees

The Board has established and assigned specific responsibilities to three (3) board committees, namely the Audit and Risk Management Committee ("ARMC"), NC and Remuneration Committee ("RC"), which the Board entrusts with specific responsibilities to oversee the Group's affairs, in accordance with their respective clearly defined written terms of reference ("TOR").

The board committees are responsible for examining particular issues within clearly defined TOR and reporting to the Board with their recommendations. The Board reviews the board committees' authority and TOR from time to time for ensuring relevance. The activities of each board committee are further explained in this Statement.

For adherence to board independence under Practice 1.4 of the MCCG 2021, the Board had, on 1 April 2022, concurred with the recommendation of the NC for combining both NC and RC to become the Nomination and Remuneration Committee ("NRC").

The latest board committees of the Company are:

- NRC; and
- ARMC.

The minutes of board committees' meetings and circular resolutions passed are presented to the Board for notation. The chairman of the relevant board committees also reports to the Board on the key issues deliberated by the board committees at their respective meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

II. Board Composition (CONTD)

2.4 Board Committees (CONTD.)

2.4.1 Nomination Committee

The NC comprises three (3) members, all of whom are non-executive directors ("NED"), with a majority being independent directors during FY 2021. Their meeting attendances are set out below:

Name of Director	Designation	No. of Meetings Attended / No. of Meetings Held
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar	Chairman, Independent Non-Executive Director	1/1
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	Member, Independent Non-Executive Director	1/1
Bernard Vincent Olmedo Dy	Member, Non-Independent Non-Executive Director	1/1

During FY 2021, the NC met once (1) and carried out the following activities:

(a) Board Effectiveness Assessment

The NC had conducted the following annual assessments, and the results were reported to the Board:

i. the effectiveness of the Board, board committees, and contribution of each director;

ii. the ARMC's and its members' term of office and performance; and

iii. the independence of each independent director in carrying out their respective functions.

(b) Appointment to the Board

The NC had assessed and recommended the appointment of Ms. Lopez as a non-independent non-executive director of the Company vide passing a written resolution on 1 June 2021.

The criteria used in the performance assessment of the Board, board committees, and directors include:

i. appropriate size, composition, degree of independence, the right mix of expertise, experience, and skills within the Board and the board committees;

ii. open communication of information and active participation within the Board and board committees;

iii. a clear understanding of the Board and board committees' roles and responsibilities and the Group's direction and strategy; and

iv. the characteristic, integrity, competency, and time commitment of the members of the Board and board committees in discharging their duties.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

II. Board Composition (CONTD)

2.4 Board Committees (CONTD.)

2.4.1 Nomination Committee (CONTD.)

(c) Board Diversity

The Board diversity of the Company is as follows:

i. Gender Diversity

The current gender diversity of the Board is that there must be a woman director on Board. Currently, there are two (2) female directors on the Board, namely Ms. Dy and Ms. Lopez.

For adherence to at least 30% of women directors on the Board under Practice 5.9 of the MCCG 2021, the Board acknowledges the importance of women representation and advocates gender diversity aspired to have a higher female representation since 2015.

ii. Ethnicity Diversity

At present, the Board comprises two (2) Malay directors, two (2) Chinese directors, and five (5) Filipino directors.

iii. Age Diversity

The general age profile of the directors is between thirty to seventy years of age.

So far as board diversity is concerned, the Board does not discriminate based on gender, ethnicity, age, or religion. The evaluation of the suitability of the candidate for filing of casual vacancy, re-election or re-appointment is solely based on the competency, character, time commitment, integrity, and experience of the candidate in meeting the Company's needs, including, where appropriate, the ability of the candidate to act as an independent director, as the case may be. The NRC has also considered this when assessing the directors' performance.

(d) Re-election of Directors

Based on the chronology of directors' appointment to the Board, the NC had conducted an assessment of the below-named retiring directors who were seeking re-election at the Twelfth Annual General Meeting ("AGM") held on 1 September 2021 ("12th AGM"):

i. Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor;
ii. Ms. Anna Maria Margarita Bautista Dy; and
iii. Ms. Ma. Divina Yee Lopez.

The NC satisfied the performance and contribution of retiring directors and recommended their re-election according to Clauses 97.1 and 104 of the Company's constitution for the shareholders' approval at the 12th AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

II. Board Composition (CONTD)

2.4 Board Committees (CONTD.)

2.4.2 Remuneration Committee

The RC comprises three (3) members, all of whom are NED, with a majority being independent directors during FY 2021. Their meeting attendances are set out below:

Name of Director	Designation	No. of Meetings Attended / No. of Meetings Held
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	Chairman, Independent Non-Executive Director	3/3
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar	Member, Independent Non-Executive Director	3/3
Bernard Vincent Olmedo Dy	Member, Non-Independent Non-Executive Director	3/3

The RC was responsible for reviewing matters on directors' remuneration and making relevant recommendations to the Board.

2.4.3 Nomination and Remuneration Committee

After FY 2021, the NRC was established by the Board with the responsibilities of setting out clear and appropriate criteria for the selection and recruitment as well as annual evaluation of directors of the Board and board committees. The NRC also sets out policy and procedures for the remuneration of directors and senior management.

The TOR of the NRC is available on the Company's website at www.mct.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD.)

II. Board Composition (CONTD)

2.4 Board Committees (CONTD.)

2.4.4 Audit and Risk Management Committee

The ARMC is responsible for assisting the Board in discharging its duties and responsibilities relating to the accounting and reporting practices of the Group. The ARMC reviews the Group's accounting and risk management processes, internal controls, and the independence of the Group's internal and external auditors. The activities during FY 2021 have been laid out in the ARMC Report in this Annual Report.

The TOR of the ARMC is available on the Company's website at www.mct.com.my.

The ARMC should possess a wide range of necessary skills to discharge its duties. All ARMC members shall be financially literate, competent, and can understand matters under the purview of the ARMC, including the financial reporting process.

During FY 2021, the ARMC comprises four (4) members, all of whom are NED, with a majority being independent directors. Their meeting attendances are set out below:

Name of Director	Designation	No. of Meetings Attended / No. of Meetings Held
Lao Chok Keang	Chairman, Independent Non-Executive Director	6/6
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	Member, Independent Non-Executive Director	6/6
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar	Member, Independent Non-Executive Director	6/6
Anna Maria Margarita Bautista Dy	Member, Non-Independent Non-Executive Director	6/6

REMUNERATION

1.1 Directors' Remuneration

The details of the directors' remuneration for FY 2021 are as follows:

	Directors' fees (RM)	Allowances (RM)	Salaries/ Bonuses (RM)	Benefits-in-kind\ (RM)	Other emoluments (RM)	Total (RM)
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	127,200.00	46,000.00	-	-	-	173,200.00
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar	91,200.00	16,000.00	-	-	-	107,200.00
Lao Chok Keang	74,400.00	12,000.00	-	-	-	86,400.00
Bernard Vincent Olmedo Dy	79,200.00	16,000.00	-	-	-	95,200.00
Anna Maria Margarita Bautista Dy	69,600.00	12,000.00	-	-	-	81,600.00
Jaime Alfonso Antonio Eder Zobel de Ayala	60,000.00	12,000.00	-	-	-	72,000.00
Ma. Divina Yee Lopez(1)	35,178.08	6,000.00	-	-	-	41,178.08
Teh Heng Chong	-	-	976,800.00	6,600.00	118,139.40	1,101,539.40
Apollo Bello Tanco	-	-	464,502.84	6,600.00	592.80	471,695.64

Notes:
(1) *Appointed as a non-independent non-executive director on 1 June 2021.*

The Board is of the opinion that the disclosure of the key senior management's remuneration on a named basis would not be in the best interest of the Group due to confidentiality and sensitivity concerns as well as the issue of competitiveness of the Company in engaging its employees.

The Board will ensure that the remuneration of the key senior management is commensurate with their duties and responsibilities, the performance of the Company, and without excessive remuneration payouts. The aggregate remuneration paid to the key senior management was RM1,859,333.92, which comprises their annual salaries, allowances, bonuses, and benefits-in-kind.

In addition, the Company also provides Directors' and Officers' Liability Insurance Policy for directors and officers of the Group. However, the said insurance policy will not indemnify the directors or officers against any liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty, or breach of trust.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

The composition and details of activities carried out by the ARMC during FY 2021 are set out in the ARMC Report of this Annual Report.

1.1 Compliance with Applicable Financial Reporting Standards

The Board, assisted by the ARMC, aims to present a balanced and understandable assessment of the Group's position and prospects through the annual financial statements and quarterly announcements of results to Bursa Securities.

The directors are responsible for ensuring that the annual financial statements are prepared following the Companies Act 2016 and applicable approved accounting standards in Malaysia, which gives a true and fair view of the Group and the Company's state of affairs, results and cash flows.

A statement by the directors of their responsibilities in preparing the financial statements is set out in this Annual Report.

1.2 Assessment of Suitability and Independence of External Auditors

The ARMC had reviewed the suitability and independence of the external auditors on an annual basis. The ARMC was satisfied with their performance, competency, and independence and recommended their re-appointment for FY 2021 for the Board's approval.

1.3 Related Party Transactions

The Board approved the revised policies and procedures on Related Party Transactions ("RPT") of the Group and, through its ARMC, to review all RPT and conflicts of interest situations quarterly.

A director, who has an interest in such transaction, must abstain from deliberating and voting on the relevant resolution at the Board meeting and at any AGM or extraordinary general meeting convened to consider the said matter.

II. Risk Management and Internal Control Framework

2.1 Sound risk management framework

In recognising the importance of risk management and internal controls, the Board had engaged an independent consulting firm, KPMG Management & Risk Consulting Sdn. Bhd. to carry out its risk management function.

The role of the external risk management consultant is to enhance the Enterprise Risk Management ("ERM") Framework of the Group to facilitate the systematic application of risk management practices and reporting on risk management results effectively. The Board noted the update on the ERM Framework, which was assessed, reviewed, and recommended by the ARMC.

Full details of the risk management framework are set out in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTD.)

II. Risk Management and Internal Control Framework (CONTD)

2.2 Internal Audit Function

The Group's Internal Audit Department continues to undertake regular and systematic reviews of the Group's internal controls to provide reasonable assurance to the ARMC, the Board, and the management that the system of internal controls effectively addresses the risks identified and improves the Group's operational efficiency. The internal audit function is independent of the management and has full access to all of the Group's entities, records, and personnel. The scope and activities of the Company's internal audit function and the cost incurred in maintaining it are reported in the ARMC Report and the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1.1 Corporate Disclosure Policy and Procedure

The Company values the importance of disseminating relevant and material information on the development of the Group to its shareholders and stakeholders in a timely and equitable manner. The Company's corporate website at www.mct.com.my serves as one (1) of the most convenient ways for the shareholders and members of the public to gain access to corporate information, announcements, quarterly results, annual reports, media releases, etc. A section also focuses on corporate governance comprising the Company's Board Charter, the Code, Whistleblowing Policy, ARMC TOR, NRC TOR, Sponsorship & Donation Policy and ABAC Policy for third parties.

1.2 Encourage Shareholders Participation at General Meetings

The AGM is the main forum and essential platform for dialogue and interaction with all shareholders, who are given the opportunity to enquire and seek clarification on the operations and financial performance of the Company.

General meetings of the Company serve as a mode of shareholder communication and provide meaningful engagement between the Board, senior management and the shareholders. The Board ensures that the Company's general meetings, either to be conducted entirely virtual or hybrid, are effective and efficient by supplying comprehensive and timely information to shareholders and encouraging active participation at general meetings.

1.3 Poll voting

In line with Paragraph 8.29 of the MMLR, the Company had implemented poll voting for all the resolutions set out in the Notice of 12th AGM. An independent scrutineer was appointed to validate the votes cast at the 12th AGM.

This Statement is made in accordance with the resolution of the Board dated 13 April 2022.

ADDITIONAL COMPLIANCE INFORMATION

1. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The effective date of implementation of the Company's ESOS was 3 May 2016 ("Implementation Date") and shall be in force for five (5) years from the Implementation Date. No options or shares were granted between the Implementation Date and 31 December 2021.

2. AUDIT AND NON-AUDIT FEES

The details of the fees paid or payable for audit and non-audit services rendered to the Company and the Group by the External Auditors during FY 2021 are as follows:

Fees Paid/Payable	Group (RM)	Company (RM)
Audit	490,000	95,000
Non-Audit	10,000	10,000

3. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or the Group, which involve the interest of directors and major shareholders of the Company during FY 2021.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE OR TRADING NATURE:

The Company did not enter into any RRPT which requires the shareholders' mandate during FY 2021.

5. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal during FY 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STATUTORY FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STATUTORY FINANCIAL STATEMENTS

The directors have the responsibility to prepare financial statements for the financial year which have been made out in accordance with applicable approved accounting standards and the requirements of the Companies Act 2016 ("CA 2016") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which provide a true and fair view of the state of affairs of the Group and the Company as at the end of 31 December 2021, and of the financial results and cash flows of the Group and the Company for the year then ended.

In preparing the statutory financial statements for the financial year ended 31 December 2021 ("FY 2021"), the directors have:

a) adopted appropriate accounting policies and applied them consistently;
b) made judgements and estimates that are reasonable and prudent; and
c) prepared the financial statements on a going concern basis.

The directors are responsible for ensuring that the Group and the Company maintain accounting records which disclose with reasonable accuracy the financial position of the Group and the Company. These financial records are used to ensure that the financial statements comply with the provision of the CA 2016 and the applicable approved accounting standards in Malaysia.

The directors are responsible for taking such steps as are reasonably open to them to preserve the interests of stakeholders and to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

The statutory financial statements of the Company and the Group for FY 2021 are set out in this annual report.

This statement is made in accordance with a resolution passed on 13 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of MCT Berhad ("MCT or Company") is committed to nurture and maintain sound risk management processes and systems of internal control throughout its group of companies ("Group"). The Board's Statement on Risk Management and Internal Control ("Statement") featuring the Group's risk management process and its state of internal control systems is outlined below.

The Statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers pursuant to Practice Note 9 of MMLR and Principle B (II) of the Malaysian Code on Corporate Governance 2021.

THE BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group's systems of internal control and risk management process in order to safeguard shareholders' investment and the Group's assets. The Board is responsible to determine the Group's level of risk tolerance as well as articulating, implementing and reviewing the Group's risk management and internal control framework.

Board Committees have been established to carry out duties and responsibilities delegated by the Board, governed by the respective written Terms of Reference. The Meetings of the Board and Board Committees are carried out to review the performance of the Group, from financial to operational perspectives. The Board's role is to discuss the business plans and strategies after taking into consideration the risk factors.

The Board must ensure the adequacy, effectiveness and integrity of the internal control systems through regular reviews, accompanied by ongoing risk management processes.

It should be noted that such systems are designed to manage rather than eliminate the risk of failure so as to achieve business objectives and therefore, can provide only reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Company has outsourced its risk management activities to a third-party consulting firm, namely KPMG Management & Risk Consulting Sdn. Bhd. Key features of the activities undertaken for the financial year ended 31 December 2021 are as follows:

(a) Facilitating quarterly update reviews. The main activities under this phase of work include:
- review the adequacy and relevancy of the risk profile and registers, where appropriate, on the risk description, causes of risk, controls and risk rating of consequence/ impact and likelihood of occurrence;
- review the risk indicators provided by the risk owners and update the risk registers once the Management has agreed to the risk indicators;
- review implementation status of action plans committed by risk owners;
- identify action plans for top 30 principal business risks, which include persons in charge and timelines; and
- conduct interview sessions with owners of the top 30 principal business risks to moderate risk ratings before the finalisation of the Company's risk profile.

(b) Review and ensure that the Company's risk management policies and procedures meet ISO 31000:2018 Risk Management Standard.

The Assistant Risk Management Manager, who joined the Group in September 2019, assists the consulting firm in carrying out the above-mentioned activities.

INTERNAL CONTROL

The key processes that the Group has established in reviewing the adequacy and integrity of the Group's systems of internal control include the following:

(a) Internal policies and procedures which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group are maintained and subject to review as considered necessary.
(b) Clearly defined and documented responsibility and accountability have been established through the relevant terms of reference and organisational structures, including matters requiring the Board's approval. The corporate structure further enhances the ability of each subsidiary or division, as the case may be, to focus on its assigned core or support functions within the Group. Lines and limits of authority are put in place to monitor and control the Group's business activities.
(c) Appropriate business plans are established where the Group's business objectives, strategies and targets are articulated. Business planning and budgeting are undertaken annually to establish plans and targets against which performance is monitored on an ongoing basis.
(d) The Group's management team monitors and reviews financial and operational results, including monitoring and reporting of performance against the operating plans. The management team formulates and communicates action plans to address areas of concern.
(e) The Board has set the tone at the top for corporate behavior and corporate governance. All employees of the Group shall adhere to the Code of Ethics and Conduct of the Group which sets out the principles and standard to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing within the Group and with external parties.
(f) The Group takes continuous efforts in maintaining the quality of its products and services. Accordingly, the Group has a process to enable timely adherence to safety and health regulations, environmental requirements and relevant legislations affecting the Group's operations.
(g) Sufficient insurance coverage and physical safeguards over major assets of the Group are in place to enable assets to be adequately covered against calamities and/or theft that may result in material losses to the Group.
(h) Regular internal audit visits to assess and provide independent reports and assurance on the state of internal control systems of the Group's various operations.
(i) A whistleblowing process has been established to provide an avenue for employees to communicate their concerns on matters of integrity in a confidential manner. The Whistleblowing Policy has been reviewed and updated, where the protection afforded to whistleblowers has been further enhanced.
(j) Continuous training and development programmes covering all levels of the Group's employees have been designed to ensure and maintain the competency and efficiency of the employees.
(k) Undertakes the compliance review functions to ensure adherence to rules and regulations laid down by the various regulators and authorities.

During the period under review, the internal auditors highlighted some areas for improvement in the internal control systems, and the Management has taken appropriate measures to address them accordingly. The internal control enhancements highlighted were mainly operational in nature and has an impact on the operational results of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed the Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Company for the financial year ended 31 December 2021, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement intended to be included in the annual report of the Company, in all material respects has not been prepared in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers or is factually inaccurate. The external auditors' report was made solely for, and directed solely to the Board in connection with their compliance with the MMLR of Bursa Securities and for no other purpose or parties. As stated in their report, the external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

AAPG 3 does not require the external auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon.

THE BOARD'S CONCLUSION AND ASSURANCE PROVIDED BY THE MANAGEMENT

The Board has reviewed the risk management process and internal control systems and believes that the risk management process and internal control systems of the Group are in place for the period under review. The Board also believes that up to the date of issuance of the financial statements, they are effective and adequate to safeguard the shareholders' investment as well as the interests of regulators and employees.

The Board has also received reasonable assurance from Teh Heng Chong, the Chief Executive Officer, Apollo Bello Tanco, the Chief Operating Officer, and Susan Jacob Secreto, the Chief Financial Officer, that the Group's risk management process and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management process and internal control systems of the Group.

Moving forward, the Group will continue to improve and enhance the existing risk management process and internal control systems, taking into consideration the changing business environment.

The Statement was approved by the Board on 13 April 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of MCT Berhad ("Company") is pleased to present the report of the Audit and Risk Management Committee ("ARMC") and its activities for the financial year ended 31 December 2021 ("FY 2021").

COMPOSITION

The ARMC currently comprises of four (4) members and all of whom are non-executive directors with majority being independent directors. All the members of the ARMC are financially literate and able to analyse and interpret financial statements in order to effectively carry out their duties and responsibilities as members of the ARMC.

Mr. Lao Chok Keang, Chairman of the ARMC, is a member of the Malaysian Institute of Accountants. As such, the composition of the ARMC is in compliance with Paragraph 15.09(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Details of the ARMC members are set out in the Directors' Profile in this Annual Report.

The ARMC who served during the FY 2021 and their attendance are set out below:

Name of Audit and Risk Management Committee	Designation	No. of Meetings Attended / No. of Meetings Held
Lao Chok Keang	Chairman, Independent Non-Executive Director	6/6
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	Member, Independent Non-Executive Director	6/6
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar	Member, Independent Non-Executive Director	6/6
Anna Maria Margarita Bautista Dy	Member, Non-Independent Non-Executive Director	6/6

MEETINGS

The ARMC convened a total of six (6) meetings during the FY 2021. The meetings were held on 18 March 2021, 25 March 2021, 17 May 2021, 8 June 2021, 25 August 2021 and 24 November 2021.

The Chief Financial Officer and Head of Internal Audit were invited to attend all the ARMC meetings. Other persons were invited to attend the ARMC meeting, upon invitation, as and when necessary.

The ARMC met with the External Auditors three (3) times during FY 2021 to discuss their audit plan, professional service planning memorandum, audit findings and the Company's financial statements. In addition to that, the External Auditors had two private sessions with the ARMC without the presence of the executive directors or senior management. The Chairman of the ARMC engaged directly with the Head of Internal Audit and External Auditors, and vice versa, including senior management, for discussion on issues of concern during the FY 2021.

TERMS OF REFERENCE

The terms of reference ("TOR") of the ARMC which was reviewed, revised and adopted on 23 February 2022 in accordance with the amendments to the MMLR of Bursa Securities is available on the Company's website at www.mct.com.my.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the FY 2021, the ARMC carried out the following activities:

(a) Reviewed the unaudited quarterly financial reports before they were presented to the Board for approval.

(b) Reviewed the annual audited financial statements of the Company and its group of subsidiaries ("Group") and obtained assurance that the financial reporting and disclosure requirements of the relevant authorities had been duly complied with.

(c) Reviewed with the External Auditors, focusing on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, unusual events, the going concern assumption, compliance with accounting standards, compliance with the MMLR and other legal requirements.

(d) Reviewed with the External Auditors, their audit planning memorandum covering the audit objectives and approach, key audit areas and the relevant accounting standards issued by the Malaysian Accounting Standards Board and other relevant technical pronouncements that are relevant to the Group, as well as, the impact of any changes to the accounting policies.

(e) Reviewed with the External Auditors, their audit report and findings on financial reporting matters, and reported such matters to the Board.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONTD.)

During the FY 2021, the ARMC carried out the following activities:(CONTD.)

(f) Met with the External Auditors without the presence of the executive directors and senior management.
(g) Reviewed, assessed and monitored the performance, suitability and independence of the external auditors and made recommendations to the Board on their re-appointment and audit fee. The external auditors had provided an annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements.
(h) Reviewed and approved the Internal Audit Planning Memorandum for the Group for FY 2021 and coverage of the Group's activities based on identified and assessed key risk areas.
(i) Reviewed the adequacy of resources to complete the audit plan.
(j) Reviewed the internal auditors' observations, recommendations for improvements and management's response thereto.
(k) Reported major findings to the Board and made recommendations to the Board for consideration and approval based on the internal audit reports.
(l) Recommendation to the Board to engage an external party to carry on with the Risk Management function and reviewing the revised Enterprise Risk Management programme for the Group.
(m) Quarterly reviewed and verified the related party transactions and conflicts of interest of the Board.
(n) Reviewed and recommended the Statement on Risk Management and Internal Control, ARMC Report and Sustainability Statement and Management Discussion and Analysis for Board's approval for inclusion in the Annual Report.
(o) Reviewed the Company's Internal Audit Function.
(p) Reviewed the gap assessment of the Company's practices against adequate procedures issued under Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009, prepared by Baker Tilly GBS Sdn. Bhd., the appointed independent consultant.
(q) Reviewed the revised Terms of Reference of the ARMC and Internal Audit Charter and recommended the same for Board's approval.

The Board is satisfied that the ARMC and its members have carried out their responsibilities and duties in accordance with the ARMC's TOR.

INTERNAL AUDIT FUNCTION

The Company has an in-house Internal Audit Department ("IAD") led by a qualified and experienced Senior Manager with three (3) assistants to carry out its appraisal function independently from the Management with the Head of Internal Audit reporting directly to the ARMC. The function of the IAD is to assist the ARMC, Board and Management in discharging their governance responsibilities, to provide the assurance on the adequacy and effectiveness of the internal control systems, risk management framework and recommending improvements to add value to the Group's operational efficiency.

The Board has put in place an Internal Audit Charter recommended by the ARMC as a guide to the IAD in its objectives and scope of authority. The internal audit function fully abides by the provisions of its charter.

The activities undertaken by the IAD during the financial year under review included the following:

(a) Assisted the Management in coordinating risk management activities;
(b) Assisted the Management in investigating a complaint from a whistleblower;
(c) Prepared a risk-based annual internal audit plan for the review and approval by the ARMC; and
(d) Reviewed the IT and non-IT controls related to data integrity, management of housing development accounts, management of procurement activities, award of construction contracts, management of petty cash funds, management of parking fees received, purchase of kitchen cabinets for Market Homes project, award of variation orders and appointment of traffic impact assessment consultants. Reviewed the implementation status of the agreed action plans. Reported findings from the reviews and follow-up reviews to the Management and ARMC for necessary action.

The total cost incurred for the internal audit function of the Group for the financial year under review was RM463,046.19.

This ARMC Report is made in accordance with the resolution of the Board dated 13 April 2022.

LIST OF PROPERTIES

Company/ Address	Land area (acres)	Existing use	Tenure	Remaining useful life (years)	Year of acquisition/ Year of completion*	Net book value as at 31 December 2021 (RM)
Next Delta Sdn. Bhd.						
Lot 72024, Pekan Country Height, Daerah Petaling, Selangor Darul Ehsan	5.6	Alira (Land under development)	Freehold	NA	9.11.2018	143,000,000
Lot 72025, Pekan Country Height, Daerah Petaling, Selangor Darul Ehsan	3.5	Alira (Land held for development)	Freehold	NA	9.11.2018	
USJ CityPoint Sdn. Bhd. (formerly known as One City Development Sdn. Bhd.)						
Pt 35474, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	1.0	USJ Citypoint (Land held for development)	99 years	89	1998	13,500,000
Pt 567, Pekan Subang Jaya, Daerah Petaling, Selangor Darul Ehsan	1.0	USJ Citypoint (Land held for development)	99 years	89	1998	
Lot 92353, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	14.3	USJ Citypoint (Land under development)	Freehold	NA	2012	
One Residence Sdn. Bhd.						
PN 92831, Lot 89553, Bandar Damansara, Daerah Petaling, Selangor Darul Ehsan	1.8	Aetas (Land under development)	Leasehold expiring 4.4.2109	88	21.08.2018	42,287,000
Solid Benefit Sdn. Bhd.						
Lot 104161, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	73.8	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	83	2008	5,259,154
Lot 104162, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	124.5	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	83	2008	8,866,407
Lot 104163, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	54.5	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	83	2008	3,882,214
Lot 104164, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	48.7	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	83	2008	3,465,500
Lot 47955, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	115.5	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	83	2008	8,226,733

Company/ Address	Land area (acres)	Existing use	Tenure	Remaining useful life (years)	Year of acquisition/ Year of completion*	Net book value as at 31 December 2021 (RM)
Solid Recommendation Sdn. Bhd.						
Lot 47336, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	11.1	Skypark@ Cyberjaya (Land held for development)	Freehold	NA	22.09.2010	43,160,000
Timeless Hectares Sdn. Bhd.						
Lot 108632, Mukim Dengkil, Sepang, Selangor Darul Ehsan	23.1	LakeFront (Land held for development)	Freehold	NA	25.03.2011	34,506,960
Lot 108633, Mukim Dengkil, Sepang, Selangor Darul Ehsan	16	LakeFront (Land held for development)	Freehold	NA	25.03.2011	
Lot 108634, Mukim Dengkil, Sepang, Selangor Darul Ehsan	18.8	LakeFront (Land held for development)	Freehold	NA	25.03.2011	24,845,000
Lot 108636, Mukim Dengkil, Sepang, Selangor Darul Ehsan	2.2	LakeFront (Land held for development)	Freehold	NA	25.03.2011	
The Place Properties Sdn. Bhd.						
The Place@Cyberjaya, Jalan Teknokrat 1/1, Cyberjaya, 63000 Selangor Darul Ehsan	10.5	Basement carpark and retail lots	Freehold	NA	31.03.2015*	25,941, 188
Sky Park@One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan	2.2	Retail lots	Freehold	NA	16.12.2013*	37,000,000

Private Lift Lobby, Aetas Damansara

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2022

SHARE CAPITAL

Issued Share Capital	: 1,456,995,471 ordinary shares
Types of Shares	: Ordinary share
Voting Rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	No. of Holders	% of Holders	No. of Holdings	% of Issued Share Capital
Less than 100	80	1.69	1,916	0.00
100 to 1,000	663	14.01	254,522	0.02
1,001 to 10,000	1,571	33.19	10,133,372	0.70
10,001 to 100,000	2,020	42.68	79,528,687	5.46
100,001 to less than 5% of issued shares	396	8.37	401,874,559	27.58
5% and above of issued shares	3	0.06	965,202,415	66.25
Total	4,733	100.00	1,456,995,471	100.00

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	% of Issued Share Capital
1	Regent Wise Investments Limited	439,809,059	30.19
2	Regent Wise Investments Limited	295,277,782	20.27
3	CGS-CIMB Nominees (Asing) Sdn Bhd - Pledged Securities Account for Regent Wise Investments Limited	230,115,574	15.79
4	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Tan Sri Dato' Sri Goh Ming Choon (PB)	66,700,000	4.58
5	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Dato' Sri Tong Seech Wi	36,277,225	2.49
6	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Ng Lee Ling (PB)	25,050,000	1.72
7	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Linbaq Holding Sdn Bhd	22,666,667	1.56
8	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Lai Ming Chun @ Lai Poh Lin (PB)	22,340,790	1.53
9	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Goh Meng Keong	22,000,000	1.51
10	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yap Chee Woon	7,144,700	0.49
11	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Rickoh Corporation Sdn Bhd (MY0507)	7,134,000	0.49

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS (CONTD.)

No.	Name of Shareholder	No. of Shares Held	% of Issued Share Capital
12	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Koh Kin Lip (7003423)	7,125,000	0.49
13	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Susy Ding (CEB)	7,000,000	0.48
14	Tan Sri Dato' Sri Goh Ming Choon	6,417,000	0.44
15	Susy Ding	5,750,000	0.39
16	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wong Yee Hui	5,500,000	0.38
17	Huang Phang Lye	3,800,900	0.26
18	DB (Malaysia) Nominee (Asing) Sdn Bhd - The Bank of New York Mellon for Ensign Peak Advisors Inc.	3,320,200	0.23
19	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Foong Wai Hoong	3,100,600	0.21
20	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Foong Wai Hoong	2,901,300	0.20
21	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Toh Hooi Hak (PB)	2,900,000	0.20
22	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Teh Kum Choy	2,805,700	0.19
23	DB (Malaysia) Nominee (Asing) Sdn Bhd - The Bank of New York Mellon for Acadian ACWI Ex US Small Capfund LLC	2,501,100	0.17
24	Lim Chuan Heng	2,500,000	0.17
25	Toh Hooi Hak	2,500,000	0.17
26	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Siva Kumar A/L M Jeyapalan	2,439,300	0.17
27	47 Capital Sdn Bhd	2,400,000	0.16
28	Malacca Equity Nominees (Tempatan) Sdn Bhd - Exempt an for Phillip Capital Management Sdn Bhd (EPF)	2,273,800	0.16
29	Tan Ah Tee	2,088,000	0.14
30	Wong Yee Hui	2,036,000	0.14

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares Held			
		Direct Interest	%	Indirect Interest	%
1	Regent Wise Investments Limited	965,202,415	66.246	-	-
2	Ayala Land, Inc.[(1)]	-	-	965,202,415	66.246

Note:
[(1)] Deemed interested in the shares held by Regent Wise Investments Limited pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest		Indirect Interest	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1.	Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	-	-	-	-
2.	Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar	-	-	-	-
3.	Lao Chok Keang	-	-	-	-
4.	Bernard Vincent Olmedo Dy	-	-	-	-
5.	Anna Maria Margarita Bautista Dy	-	-	-	-
6.	Jaime Alfonso Antonio Eder Zobel de Ayala	-	-	-	-
7.	Ma. Divina Yee Lopez	-	-	-	-
8.	Teh Heng Chong	-	-	-	-
9.	Apollo Bello Tanco	-	-	-	-

Tower A Lift Lobby, Aetas Damansara

FINANCIAL STATEMENTS

MCT Berhad
200901038653 (881786-X)
(Incorporated in Malaysia)

Directors' Report and
Audited Financial Statements
31 December 2021

Directors' report

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

Results

	Group RM	Company RM
Loss for the year	(16,242,266)	(5,960,399)
Loss for the year, attributable to:		
- Owners of the Company	(16,235,537)	(5,960,399)
- Non-controlling interest	(6,729)	-
	(16,242,266)	(5,960,399)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend payment in respect of the current financial year.

Holding companies

The immediate holding company is Regent Wise Investments Limited, a company incorporated in Hong Kong. The ultimate holding company is Ayala Land, Inc., a company incorporated in Philippines.

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar
Bernard Vincent Olmedo Dy
Anna Maria Margarita Bautista Dy
Lao Chok Keang
Apollo Bello Tanco *
Teh Heng Chong *
Jaime Alfonso Antonio Eder Zobel de Ayala
Ma. Divina Yee Lopez (appointed on 1 June 2021)

* These directors are also directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (excluding those directors listed above) are:

Tuan Haji Ahmad Khalif Bin Mustapha Kamal
Kogelevanan A/L Thinakaram
Aw Chong Seng
Li Wai Chee (alternate director to Tuan Haji Ahmad Khalif Bin Mustapha Kamal)
Yaw Sheng Fung
Lim Tek Guan
Susan Jacob Secreto
Cheng Mey Ching
Chee Kok Keong
Aznul Rizal Bin Abu Shahid

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' benefits (cont'd.)

Since the end of the previous financial year, no directors have received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the directors is a member, or with a company in which the directors has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

	Group RM	Company RM
Salaries and other emoluments	1,693,235	120,000
Fees	536,778	536,778
	2,230,013	656,778

Directors' interests

None of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' and officers' indemnity

The Company maintains a Directors and Officers Liability Insurance for the directors of the Company and its subsidiaries in respect of liabilities arising from acts committed in their respective capacity as inter alia, directors and officers of the Company and its subsidiaries which is subject to the terms of the policy. The amount of insurance premium paid for the directors and officers of the Company and its subsidiaries during the financial year was RM25,500.

Other statutory information

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Other statutory information (cont'd.)

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year, except as disclosed in Note 34 to the financial statements.

(f) In the opinion of the directors:

   (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

   (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

MCT Berhad
(Incorporated in Malaysia)

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Details of auditors' remuneration are disclosed in Note 8 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2021.

Signed on behalf of the Board in accordance with a resolution of the directors dated 20 April 2022.

Teh Heng Chong

Apollo Bello Tanco

MCT Berhad
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 251(2) of the Companies Act 2016

We, Teh Heng Chong and Apollo Bello Tanco, being two of the directors of MCT Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 16 to 103 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 20 April 2022.

Teh Heng Chong

Apollo Bello Tanco

Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Susan Jacob Secreto, being the officer primarily responsible for the financial management of MCT Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 16 to 103 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
Abovenamed Susan Jacob Secreto
on 20 April 2022.

Susan Jacob Secreto

Before me,

200901038653 (881786-X)

Independent auditors' report to the members of
MCT Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MCT Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 103.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters (cont'd.)

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue and cost of sales from property development activities

As disclosed in Note 4 and Note 5 to the financial statements, the Group's revenue of RM301,518,364 and cost of sales of RM215,032,933 are derived from property development activities, representing approximately 92% and 93% of the Group's total revenue and total cost of sales respectively, for the financial year ended 31 December 2021.

The Group recognises revenue and profit from its property development activities based on the progress towards complete satisfaction of a performance obligation that is achieved over time. The amount of revenue and profit recognised is dependent on, amongst others, the extent of actual costs incurred to-date to the total estimated property development costs to determine the progress towards the satisfaction of the Group's performance obligations, the actual number of units sold and the total estimated revenue for each of the respective development projects.

We identified revenue and cost of sales from property development activities as matters requiring audit focus as significant management's judgments and estimates are involved in determining the total estimated property development costs (which is used to determine the progress towards the satisfaction of the Group's performance obligations and the gross profit margin of the property development activities undertaken by the Group).

To address these areas of audit focus, we have performed, amongst others, the following procedures:

- Obtained an understanding of management's internal controls over the revenue recognition process, including controls over the timing of revenue recognition, the estimation of total property development costs and gross profit margin, and the progress towards the satisfaction of the Group's performance obligations of property development activities;

Key audit matters (cont'd.)

Revenue and cost of sales from property development activities (cont'd.)

To address these areas of audit focus, we have performed, amongst others, the following procedures: (cont'd.)

- Obtained an understanding of the terms and conditions of the contracts entered into with the customers for the significant projects/phases to establish the impact of those terms and conditions on revenue recognition;

- Evaluated the assumptions applied in estimating the total property development costs of each significant project/phase, including the allocation of common infrastructure costs to each property development phase, by examining documentary evidence such as letters of award issued to contractors to support the total estimated costs and reviewing the basis of the common costs allocation;

- Evaluated the progress towards complete satisfaction of a performance obligation by examining supporting evidence such as contractors' progress claims and suppliers' invoices; and

- Observed the progress of the on-going property development projects by performing site visits and discussed the status of on-going property development projects with management, finance personnel and project officials.

Impairment assessment of property, plant and equipment and investment properties

The Group is required to perform impairment test of cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount. Certain subsidiaries of the Group reported losses for the financial year ended 31 December 2021, which indicated that the carrying amounts of the related property, plant and equipment and investment properties amounted to RM196,657,823 and RM249,673,946 respectively, may be impaired.

Key audit matters (cont'd.)

Impairment assessment of property, plant and equipment and investment properties (cont'd.)

Accordingly, the Group performed an impairment assessment on those property, plant and equipment and investment properties by estimating the recoverable amounts based on the higher of the fair value less cost of disposal and value-in-use:

(a) Fair value less cost of disposal determined based on comparison method

When estimating the fair value less cost of disposal of a property based on comparison method, the objective is to estimate the price that would be received from the sale of the property in an orderly transaction between market participants at the reporting date under current market conditions. The Group appointed independent professional valuers to perform the valuation on these properties.

In determining the fair value of a property, the comparison approach is used to determine the market value of the property which involves comparing and analysing recent sales transactions of comparable properties in the localities and incorporating adjustments to reflect the differences in factors such as timing of the sale, size and location of the property that affect the market value.

For properties under construction, further adjustment is made to reflect the cost to complete to arrive at the market value of the these properties. The Group engaged an independent quantity surveyor to estimate the cost to complete for these properties.

(b) Value-in-use

The value-in-use method in estimating the recoverable amount of a plant and machinery requires the estimation of the future cash flows that the Group expects to derive from the continuing use of the plant and machinery, discounted at an appropriate rate to reflect the current market assessments of the time value of money and the risks specific to the plant and machinery for which the future cash flow estimates have not been adjusted. Significant judgments and estimates are involved in forming the key assumptions to determine the future cash flows of the plant and machinery, which include the revenue growth rate, the timing of the economic recovery from the impact of Covid-19 which in turns influences the utilisation rate and the discount rate.

Due to the significance of the carrying amounts of the property, plant and equipment and investment properties as well as the complexity and significant judgments and estimates involved in determining their recoverable amounts, we consider the impairment assessment of these assets as an area of audit focus.

Key audit matters (cont'd.)

Impairment assessment of property, plant and equipment and investment properties (cont'd.)

Our procedures to address these areas of audit focus include, amongst others, the following:

(a) Fair value less cost of disposal

- Assessed the competency, capability, independence and objectivity of the independent valuers and independent quantity surveyor;
- Reviewed the methodology adopted by the independent valuers in estimating the fair value of the properties and assessed whether such methodology is consistent with those used in the industry;
- Evaluated the key assumptions and critical judgmental areas applied by independent valuers in determining the valuation of each property;
- Discussed the key assumptions applied by independent quantity surveyor in determining the estimation of cost to complete for properties under construction;
- Engaged our own internal valuation specialists to evaluate the methodology and key assumptions used in estimating the fair value of the properties; and
- Assessed the adequacy of the related disclosures in Note 3(b) to the financial statements, in particular the disclosures on the significant assumptions to which the outcome of the impairment assessment is most sensitive, being those that have the most significant effect on the determination of the recoverable amounts of the properties.

(b) Value-in-use

- Evaluated the key assumptions applied in the value-in-use calculation, including the revenue growth rate, utilisation rate of the plant and machinery and the key cost elements, by comparing to the current utilisation rate, historical performance of those plant and machinery and external data on the expected future market conditions;

Key audit matters (cont'd.)

Impairment assessment of property, plant and equipment and investment properties (cont'd.)

Our procedures to address these areas of audit focus include, amongst others, the following: (cont'd.)

(b) Value-in-use (cont'd.)

- Engaged our own internal valuation specialists to review the methodology adopted by management on the determination of discount rates; and

- Assessed the adequacy of the related disclosures in Note 3(b) to the financial statements, in particular the disclosures on the significant assumptions to which the outcome of the impairment assessment is most sensitive, being those that have the most significant effect on the determination of the recoverable amount of the plant and machinery.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We also: (cont'd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threat or safeguards applied.

200901038653 (881786-X)

Independent auditors' report to the members of
MCT Berhad (cont'd.)
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Wai San
No. 03514/08/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
20 April 2022

200901038653 (881786-X)

MCT Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the financial year ended 31 December 2021

		Group		Company	
	Note	**2021**	**2020**	**2021**	**2020**
		RM	**RM**	**RM**	**RM**
Revenue	4	326,941,466	462,438,361	-	-
Cost of sales	5	(231,853,402)	(303,410,286)	-	-
Gross profit		95,088,064	159,028,075	-	-
Other income		13,212,050	9,392,359	36,511,771	36,432,176
Other operating and general administrative expenses	6	(65,070,457)	(92,245,855)	(2,961,730)	(3,802,698)
Selling and marketing expenses		(2,899,471)	(6,807,953)	-	(6,360)
Finance costs	7	(35,229,497)	(35,297,152)	(33,285,911)	(33,099,854)
Profit/(loss) before tax	8	5,100,689	34,069,474	264,130	(476,736)
Income tax expense	10	(21,342,955)	(24,123,428)	(6,224,529)	(6,842,994)
(Loss)/profit for the year		(16,242,266)	9,946,046	(5,960,399)	(7,319,730)
Other comprehensive income/(loss), net of tax					
Items that will be reclassified subsequently to profit or loss					
Change in fair value of cash flow hedge, net of tax		7,120,979	(10,822,267)	7,120,979	(10,822,267)
Total comprehensive (loss)/income for the year		(9,121,287)	(876,221)	1,160,580	(18,141,997)

Statements of comprehensive income
For the financial year ended 31 December 2021 (cont'd.)

		Group		Company	
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
(Loss)/profit for the year attributable to:					
Owners of the Company		(16,235,537)	9,949,349	(5,960,399)	(7,319,730)
Non-controlling interest		(6,729)	(3,303)	-	-
		(16,242,266)	9,946,046	(5,960,399)	(7,319,730)
Total comprehensive (loss)/income for the year attributable to:					
Owners of the Company		(9,114,558)	(872,918)	1,160,580	(18,141,997)
Non-controlling interest		(6,729)	(3,303)	-	-
		(9,121,287)	(876,221)	1,160,580	(18,141,997)
(Loss)/earnings per share attributable to owners of the Company					
Basic (sen per share)	11	(1.11)	0.68		

The accompanying accounting policies and explanation information form an integral part of the financial statements.

Consolidated statement of financial position
As at 31 December 2021

	Note	2021 RM	2020 RM
Assets			
Non-current assets			
Property, plant and equipment	12	239,774,391	260,003,503
Investment properties	13	249,673,946	250,700,765
Deferred tax assets	27	17,120,509	7,878,960
Land held for property development	14	296,031,713	229,462,497
		802,600,559	748,045,725
Current assets			
Inventories	16	4,451,817	12,778,303
Property development costs	17	245,351,721	351,991,099
Contract assets	18	26,780,575	6,303,368
Trade receivables	19	98,980,345	151,468,169
Other receivables	20	50,918,068	39,351,368
Tax recoverable		18,461,351	30,868,284
Cash and bank balances	22	459,481,754	599,300,385
		904,425,631	1,192,060,976
Total assets		1,707,026,190	1,940,106,701
Equity and liabilities			
Equity			
Share capital	23	1,541,092,425	1,541,092,425
Reserves	24	(1,067,734,328)	(1,074,855,307)
Retained earnings		390,592,176	406,827,713
Equity attributable to owners of the Company		863,950,273	873,064,831
Non-controlling interest		230,446	237,175
Total equity		864,180,719	873,302,006

Consolidated statement of financial position
As at 31 December 2021 (cont'd.)

	Note	2021 RM	2020 RM
Liabilities			
Non-current liabilities			
Other payables	29	-	3,216,544
Amount owing to ultimate holding company	30	-	502,125,000
Derivative financial liabilities	31	-	34,847,701
Lease liabilities	26	1,104,361	1,821,627
		1,104,361	542,010,872
Current liabilities			
Contract liabilities	18	80,820,865	241,956,095
Trade payables	28	86,614,335	88,999,140
Other payables	29	139,987,084	154,651,831
Borrowing	25	-	25,000,000
Tax payable		5,741,071	7,657,869
Amount owing to ultimate holding company	30	520,625,000	-
Derivative financial liabilities	31	6,837,747	-
Lease liabilities	26	1,115,008	6,528,888
		841,741,110	524,793,823
Total liabilities		842,845,471	1,066,804,695
Total equity and liabilities		1,707,026,190	1,940,106,701

The accompanying accounting policies and explanation information form an integral part of the financial statements.

200901038653 (881786-X)

MCT Berhad
(Incorporated in Malaysia)

Statement of financial position
As at 31 December 2021

	Note	2021 RM	2020 RM
Assets			
Non-current assets			
Investment in subsidiaries	15	1,154,639,226	1,154,639,226
Amounts owing by subsidiaries	21	9,921,088	10,653,517
Deferred tax asset	27	1,612,927	4,001,901
		1,166,173,241	1,169,294,644
Current assets			
Other receivables	20	255,714	432,475
Amounts owing by subsidiaries	21	886,187,787	918,483,843
Cash and bank balances	22	2,765,766	3,059,752
		889,209,267	921,976,070
Total assets		2,055,382,508	2,091,270,714
Equity and liabilities			
Equity			
Share capital	23	1,541,092,425	1,541,092,425
Reserve	24(b)	(5,107,605)	(12,228,584)
Accumulated losses		(18,166,407)	(12,206,008)
Total equity		1,517,818,413	1,516,657,833
Non-current liabilities			
Amount owing to ultimate holding company	30	-	502,125,000
Derivative financial liabilities	31	-	34,847,701
		-	536,972,701
Current liabilities			
Other payables	29	6,629,063	6,421,492
Borrowing	25	-	25,000,000
Tax payable		3,472,285	6,218,688
Amount owing to ultimate holding company	30	520,625,000	-
Derivative financial liabilities	31	6,837,747	-
		537,564,095	37,640,180
Total liabilities		537,564,095	574,612,881
Total equity and liabilities		2,055,382,508	2,091,270,714

The accompanying accounting policies and explanation information form an integral part of the financial statements.

MCT Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 December 2021

	<---- Attributable to owners of the Company				---->		
		<---- Non-distributable reserve	---->	Distributable reserve			
Group	**Share capital RM (Note 23)**	**Reverse acquisition reserve RM (Note 24(a))**	**Cashflow hedge reserve RM (Note 24(b))**	**Retained earnings RM**	**Attributable to owners of the Company RM**	**Non-controlling interest RM**	**Total equity RM**
At 1 January 2020	1,541,092,425	(1,062,626,723)	(1,406,317)	396,878,364	873,937,749	944,192	874,881,941
Total comprehensive (loss)/income for the year	-	-	(10,822,267)	9,949,349	(872,918)	(3,303)	(876,221)
Capital reduction vide non-controlling interest (Note 15)	-	-	-	-	-	(703,714)	(703,714)
At 31 December 2020	1,541,092,425	(1,062,626,723)	(12,228,584)	406,827,713	873,064,831	237,175	873,302,006

MCT Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 December 2021 (cont'd.)

	<--- Attributable to owners of the Company						
		<--- Non-distributable reserve --->		Distributable reserve			
Group	**Share capital RM (Note 23)**	**Reverse acquisition reserve RM (Note 24(a))**	**Cashflow hedge reserve RM (Note 24(b))**	**Retained earnings RM**	**Attributable to owners of the Company RM**	**Non-controlling interest RM**	**Total equity RM**
At 1 January 2021	1,541,092,425	(1,062,626,723)	(12,228,584)	406,827,713	873,064,831	237,175	873,302,006
Total comprehensive (loss)/income for the year	-	-	7,120,979	(16,235,537)	(9,114,558)	(6,729)	(9,121,287)
At 31 December 2021	1,541,092,425	(1,062,626,723)	(5,107,605)	390,592,176	863,950,273	230,446	864,180,719

The accompanying accounting policies and explanation information form an integral part of the financial statements.

MCT Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 December 2021 (cont'd.)

		<---Non-distributable reserve--->		
	Share capital RM (Note 23)	Cashflow hedge reserve RM (Note 24(b))	Accumulated losses RM	Total equity RM
Company				
At 1 January 2020	1,541,092,425	(1,406,317)	(4,886,278)	1,534,799,830
Total comprehensive loss for the year	-	(10,822,267)	(7,319,730)	(18,141,997)
At 31 December 2020 / 1 January 2021	1,541,092,425	(12,228,584)	(12,206,008)	1,516,657,833
Total comprehensive income/(loss) for the year	-	7,120,979	(5,960,399)	1,160,580
At 31 December 2021	1,541,092,425	(5,107,605)	(18,166,407)	1,517,818,413

The accompanying accounting policies and explanation information form an integral part of the financial statements.

200901038653 (881786-X)

MCT Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 December 2021

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash flows from operating activities				
Profit/(loss) before tax	5,100,689	34,069,474	264,130	(476,736)
Adjustments for:				
Depreciation of:				
- property, plant and equipment	15,858,084	14,534,359	-	-
- investment properties	1,360,730	2,759,994	-	-
Impairment on:				
- property, plant and equipment	431,139	4,701,524	-	-
- investment properties	-	833,887	-	-
Reversal of impairment on:				
- property, plant and equipment	(706,974)	-	-	-
- investment properties	-	(894,928)	-	-
Unwinding of discount on amounts owing by subsidiaries	-	-	(732,429)	-
Finance costs	35,229,497	35,297,152	33,285,911	33,099,854
Allowance for impairment on:				
- trade receivables	82,161	8,741,824	-	-
- other receivables	-	225,000	-	-
- amounts owing by subsidiaries	-	-	-	2,374,258
Bad debts written off				
- trade receivables	22,012	48,425	-	-
- other receivables	15,690	-	-	-
Gain on disposal of property, plant and equipment	(1,710,298)	(258,196)	-	-
Property, plant and equipment written off	-	506,110	-	-
Interest income	(4,552,557)	(6,415,260)	(35,779,342)	(36,276,769)
Unrealised loss/(gain) on foreign exchange	19,287	(76,925)	2,230	(11,065)
Operating profit before working capital changes	51,149,460	94,024,015	(2,959,500)	(1,290,458)

200901038653 (881786-X)

MCT Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 December 2021 (cont'd.)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash flows from operating activities (cont'd.)				
Operating profit before working capital changes (cont'd.)	51,149,460	94,072,440	(2,959,500)	(1,290,458)
Changes in inventories	8,326,486	7,859,018	-	-
Changes in property development costs	58,958,523	14,400,856	-	-
Changes in contract assets	(20,477,207)	69,384,937	-	-
Changes in trade receivables	52,383,651	(55,483,368)	-	-
Changes in other receivables	(11,582,390)	5,597,186	176,761	(426,959)
Changes in contract liabilities	(161,135,230)	22,947,138	-	-
Changes in trade payables	(2,401,862)	(15,557,236)	-	-
Changes in other payables	(18,031,787)	28,511,995	57,075	(3,041,499)
Cash (used in)/generated from operations	(42,810,356)	171,732,966	(2,725,664)	(4,758,916)
Net income tax paid	(22,483,343)	(15,178,725)	(8,970,932)	(624,306)
Net cash (used in)/generated from operating activities	(65,293,699)	156,554,241	(11,696,596)	(5,383,222)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2,746,762	1,947,501	-	-
Interest received	4,552,557	6,415,260	2,225	335,764
Additions to:				
- investment properties	(333,911)	(4,922,027)	-	-
- property, plant and equipment	(3,465,431)	(9,685,697)	-	-
- land held for property development	(11,343,777)	(5,792,019)	-	-
Repayment of share capital	-	(703,714)	-	-
Repayment from subsidiaries	-	-	69,538,031	443,817
Net cash (used in)/generated from investing activities	(7,843,800)	(12,740,696)	69,540,256	779,581

Statements of cash flows
For the financial year ended 31 December 2021 (cont'd.)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Cash flows from financing activities				
(Placement)/withdrawal of fixed deposits placed with licensed banks	(3,076,952)	412,843	-	-
(Repayments of)/proceeds from borrowing	(25,000,000)	25,000,000	(25,000,000)	25,000,000
Repayment of lease liabilities	(7,859,566)	(9,858,937)	-	-
Finance costs paid	(33,821,566)	(29,314,114)	(33,137,646)	(28,173,637)
Net cash used in financing activities	(69,758,084)	(13,760,208)	(58,137,646)	(3,173,637)
Net changes in cash and cash equivalents	(142,895,583)	130,053,337	(293,986)	(7,777,278)
Cash and cash equivalents at the beginning of year	599,300,385	469,247,048	3,059,752	10,837,030
Cash and cash equivalents at end of year (Note 22)	456,404,802	599,300,385	2,765,766	3,059,752

The accompanying accounting policies and explanation information form an integral part of the financial statements.

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur. The principal place of business of the Company is located at Lot C-02, Level 2, SkyPark @ One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 15.

The immediate holding company is Regent Wise Investments Limited, a company incorporated in Hong Kong. The ultimate holding company is Ayala Land, Inc., a company incorporated in Philippines.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 April 2022.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis, unless otherwise indicated in the accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), except when otherwise indicated.

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows. On 1 January 2021, the Group and the Company adopted the following amended standards which are mandatory for annual periods beginning on or after 1 January 2021.

Description		Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 7, MFRS 139, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16	Covid 19-Related Rent Concessions beyond 30 June 2021	1 April 2021

The adoption of the amended standards did not have any material impact on the financial statements of the Group and of the Company.

2.3 Standards issued but not effective

The standards that are issued but not yet effective up to the date of issuance of the financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description		Effective for annual periods beginning on or after
Amendments to MFRSs	Annual Improvements to MFRSs 2018-2020 Cycle	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not effective (cont'd.)

Description		Effective for annual periods beginning on or after
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution Of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standard and amended standards are not expected to have material impact to the financial statements of the Group and of the Company in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively the "Group") at the reporting date. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company controls an investee if, and only if, the Company has all of the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting rights or similar rights of an investee, the Group considers all facts and circumstances in assessing whether the Group’s voting rights in the investee are sufficient to give it power over the investee, including:

(i) The contractual arrangements with the other vote holders of the investee;
(ii) Rights arising from other contractual arrangements; and
(iii) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets and liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value during the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed in profit or loss as incurred.

2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill (cont'd.)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either in profit or loss or as a change to other comprehensive income ("OCI"). If the contingent consideration is not within the scope of MFRS 9, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value during the acquisition date and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2. Summary of significant accounting policies (cont'd.)

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Subsequent costs are included in the carrying amount of asset when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial year in which they are incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Capital work-in-progress is not depreciated as the asset is not available for intended use.

Depreciation is computed on a straight-line method to write off the cost of property, plant and equipment over their estimated useful lives at the following annual rates:

Office equipment	12.5%
Furniture and fittings	10.0 - 12.5%
Computer equipment	20.0 - 33.3%
Plant and machinery	3.3 - 10.0%
Construction equipment	12.5 - 20.0%
Tools and equipment	12.5%
Motor vehicles	20.0%
Renovation	10.0%
Buildings	2.0%

The residual values, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate, to ensure that the amount, method and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment. Investment properties are depreciated on the straight-line method based on annual rate of 2%.

Capital work-in-progress is not depreciated as the asset is not available for intended use.

2. Summary of significant accounting policies (cont'd.)

2.7 Investment properties (cont'd.)

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipients obtained control) or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.8 Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment loss, if any. On disposal of such investment, the difference between the net disposal proceeds and its carrying amounts is included in profit or loss.

2.9 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Rights-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date of the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentive received.

2. Summary of significant accounting policies (cont'd.)

2.9 Leases (cont'd.)

Group as a lessee (cont'd.)

Rights-of-use assets (cont'd.)

Right-of use assets are depreciated on a straight-line basis over the shorter of lease term and the estimated useful lives of the assets are as follows:

Buildings	3 to 4 years
Computer equipment	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The carrying amount of right-of-use is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Refer to accounting policy set out in Note 2.14.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, or a change in the lease term, or a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Summary of significant accounting policies (cont'd.)

2.9 Leases (cont'd.)

Group as a lessee (cont'd.)

Short-term leases and leases of low value assets

The Group applies the short-term leases recognition exemption to its short term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. The Group recognises the lease payments associated with these short-term leases and leases of low-value assets as expenses on a straight-line basis over the lease term.

Group as a lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income is recognised on a straight-line basis over the lease term of the relevant lease and is included in profit or loss. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for leasing income is set out in Note 2.15(c).

2.10 Inventories

(a) Land held for property development

Land held for property development comprises of land banks which are in the process of being prepared for development but have not been launched, or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets.

Costs incurred in bringing each property to its present location and condition includes:

(i) Freehold and leasehold rights for land,
(ii) amounts paid to contractors for development, and
(iii) planning and design costs, costs of site preparation, professional fees for legal services, development overheads and other related costs.

Land held for property development is reclassified to property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. Summary of significant accounting policies (cont'd.)

2.10 Inventories (cont'd.)

(b) Property development costs

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as development property.

Principally, this is the property that the Group develops and intends to sell before, or on completion of, development.

Costs incurred in bringing each property to its present location and condition includes:

(i) Freehold and leasehold rights for land,
(ii) amounts paid to contractors for development, and
(iii) planning and design costs, costs of site preparation, professional fees for legal services, development overheads and other related costs.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

(c) Unsold completed property units

The cost of unsold completed property units is determined based on the specific identification method, comprising the costs of land acquisition including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

(d) Raw material and finished goods

The cost of inventories include expenditure in bringing the inventory to its present location and condition. Costs of inventories are determined on a first-in-first-out basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2. Summary of significant accounting policies (cont'd.)

2.11 Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Unlike the method used to recognise contract revenue related to sale of completed property, the amounts billed to the customer for the sale of a property under development are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given period do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and presented in the statements of financial position under “Contract assets”, whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and presented in the statements of financial position under “Contract liabilities".

2.12 Contract costs

The Group pays sales commission for contracts that they obtain to sell certain units of property and capitalises the incremental costs of obtaining a contract. These costs are amortised over the period that the property is transferred. Capitalised costs to obtain such contracts are presented as a current asset in the statements of financial position and its amortisation is included in cost of sales in profit or loss.

The Group assesses, at each reporting date, whether the carrying amount exceeds the remaining amount of consideration that the entity expects to receive in exchange for the development less the costs that relate directly to completing the development and that have not been recognised as expenses.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise on specified date to cash flows that are 'solely payment of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in that market place (regular way trades) are recognised on the trade date, such as the date that the Group commits to purchase or sell the asset.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as revenue or other income in the statements of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred their rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, they evaluate if and to what extent they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Derecognition (cont'd.)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that an asset is impaired.

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers' end-financiers.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, with the exception of derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derivative financial instruments are classified as financial liabilities at fair value through profit or loss and are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(b) Financial liabilities (cont'd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as cross currency interest rate swaps, to hedge its risks associated with foreign currency interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(c) Derivative financial instruments and hedge accounting (cont'd.)

Initial recognition and subsequent measurement (cont'd.)

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirement. A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedge

For the purpose of cash flow hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI remains in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI is accounted for as described above (i.e. reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss).

2. Summary of significant accounting policies (cont'd.)

2.14 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the units or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the recoverable amount of the asset or CGU is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at its revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2. Summary of significant accounting policies (cont'd.)

2.15 Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group’s customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group’s performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

2. Summary of significant accounting policies (cont'd.)

2.15 Revenue recognition (cont'd.)

The specific recognition criteria described below must be met before revenue and other income is recognise:

(a) Property development revenue

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and
- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payments.

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset in accordance with Note 2.15(b).

The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

2. Summary of significant accounting policies (cont'd.)

2.15 Revenue recognition (cont'd.)

(b) Sale of completed properties

Revenue from the sales of completed properties is recognised upon delivery of properties where the control of the properties has been passed to the buyers.

(c) Leasing income

Leasing income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Car park income

Car park income is recognised as and when the services are performed.

(e) Utility services income

Utility services income is recognised upon rendering of services.

(f) Interest income

Interest income is recognised based on effective interest rate.

(g) Dividend income

Dividend income is recognised when the shareholder’s right to receive payment is established.

2. Summary of significant accounting policies (cont'd.)

2.16 Foreign currencies transaction

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of each group entity are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Group and the Company operate (their functional currency).

i) Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

2.17 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. Summary of significant accounting policies (cont'd.)

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get them ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalisation is determined based on actual interest incurred on borrowings made specifically for the purpose of obtaining a qualifying asset and less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as finance costs in profit or loss in the period in which they are incurred.

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2.20 Income tax

(a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the Malaysian taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd.)

2.20 Income tax (cont'd.)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investment in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2. Summary of significant accounting policies (cont'd.)

2.20 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with a maturity of three months or less and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.22 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the issuer and recorded at nominal value.

The proceeds received net of any directly attributable transaction costs are credited to share capital. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Segment reporting

For management purposes, the Group is organised into operating segments that engage in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. The operating segment’s operating results are reviewed regularly by the chief operating decision maker, which is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2. Summary of significant accounting policies (cont'd.)

2.24 Current versus non-current classification

Assets and liabilities in statements of financial position are presented based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.25 Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. Summary of significant accounting policies (cont'd.)

2.25 Fair value measurement (cont'd.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's and Company's financial statements require management to make judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates result in outcomes that could require a material adjustment to the carrying amount of the asset and liability affected in the future periods.

3. Significant accounting judgments, estimates and assumptions (cont'd.)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Property development revenue

The Group recognises property development revenue and expenses in the profit or loss over time. The Group recognises revenue and profit from its property development activities based on progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the proportion of cost of the property development costs incurred to date over the total estimated property development costs.

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development projects. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

Details of the property development costs are disclosed in Note 17.

(b) Impairment of property, plant and equipment and investment properties

The Group recognises impairment loss in respect of property, plant and equipment and investment properties when the carrying amount of the individual assets exceeds its recoverable amount, which is the higher of the fair value less costs of disposal or value-in-use. For the financial year ended 31 December 2021, the carrying amounts of property, plant and equipment and investment properties of RM196,657,823 (which consists of buildings of RM71,064,389, plant and machinery of RM52,612,308 and capital work-in-progress of RM72,981,126) and RM239,673,946 respectively were subject to impairment test.

(i) Value-in-use

The Group recognised an impairment loss of RM431,139 (2020: RM3,625,821) for the plant and machinery based on the estimation of value-in-use.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows, which include the revenue growth rate, from the continuing use of the asset, and discounted at an appropriate rate to reflect the current market assessments of the time value of money and the risks specific to the asset for which the cash flow estimates have not been adjusted. The pre-tax discount rates applied to the cash flow projections are 11% to 13% (2020: 11% to 13%).

3. Significant accounting judgments, estimates and assumptions (cont'd.)

(b) Impairment of property, plant and equipment and investment properties (cont'd.)

(i) Value-in-use (cont'd.)

The projected revenue growth rate is determined based on management’s expectation drawing from past experience and current assessment of the market and industry growth.

(ii) Fair value less cost of disposal

In prior year, the Group recognized a reversal of impairment loss of RM615,949 for properties held under property, plant and equipment and investment properties.

At the reporting date, the Group engaged the independent valuation specialists to assess the fair value of the properties based on the comparison approach, which is used to determine the market value of the property by comparing and analysing recent sales transactions of comparable properties in the localities and key adjustments included, amongst other, to reflect the differences in factors such as time, size and location that affect the market value of the property and other assumptions such as cost to complete and risk and profit factor that the market participant would use when pricing the properties under the current market conditions.

(c) Income tax

Significant estimation is involved in determining the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and tax recoverable in the period in which such determination is made. Detail of income tax expense is disclosed in Note 10.

The Directors of the Group are of the opinion that total tax recoverable of RM18,461,351 (2020: RM30,868,284) are recoverable, subject to the agreement of the Inland Revenue Board of Malaysia.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised.

3. Significant accounting judgments, estimates and assumptions (cont'd.)

(d) Deferred tax assets (cont'd.)

Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The total carrying amounts of recognised and unrecognised tax losses, capital allowances and other deductible temporary differences of the Group and of the Company are disclosed in Note 10 and Note 27 respectively.

4. Revenue

	Group	
	2021	**2020**
	RM	**RM**
Sales of development properties	301,518,364	440,464,381
Sales of completed properties	15,129,694	9,996,266
Car park and utility services	9,917,391	11,609,963
Leasing	376,017	367,751
	326,941,466	462,438,361
Timing of revenue recognition:		
Over time	301,518,364	440,464,381
At a point in time	25,047,085	21,606,229
	326,565,449	462,070,610

5. Cost of sales

	Group	
	2021	**2020**
	RM	**RM**
Cost of development properties	215,032,933	283,542,806
Cost of completed properties	9,453,471	7,206,003
Car park and utility services	7,087,962	8,343,247
Construction contract costs	279,036	4,318,230
	231,853,402	303,410,286

6. Other operating and general administrative expenses

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Other operating expenses	20,891,903	24,778,092	-	2,374,258
General administrative expenses	44,178,554	67,467,763	2,961,730	1,428,440
	65,070,457	92,245,855	2,961,730	3,802,698

7. Finance costs

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Interest expenses on:				
- amount owing to ultimate holding company	32,524,650	32,670,595	32,524,650	32,670,595
- revolving credit	761,261	429,259	761,261	429,259
- other payable	618,535	1,033,194	-	-
- lease liabilities	1,259,666	1,056,821	-	-
- others	65,385	107,283	-	-
	35,229,497	35,297,152	33,285,911	33,099,854

8. Profit/(loss) before tax

The following amounts have been included in arriving at profit/(loss) before tax:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Staff costs:				
- wages, salaries and others	25,169,395	38,069,074	-	-
- employees provident fund	2,782,077	3,922,390	-	-
Depreciation of:				
- property, plant and equipment	15,858,084	14,534,359	-	-
- investment properties	1,360,730	2,759,994	-	-

8. Profit/(loss) before tax (cont'd.)

The following amounts have been included in arriving at profit/(loss) before tax: (cont'd.)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Impairment on:				
- property, plant and equipment	431,139	4,701,524	-	-
- investment properties	-	833,887	-	-
Directors' remunerations (Note 9)	2,230,013	2,435,072	656,778	603,600
Short term leases and leases of low value assets	972,112	1,481,073	-	-
Allowance for impairment:				
- trade receivables	82,161	8,741,824	-	-
- other receivables	-	225,000	-	-
- amounts owing by subsidiaries	-	-	-	2,374,528
Bad debts written off	37,702	48,425	-	-
Auditors' remuneration:				
- statutory audit	490,000	490,000	95,000	95,000
- other services	10,000	10,000	10,000	10,000
Realised loss/(gain) on foreign exchange	98,100	(142,809)	97,951	(144,342)
Property, plant and equipment written off	-	506,110	-	-
Gain on disposal of property, plant and equipment	(1,710,298)	(258,196)	-	-
Reversal of impairment on:				
- property, plant and equipment	(706,974)	-	-	-
- investment properties	-	(894,928)	-	-
Unwinding of discount on amounts owing by subsidiaries	-	-	(732,429)	-
Interest income	(4,552,557)	(6,415,260)	(35,779,342)	(36,276,769)
Lease income	(47,502)	(28,750)	-	-
Unrealised loss/(gain) on foreign exchange	19,287	(76,925)	2,230	(11,065)

9. Directors' remuneration

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Fees:				
Non-Executive Directors	536,778	501,600	536,778	501,600
Salaries and other emoluments:				
Executive Directors	1,573,235	1,831,472	-	-
Non-Executive Directors	120,000	102,000	120,000	102,000
	1,693,235	1,933,472	120,000	102,000
	2,230,013	2,435,072	656,778	603,600

The estimated monetary value of benefits-in-kind received by the directors of the Group are RM13,200 (2020: RM13,200).

The number of directors of the Company by total remuneration during the year are catagorised within the following bands is analysed below:

	Number of Directors	
	2021	**2020**
Executive directors:		
RM500,001 - RM1,000,000	1	2
More than RM1,000,000	1	-
	2	2
Non-Executive directors:		
Below RM50,000	1	2
RM50,001 - RM100,000	4	3
RM100,001 - RM150,000	1	1
RM150,001 - RM200,000	1	1
	7	7
	9	9

10. Income tax expense

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Malaysian income tax:				
- current income tax	26,743,497	26,509,044	6,217,365	6,737,688
- under provision in prior years	6,229,981	2,119,258	7,164	105,306
	32,973,478	28,628,302	6,224,529	6,842,994
Deferred tax: (Note 27)				
- relating to origination of temporary differences	(12,722,789)	(4,504,874)	-	-
- under provision in prior year	1,092,266	-	-	-
	(11,630,523)	(4,504,874)	-	-
	21,342,955	24,123,428	6,224,529	6,842,994

Reconciliations of income tax expense applicable to profit/(loss) before tax at the applicable statutory income tax rate to the income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Profit/(loss) before tax	5,100,689	34,069,474	264,130	(476,736)
Tax at applicable statutory tax rate of 24%	1,224,165	8,176,674	63,391	(114,417)
Non-deductible expenses	4,481,324	7,934,506	6,153,974	6,852,105
Deferred tax assets not recognised	8,437,726	6,730,231	-	-
Utilisation of previously unrecognised deferred tax assets	(122,507)	(837,241)	-	-
Under provision in prior years:				
- income tax	6,229,981	2,119,258	7,164	105,306
- deferred tax	1,092,266	-	-	-
	21,342,955	24,123,428	6,224,529	6,842,994

10. Income tax expense (cont'd.)

The tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

At the reporting date, the deferred tax assets that have not been recognised in the financial statements due to uncertainty of their realisation, are as follows:

	Group	
	2021 RM	2020 RM
Unabsorbed capital allowances	39,622,936	34,784,702
Unutilised tax losses	141,023,053	111,214,543
	180,645,989	145,999,245

Effective from Year of Assessment 2019, unutilised tax losses is allowed to be carried forward for a maximum period of seven years. Pursuant to Finance Act 2021, the time limit to utilise business losses has been extended to a maximum of 10 consecutive years, which is deemed to have effect from the year of assessment 2019.

11. Earnings per share

(a) Basic

Basic (loss)/earnings per share are calculated by dividing the (loss)/profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares during the financial year.

	Group	
	2021 RM	2020 RM
(Loss)/profit for the year, net of tax, attributable to owners of the Company	(16,235,537)	9,949,349
Weighted average number of ordinary shares	1,456,995,471	1,456,995,471
Basic (loss)/earnings per share (sen)	(1.11)	0.68

(b) Diluted

The Company does not have any potential dilutive ordinary shares at the reporting date.

There have been no other transactions involving ordinary shares or potential dilutive ordinary shares between the reporting date and the date of authorisation of these financial statements.

12. Property, plant and equipment

Group	Office equipment RM	Furniture and fittings RM	Computer equipment RM	Plant and machinery RM	Construction equipment RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Buildings RM	Right-of-use assets RM	Capital work-in-progress RM	Total RM
Cost												
At 1 January 2020	1,299,006	859,984	6,576,800	131,371,170	16,833,968	3,196,231	4,070,185	4,241,984	134,518,507	1,424,034	45,714,476	350,106,345
Additions	1,780	29,765	84,273	1,150,249	-	3,475	-	5,655,373	2,283,351	2,194,695	477,431	11,880,392
Disposals	(3,632)	(130)	-	(2,204,652)	(3,312,277)	(3,900)	(670,200)	-	-	-	-	(6,194,791)
Write-off	-	-	-	-	-	-	-	(979,568)	-	-	-	(979,568)
At 31 December 2020 / 1 January 2021	1,297,154	889,619	6,661,073	130,316,767	13,521,691	3,195,806	3,399,985	8,917,789	136,801,858	3,618,729	46,191,907	354,812,378
Additions	499,893	12,620	8,600	134,305	-	-	-	2,536,750	112,066	468,754	161,197	3,934,185
Disposals	(1,180)	(6,712)	(19,557)	(3,406,892)	(2,918,250)	(194,930)	(835,368)	-	-	-	-	(7,382,889)
Write-off	-	-	-	-	-	-	(303,080)	-	-	-	-	(303,080)
Reclassification (Note 17)	-	-	-	-	-	-	-	-	(7,544,584)	-	-	(7,544,584)
At 31 December 2021	1,795,867	895,527	6,650,116	127,044,180	10,603,441	3,000,876	2,261,537	11,454,539	129,369,340	4,087,483	46,353,104	343,516,010
Accumulated depreciation												
At 1 January 2020	871,533	400,168	5,442,909	31,323,167	11,391,227	2,199,476	3,561,206	970,530	9,453,535	474,678	-	66,088,429
Charge for the year	98,453	85,389	490,736	5,522,971	1,808,957	335,435	287,287	1,617,805	3,647,822	639,504	-	14,534,359
Disposals	(1,816)	(70)	-	(1,368,668)	(2,462,457)	(2,275)	(670,200)	-	-	-	-	(4,505,486)
Write-off	-	-	-	-	-	-	-	(473,458)	-	-	-	(473,458)
At 31 December 2020 / 1 January 2021	968,170	485,487	5,933,645	35,477,470	10,737,727	2,532,636	3,178,293	2,114,877	13,101,357	1,114,182	-	75,643,844
Charge for the year	146,794	85,202	364,705	6,499,883	976,891	459,613	67,100	2,248,195	4,070,502	939,199	-	15,858,084
Disposals	-	(1,339)	(7,260)	(3,224,380)	(2,145,898)	(132,180)	(835,368)	-	-	-	-	(6,346,425)
Write-off	-	-	-	-	-	-	(303,080)	-	-	-	-	(303,080)
At 31 December 2021	1,114,964	569,350	6,291,090	38,752,973	9,568,720	2,860,069	2,106,945	4,363,072	17,171,859	2,053,381	-	84,852,423

12. Property, plant and equipment (cont'd.)

Group	Office equipment RM	Furniture and fittings RM	Computer equipment RM	Plant and machinery RM	Construction equipment RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Buildings RM	Right-of-use assets RM	Capital work-in-progress RM	Total RM
Accumulated impairment												
At 1 January 2020	-	-	-	14,463,507	-	-	-	-	-	-	-	14,463,507
Charge for the year	-	-	-	3,625,821	796,724	-	-	-	278,979	-	-	4,701,524
At 31 December 2020 / 1 January 2021	-	-	-	18,089,328	796,724	-	-	-	278,979	-	-	19,165,031
Charge for the year	-	-	-	431,139	-	-	-	-	-	-	-	431,139
Reversal for the year	-	-	-	-	(706,974)	-	-	-	-	-	-	(706,974)
At 31 December 2021	-	-	-	18,520,467	89,750	-	-	-	278,979	-	-	18,889,196
Net book value												
At 31 December 2021	680,903	326,177	359,026	69,770,740	944,971	140,807	154,592	7,091,467	111,918,502	2,034,102	46,353,104	239,774,391
At 31 December 2020	328,984	404,132	727,428	76,749,969	1,987,240	663,170	221,692	6,802,912	123,421,522	2,504,547	46,191,907	260,003,503

At the reporting date, the carrying amount of property, plant and equipment of the Group acquired under lease liabilities amounted to RM2,139,151 (2020: RM2,658,620).

13. Investment properties

	Group 2021 RM	2020 RM
Cost		
At beginning of the year	269,826,442	264,904,415
Additions	333,911	4,922,027
At end of the year	270,160,353	269,826,442
Accumulated depreciation		
At beginning of the year	4,565,044	1,805,050
Charge for the year	1,360,730	2,759,994
At end of year	5,925,774	4,565,044
Accumulated impairment		
At beginning of the year	14,560,633	14,621,674
Charge for the year	-	833,887
Reversal during the year	-	(894,928)
At end of the year	14,560,633	14,560,633
Net book value	249,673,946	250,700,765
Represented by:		
Right-of-use assets	-	855,986
Freehold land and buildings	32,422,817	32,904,533
Freehold land and buildings under capital work in progress	217,251,129	216,940,246
	249,673,946	250,700,765

Rental income generated from investment properties of the Group during the financial year amounted to RM54,478 (2020: RM70,085).

Direct operating expenses from investment properties which generated rental income to the Group during the financial year amounted to RM802,566 (2020: RM772,669).

13. Investment properties (cont'd.)

The fair value of investment properties (except those under construction) with net carrying amount of RM32,422,817 (2020: RM32,904,533) that amounted to RM48,940,000 (2020: RM48,940,000). The fair value is determined at the Level 3 fair value hierarchy based on the valuation reports performed by a registered independent valuer, using the “Comparison Approach” which was determined by previous transacted sales of comparable properties in the localities and key adjustments included, amongst other, to reflect the differences in factors such as time, size and location that affect the market value of the property.

The fair value of investment properties under construction with net carrying amount of RM217,251,129 (2020: RM216,940,246) that amounted to RM218,800,000 (2020: RM242,161,000). The fair value is determined at Level 3 fair value hierarchy. The market value is determined on an “as is basis” based on a valuation report performed by a registered independent valuer, using the “Comparison Approach” which was determined by previous transacted sales of comparable properties in the localities and key adjustments included, amongst other, to reflect the differences in factors such as time, size and location that affect the market value of the property and other assumptions such as cost to complete and risk and profit factor that the market participant would use when pricing the properties under the current market conditions. In prior year, the assessment led to a reversal of impairment loss of RM894,928 as disclosed in Note 8.

In prior year, the Group recognised impairment loss of RM833,887 for the right-of-use assets based on the value-in-use method using a discount rate of 6.88%.

During the year, key inputs used in determination of fair value of investment properties are as follows:

Significant unobservable inputs

	Range	
	2021	**2020**
Location and surrounding factor	5%-20%	5%-30%
Commitment occupancy	10%-35%	10%-35%
Level of exposure	5%-30%	5%-30%
Market condition	5%-10%	5%-10%

14. Land held for property development

	Group 2021 RM	Group 2020 RM
Cost		
At beginning of year	229,462,497	275,293,373
Additions	11,343,777	5,792,019
Transfer from/(to) property development costs (Note 17)	55,225,439	(51,622,895)
At end of the year	296,031,713	229,462,497
Represented by:		
Land costs	116,584,854	57,500,000
Right-of-use assets	22,190,980	14,729,407
Development costs	157,255,879	157,233,090
	296,031,713	229,462,497

15. Investment in subsidiaries

	Company 2021 RM	Company 2020 RM
Unquoted shares, at cost	1,154,639,226	1,154,639,226

15. Investment in subsidiaries (cont'd.)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	% of equity interest held by the Company 2021	2020
Subsidiary of the Company				
MCT Consortium Bhd.	Malaysia	Investment holding.	100%	100%
Subsidiaries of MCT Consortium Bhd.				
Modular Construction Technology Sdn. Bhd.	Malaysia	Construction, providing civil engineering and electrical works, trading of construction materials and rental of plant and machinery.	100%	100%
MCT Homes Sdn. Bhd.	Malaysia	Provision of management services.	100%	100%
MCT Construction Materials Sdn. Bhd.	Malaysia	Trading of construction materials.	100%	100%
The Place Properties Sdn. Bhd.	Malaysia	Property development and management.	100%	100%
USJ One Avenue Sdn. Bhd.	Malaysia	Property development, property investment and provision of maintenance services.	100%	100%

15. Investment in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Country of incorporation	Principal activities	% of equity interest held by the Company 2021	2020
Ardent Residence Sdn. Bhd. (formerly known as Subang Residency Sdn. Bhd.)	Malaysia	Property development, property investment and provision of management services.	100%	100%
Undersea City Sdn. Bhd.	Malaysia	Property development.	100%	100%
Solid Benefit Sdn. Bhd.	Malaysia	Property investment and property development.	100%	100%
Eco Green City Sdn. Bhd.	Malaysia	Property development and construction.	100%	100%
MCT Green Technology Sdn. Bhd.	Malaysia	Utilities services provider.	100%	100%
Sky Park Properties Sdn. Bhd.	Malaysia	Property development and management.	100%	100%
Lakefront Residence Sdn. Bhd.	Malaysia	Property development and construction.	100%	100%
USJ Citypoint Sdn. Bhd. (formerly known as One City Development Sdn. Bhd.)	Malaysia	Property development and investment.	100%	100%

15. Investment in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Country of incorporation	Principal activities	% of equity interest held by the Company 2021	% of equity interest held by the Company 2020
Solid Interest Sdn. Bhd.	Malaysia	Property investment and property development.	100%	100%
Cherish Properties Sdn. Bhd.	Malaysia	Investment holding.	100%	100%
Ecolake Residence Sdn. Bhd.	Malaysia	Property developer.	100%	100%
Leisure Event Sdn. Bhd.	Malaysia	Property investment.	100%	100%
MCT Property Management Sdn. Bhd.	Malaysia	Property management.	100%	100%
MCT Properties Sdn. Bhd.	Malaysia	Sales and marketing services for property development.	100%	100%
Premium Cinema Sdn. Bhd.	Malaysia	Property development.	100%	100%
Roaring Gain Sdn. Bhd.	Malaysia	Property investment.	100%	100%
Skypark Fitness Sdn. Bhd.	Malaysia	Property development.	100%	100%

15. Investment in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Country of incorporation	Principal activities	% of equity interest held by the Company 2021	2020
Solid Recommendation Sdn. Bhd.	Malaysia	Property investment and property development.	100%	100%
MCT Store Sdn. Bhd.	Malaysia	Property development.	100%	100%
Timeless Hectares Sdn. Bhd.	Malaysia	Property investment and property development.	100%	100%
One Residence Sdn. Bhd.	Malaysia	Property development.	100%	100%
Next Delta Sdn. Bhd.	Malaysia	Trading, investment holding and property development.	100%	100%
SPCJ Green Tech Sdn. Bhd.	Malaysia	Property development.	100%	100%
Nexus Advertising Sdn. Bhd.	Malaysia	Property investment.	100%	100%
Subsidiary of Cherish Properties Sdn. Bhd.				
Vista Global Development Sdn. Bhd.	Malaysia	Property development and investment.	70%	70% *

* In prior year, Vista Global Development Sdn Bhd has reduced its issued and fully paid up share capital from RM5,000,000 to RM2,654,290, with no change in equity interest, by way of capital repayment of RM2,345,710 to the shareholders on the basis of RM1 for every ordinary share held in Vista Global Development Sdn Bhd prior to the said reduction in share capital.

16. Inventories

	Group 2021 RM	Group 2020 RM
At cost:		
Raw materials	461,392	468,336
Finished goods	690,812	1,182,020
Completed properties	3,299,613	7,543,269
	4,451,817	9,193,625
At net realisable value:		
Completed properties	-	3,584,678
	4,451,817	12,778,303

The cost of inventories (excluding completed properties) recognised as cost of sales during the year was RM498,152 (2020: RM303,757).

17. Property development costs

	Group 2021 RM	Group 2020 RM
At beginning of the year	351,991,099	318,604,048
Development costs incurred during the year	142,477,734	263,057,588
Costs recognised as expense in profit or loss during the year	(201,436,257)	(277,458,444)
Transfer (to)/from land held for property development (Note 14)		
Land costs	(59,084,854)	-
Right-of-use assets	(7,461,573)	42,287,000
Development costs	11,320,988	9,335,895
	(55,225,439)	51,622,895
Reclassification (Note 12)	7,544,584	-
Transfer to completed inventories	-	(3,834,988)
At end of the year	245,351,721	351,991,099

17. Property development costs (cont'd.)

	Group 2021 RM	Group 2020 RM
Represented by:		
Land costs	114,904,174	178,882,145
Right-of-use assets	34,498,187	44,391,277
Development costs	95,949,360	128,717,677
	245,351,721	351,991,099

18. Contract assets/(liabilities)

	Group 2021 RM	Group 2020 RM
Contract assets:		
Property development	14,479,683	-
Contract costs:		
Costs to obtain contracts	12,300,892	6,303,368
Total	26,780,575	6,303,368
Contract liabilities:		
Property development	(80,820,865)	(238,551,622)
Rebate liabilities	-	(3,404,473)
Total	(80,820,865)	(241,956,095)

18. Contract assets/(liabilities) (cont'd.)

(a) The Group issues progress billings to purchasers when the billing milestones are attained recognises revenue when the performance obligation is satisfied.

The Group's contract assets and contract liabilities from property development are as shown below:

	Group 2021 RM	Group 2020 RM
Contract assets	14,479,683	-
Contract liabilities	(80,820,865)	(238,551,622)
Net	(66,341,182)	(238,551,622)
At beginning of the year	(238,551,622)	(143,744,916)
Consideration paid/ payable to customers	151,086,915	80,978,310
Revenue recognised during the year	301,518,364	440,464,381
Progress billing during the year	(280,394,839)	(616,249,397)
At end of the year	(66,341,182)	(238,551,622)

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2021 is RM335,341,352 (2020: RM185,843,334). The remaining performance obligations are expected to be recognised as follows:

	Group 2021 RM	Group 2020 RM
Within 1 year	86,772,682	159,591,419
Between 1 and 4 years	248,568,670	26,251,915
Total	335,341,352	185,843,334

18. Contract assets/(liabilities) (cont'd.)

(b) Contract costs:

	Group 2021 RM	2020 RM
At beginning of the year	6,303,368	8,935,694
Additions	19,594,200	3,452,036
Amortisation	(13,596,676)	(6,084,362)
At end of the year	12,300,892	6,303,368

(c) Contract liabilities from rebate liabilities:

Rebate liabilities represent rebates given to various customers of the Group.

	Group 2021 RM	2020 RM
At beginning of the year	3,404,473	8,511,430
Payment made during the year	(3,404,473)	(5,106,957)
At end of the year	-	3,404,473

19. Trade receivables

	Group 2021 RM	2020 RM
Trade receivables	64,801,445	72,107,028
Retention sum	45,706,944	90,807,024
	110,508,389	162,914,052
Less: Allowance for impairment loss		
- Trade receivables	(2,707,635)	(2,625,474)
- Retention sum	(8,820,409)	(8,820,409)
	(11,528,044)	(11,445,883)
	98,980,345	151,468,169

The credit period granted for the progress billings ranged from 14 to 45 days (2020: 14 to 45 days). Interest is charged on past due billings at an interest rate of 8% (2020: 8%) per annum for commercial properties and 10% (2020: 10%) per annum for residential properties. Impairment losses are recognised against trade receivables that are in financial difficulties and have defaulted on payments.

19. Trade receivables (cont'd.)

Retention sum is due upon the expiry of the defect liability period stated in respective construction contracts or sale and purchase agreements. The credit period granted by the Group for retention sums is 8 to 24 months (2020: 8 to 24 months).

The directors are of the opinion that trade receivables should be recovered in full without material losses in the ordinary course of business as the legal title to the properties sold remained with the Group until the purchase consideration is fully settled and mainly related to progress billings to be settled by the purchasers or the purchasers' end financiers. The Group does not hold any collateral over these balances.

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers, which are widely distributed and covers a broad range of end markets.

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

	Group	
	2021	**2020**
	RM	**RM**
Neither past due nor impaired	76,191,974	111,823,224
Past due but not impaired	22,788,371	39,644,945
Past due and impaired	11,528,044	11,445,883
	110,508,389	162,914,052
Ageing of past due but not impaired		
Past due 1 to 30 days	5,314,944	14,718,148
Past due 31 to 60 days	2,855,809	6,632,854
Past due 61 to 90 days	2,676,781	6,369,573
Past due more than 90 days	11,940,837	11,924,370
	22,788,371	39,644,945
Ageing of past due and impaired		
Past due more than 90 days	11,528,044	11,445,883

19. Trade receivables (cont'd.)

Movement in the allowance for impairment loss:

	Group	
	2021	2020
	RM	RM
At beginning of the year	11,445,883	2,704,059
Charge for the year	82,161	8,741,824
At end of the year	11,528,044	11,445,883

20. Other receivables

	Group	
	2021	2020
	RM	RM
Other receivables	22,627,528	17,497,189
Less: Allowance for impairment loss	(550,047)	(550,047)
	22,077,481	16,947,142
Refundable deposits	20,872,800	16,215,475
Prepayments	3,808,069	1,959,686
Goods and service tax receivables	4,159,718	4,229,065
	50,918,068	39,351,368

	Company	
	2021	2020
	RM	RM
Other receivables	221,414	370,465
Refundable deposits	34,300	62,010
	255,714	432,475

20. Other receivables (cont'd.)

Movement in the allowance for impairment loss:

	Group 2021 RM	Group 2020 RM
At beginning of the year	550,047	325,047
Charge for the year	-	225,000
At end of the year	550,047	550,047

21. Amounts owing by subsidiaries

Amounts owing by subsidiaries, which arose mainly from expenses paid on behalf and advances, are unsecured, interest-free except for an amount of RM431,535,185 (2020: RM553,003,686) which bears interest of 6.875% (2020: 6.875%).

The amounts owing by subsidiaries are repayable on demand except for an amount of RM9,921,088 (2020: RM10,653,517) which are not expected to be recalled within the next 12 months.

In prior year, an amount of RM2,374,258 has been recognised in profit or loss to reflect the expected credit loss based on the expected repayment plan.

22. Cash and bank balances

Cash and cash equivalents included in the statements of cash flows comprise the following:

	Group 2021 RM	Group 2020 RM
Deposits with licensed banks	36,496,383	43,309,275
Deposits under Housing Development Accounts	359,545,911	547,031,882
Cash on hand and in bank	63,439,460	8,959,228
Cash and bank balances	422,985,371	555,991,110
Total	459,481,754	599,300,385
Less: Fixed deposits with maturity period more than 90 days	(3,076,952)	-
Cash and cash equivalents	456,404,802	599,300,385

22. Cash and bank balances (cont'd.)

Fixed deposits amounting to RM26,442,375 (2020: RM25,717,227) are pledged with licensed banks for bank guarantees as disclosed in Note 34.

	Company	
	2021	2020
	RM	RM
Deposits with licensed banks	60,000	1,300,000
Cash on hand and in bank	2,705,766	1,759,752
	2,765,766	3,059,752

Fixed deposits with licensed banks earn interest at rates ranging from 0.85% to 1.80% (2020: 1.15% to 3.45%) per annum and have maturity periods ranging from 3 days to 365 days (2020: 3 days to 365 days).

Deposits held under Housing Development Accounts are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Development (Housing Development Account) Regulations, 1991 in connection with the Group’s property development projects. The utilisation of these balances are restricted, before completion of the housing development and fulfilling all relevant obligations to the purchasers, the cash could only be withdrawn from such accounts for the purpose of completing the particular projects concerned.

Included in deposits under the Housing Development Accounts is an amount of RM323,580,443 (2020: RM294,580,210) in which the amount is held under a jointly managed account pursuant to the agreement entered into with PR1MA Corporation Malaysia.

23. Share capital

	Number of ordinary shares		Amount	
	2021	2020	2021	2020
Issued and fully paid up:				
At beginning/end of the year	1,456,995,471	1,456,995,471	1,541,092,425	1,541,092,425

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

24. Reserves

(a) Reverse acquisition reserve

The reverse acquisition reserve arose from the reorganisation exercise undertake in 2015 that resulted in the reverse acquisition of the Company by MCT Consortium Bhd.

(b) Cash flow hedge reserve

The cash flow hedge reserve contains the effective portion of the cash flow hedge relationships as at the reporting date relates to the cross currency interest rate swaps entered by the Group and the Company to limit its exposure to foreign currency risk on its foreign currency loan.

	Group and Company	
	2021	2020
	RM	RM
At beginning of the year	12,228,584	1,406,317
Net change in fair value	(28,009,953)	23,880,068
Amounts recognised in profit or loss	18,500,000	(9,500,000)
Deferred tax recognised in other comprehensive income	2,388,974	(3,557,801)
At end of the year	5,107,605	12,228,584

25. Borrowing

	Group and Company	
	2021	2020
	RM	RM
Current		
Unsecured:		
Revolving credit	-	25,000,000

The remaining maturity of the borrowing as at reporting date is as follows:

	Group and Company	
	2021	2020
	RM	RM
Current	-	25,000,000

In prior year, the borrowing bore interest at rates ranging from 2.90% to 4.15% per annum .

25. Borrowing (cont'd.)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows as cash flows from financing activities.

	Group and Company	
	2021	**2020**
	RM	**RM**
At beginning of the year	25,000,000	-
Drawdown	-	25,000,000
Repayment	(25,000,000)	-
At end of the year	-	25,000,000

26. Lease liabilities

	Group	
	2021	**2020**
	RM	**RM**
At beginning of the year	8,350,515	14,957,936
Additions	468,754	2,194,695
Interest expenses	1,259,666	1,056,821
Payments	(7,859,566)	(9,858,937)
At end of the year	2,219,369	8,350,515
Represented by:		
Current	1,115,008	6,528,888
Non-current	1,104,361	1,821,627
	2,219,369	8,350,515

27. Deferred tax assets

	Group 2021 RM	Group 2020 RM
At beginning of the year	7,878,960	(183,715)
Recognised in other comprehensive income (Note 24 (b))	(2,388,974)	3,557,801
Recognised in profit of loss (Note 10)	11,630,523	4,504,874
At end of the year	17,120,509	7,878,960

Deferred tax assets provided in the financial statements are in respect of the following temporary differences:

	Group 2021 RM	Group 2020 RM
Derivatives	1,612,927	4,001,901
Contract liabilities	3,036,087	1,707,376
Unutilised tax losses	4,210,743	-
Others	8,260,752	2,169,683
	17,120,509	7,878,960

Others arose mainly from the tax impact on temporary differences between the manner in which property development profits are recognised for tax and accounting purposes.

	Company 2021 RM	Company 2020 RM
At beginning of the year	4,001,901	444,100
Recognised in other comprehensive income	(2,388,974)	3,557,801
At end of the year	1,612,927	4,001,901
Deferred tax assets (after offsetting):		
Derivatives	1,612,927	4,001,901

28. Trade payables

	Group 2021 RM	Group 2020 RM
Trade payables	35,639,458	35,179,022
Retention sum	50,974,877	53,820,118
	86,614,335	88,999,140

(a) Trade payables

The average credit period granted to the Group for trade purchase ranges from 30 to 90 days (2020: 30 to 90 days).

(b) Retention sum

The normal trade credit terms granted to the Group range from 6 months to 30 months (2020: 6 months to 24 months).

29. Other payables

	Group 2021 RM	Group 2020 RM
Non-current:		
Other payables	-	3,216,544
Current:		
Other payables	24,859,284	22,091,472
Accrued expenses	108,866,452	125,194,883
Deposits received	6,261,348	7,365,476
	139,987,084	154,651,831
	139,987,084	157,868,375

29. Other payables (cont'd.)

	Company	
	2021	**2020**
	RM	**RM**
Accrued expenses	6,629,063	6,421,492

Included in accrued expenses of the Group is an amount of RM65,870,691 (2020: RM77,800,751) relating to accrued construction costs.

Included in accrued expenses of the Group and the Company is an amount of RM5,074,481 (2020: RM4,926,215) relating to accrued interest for amount owing to ultimate holding company.

Included in other payables of the Group is an amount of RM7,300,249 (2020: RM11,659,664) payable to a third party registered owner of a parcel of leasehold land ("Land owner"). The land cost payables consist of a loan obtained by the Land owner to be paid on behalf by the Group. The loan is repayable over 5 years starting from November 2016 with the interest of 8.75% per annum. During the year, the Group was granted moratorium that allows deferment of loan repayment for a period of 6 months from July 2021 to December 2021 (2020: 6 months from April 2020 to September 2020).

30. Amount owing to ultimate holding company

Amount owing to ultimate holding company represents unsecured advances, bearing an interest rate of 6.25% (2020: 6.25%) per annum and are repayable within the next 12 months (2020: not repayable within the next 12 months).

The amount owing to ultimate holding company is denominated in United States Dollar ("USD").

31. Derivative financial liabilities

	Group and Company	
	2021	**2020**
	RM	**RM**
Non-current		
Cross currency interest rate swaps, carried at fair value	-	34,847,701
Current		
Cross currency interest rate swaps, carried at fair value	6,837,747	-

31. Derivative financial liabilities (cont'd.)

The Group entered into and designated cross currency interest rate swaps as hedging instruments as a cash flow hedge from loan provided by ultimate holding company as disclosed in Note 30 denominated in USD and bearing interest at floating rate. These contracts are entered into for a period of 3 years with the foreign currency and floating interest rate exposures. As a result, the Group pays a fixed rate of interest on the loan. The terms of the cross currency interest rate swaps matches the terms of the loan and the cash flow hedge have been assessed as effective.

The fair value of cross currency interest rate swaps is estimated using valuation techniques with observable inputs, which uses present value calculations, incorporate various input including foreign exchange spot and interest rate curves.

32. Financial instruments

Capital Risk

The objective of the Group’s capital management is to safeguard the Group’s ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balances. The Group’s overall strategy remains unchanged since previous financial years.

The capital structure of the Group consists of debts and equity of the Group.

The Group reviews the capital structure on a regular basis. As part of this review, the Group considers the cost of capital and the risks associated.

32. Financial instruments (cont'd.)

Gearing Ratio

Debts are defined as borrowings and lease liabilities as disclosed in Notes 25 and 26, respectively.

Equity includes share capital, reserves, retained earnings and non-controlling interests.

The gearing ratio at end of the reporting period is as follows:

	Group	
	2021	**2020**
	RM	**RM**
Total debts	2,219,369	33,350,515
Less: Cash and bank balances (Note 22)	(459,481,754)	(599,300,385)
Net (cash)/debt	(457,262,385)	(565,949,870)
Equity	864,180,719	873,302,006
Net debt to equity ratio	N/A *	N/A *

* N/A = non applicable

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group	
	2021	**2020**
	RM	**RM**
Financial assets at amortised cost:		
Trade receivables	98,980,345	151,468,169
Other receivables *	42,950,281	33,162,617
Cash and bank balances	459,481,754	599,300,385
	601,412,380	783,931,171

* Excluding prepayment and goods and service tax receivables.

32. Financial instruments (cont'd.)

	Group 2021 RM	Group 2020 RM
Financial liabilities at amortised cost:		
Lease liabilities	2,219,369	8,350,515
Borrowings	-	25,000,000
Trade payables	86,614,335	88,999,140
Other payables	139,987,084	157,868,375
Amount owing to ultimate holding company	520,625,000	502,125,000
	749,445,788	782,343,030
Financial liabilities at fair value through profit or loss:		
Derivative financial liabilities	6,837,747	34,847,701

	Company 2021 RM	Company 2020 RM
Financial assets at amortised cost:		
Other receivables	255,714	432,475
Amounts owing by subsidiaries	896,108,875	929,137,360
Cash and bank balances	2,765,766	3,059,752
	899,130,355	932,629,587
Financial liabilities at amortised cost:		
Borrowings	-	25,000,000
Other payables	6,629,063	6,421,492
Amount owing to ultimate holding company	520,625,000	502,125,000
	527,254,063	533,546,492
Financial liabilities at fair value through profit or loss:		
Derivative financial liabilities	6,837,747	34,847,701

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's financial risk management principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities.

32. Financial instruments (cont'd.)

Interest Rate Risk Management

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings. The interest rates for borrowing is disclosed in Note 25 and Note 30. Interest rate for lease liabilities, is fixed at the inception of the financing arrangement and amount owing to ultimate holding company is managed using cross currency interest rate swap.

Foreign Currency Risk

The Group exposure to foreign currency exchange risk is in respect of its USD denominated advances from its ultimate holding company are mitigated as the Group hedges the foreign currency by entering into a cross currency swap as disclosed in Note 31 and Note 32 under hedging activities and derivative.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk in relation to its trade and other receivables and intercompany balances, should all its customers fail to perform their obligations as at 31 December 2021, is the carrying amount of these receivables as disclosed in statements of financial position.

In respect of trade receivables arising from sale of development properties, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchasers or the purchasers' end-financiers. Furthermore, for property development in Malaysia, the developer has the option to terminate the sale and purchase agreement in the event of default by the purchaser.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statements of financial position. The Group's main financial assets are its receivables. Ageing analysis is disclosed in Note 19.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, other than as disclosed in Note 19. The Group defines counterparties having similar characteristics if they are related entities.

32. Financial instruments (cont'd.)

Liquidity Risk

The responsibility for liquidity risk management rests with management of the Group, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the liquidity analysis for its financial liabilities based on the contractual maturity of these financial instruments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest contractual date on which the Group can be required to pay.

	Less than 1 year RM	1 to 5 years RM	Total RM
Group			
2021			
Financial liabilities			
Non-interest bearing:			
Trade payables	86,614,335	-	86,614,335
Other payables	127,612,355	-	127,612,355
	214,226,690	-	214,226,690
Interest bearing:			
Lease liabilities	1,205,730	1,264,143	2,469,873
Other payables	7,350,669	-	7,350,669
Amount owing to ultimate holding company	585,703,125	-	585,703,125
	594,259,524	1,264,143	595,523,667
	808,486,214	1,264,143	809,750,357
Company			
2021			
Financial liabilities			
Non-interest bearing:			
Other payables	6,629,063	-	6,629,063
Interest bearing:			
Amount owing to ultimate holding company	585,703,125	-	585,703,125
	592,332,188	-	592,332,188

32. Financial instruments (cont'd.)

Liquidity Risk (cont'd.)

	Less than 1 year RM	1 to 5 years RM	Total RM
Group			
2020			
Financial liabilities			
Non-interest bearing:			
Trade payables	88,999,140	-	88,999,140
Other payables	146,208,691	-	146,208,691
	235,207,831	-	235,207,831
Interest bearing:			
Lease liabilities	7,704,961	2,022,016	9,726,977
Other payables	9,800,892	3,266,959	13,067,851
Amount owing to ultimate holding company	31,382,813	533,507,813	564,890,626
	48,888,666	538,796,788	587,685,454
	284,096,497	538,796,788	822,893,285
Company			
2020			
Financial liabilities			
Non-interest bearing:			
Other payables and accrued expenses	6,421,492	-	6,421,492
Interest bearing:			
Amount owing to ultimate holding company	31,382,813	533,507,813	564,890,626
	37,804,305	533,507,813	571,312,118

32. Financial instruments (cont'd.)

Cash Flow Risk Management

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Hedging Activities and Derivative

The Group and the Company is exposed to currency risk and interest risk. The primary risks are managed using cross currency interest rate swap by borrowing at a floating rate.

The Group and the Company determines the existence of an economic relationship between hedging instrument and hedged item based on the reference of interest rate, currency, amount and timing of their respective cash flows.

The derivative has the following maturity profile:

	Less than 1 year RM	1 to 5 years RM	Total RM
Group and Company			
2021			
Cross currency interest rate swap	6,837,747	-	6,837,747
Average rate of interest	4.15%	-	4.15%
Average fixed foreign exchange rate	4.16	-	4.16
Group and Company			
2020			
Cross currency interest rate swap	-	34,847,701	34,847,701
Average rate of interest	-	4.15%	4.15%
Average fixed foreign exchange rate	-	4.16	4.16

32. Financial instruments (cont'd.)

Hedging Activities and Derivative (cont'd.)

The amounts relating to items designated as hedging instruments and hedge effectiveness as at reporting date are as follows:

	Nominal value RM	Carrying amount RM	Changes in the value of hedging instruments recognised RM
Cross currency interest rate swap	519,570,500	6,837,747	(7,892,246)

Fair Values

The fair value of derivative instruments are calculated based on the present value of future principal and interest cash flows. The spot rates, forward rates and foreign exchange rates used to calculate present value are directly observable from the market.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32. Financial instruments (cont'd.)

Fair Value Hierarchy (cont'd.)

	Level 1 RM	Level 2 RM	Level 3 RM
Group			
2021			
Assets disclosed at fair value			
Investment properties	-	-	48,940,000
Properties under construction	-	-	218,800,000
Derivatives financial liabilities			
Cross currency interest rate swap	-	6,837,747	-
Company			
2021			
Derivatives financial liabilities			
Cross currency interest rate swap	-	6,837,747	-

	Level 1 RM	Level 2 RM	Level 3 RM
Group			
2020			
Assets disclosed at fair value			
Investment properties	-	-	48,940,000
Properties under construction	-	-	242,161,000
Derivatives financial liabilities			
Cross currency interest rate swap	-	34,847,701	-
Company			
2020			
Derivatives financial liabilities			
Cross currency interest rate swap	-	34,847,701	-

There has been no transfer between Level 1, Level 2 and Level 3 for the financial year under review.

32. Financial instruments (cont'd.)

Fair Value Hierarchy (cont'd.)

Determination of fair values

The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

Receivables (Note 19 and Note 20)
Payables (Note 28 and Note 29)

The carrying amounts of the financial assets and financial liabilities are reasonable approximations of fair values due to their short-term nature.

(a) Borrowing

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

(b) Long-term receivables/payables

Fair values of long-term receivables/payables are based on discounting expected future cash flows at market incremental lending rate for the receivables/payables.

33. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, set out below are the significant related party transactions entered into by the Group and Company, which were determined based on negotiations agreed between the parties, are as follows:

	Group	
	2021	**2020**
	RM	**RM**
Expense:		
Interest paid/payable to ultimate holding company	32,524,650	32,670,595

33. Significant related party transactions (cont'd.)

Related parties refer to companies in which certain directors of the Company have interests.

	Company	
	2021	2020
	RM	RM
Expense/(Income):		
Interest paid/payable to ultimate holding company	32,524,650	32,670,595
Interest received/receivables from subsidiaries	(35,777,115)	(35,941,005)

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include directors of the Company, and certain members of senior management of the Group.

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Salaries and other remunerations	6,808,783	7,371,149	656,778	603,600
Defined contribution plans	631,825	715,360	-	-
Benefit-in-kind	30,850	32,874	-	-
	7,471,458	8,119,383	656,778	603,600

34. Contingent liabilities

	Group	
	2021	2020
	RM	RM
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	14,191,387	43,817,017

35. Material litigation

There was a suit filed on 4 December 1996 by Chellappa A/L Kalimuthu (suing as a public officer of Sri Maha Mariamman Temple, Hicom, Shah Alam, Selangor pursuant to Section 9(c) of the Society Act 1996) on behalf of a society (“Society”) (“Plaintiff”). The suit is relating to a claim against three parties, namely Sime UEP Properties Bhd, Pengarah Perancang Bandar dan Desa Negeri Selangor Darul Ehsan, and Kerajaan Negeri Selangor Darul Ehsan in relation to the portion of the land owned by USJ Citypoint Sdn. Bhd. (formerly known as One City Development Sdn. Bhd.) (“USJC”), an indirect wholly-owned subsidiary of the Company and held under Geran 284076, Lot 81278 Mukim Damansara, Daerah Petaling, Negeri Selangor (“Master Title”) on which an Indian Temple, Kuil Sri Maha Mariamman (“Existing Temple”) was erected (“Land Portion”). The Plaintiff, had then on 19 February 2010, filed an application to add USJC, as the fourth defendant, being the registered proprietor of the Master Title and such application was allowed on 29 March 2010.

The Originating Summons (‘OS’), which was initiated by Chellappa a/l Kalimuthu, President of the Jawatankuasa Pengurusan Kuil (‘Chellappa’) of Sri Maha Mariamman temple (‘Temple’), is an application to the High Court on 3 May 2019 for the purposes of seeking a Court Declaration for 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 properties (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.

For this Application by way of OS, one of the four (4) Defendants is USJC, who is the legal proprietor of the land where the said Temple is located.

It has been decided by USJC’s management, in order to avoid any controversy and bad publicity, to sub-divide the land where the Temple is built and hand the parcel over the constructive trust managed by two (2) trustees, to be duly appointed by the Temple.

USJC responded by filing an affidavit in reply on 30 May 2019 and a supplemental affidavit on 12 July 2019.

35. Material litigation (cont'd.)

The AG has filed an application to intervene in the matter, which was allowed by the Court on 25 February 2020.

Two (2) trustees have been identified and will be appointed by the consent of the different factions of the temple management. The plaintiff's counsel will contact the AG to arrange for a meeting with all parties to discuss on the terms of the appointment and transfer of the land.

With the intervention of the AG in this suit granted, the Plaintiff's solicitor is arranging a meeting for all parties with the AG to resolve all pending issues so that a consent judgement can be recorded by the Court.

On 23 February 2022, an application to intervene in the proceedings was filed by one of the temple's devotee. The court will deliver its decision on the intervener's application on 27 April 2022.

The Court's decision that was originally to be delivered on 1 March 2022 is now vacated and the judge will only make its decision after the disposal of the intervener's application above.

36. Segmental reporting

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. For management purposes, the Group is organised into the following operating divisions:

(i)	Property development	- Property development of residential and commercial properties.
(ii)	Construction activities	- Construction, providing civil and mechanical engineering services.
(iii)	Investment holding	- Investment holding.
(iv)	Complementary business	- Operating in leasing of properties.
(v)	Others	- Property management and utility services provider.

No information on geographical areas is presented as the Group operates mainly in Malaysia.

36. Segmental reporting (cont'd.)

2021	Property development RM	Construction activities RM	Investment holding RM	Complementary business RM	Others RM	Total RM	Elimination RM	Group RM
Revenue								
External revenue	316,648,058	-	-	489,916	9,803,492	326,941,466	-	326,941,466
Inter-segment revenue	-	5,490,867	-	22,168,226	2,524,295	30,183,388	(30,183,388)	-
Total revenue	316,648,058	5,490,867	-	22,658,142	12,327,787	357,124,854	(30,183,388)	326,941,466
Results								
Operating profit/(loss)	56,354,768	(17,401,671)	(3,168,441)	(3,498,146)	(5,134,872)	27,151,638	(33,502)	27,118,136
Interest income	4,430,245	7,651	36,002,594	109,615	1,776	40,551,881	(35,999,324)	4,552,557
Other income	832,439	7,530,478	75,306	57,810	163,460	8,659,493	-	8,659,493
Finance costs	(26,923,364)	(7,753,374)	(33,287,077)	(2,414,439)	(884,069)	(71,262,323)	36,032,826	(35,229,497)
Profit/(loss) before tax	34,694,088	(17,616,916)	(377,618)	(5,745,160)	(5,853,705)	5,100,689	-	5,100,689
Income tax expense	(10,026,673)	(4,702,380)	(6,224,532)	(337,591)	(51,779)	(21,342,955)	-	(21,342,955)
Profit/(loss) after tax	24,667,415	(22,319,296)	(6,602,150)	(6,082,751)	(5,905,484)	(16,242,266)	-	(16,242,266)

36. Segmental reporting (cont'd.)

2021	Property development RM	Construction activities RM	Investment holding RM	Complementary business RM	Others RM	Total RM	Elimination RM	Group RM
Assets and liabilities								
Segment assets	2,231,007,252	612,676,504	2,258,149,020	184,273,375	76,782,947	5,362,889,098	(3,691,444,768)	1,671,444,330
Tax recoverable and deferred tax assets	9,811,505	7,212,333	1,668,808	1,576,624	245,848	20,515,118	15,066,742	35,581,860
Total assets	2,240,818,757	619,888,837	2,259,817,828	185,849,999	77,028,795	5,383,404,216	(3,676,378,026)	1,707,026,190
Segment liabilities	1,730,472,418	562,737,321	711,781,129	174,474,365	110,305,370	3,289,770,603	(2,452,666,203)	837,104,400
Tax liabilities	2,268,786	-	3,472,285	-	-	5,741,071	-	5,741,071
Total liabilities	1,732,741,204	562,737,321	715,253,414	174,474,365	110,305,370	3,295,511,674	(2,452,666,203)	842,845,471
Other segment information								
Capital expenditure:								
Investment properties	333,911	-	-	-	-	333,911		
Property, plant and equipment	466,549	-	-	3,333,331	134,305	3,934,185		

36. Segmental reporting (cont'd.)

2021	Property development RM	Construction activities RM	Investment holding RM	Complementary business RM	Others RM	Total RM
Depreciation of:						
Property, plant and equipment and right-of-use assets	(7,741,955)	(5,394,645)	-	(350,126)	(2,371,358)	(15,858,084)
Investment properties	(1,360,730)	-	-	-	-	(1,360,730)
	(9,102,685)	(5,394,645)	-	(350,126)	(2,371,358)	(17,218,814)
Impairment loss on property, plant and equipment	-	-	-	-	431,139	431,139
Allowance for impairment loss of receivables	-	-	-	-	82,161	82,161
Reversal of impairment on property, plant and equipment	-	(706,974)	-	-	-	(706,974)

36. Segmental reporting (cont'd.)

2020	Property development RM	Construction activities RM	Investment holding RM	Complementary business RM	Others RM	Total RM	Elimination RM	Group RM
Revenue								
External revenue	450,460,647	-	-	460,299	11,517,415	462,438,361	-	462,438,361
Inter-segment revenue	-	40,159,860	-	4,750,309	1,932,978	46,843,147	(46,843,147)	-
Total revenue	450,460,647	40,159,860	-	5,210,608	13,450,393	509,281,508	(46,843,147)	462,438,361
Results								
Operating profit/(loss)	81,072,928	(383,967)	(1,537,716)	(10,760,349)	(8,416,629)	59,974,267	-	59,974,267
Interest income	5,587,167	260,500	36,311,915	186,185	10,498	42,356,265	(35,941,005)	6,415,260
Other income	1,597,273	511,857	159,344	513,989	194,636	2,977,099	-	2,977,099
Finance costs	(25,967,154)	(7,198,473)	(33,102,448)	(1,442,079)	(847,546)	(68,557,700)	33,260,548	(35,297,152)
Profit/(loss) before tax	62,290,214	(6,810,083)	1,831,095	(11,502,254)	(9,059,041)	36,749,931	(2,680,457)	34,069,474
Income tax (expense)/ credit	(19,788,497)	2,669,477	(6,811,123)	(239,283)	45,998	(24,123,428)	-	(24,123,428)
Profit/(loss) after tax	42,501,717	(4,140,606)	(4,980,028)	(11,741,537)	(9,013,043)	12,626,503	(2,680,457)	9,946,046

36. Segmental reporting (cont'd.)

2020	Property development RM	Construction activities RM	Investment holding RM	Complementary business RM	Others RM	Total RM	Elimination RM	Group RM
Assets and liabilities								
Segment assets	2,396,520,734	634,967,224	2,286,198,057	205,838,941	80,790,653	5,604,315,609	(3,702,956,152)	1,901,359,457
Tax recoverable and deferred tax assets	14,193,034	12,744,888	4,045,588	1,706,319	245,124	32,934,953	5,812,291	38,747,244
Total assets	2,410,713,768	647,712,112	2,290,243,645	207,545,260	81,035,777	5,637,250,562	(3,697,143,861)	1,940,106,701
Segment liabilities	1,965,843,656	529,776,339	735,882,157	142,563,492	110,380,654	3,484,446,298	(2,425,299,472)	1,059,146,826
Tax liabilities	1,439,181	-	6,218,688	-	-	7,657,869	-	7,657,869
Total liabilities	1,967,282,837	529,776,339	742,100,845	142,563,492	110,380,654	3,492,104,167	(2,425,299,472)	1,066,804,695
Other segment information								
Capital expenditure:								
Investment properties	4,922,027	-	-	-	-	4,922,027		
Property, plant and equipment	10,684,723	28,165	-	9,040	1,158,464	11,880,392		

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36. Segmental reporting (cont'd.)

2020	Property development RM	Construction activities RM	Investment holding RM	Complementary business RM	Others RM	Total RM
Depreciation of:						
Property, plant and equipment and right-of-use assets	(6,937,317)	(5,050,666)	-	(129,715)	(2,416,661)	(14,534,359)
Investment properties	(2,759,994)	-	-	-	-	(2,759,994)
	(9,697,311)	(5,050,666)	-	(129,715)	(2,416,661)	(17,294,353)
Impairment loss on:						
- investment properties	(833,887)	-	-	-	-	(833,887)
- property, plant and equipment	(278,979)	(796,724)	-	-	(3,625,821)	(4,701,524)
(Allowance)/reversal for impairment loss of receivables	-	(8,820,409)	-	-	78,585	(8,741,824)
Reversal of impairment on investment properties	894,928	-	-	-	-	894,928

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