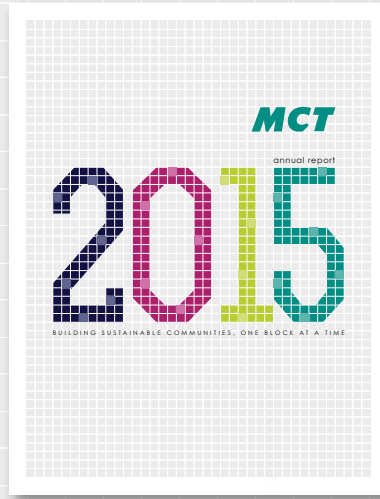


MCT

annual report

2015

BUILDING SUSTAINABLE COMMUNITIES, ONE BLOCK AT A TIME



Cover Rationale – Building Sustainable Communities, one block at a time

The cover for our inaugural annual report takes its lead from our modular approach to construction that emphasises the use of standardised building materials and methods to maximise efficiency and adaptability in our building projects. The reporting year represented in the cover has been constructed through the use of square blocks or fractions thereof to show that the modular approach can be both diverse and imaginative in creating elegant and effective structures. The cover design also reflects our structure as an integrated builder, which comprises individual blocks and units that come together to form our entire organisation. As with our buildings and our teams, each block is vital to the sustainability of the overall project and given all necessary care and attention required – hence being built “one block at a time”. As this is the inaugural report for MCT Berhad, we have been deliberate in keeping the cover design simple and minimal in anticipation of greater things in the years to come.

Mission

Embracing sustainable ecosystem ideas in our properties to make our communities healthier, safer, greener, more liveable & more prosperous.

Vision

To build the perfect sustainable community.



Contents



- 
- 04. Corporate Profile
 - 08. Corporate Information
 - 09. Corporate Structure
 - 10. Financial Highlights 2015
 - 14. Board of Directors
 - 16. Board of Directors' Profiles
 - 22. Chairman's Statement
 - 26. Review of Operations
 - 33. Corporate Responsibility
 - 40. Calendar of Events
 - 45. Statement of Corporate Governance
 - 54. Additional Compliance Information
 - 56. Statement of Directors' Responsibilities in Respect of the Audited Financial Statements
 - 57. Statement of Risk Management & Internal Control
 - 59. Audit and Risk Management Committee Report
 - 65. Financial Statements
 - 154. List of Properties
 - 155. Analysis of Shareholdings
 - 158. Notice of Annual General Meeting
Proxy Form
- 



MCT blue ocean strategy: Adopting “**MODULAR CONSTRUCTION TECHNIQUE**” coupled with “design & build” approach.

Modular Construction Technique is similar to building **LEGO models using simple standard modules**. MCT simplifies building elements into standard modules, prefabricates and then assembles the modules into complex buildings.

Benefits of Modular Construction Technique



LOWER COSTS



FASTER CONSTRUCTION



REQUIRES LESS LABOUR

Investment Merits

Impressive Historical Growth



In 15 years, **MCT grew 5,338x** from only RM250,000 in paid-up capital to over RM1.3 billion.



Today, MCT is ranked 13th in the Property Sector, with a **market capitalisation of RM1.5 billion** (as at 30 September 2015).

Projects located strategically



MCT's completed and ongoing projects are strategically located in Subang Jaya, Cyberjaya, CyberSouth and Tebrau.

Sizable landbank

Total landbank
540.2
acres

Completed
3.5%
[18.8 acres]

Ongoing
34%
[184.5 acres]

In the pipeline
7.5%
[40.7 acres]

Remaining landbank
55%
[296.2 acres]

Integrated model leading to cost efficiency



MCT's **cost efficient integrated model** leads to our purchasers benefiting from an affordable price.

Affordable properties to drive sales



MCT will be launching properties worth a total of RM3.2 billion with **average selling prices of less than RM700,000 per unit.**

MCT + Ayala Land = Synergistic Benefits



As the largest property developer in the Philippines, MCT is able to draw on Ayala Land's **vast expertise and experience to enhance its development projects and unlock more value.**

Strong on-going and projects in the pipeline



Strong estimated GDV of RM8.9 billion for ongoing projects and projects in the pipeline.

CORE VALUES

POSITIVE

INNOVATIVE

PROACTIVE




CORPORATE



PROFILE

**WE HAVE
TAKEN THE
ABOVE
IDEALS TO A
NEW LEVEL
NOW THAT
WE HAVE
COMPLETED
OUR
LISTING
EXERCISE.**

MCT Berhad ("MCT" or "the Company") was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 6 April 2015 following the completion of a reverse takeover ("RTO") exercise that saw GW Plastics Holdings Berhad being renamed as MCT Berhad. An integrated property builder, the MCT and its subsidiaries ("Group") has been actively involved in the development business since 1999.



**THE GROUP HAD
FIRST COMMENCED
OPERATIONS AS MODULAR
CONSTRUCTION
TECHNOLOGY SDN BHD
WITH A TOTAL PAID-
UP CAPITAL OF ONLY
RM250,000. TODAY, MCT
IS AMONG THE TOP 15
PROPERTY COUNTERS ON
BURSA MALAYSIA WITH A
MARKET CAPITALISATION
OF RM1.5 BILLION AS AT
30 SEPTEMBER 2015.**



MCT's success is underpinned by its construction philosophy centred on the principles of an integrated builder with an in-house design team, construction and purchasing arm, coupled with its own precast and ready-mixed concrete plant. These key features have enabled the Group to react swiftly to adapt to changing market conditions, while at the same time optimising costs to competitive levels, even during challenging market conditions.

We have taken the above ideals to a new level now that we have completed our listing exercise. The Group is now poised to further expand its reach into property projects such as townships, lifestyle malls and commercial and mixed commercial developments.

Our landbank is presently based primarily in the Klang Valley with property and retail developments in Cyberjaya, Cybersouth and One City, USJ. Our landbank (as at 30 September 2015) comprises over 540.2 acres of which only 18.8 acres are occupied by completed projects. Ongoing and soon-to-be launched projects with a combined gross development value of RM8.9 billion account for another 225.2 acres, which means

that we have 296.2 acres remaining for future projects with a conservatively estimated gross development value of RM6.5 billion.

Our product base is developed with the market in mind, which has shaped our decision to focus recently on affordably priced housing due to the current challenging market conditions. This decision has proven to be right as customer take-up rate has been encouraging and we expect to continue focusing on this segment in FY2016. At the same time, we are also expanding our portfolio of retail properties with the impending construction of Phase 3 of our One City project, which will comprise of our flagship mall with a net lettable area of approximately 1.5 million sf., a hotel tower comprising two hotels with a 4-Star and 5-Star rating respectively, office towers and a convention centre which is expected to be fully completed in 2020.

We are pleased to have Regent Wise Investment Limited, a wholly-owned subsidiary of Philippines-based property conglomerate Ayala Land Inc. ("Ayala"), as our single largest shareholder following the initial acquisition of an equity stake in MCT during the listing exercise which was followed by a recent acquisition of additional shares in MCT. Ayala is the leading property developer in the Philippines with a market capitalisation of approximately RM43.6 billion as at 30 September 2015. We expect to benefit from the synergies and cooperation opportunities with Ayala and MCT expects the collaboration to accelerate our emergence as a key property player in the Malaysian market.

An aerial photograph of a city, likely Los Angeles, showing a dense urban area with a prominent grid street pattern. The image is overlaid with a light gray grid. Several teal squares are placed at the intersections of the grid: one at the top center, one at the top left, one at the top right, one at the bottom left, and one at the bottom right. The text 'ONE CITY' is overlaid on the lower-left portion of the image.

ONE

CITY



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Sri Abi Musa
Asa'ari bin Mohamed Nor
(Chairman)

Tan Sri Dato' Sri
Goh Ming Choon
(Executive Deputy Chairman)

Dato' Sri Tong Seech Wi
(Chief Executive Officer)

Datuk Lim Kok Boon
(Executive Director)

Tan Sri Dato' Lau Yin Pin @
Lau Yen Beng

Bernard Vincent Olmedo Dy

Anna Maria Margarita
Bautista Dy

Dato' Goh Hin San

AUDIT AND RISK MANAGEMENT COMMITTEE

Tan Sri Dato' Lau Yin Pin
@ Lau Yen Beng (Chairman)

Tan Sri Dato' Sri Abi Musa Asa'ari bin
Mohamed Nor

Dato' Goh Hin San

Anna Maria Margarita Bautista Dy

REMUNERATION COMMITTEE

Dato' Goh Hin San (Chairman)

Tan Sri Dato' Sri Abi Musa Asa'ari bin
Mohamed Nor

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
Bernard Vincent Olmedo Dy

NOMINATION COMMITTEE

Tan Sri Dato' Lau Yin Pin
@ Lau Yen Beng (Chairman)

Tan Sri Dato' Sri Abi Musa Asa'ari bin
Mohamed Nor

Bernard Vincent Olmedo Dy

Dato' Goh Hin San

COMPANY SECRETARIES

Chua Hooi Sian (MAICSA 7014565)

Chua Siew Chuan (MAICSA 0777689)

Mak Chooi Peng (MAICSA 7017931)

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur, Malaysia.

Tel No. : 603-2084 9000

Fax No. : 603-2094 9940, 2095 0292

HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

Ground Floor, MCT Tower, 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

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

Tel No. : 603-2783 9299

Fax No. : 603-2783 9222

AUDITORS

Deloitte
Level 16, Menara LGB 1
Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur, Malaysia

SOLICITORS

Shook Lin & Bok
20th Floor, AmBank Group Building
55, Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia

Mah-Kamariyah & Philip Koh
3A07, Block B, Phileo Damansara II
15 Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

PRINCIPAL BANKERS

Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

Stock Name : MCT

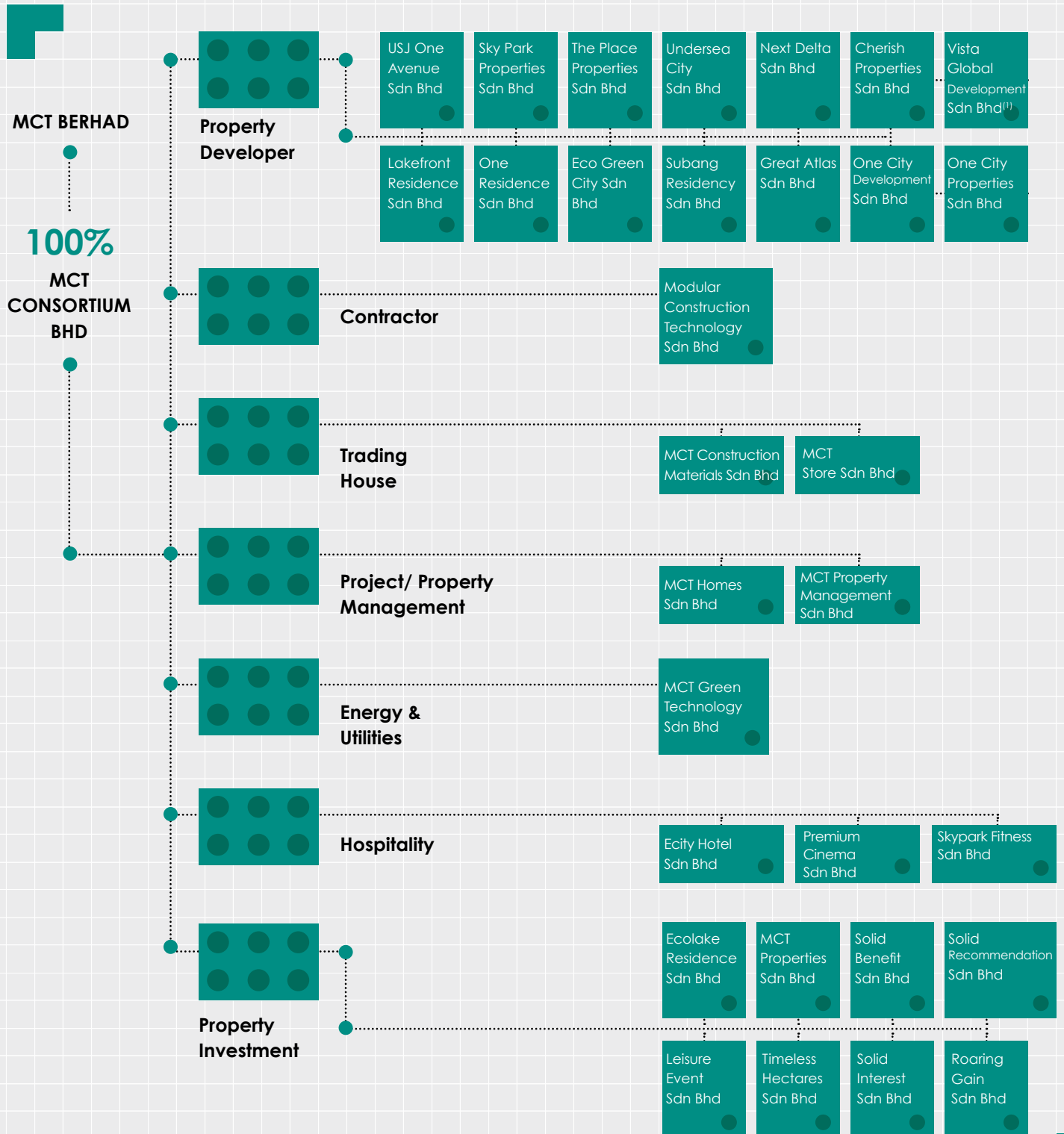
Stock Code : 5182

Listing Date : 6 April 2015

INVESTOR RELATIONS

info@mct.com.my

CORPORATE STRUCTURE



Note:

⁽¹⁾ 70% held by Cherish Properties Sdn Bhd.

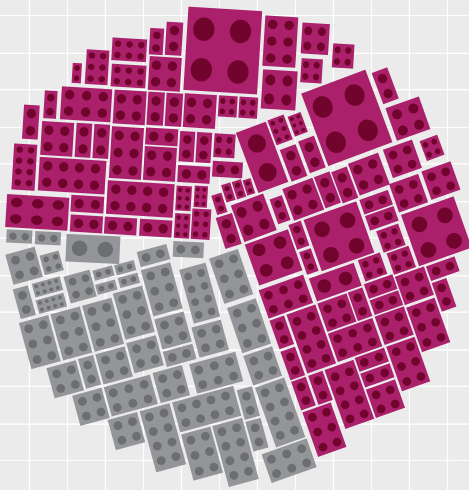
Except as otherwise expressly stated, all companies in this structure are wholly owned by their respective holding companies.

FINANCIAL HIGHLIGHTS 2015

Year Ended	30 June 2015	30 June 2014
Financial Results (RM'000)		
Revenue	619,666	308,254
Profit before tax	94,958	42,986
Profit attributable to owners of the Company	63,560	27,236
Financial Position (RM'000)		
Total cash and bank balances	462,347	69,271
Total assets	1,239,511	708,939
Total borrowings	205,960	182,877
Total net tangible assets	671,507	147,148
Paid-Up Capital	1,334,777	18,600
Equity attributable to owners of the Company	668,688	147,147
Financial Ratios		
Basic earnings per share (sen)	5.75	2.63
Net assets per share attributable to owners of the Company (RM)	0.50	7.91
Return on equity (%)	10%	19%
Gearing Ratio (%)	-*	81%

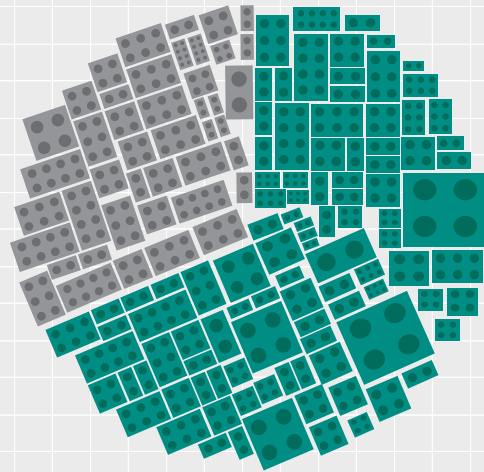
* Not applicable as total cash and bank balances exceed total borrowings.

Revenue
(RM'000)



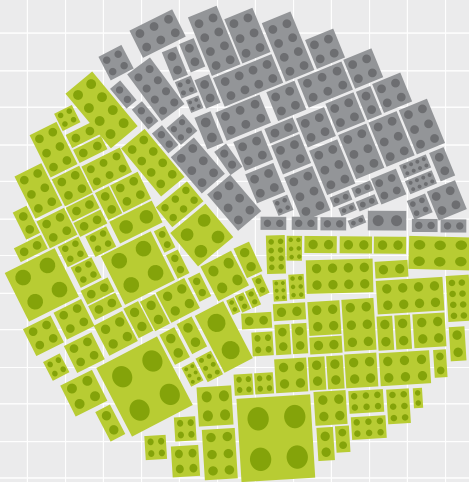
FY15 619,666 308,254 **FY14**

Profit before tax
(RM'000)



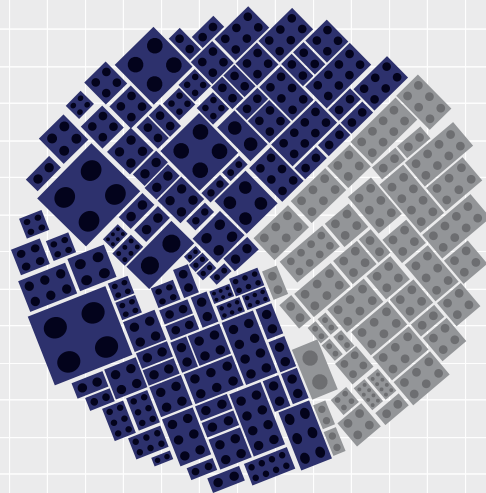
FY15 94,958 42,986 **FY14**

Total assets
(RM'000)



FY15 1,239,511 708,939 **FY14**

Basic earnings
per share (sen)



FY15 5.75 2.63 **FY14**



An aerial photograph of a park in Cyberjaya, Malaysia, featuring a large green lawn, a circular paved area with a red and white structure, and a white metal walkway. The image is overlaid with a light gray grid and several teal-colored squares. The text 'SKYPARK AT CYBERJAYA' is prominently displayed in the upper half of the image.

SKYPARK AT CYBERJAYA

BOARD OF DIRECTORS





Left to Right :

**Tan Sri Dato' Lau Yin Pin
@ Lau Yen Beng**

Senior Independent
Non-Executive Director

Bernard Vincent Olmedo Dy

Non-Independent
Non-Executive Director

**Anna Maria Margarita
Bautista Dy**

Non-Independent
Non-Executive Director

**Tan Sri Dato' Sri Abi Musa
Asa'ari bin Mohamed Nor**

Independent
Non-Executive Chairman

Dato' Goh Hin San

Independent
Non-Executive Director

Datuk Lim Kok Boon

Non-Independent Executive
Director

**Tan Sri Dato' Sri
Goh Ming Choon**

Non-Independent
Executive Deputy Chairman

Dato' Sri Tong Seech Wi

Non-Independent Executive
Director and Chief Executive
Officer



BOARD OF DIRECTORS' PROFILES



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

*Independent Non-Executive
Chairman*

Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor, a Malaysian, aged 66, was appointed as an Independent Non-Executive Director on 1 April 2015 and re-designated as Chairman of MCT Berhad on 3 April 2015.

He was appointed as a member of the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee on 3 April 2015.

Tan Sri Dato' Sri Abi Musa Asa'ari holds a Bachelor of Economics (Hons) from University of Malaya and D.D.A from University of Birmingham, United Kingdom. He obtained a Master in Business Administration from University of Birmingham, United Kingdom.

Tan Sri Dato' Sri Abi Musa Asa'ari has served the Malaysian Government for 33 years in various departments

including the Public Services Department, the National Bureau of Investigation, National Institute of Public Administration and Petroleum Development unit (under the Prime Minister's Department), the Ministry of Finance and the Ministry of Agriculture. He joined Lembaga Tabung Haji as Chairman in 2007, serving the organisation until 2013.

Tan Sri Dato' Sri Abi Musa Asa'ari is currently the Chairman of Pelikan International Corporation Berhad and a Director of Heitech Padu Bhd both listed on the Main Market of Bursa Malaysia. He is also the Chairman of the Graphene NanoChem PLC (United Kingdom), Pelikan AG (Germany), Platinum Nanochem Sdn Bhd and University Pendidikan Sultan Idris.

Tan Sri Dato' Sri Abi Musa Asa'ari attended all 3 Board Meetings held during the financial period ended 30 June 2015 since his appointment to the Board.



TAN SRI DATO' SRI GOH MING CHOON

*Non-Independent
Executive Deputy Chairman*

Tan Sri Dato' Sri Goh Ming Choon, a Malaysian, aged 51, was appointed as Non-Independent Executive Deputy Chairman on 1 April 2015.

Tan Sri Dato' Sri Goh holds a Diploma in Technology (Electronic Engineering) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College) conferred in 1990.

Tan Sri Dato' Sri Goh has over 19 years of working experience in property development and construction, and has been involved in the civil construction business since 1997. He, together with Dato' Sri Tong Seech Wi and Dato' Danny Goh, are the founder of Modular Construction Technology Sdn Bhd ("Modular"), which commenced operations in 1999. He was also instrumental in the incorporation of MCT in 2004 to restructure the business structure of B&G Capital Resources Berhad and Modular to focus on

property development, investment and construction. He currently sits on the Board of the Group.

Tan Sri Dato' Sri Goh attended all 3 Board Meetings held during the financial year period ended 30 June 2015 since his appointment to the Board.



**DATO' SRI
TONG SEECH WI**

*Non-Independent Executive
Director and
Chief Executive Officer*

Dato' Sri Tong Seech Wi, a Malaysian, aged 50, was appointed as Non-Independent Executive Director and Chief Executive Officer on 1 April 2015.

Dato' Sri Tong holds a Bachelor in Civil Engineering from the University of Malaya conferred in 1990. He became a member of the Institute of Engineers Malaysia in 1989 and subsequently as a member of the Board of Engineers Malaysia in 1993.

Dato' Sri Tong has more than 23 years of working experience in property development and construction sectors. Upon graduation, he joined Teknik Cekap Sdn Bhd as a Project Engineer for three years, where he was responsible for the planning, organising and management of project task. Thereafter, he worked for Jasatera Berhad as a site manager before joining Total Teamwork Sdn Bhd as a project director. In 1999, he further expanded his involvement in the civil construction projects as one

of the founders of Modular with Tan Sri Dato' Sri Goh and Dato' Danny Goh. By 2004, Dato' Sri Tong set up MCT Consortium Bhd involved in the property development, property investment and construction activities. He also served on the Board of the Group.

Dato' Sri Tong attended all 3 Board Meetings held during the financial period ended 30 June 2015 since his appointment to the Board.



**DATUK LIM
KOK BOON**

*Non-Independent
Executive Director*

Datuk Lim Kok Boon, a Malaysian, aged 57, was re-designated as Non-Independent Executive Director on 3 April 2015.

Datuk Lim is a fellow member of the Chartered Institute of Management Accountants, United Kingdom and a member of the Malaysian Institute of Accountants.

Datuk Lim was with Multi-Purpose Holdings Berhad ("MPHB") from 1983 until May 2001 where he gained wide experience in corporate banking and corporate finance work including mergers and acquisitions, corporate restructuring, equity/debt financing and capital raising, flotation of companies and operational management. Prior to his departure from MPHB he was heading the Chief Executive Officer's Department where his responsibilities included, inter alia, overseeing the business of Great Wall Plastic Industries Berhad ("GWPI"). He was appointed as Senior Executive Director of GWPI on 18 March 2002 and was re-designated as its Chief Executive Officer on 14 April 2003. In 2010, he

restructured the GWPI group by forming and listing the holding company of the group, GW Plastics Holdings Berhad ("GW Plastics") on Bursa Malaysia. In 2013, the operating subsidiary companies of GW Plastics were disposed and the cash proceeds were substantially distributed to the shareholders. He played a significant role in the listing of MCT in the RTO exercise involving the acquisition by GW Plastics of MCT Consortium Berhad where, upon completion of the RTO exercise, GW Plastics was renamed as MCT Berhad.

Datuk Lim was a Director of Ekskons Corporation Berhad ("Ekskons") from April 1997 to May 2004, with an executive role as Group Executive Director during the period May 2001 to March 2002 and he played an instrumental role in the rescue and restructuring of Ekskons, previously known as Chongai Corporation Berhad, which was then financially insolvent.

Datuk Lim attended all the 11 Board Meetings held during the financial period ended 30 June 2015.

BOARD OF DIRECTORS' PROFILES



TAN SRI DATO' LAU YIN PIN @ LAU YEN BENG

*Senior Independent
Non-Executive Director*

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng, a Malaysian, aged 66, was appointed as Senior Independent Non-Executive Director on 1 April 2015.

He was appointed as the Chairman of the Audit and Risk Management Committee and the Nomination Committee on 3 April 2015. He is also a member of the Remuneration Committee.

Tan Sri Dato' Lau obtained his Diploma in Commerce with distinction from Tunku Abdul Rahman College in 1974. He has been a member of the Malaysian Institute of Accountants since 1979. He was made a fellow of the Association of the Chartered Certified Accountants, United Kingdom in 1981 and became a graduate member of the Institute of Chartered Secretaries and Administrators, United Kingdom in 1987. He was formerly a Senator of the Dewan Negara appointed by

Seri Paduka Baginda Yang di-Pertuan Agong, Malaysia.

Tan Sri Dato' Lau joined the national power producer, Tenaga Nasional Berhad ("TNB") and served as a member of the Board of TNB for 22 years in various capacities. He had also served as Chairman of STAR Publications (M) Bhd and Nanyang Press Holdings Berhad.

Tan Sri Dato' Lau is currently a board member of 3 other listed companies on the Main Market of Bursa Malaysia Securities Berhad, namely Ahmad Zaki Resources Berhad, YTL Power International Berhad and Media Chinese International Limited (also listed in the Stock Exchange of Hong Kong Limited).

Tan Sri Dato' Lau attended all 3 Board Meetings held during the financial period ended 30 June 2015 since his appointment to the Board.



BERNARD VINCENT OLMEDO DY

*Non-Independent
Non-Executive Director*

Mr. Bernard Vincent Olmedo Dy, a Filipino, aged 52, was appointed as Non-Independent Non-Executive Director on 3 April 2015, and is a member of the Remuneration Committee and the Nomination Committee.

He holds a MBA and MA in International Relations conferred by the University of Chicago. He is presently the President and Chief Executive Officer of the Philippine-based company, Ayala Land, Inc.

He is also a Director of Fort Bonifacio Development Corporation, Bonifacio Land Corp., Alveo Land Corp., Avida Land Corp., and Director and Chairman of Amicassa Process Solutions, Inc. Prior to joining Ayala Land in 1997, he spent 16 years overseas and held senior regional roles for multinational companies in Hong Kong and China.

He attended all 3 Board Meetings held during the financial period ended 30 June 2015 since his appointment to the Board.



ANNA MARIA MARGARITA BAUTISTA DY

Non-Independent Non-Executive Director

Ms. Anna Maria Margarita Bautista, a Filipino, aged 46, was appointed as Non-Independent Non-Executive Director on 7 May 2015 and is a member of the Audit and Risk Management Committee.

She holds a MBA and a Master Degree in Economics and Political Science conferred by the Harvard Graduate School of Business Administration and the London School of Economics respectively. She is presently the Senior Vice President and member of the Management Committee of the Philippine-based Ayala Land, Inc. and Head of Strategic Landbank Management.

She is also a Director and Executive Vice President of Fort Bonifacio Development Corporation and a Director of Nuvali subsidiaries, namely Aurora Properties Inc, Vesta Properties Holdings, Inc, and CECI Realty, Inc.

Prior to joining Ayala Land, she worked with Bain & Company from 1997 to 2000 and thereafter for Benpres Holdings Corporation as Vice President of Finance.

She attended all 2 Board Meetings held during the financial period ended 30 June 2015 since her appointment to the Board.



DATO' GOH HIN SAN

Independent Non-Executive Director

Dato' Goh Hin San, a Malaysian, aged 59, was appointed as an Independent Non-Executive Director on 1 April 2015.

He was appointed as the Chairman of the Remuneration Committee on 3 April 2015 and became a member of the Audit and Risk Management Committee and the Nomination Committee.

Dato' Goh holds a Diploma in Jabatan Pengajian Melayu and a Certificate in Malay Grammar from Southern University College, Johor and the National University of Singapore conferred in 1978 and 1980 respectively. He was a Malay language teacher for 17 years in Malaysia before joining a political body as a special assistant to a Member of Parliament in 1996.

He was appointed as an Executive Director of Maprint Sdn Bhd for 3 years before joining Metro Kajang Berhad (now known as MKH Berhad) as Group Advisor from 1999

to 2001, where he was responsible for developing new business overseas, mainly in China and Indonesia. In 2009, he joined Media Prima Berhad as the Group Advisor for Chinese content until recently.

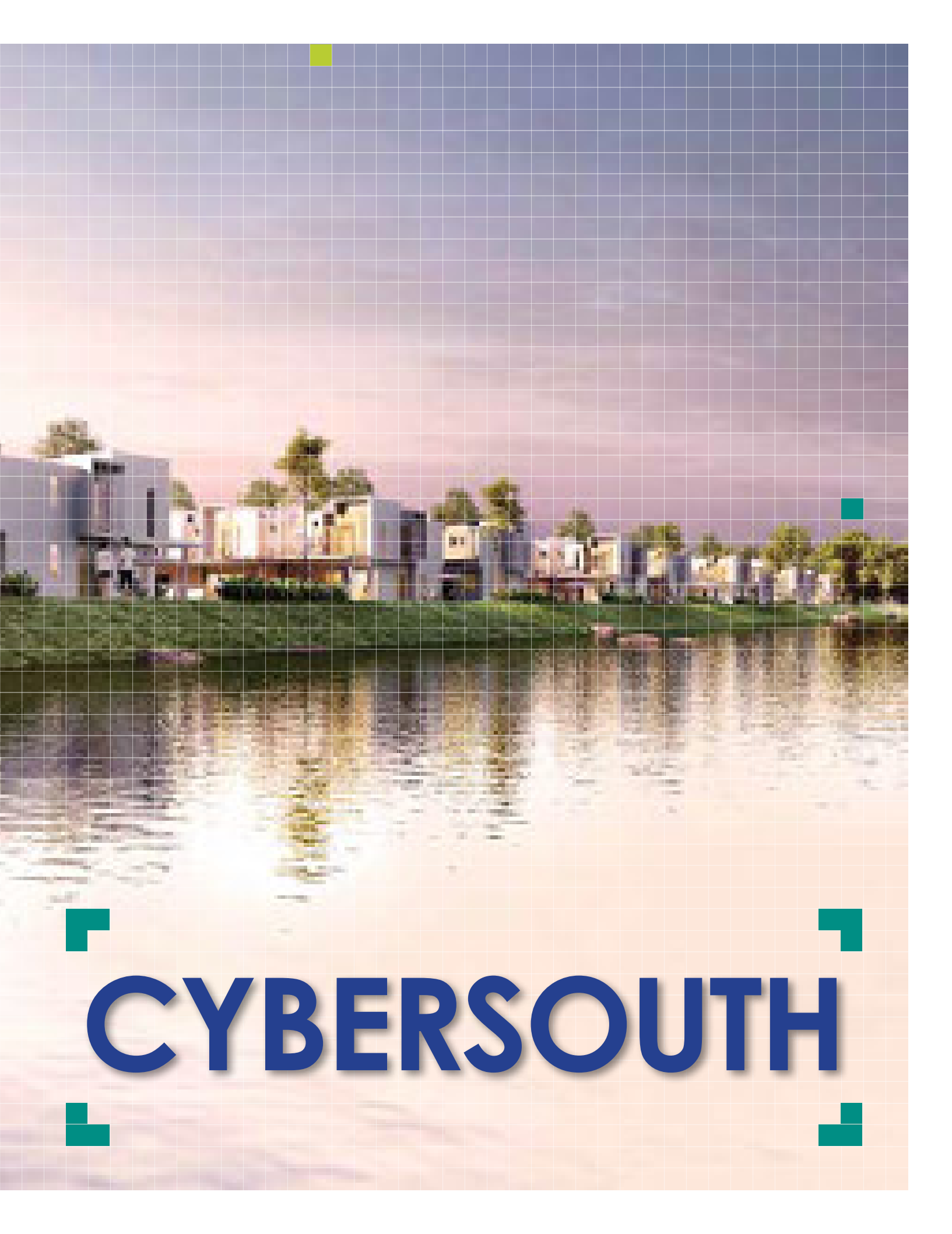
Dato' Goh is a fellow member of Persatuan Mencegah Dadah Malaysia ("PEMADAM") (since 1986), Persatuan Perterjemahan Dan Penulisan Kreatif Malaysia ("PERSPEKTIF") (since 1985), Persatuan Kebudayaan Cina Malaysia (since 2001), Majlis Pembakuan Bahasa Cina Malaysia (since 2007) and Pusat Kebudayaan Han Malaysia (since 2009).

Dato' Goh attended all 3 Board Meetings held during the financial period ended 30 June 2015 since his appointment to the Board.

Notes:

1. Save as disclosed above, none of the Directors have:
 - (a) any family relationship with any directors and/or substantial shareholders of the Company; and
 - (b) any conflict of interest with the Company.
2. None of the Directors have any conviction for offences within the past ten (10) years.





CYBERSOUTH

CHAIRMAN'S STATEMENT

A portrait of Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor, the Independent Non-Executive Chairman. He is a middle-aged man with short, graying hair, wearing glasses, a dark suit, a white shirt, and a striped tie. He is smiling slightly and looking towards the camera. The background is a blurred indoor setting with warm lighting.

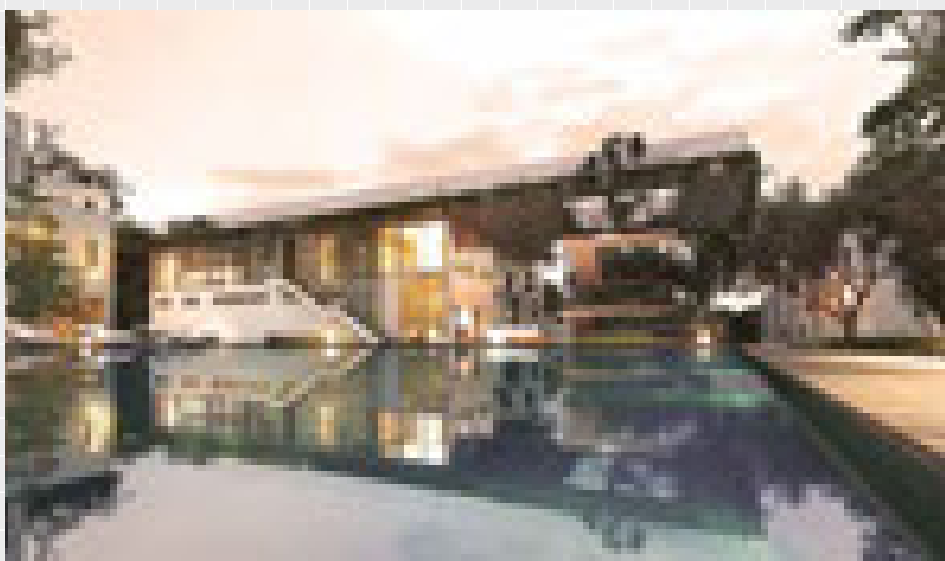
TAN SRI DATO' SRI ABI MUSA ASA'ARI
BIN MOHAMED NOR
Independent Non-Executive Chairman

**WE ARE CONFIDENT
THAT WE HAVE THE RIGHT
APPROACH AND ABILITY
TO CREATE VALUE FOR
OUR STAKEHOLDERS.**

Dear Shareholders,

“It gives me great pleasure to present MCT’s inaugural Annual Report for the financial year ended 30 June 2015 (“FY2015”) on behalf of the Board of Directors (“the Board”). Our hope is that our inclusion into Bursa Malaysia’s Main Market will provide investors with a quality property counter brimming with potential. ”

MCT started as a builder in 1999 amidst the turmoil of the Asian Financial Crisis. Despite the challenges posed by the then difficult market conditions, we knew that MCT offered a unique value proposition by adopting an integrated and modular construction technology which filled a niche in the property market. Thus, from our humble beginnings, with only RM250,000 in paid-up share capital, MCT has now a market capitalisation of approximately RM1.5 billion and a number of projects under its belt.



This approach to sustainability and long-term growth is ingrained in our business philosophy and corporate culture, and it is in this very area where shareholders will find value. The completion of our listing exercise means that we now have the scale and capabilities to further expand our scope of work, although not at the expense of our core traditions.

For FY2015, the Group recorded revenue of RM619.7 million whilst net profit stood at RM63.6 million.

Unbilled sales of RM2.1 billion as at 30 September 2015 will stand us in good stead in the years to come as we have effectively secured our base revenue stream until 2017, while additional new sales in FY2016 will further add to our revenue recognition.

The record sales posted is especially remarkable given the current softness of the property market, which has affected investors’ and homebuyers’ appetites in the market. In addition, tighter credit controls by financial



TO OFFSET MARKET SOFTNESS, THE GROUP WAS ABLE TO EXPEDITIOUSLY REALIGN ITS STRATEGY TO FOCUS ON DEVELOPING PROPERTIES AT STRATEGIC LOCATIONS WITH AFFORDABLE PRICES.

institutions have affected conversion rates of property players throughout the country.

To offset market softness, the Group was able to expeditiously realign its strategy to focus on developing properties in strategic locations at affordable prices. This is largely due to our integrated development philosophy which is centred on the principles of modular construction technology and the practice of keeping major development processes in-house that has provided MCT with the flexibility and nimbleness to change course mid-stream to adapt to rapidly changing market conditions.

We recognise that our listing is a significant step forward but we are confident that we have the right approach and ability to create value for our stakeholders. The Board of Directors has declared an interim dividend of 2 sen per share to recognise the support and confidence shown in us by our shareholders.

Review of Operations and Strategy

The last financial year saw consumer appetite further eroded by growing uncertainties in the external environment even though domestic consumption continued to drive Malaysian GDP growth. These developments, coupled with the tightening of credit facilities by local lenders, contributed to a softer property market, particularly for higher-end homes.

While we have seen a slowing of demand in key urban centres including Johor, Selangor and Kuala Lumpur, housing demand from first-time homeowners, particularly in the middle-income group, remained resilient. This translated into strong sales growth in our LakeFront Residence and Cybersouth projects where the bulk of the properties have been priced below RM700,000.

In the last financial year, we launched the first two phases of Cybersouth, which represents our first township development. Sprawling across 417 acres, Cybersouth has been designed to incorporate well-built and aesthetic qualities that embrace the ideals of a sustainable ecosystem.

We expect local housing demand to remain tepid unless the Government reviews some of its policies which were introduced to curb speculative activities or if we see a reversal in the volatile state of the global economy. Nevertheless, we remain optimistic that the strategies that have



worked well for us in the past will continue to do so in the near future.

In the meantime, we plan to embark on a number of initiatives designed to improve our visibility and brand recognition amongst potential homebuyers. Our present healthy financial balance sheets, which include a net cash position and substantial unbilled sales, give us the fiscal flexibility to make the best use of our resources during this lean time.

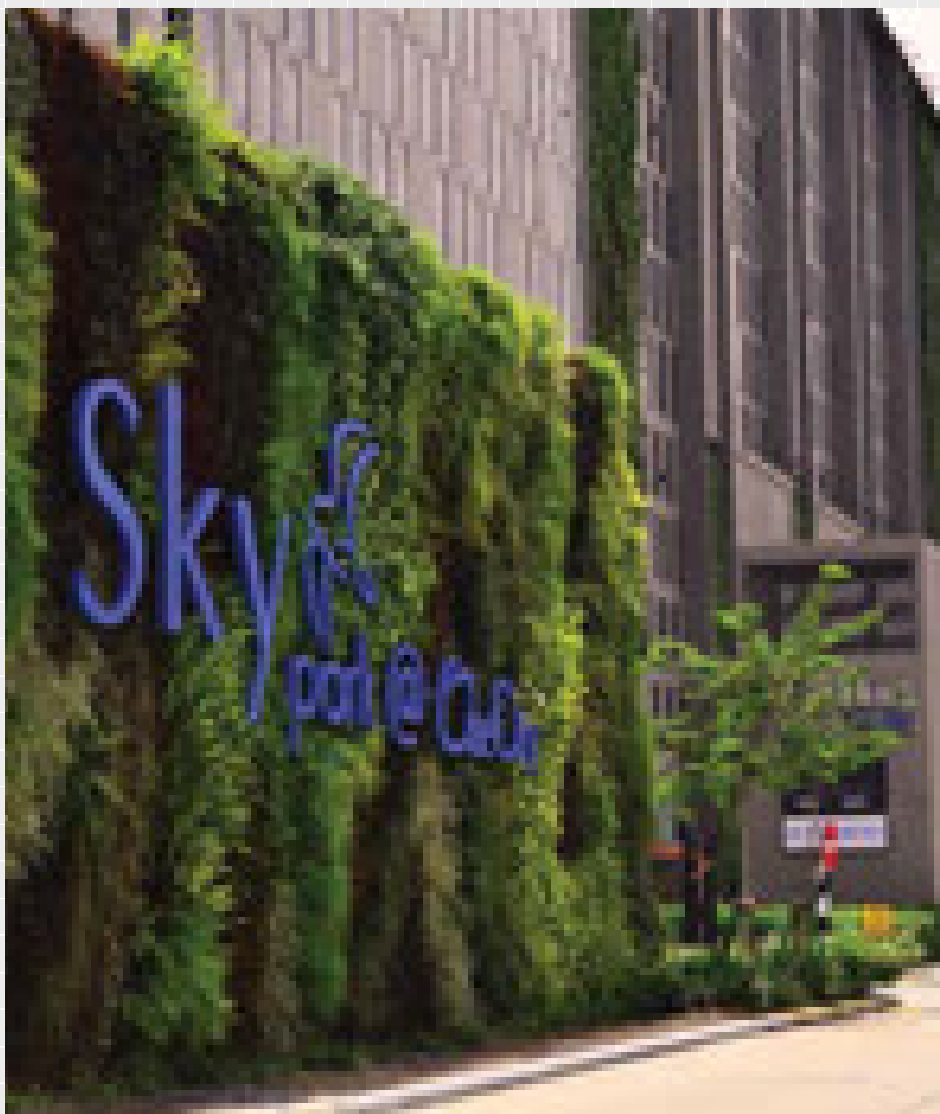
Our strategic and equity partnership with Ayala Land Inc. will also ensure that we are presented with opportunities to develop synergies in key areas such as in the retail mall segment.

We anticipate significant activity for the Group going forward, and Management has embarked on an aggressive talent recruitment plan to identify, recruit and retain personnel at all levels of the value chain.

These are all key indications that we are a company on the move and I am very excited and honoured to be a part of this journey.

Acknowledgements

MCT would not be where it is today without the stewardship and expertise of its senior Management. In particular, we would like to thank Tan Sri Dato' Sri Goh Ming Choon and Dato' Sri Tong Seech Wi for their efforts in laying the solid foundations of the Group, which has now embarked on the next leg of its journey.



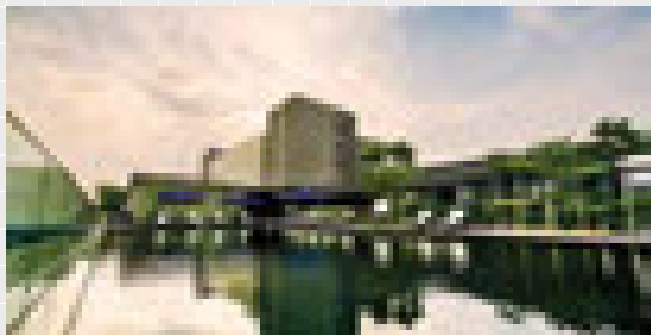
The Board would also like to thank all the staff of MCT, without whom none of this would be possible. The Board and I look forward to a long and mutually beneficial working relationship with the entire workforce, and hope to see us reach even greater heights together in the future.

We would like to express specific thanks to the Securities Commission, the stock exchange operator Bursa Malaysia and to our vendors and stakeholders for their help, support and advice

throughout our listing exercise, and we hope to repay your faith in us by becoming a stellar corporate citizen.

Lastly we would like to say a very big thank you to our shareholders for their continued faith and trust in MCT. The Board and I are committed to ensuring that the Company complies with the best corporate governance practices and that we will at all times work towards creating value for you and all our stakeholders.

REVIEW OF OPERATIONS



Despite having deployed a substantial amount of our resources towards completing the listing exercise for much of the financial year, our results for the year have shown that our strategy of being market-focused is paying off as we concluded the year with strong numbers.

FY2015 represented a milestone year for MCT, which concluded its first year as a listed entity. ”

We are particularly pleased with the results for FY2015 – a net profit of RM63.6 million on the back of RM619.7 million in revenue, even as the Group had its hands full completing the corporate exercise. These returns are especially noteworthy when one takes the soft property market and a tightening of credit facilities for property buyers into consideration. As a result, we now occupy an enviable position where we are in a positive net cash position for FY2015 with total unbilled sales of RM2.1 billion (as at 30 September 2015) to be realised over the next two to three years.

Property development accounted for 66.6% of total revenue, construction for 25.8% and our other businesses for the remaining 7.6%. The revenue from property development was mainly derived from SkyPark @ Cyberjaya, Lakefront Residence @ Cyberjaya and Lakefront Villa @ Cyberjaya.

The results of FY2015 have thus laid a strong foundation for our business activities going forward into the next phase of development. As mentioned to our stakeholders during the listing exercise, we have identified three distinct phases of growth for MCT, taking it from pre-listing to post-listing:

- Phase 1, which concluded upon the listing of MCT Berhad, saw lower operational activity as we focused our efforts on completing the corporate exercise. As the transition into a listed entity played a crucial part in our growth plan, we focused most of our resources on the exercise, which was completed on 6 April 2015. Following the listing, we shifted our resources and focus back to our core operational activities which saw a significant uptick in the level of activity as we commenced Phase 2 of our development plan.



**TAN SRI DATO' SRI
GOH MING CHOON**
Non-Independent Executive Deputy Chairman



DATO' SRI TONG SEECH WI
*Non-Independent Executive Director
and Chief Executive Officer*

**WE ARE PARTICULARLY
PLEASED WITH THE RESULTS
FOR FY2015 - A NET PROFIT
OF RM63.6 MILLION ON THE
BACK OF RM619.7 MILLION
IN REVENUE.**



“We continued to see good property sales in these last two months of our financial year, which have helped to increase our total unbilled sales to RM2.1 billion.”

- We designated the period post-listing until the financial year end on 30 June 2015 as Phase 2, which saw us start to prepare for our roster of activities in FY2016. In the meantime, we continued to see good property sales in these last two months of our financial year, which have helped to increase our total unbilled sales to RM2.1 billion (as at 30 September 2015). This will be monetised beginning FY2016 and will provide a steady stream of revenue over the next two to three years.
- Phase 3 takes MCT through FY2016 and beyond as we accelerate the process of becoming a key property player in the country. We expect to be very busy with new property launches and marketing activities that will further add on to our unbilled sales, and hence we have embarked on an aggressive growth plan. From this perspective, the listing of the Company marks our first major step forward in this direction and we plan to leverage on our newfound status as a listed entity to accomplish this goal.

The phased approach laid out for MCT is in line with the Group's overall business philosophy which is focused on sustainable growth. It is through this approach that we have been able to grow our company from a start-up with only RM250,000 in share capital in 1999 to its position today as one of the top 15 property counters in Malaysia with a market capitalisation of over RM1.5 billion.

Maintaining our DNA

While we may have come a long way from our beginnings as a niche builder focused on modular construction methods and technology, we have preserved our DNA as an integrated property developer and builder. We remain focused on finding and creating value while optimising our costs to maximise margins. For example, our landbank cost averages 1.5% of projected Gross Development Value (GDV), which is low compared to the industry average of between 10%-20%.

We have managed to optimise costs by reducing our reliance on external consultants and contractors by having a complete and integrated value chain within the Group. Our integrated value chain is a key asset which has helped us to be nimble enough to adapt to changing market conditions. MCT is therefore able to serve the market by ensuring a right mix of product offerings, and thereby secure a steady stream of sales for us.

Our integrated value chain includes the following:

i. An in-house design team

Our design team ensures that our emphasis on modular construction is incorporated even at the planning stage, which in turn produces economical design and minimises variation cost overruns.

ii. An in-house trading company

This ensures that our procurement is always conducted as efficiently as possible as we can bypass middlemen to optimise purchase prices.

iii. A ready-mix concrete plant

Having our own ready-mix concrete plant secures an important input for all construction projects, and also gives us direct control over the supply and quality at a cheaper cost.

iv. A pre-cast concrete plant

Our pre-cast concrete plant is designed to support our modular approach to construction, which in turn translates into faster construction and a reduction in manpower.

v. Direct execution of specialist works

With our own specialists already in our stable, we are able to assign and deploy specialists to our projects quickly and at lower cost.

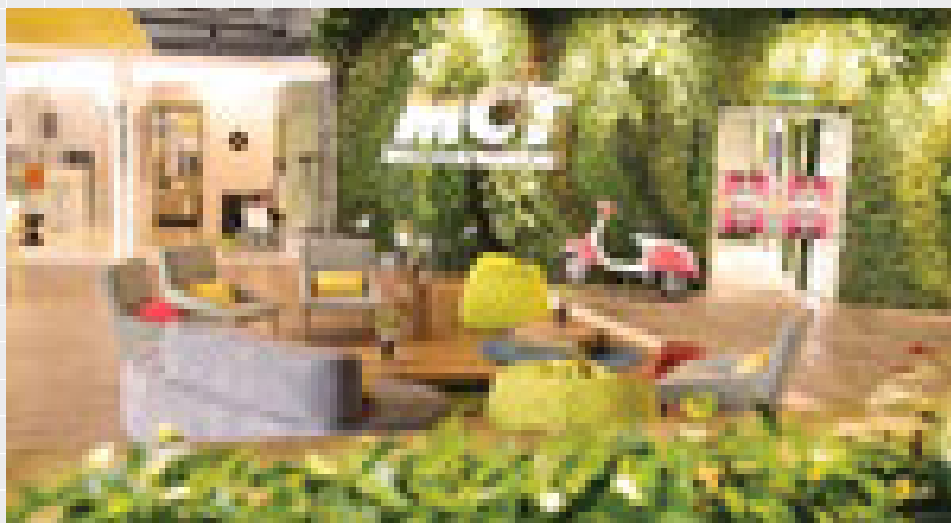
We are intent on maintaining our integrated approach to property construction and development post-listing, and are pleased to see that our strategy has been endorsed by the entry of exciting shareholders – Regent Wise Investment Limited (“RWIL”), a wholly-owned subsidiary of the Philippines-based Ayala and Lembaga Tabung Haji. The entry of these prominent and highly regarded shareholders will create synergies in our operations, particularly with respect to RWIL which has recently increased its equity stake in MCT to 32.95%, which represents the single largest shareholding in MCT. Ayala is the leading property developer in the Philippines and its market capitalisation is approximately RM43.6 billion as at 30 September 2015. RWIL now has representatives on the Board and executive committees of MCT.



Our integrated value chain is a key asset which has
HELPED US TO BE NIMBLE ENOUGH TO ADAPT TO CHANGING MARKET CONDITIONS.



REVIEW OF OPERATIONS



Our Projects

Our landbank at present comprises 540.2 acres with an estimated GDV of RM16.7 billion and is largely located in Klang Valley. Of that total, some 244 acres have been developed (total GDV of RM1.3 billion) or been earmarked for development (total GDV of RM8.9 billion), which leaves us with a remaining 296.2 acres worth an estimated RM6.5 billion in GDV for the future.

In addition to our projects in Klang Valley, we have also embarked on a joint-venture development project in Tebrau, Johor. This project represents our maiden foray outside of the Klang Valley and comprises a mixed development consisting of serviced apartments and office suites. We are excited about the prospects of the project, particularly as it will introduce us to new clientele beyond Malaysian shores, in Singapore.

The following section presents an overview of our key housing and township projects, and their status as at 30 September 2015.

[Reo Suite @ One City, USJ](#)

We expect to see strong take up of units at the Reo Suite, which is part of an integrated development in USJ that would include our flagship mall with a net lettable area of approximately 1.5 million sf., a hotel tower comprising of 4-star and 5-star rating, office towers and a convention centre. 62% of the all units offered for sale have been booked. The high booking rate was due primarily to the Reo Suite's affordable entry-cost to buyers and its location within an integrated mixed-development project surrounded by mature townships. The development of a LRT station, which will be connected by a 300 metres link-way to the project, has substantially enhanced the potential of the development.

Going forward, we are targeting to make more units available for sale in the second half of FY2016. Pricing of the units will still fall between the affordable range of RM360,000 to RM600,000, and we will implement incentive schemes for referrals. We expect values at One City @ USJ to be further

boosted upon the completion of our flagship mall by 2020.

[LakeFront Villa @ Cyberjaya](#)

Our LakeFront Villa project comprises high-end bungalows within 16 acres of land in Cyberjaya. Sales of the remaining 24 units have been slow during the year due mainly to weaker-than-expected investor appetite for high-end housing valued at more than RM2 million. However, the completion of a mock-up unit is expected to boost sales as potential customers will now get a better idea of what the units will look like once completed. Our plan is to also partner with prestigious brands to tap into their list of high net-worth clientele. We believe that the scarcity of landed property in Cyberjaya makes LakeFront Villa an attractive option for homeowners.

[LakeFront Residence @ Cyberjaya Tower 1, 2 and 3](#)

LakeFront Residence is a freehold condominium project forming a key facet of MCT's LakeFront Residence township. Presently, Tower 1 is 82% sold while Tower 2 is 51% sold. Sales of the remaining units in Tower 2 mainly comprising of larger units priced above RM750,000 have been slow, mainly due to prospective buyers facing difficulties in obtaining financing.

Meanwhile, sales at Tower 3, launched in April 2015, received overwhelming response with 80% of the units booked on the day of launch. This was due primarily to the units' attractive pricing, which was pegged at about RM450,000 per unit for the smaller units.

A “Buyer-Get-Buyer” incentive scheme will be introduced to move the remaining units in Towers 1 and 2. The remaining units in Tower 3 comprise mainly larger units with an average selling price of RM700,000 each. We believe that these still represent good value for money, and hence are confident that they will be sold in due course as we continue with our marketing events.

[GreenCasa @ CyberSouth](#)

We are very pleased that this project received strong market response, with all 418 units being booked when the units were launched in April 2015. This was due mainly to the attractive pricing of the double-storey link houses, which were priced below RM500,000 per unit. First-time housebuyers were particularly drawn to the units on offer. We have seen a healthy 91% conversion rate on all bookings and we are now focused on helping the remaining purchasers secure their mortgages.

[CasaView @ CyberSouth](#)

We saw over 65% bookings of CasaView since its launch in July 2015, thanks to the spill-over effect from the sales of the GreenCasa project. A new sales gallery and show houses at the development site for viewing purposes is expected to accelerate sales and help buyers view the entire CyberSouth green township development.

Non-Core Businesses

We have established a number of non-core businesses units designed to complement our residential and commercial properties. These units have yet to fully benefit from the economies of scale and hence recorded an operating loss of RM16.7 million in FY2015. However, we believe that they will play an important role in helping us minimise costs and support our aim of providing top-notch facilities and services



418 units
of GreenCasa booked
since its launch in April 2015

REVIEW OF OPERATIONS



to our property developments as the activity level is ramped up. Our non-core businesses include leasing units, utilities' supply, hospitality, retail, car park and property management and trading.

MCT: A Company on the Rise

MCT hit a significant milestone in the last financial year when it completed its corporate exercise to become a listed entity. While we, and all our stakeholders, can be justly proud of the achievement, we are also aware that the real work begins now. First and foremost on our list of priorities is to enhance our human capital through an aggressive talent acquisition programme.

In line with our intent to maintain our business strategy whilst ramping up activity, we will need to strengthen our organisation throughout the entire value chain, from construction and development all the way to post-sales services. Our expansion is further required by our integrated approach to property development, calling for the deployment of in-house talent rather than relying on external consultants.

Meanwhile, we will continue to manage our product mix and offerings in line with market conditions. We have seen from current market trend that housebuyers are especially keen on our affordably priced units,



We will continue to
**MANAGE OUR
PRODUCT MIX AND
OFFERINGS IN LINE**
with market conditions.

i.e. units priced below RM700,000. We believe that this is a reflection of extant market conditions and we expect this softness in the market to continue in the near term. As such, we will replicate our strategy to provide affordably priced properties to the market in FY2016. Should external conditions improve, we will adjust our product mix accordingly.

Although these are still early days for us as a listed entity, we believe that we have made a strong statement of intent as an exciting new property counter.

Acknowledgements

We would like to thank our staff for their dedicated work over these past 16 years. MCT would not be where it is today without your contributions and we hope that you will continue to support us in all our future efforts. We would also like to thank our Chairman and our dedicated Board of Directors for their help and advice in our endeavours during these early days, and we look forward to an exciting future under your stewardship.

CORPORATE RESPONSIBILITY



MCT BERHAD HAS ALWAYS BEEN AWARE OF ITS ROLE AND RESPONSIBILITY AS A GOOD CORPORATE CITIZEN. HENCE IT STRIVES TO MINIMISE THE IMPACT OF ITS BUSINESS ACTIVITIES WHILE PROMOTING SOCIAL GOOD WHEREVER POSSIBLE.

We have been able to focus our efforts on several key activities designed to make a positive impact on our workplace and the communities in which we operate.



SERVING THE COMMUNITY

**SJK (C) UNION
CHARITY DINNER
HELPED TO RAISE
APPROXIMATELY
RM1 MILLION
TOWARDS THE
CONSTRUCTION
OF THE CAMPUS.**

SJK (C) UNION CHARITY DINNER,

28 November 2014
Grand Ballroom,
The Place@One City

MCT held a charity dinner with 110 tables for SJK (C) Union to build a new smart campus in Cyberjaya, which will cost an estimated RM14.5 million. The new campus in Cyberjaya will effectively relocate the existing school in Taiping, Perak, which has seen a reduction in the number of students to below



sustainable levels as a result of urbanisation.

The Company believes that Chinese schools continue to play an important role in the education of our country's students, and hence are deserving of its support. The charity dinner helped to raise approximately RM1 million towards the construction of the

campus. In addition, MCT donated a 2.4-hectare piece of land in Cyberjaya upon which the campus will be built.

Construction of the campus commenced in March 2015 and it will be the first Chinese campus in Cyberjaya with advanced multimedia technology upon its completion in 2018.

Malaysian Retail Chain
Association (MRCA)
Charity Run
raised a total of
**RM150,000
FOR CHARITY.**



**MALAYSIAN RETAIL CHAIN
ASSOCIATION (MRCA)
CHARITY RUN,**

30 November 2014
One City

MCT is proud to have been a cash and venue sponsor for the MRCA run, which is designed to raise funds for underprivileged families. Approximately 3,000 runners participated in the run, which was divided into the Family, Team, 5km and 10km categories. The run raised a total of RM150,000 for charity.

TARCIAN RUN,

15 March 2015
TAR-UC Campus, Setapak,
Kuala Lumpur

The Company was a premium sponsor for a run organised by the alumni of Tunku Abdul Rahman University College (TAR-UC), who is also known as the TARCian Alumni Association. The run is the first of what is expected to be an annual event. While targeted at TAR-UC current and former students and staff, the general public also participated in the event which is aimed at promoting a sense of belonging as well as unity, goodwill and mutual aid amongst the ex-students and staff of TAR-UC. Approximately 2,000 runners participated in the event, with winners sharing a total prize purse of RM33,700 in six running categories.



Approximately



**2,000
RUNNERS**

participated in
TARCIAN RUN.





SERVING THE MARKETPLACE

BRIEFING WAS TO INTRODUCE MCT BERHAD AND ITS BUSINESS PROSPECTS TO OUR CURRENT AND FUTURE STAKEHOLDERS.

PRE-LISTING BRIEFING,

2 April 2015
Cinema Hall 12,
Sky Park@One City

To help investors, analysts, brokers and other financial participants better understand MCT listing exercise, the Company held a pre-listing briefing session at One City. The aim of the briefing was to introduce MCT and its business prospects to our current and future stakeholders. The Group also used

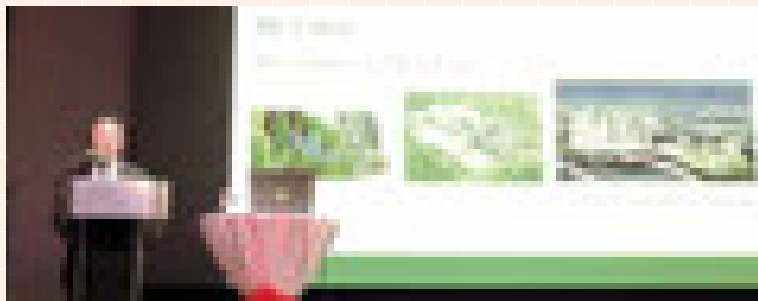


the briefing to update participants on the status of the listing exercise.

During the briefing, we explained to stakeholders that MCT's listing was done via a RTO of GW Plastics Holdings Berhad which acquired MCT Consortium Berhad. We also shared details of the book-building exercise with the

briefing participants. The book-building exercise received strong endorsements from blue-chip investors with approximately two-thirds of the book covered by anchor investors.

To further educate and promote awareness about the MCT listing, roadshows were held in



IMKL was also an invaluable
**OPPORTUNITY FOR US TO BUILD
RELATIONSHIPS AND BRIDGES.**

The IMKL platform
**SHOWCASES THE
DIVERSITY OF MALAYSIA'S
CAPITAL MARKET**
and highlights key Malaysian
companies that are set to
**DRIVE ECONOMIC
GROWTH WITHIN
THE ASEAN
MARKETPLACE.**

Kuala Lumpur, Penang and Johor, as well as cornerstone presentations in Singapore and Hong Kong. These efforts helped to ensure that the MCT brand was already known to potential investors upon the completion of the listing exercise.

**INVEST MALAYSIA
KUALA LUMPUR 2015,**

23 & 24 April 2015
Mandarin Oriental Hotel,
Kuala Lumpur

MCT participated in the 2015 edition of Bursa Malaysia's Invest Malaysia Kuala Lumpur (IMKL), which is organised annually for the global investing audience. The IMKL platform showcases the diversity of Malaysia's capital market and highlights key Malaysian companies that are set to drive economic growth within the ASEAN marketplace.



As MCT strives to become one of the leading property counters in the country, we made a decision to take this opportunity to introduce ourselves to potential investors and to update shareholders on the status of our listing exercise. IMKL was also an invaluable opportunity for us to build relationships and

bridges with C-suite officers from leading Malaysian public listed companies, and to be exposed to key developments within both local and regional capital markets.



SERVING THE WORKPLACE

**WE ARE
COMMITTED
TO HELPING
OUR STAFF
REACH
THEIR FULL
POTENTIAL
DURING THEIR
TIME WITH US.**

MCT BERHAD ANNUAL DINNER 2015,

30 January 2015
Grand Ballroom,
The Place@One City

MCT believes that its employees are among its most important assets, and we make special efforts to help them feel valued and appreciated within our organisation. Our annual dinner is a yearly event designed to help us achieve these ends and also allows us to thank and reward our staff for their hard work and commitment throughout the year.



We are committed to helping our staff reach their full potential during their time with us, and this ideal was reflected in our 2015 annual dinner theme "Shine Bright Like a Diamond". The dinner was held at the Grand Ballroom for the first time this past year.

EMPLOYEE BRIEFING ON MCT'S LISTING,

6 April 2015
Grand Ballroom,
The Place@One City

To help our employees prepare for the transitions that come along with becoming a public listed entity, MCT held a briefing

“We believe that the recreational opportunities provided by our wellness programme help boost morale.”

for its employees to help prepare them for the future plans and movements of the company. Management also held a dinner for the employees to celebrate the occasion and to foment closer staffing relationships in anticipation of the new chapter in the company's evolution.

EMPLOYEE WELLNESS PROGRAMME

MCT hosts a year-round Employee Wellness Programme offering a host of benefits and events for MCT staff. The programme is part of MCT's commitment to its staff to ensure that they have opportunities to improve both body and mind. We believe that the recreational opportunities provided by our wellness programme help boost morale while improving

the health and fitness of our staff, thereby improving job satisfaction and productivity levels.

The wellness programme is open to all staff and includes the following benefits:

- Free access to fitness centre E-fitness at Level 2, Sky Park@One City. Classes offered at E-fitness include yoga, zumba, belly dance, cardio dance, E-hit, fit ball, weight aero and hi lo.
- A Badminton Club for employees comprising training and practice sessions at the USJ Twenty Three Arena Sport, which is located near MCT's head office. MCT also sponsors an annual badminton competition open to all its staff.



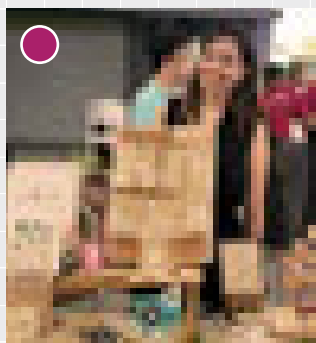
CALENDER OF EVENTS

A photograph of a business meeting. Five people in professional attire are gathered around a large digital display. One woman on the right is pointing at the screen, which shows a complex data visualization with various colored bars and lines. The setting appears to be a modern office or conference room with wood-paneled walls.

**MCT BERHAD HOSTED AND
ORGANISED A NUMBER OF
EVENTS THROUGHOUT THE YEAR
FOR OUR STAKEHOLDERS WITHIN
THE COMMUNITIES WHERE WE
OPERATE.**

CALENDER OF EVENTS

THESE EVENTS WERE BOTH RECREATIONAL AND DESIGNED TO ACT AS A COMMUNAL GATHERING POINT TO HELP US BETTER ENGAGE WITH AND SERVE OUR COMMUNITIES. THE FOLLOWING IS A LIST OF THE EVENTS HELD IN THE LAST FINANCIAL YEAR.



ZZ MARKET

Date: Regularly, every third Sunday of the month

Location: West Garden Boulevard, One City

ZZ Market is both a marketplace and a platform for young entrepreneurs and performers within our communities. The Market accords them space to display and sell their crafts and to stage their performances.



VDAY CHALLENGE 2015

Date: 14 February 2015

Location: Grand Ballroom, One City

In recognition of Valentine's Day, we held a special candlelit dinner for 100 couples who enjoyed a romantic evening out at our Grand Ballroom.

MCT BERHAD CHINESE NEW YEAR OPEN HOUSE 2015

Date: 28 February 2015

Location: East Garden Boulevard, One City

To celebrate the new lunar year, MCT held an open house at One City which saw a number of traditional performances including lion dances. Both local and Hong Kong celebrities were on hand to play games with attendees and to give away goodies to the crowd. Attendees were also treated to a fireworks display in the evening.



CALENDER OF EVENTS



MODEL OF THE WORLD MALAYSIA

Date: 21 March 2015

Location: Grand Ballroom, One City

The Model of the World Malaysia beauty pageant was held at the Grand Ballroom, One City where local beauty talents competed to become winners of several pageant categories. As a key sponsor of the event, One City was entitled to appoint one of the winners as the face of our development.

MISS MALAYSIA CHARITY NIGHT

Date: 3 April 2015

Location: Grand Ballroom, One City

MCT held a charity dinner where all past Miss Malaysia winners were invited to participate in a live musical performance. Proceeds from the event were donated to charity.

MCT'S LISTING DAY

Date: 6 April 2015
Location: Listing Gallery, Bursa
Malaysia

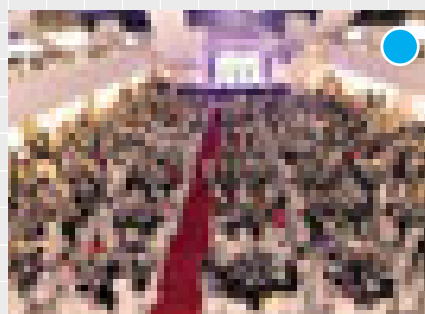
MCT successfully completed its listing on the Main Market of Bursa Malaysia on 6 April 2015 following the completion of the RTO exercise. The book-building for the placement of the shares received strong endorsement from blue-chip investors with approximately two-thirds of the book covered by anchor investors. The formal listing of MCT at Bursa Malaysia's listing gallery was witnessed by MCT's directors, business partners and employees as well as analysts and the media.



LAKEFRONT CALDESIA OFFICIAL LAUNCH

Date: 12 April 2015
Location: The Place, One City

The launch of Caldesia Tower at Lakefront Residence was warmly received by potential homebuyers who were also treated to a gala lunch. Over 80% of the units on offer during the launch were snapped up during the launch event.



CALENDER OF EVENTS



CYBERSOUTH GREENCASA OFFICIAL LAUNCH

Date: 25 to 26 April 2015

Location: MCT Sales Gallery, One City

MCT Berhad launched the first phase of its Cybersouth development, Greencasa, at its sales gallery in One City. Greencasa was inspired by nature and developed with ecological ideals in mind including a dedicated central park and a resident clubhouse. The launch was designed to introduce the new property to potential homeowners, and received good response with 418 units booked during the launch event.

LIFE IS BEAUTIFUL 2015

Date: 1 to 10 May 2015

Location: The Place, One City

The book fair saw strong attendance from the reading public. Authors and speakers, both local and international, were also in attendance to talk about their craft.

LAKEFRONT CALDESIA SALES AND PURCHASE AGREEMENT (SPA) SIGNING

Date: 30 May 2015

Location: The Place, One City

MCT Berhad decided to turn the signing of the SPA with house buyers into an unforgettable event in appreciation of their support of our products. House buyers were provided with lunch and treated to a live band and musical performance, as well as a fashion show. Homebuyers were also given vouchers to thank them for their attendance. Prior to the SPA event, members from the sales and marketing team conducted educational and awareness campaigns in Cyberjaya to promote the MCT brand.



STATEMENT ON CORPORATE GOVERNANCE

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("the Board") of MCT Berhad (formerly known as GW Plastics Holdings berhad) ("MCT" or "the Company") is committed to upholding good corporate governance practices in the Group's daily business operations with the objective of ensuring the long-term sustainability of its business and safeguarding the interests of the shareholders and other stakeholders.

This statement sets out the extent of compliance by the Company with the principles and recommendations of the Malaysian Code on Corporate Governance 2012 ("MCCG") and the Main Market Listing Requirements of Bursa Malaysia for the financial period ended 30 June 2015.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

The Board has established clear functions reserved for the Board and those delegated to Management. These functions have been clearly described and understood by both parties to ensure accountability.

The role of the Chairman, Executive Deputy Chairman and the Chief Executive Officer ("CEO") are separated with each having a clear scope of duties and responsibilities. The Chairman is responsible for ensuring the Board's effectiveness and conduct whilst the Executive Deputy Chairman and the CEO are responsible for operations and implementation of Board policies, strategies and decisions.

The Management is responsible for the day to day management of financial and operational matters in accordance with the strategic direction approved by the Board.

Clear roles and responsibilities

The roles and responsibilities of the Board are clearly set out in the Board Charter. As the Board is entrusted with the role of safeguarding the interests of shareholders and building sustainability in the Company'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:

- reviewing and adopting strategic plans, business direction and policies;
- reviewing the adequacy and integrity of the internal control systems and risk management framework and policy;
- adopting succession planning policies;
- adopting an investors relations programme; and
- reviewing financial performance and annual budget.

The Board has established and assigned specific responsibilities to three (3) Board Committees of the Board which are entrusted with specific responsibilities to oversee the Group's affairs, in accordance with their respective clearly defined written terms of reference. The Board reviews the Board Committees' authority and terms of reference from time to time to ensure their relevance. These Board Committees are responsible for examining particular issues within clearly defined terms of reference and reporting back to the Board with their recommendations.

STATEMENT ON CORPORATE GOVERNANCE

The Board Committees are:

- Audit and Risk Management Committee (“ARMC”);
- Remuneration Committee (“RC”); and
- Nomination Committee (“NC”).

The minutes of Board Committee meetings and circular resolutions passed are presented to the Board for information. The Chairman of the relevant Board Committees will also report to the Board on the key issues deliberated on by the Board Committees at their meetings.

Code of Ethics

The Group is committed to upholding good corporate governance practices; thus, every Director is expected to observe the Code of Ethics issued by the Companies Commission of Malaysia. The Company has also issued a business Code of Ethics (“the Code”) that applies to all senior Management and managers (“Executives”) of the Group. The Code sets out the standards of business conduct and ethical behaviour, such as integrity, dealing with conflict of interest, proper use of Group’s assets, compliance with all applicable laws, rules and regulations of the relevant regulatory/governmental authorities, confidentiality, fairness, etc. for all Executives in the performance and exercise of their responsibilities as Executives.

The Board has appointed an Independent Non-Executive Director as the Senior Independent Non-Executive Director. He will act as a designated contact to whom executives’ or employees’ concerns and queries may be raised. All employees are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way. The details and procedure on reporting and enforcement are stipulated in the Whistle-Blowing Policy.

Supply of information

The agenda and Board Papers for each Board meeting are circulated to all Directors in advance to enable Directors to request additional information or seek clarification, where necessary.

The Directors have direct access to senior Management 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.

The Directors have full and unrestricted access to the advice and dedicated support services of the Company Secretaries appointed by the Board. The Company Secretaries, who are qualified and experienced, advise the Board on procedural and regulatory requirements by ensuring the Board adheres to the board policies, procedures and regulatory requirements in carrying out its roles and responsibilities effectively.

Board Charter

The Board has adopted a Board Charter to provide guidance and clarity on the Board’s roles and responsibility as well as the relationship between the Board and shareholders, the different committees established by the Board, the Chairman, Executive Deputy Chairman, CEO and Independent Non-Executive Directors. The Board will review the Board Charter where necessary to ensure it remains consistent with the Board’s objectives and practice.

PRINCIPLE 2: STRENGTHEN COMPOSITION

Board Composition

During the financial period under review, the Board consisted of five (5) members, comprising one (1) Executive Director and four (4) Non-Executive Directors (including Chairman) of whom two (2) are independent. Subsequent to the completion of the RTO, all the abovementioned Directors resigned from the Board on 3 April 2015 except the CEO (re-designated as Executive Director). The new Directors appointed are set out below:

(a) Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor;	1 April 2015
(b) Tan Sri Dato' Sri Goh Ming Choon;	1 April 2015
(c) Dato' Sri Tong Seech Wi;	1 April 2015
(d) Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng;	1 April 2015
(e) Dato' Goh Hin San;	1 April 2015
(f) Bernard Vincent Olmedo Dy; and	3 April 2015
(g) Anna Maria Margarita Bautista Dy.	7 May 2015

The new Board consists of eight (8) members of whom three (3) are Executive Directors and five (5) are Non-Executive Directors. Three (3) of the Non-Executive Directors are Independent Directors (including the Chairman). Thus the requirement under paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia ("Main LR") that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent Directors, is fulfilled.

The Board is composed of members with experience in business, economics, construction 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. A brief description on the background of each Director is presented in this Annual Report.

Board Meetings

There were eleven (11) Board meetings convened during the financial period ended 30 June 2015 as the Company went through the RTO exercise and listed on the Main Market of Bursa Malaysia on 6 April 2015. Moving forward, the Board is to have at least four (4) scheduled quarterly meetings with additional meetings to be convened when necessary.

STATEMENT ON CORPORATE GOVERNANCE

The attendance of the Directors at the Board meetings are as follows:

Name of Director	Date of Appointment/ Resignation	Attendance
Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor	Appointed on 1 April 2015	3/3
Tan Sri Dato' Sri Goh Ming Choon	Appointed on 1 April 2015	3/3
Dato' Sri Tong Seech Wi	Appointed on 1 April 2015	3/3
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	Appointed on 1 April 2015	3/3
Datuk Lim Kok Boon	Re-designated as Executive Director on 3 April 2015	11/11
Dato' Goh Hin San	Appointed on 1 April 2015	3/3
Bernard Vincent Olmedo Dy	Appointed on 3 April 2015	3/3
Anna Maria Margarita Bautista Dy	Appointed on 7 May 2015	2/2
Tan Sri Datuk Dr Haji Omar bin Abdul Rahman	Resigned on 3 April 2015	9/9
Yeoh Soo Ann	Resigned on 3 April 2015	9/9
Abang Ariffin bin Abang Bohan	Resigned on 3 April 2015	8/9
Dato' Chew Kong Seng	Resigned on 24 February 2014	2/2

Retirement of Directors

In accordance with the Company's Articles of Association, at least one-third (1/3) of the Directors shall retire at the Annual General Meeting ("AGM"), and be eligible for re-election provided that all Directors shall retire at least once in every three (3) years. Directors who are appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following their appointment.

The following Directors who were appointed since the date of the last AGM retire at the forthcoming Sixth AGM of the Company pursuant to Article 88 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

- (a) Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor;
- (b) Tan Sri Dato' Sri Goh Ming Choon;
- (c) Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng;
- (d) Dato' Sri Tong Seech Wi;
- (e) Dato' Goh Hin San;
- (f) Bernard Vincent Olmedo Dy; and
- (g) Anna Maria Margarita Bautista Dy.

Nomination Committee

The Board of MCT had on 3 April 2015 reconstituted the NC, which was first established by the Company when it was then known as GW Plastics Holdings Berhad on 12 August 2010.

The current NC comprises the following four (4) Non-Executive Directors, the majority of whom are Independent Directors:

Name	Designation
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	Chairman, Senior Independent Non-Executive Director
Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor	Member, Independent Non-Executive Chairman
Dato' Goh Hin San	Member, Independent Non-Executive Director
Bernard Vincent Olmedo Dy	Member, Non-Independent Non-Executive Director

The role of the NC is to ensure that the Board comprises Directors with an appropriate mix of responsibilities, skills and experience, as well as to ensure a proper balance between Executive Directors and Independent Non-Executive Directors.

The duties and responsibilities of the NC are as follows:-

- (a) identifying and recommending new nominees to the Board as well as committees of the Board of MCT and its subsidiaries;
- (b) reviewing on an annual basis the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board and to assess the effectiveness of the Board as a whole, the Committees of the Board, and the contribution of each individual Director. In the event of Independent Director(s) who are retained beyond nine years, the NC should conduct an assessment of the Independent Director(s) and recommend to the Board whether the Director should remain as independent or be re-designated;
- (c) recommending to the Board the re-election of Directors retiring in accordance with the provisions of the Company's Articles of Association, for approval by shareholders.

As all the current Directors were only appointed to the Board during the financial period ended 30 June 2015, the NC considers that it would be too early to undertake any formal assessment of the performance of the individual Directors or of the Board Committees, as well as of the independence of the Independent Non-Executive Directors.

STATEMENT ON CORPORATE GOVERNANCE

The Board recognises the need for gender diversity among its Directors and the NC has taken steps to seek female candidates as new nominees.

The following activities were carried out by the NC during the financial period under review:

- (a) reviewed and evaluated the skill, experience and competency of each Director including the CEO, the effectiveness of the Board as a whole and the Committees of the Board prior to the RTO exercise.
- (b) recommended the re-election of Directors retiring at the forthcoming Annual General Meeting.
- (c) recommended the appointment of new Director.

Remuneration Committee

The Board had on 3 April 2015, reconstituted the RC, which was first established by the Company when it was then known as GW Plastics Holdings Berhad on 12 August 2010. The Board recognises that levels of remuneration must be sufficient to attract, retain and motivate the Directors with the quality required to manage the business of the Group and to align the interest of the Directors with those of the shareholders.

The current RC comprises the following four (4) Non-Executive Directors, the majority of whom are Independent Directors:

Name	Designation
Dato' Goh Hin San	Chairman, Independent Non-Executive Director
Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor	Member, Independent Non-Executive Chairman
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	Member, Senior Independent Non-Executive Director
Bernard Vincent Olmedo Dy	Member, Non-Independent Non-Executive Director

The functions of the RC are as follows:

- (a) The RC is responsible for developing the remuneration policy and determining the remuneration packages of the Executive Deputy Chairman, CEO and Executive Director of MCT and for ensuring that the remuneration policy supports the Group's objectives.
- (b) The RC shall propose the remuneration and terms and conditions of service of the Executive Deputy Chairman, CEO and the Executive Director.
- (c) The RC shall recommend to the Board the fees for the Non-Executive Directors to ensure that the level of fees for the Non-Executive Directors are commensurate with the level of responsibilities undertaken and contributions to the effective functioning of the Board.
- (d) The RC shall review and keep abreast of the fees for the Board Committees to ensure that they are commensurate with the scope of responsibilities held and recommend changes to the Board where necessary.

Directors' Remuneration

The range of remuneration received by Directors who held office at the end of the financial period ended 30 June 2015 is set out as below:

Component	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Fees	-	282,417	282,417
Salary & emoluments	1,313,934	-	1,313,934
Allowances	-	24,500	24,500
Benefit-in-kind	30,333	-	30,333
Total	1,344,267	306,917	1,651,184

Number of Directors whose remuneration falls into the following bands:

Range of remuneration	Number of Directors	
	Executive	Non-Executive
RM100,000 and below	-	5
RM100,001 to RM200,000	-	-
RM200,001 to RM300,000	1	-
RM300,001 to RM400,000	-	-
RM400,001 to RM500,000	1	-
RM500,001 to RM600,000	1	-

PRINCIPLE 3: REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board has set out policies and procedures to ensure the effectiveness of the Independent Non-Executive Directors. The Board assesses the independence of the Independent Non-Executive Directors annually, taking into account the individual Directors' ability to exercise independent judgement at all times.

Tenure of Independent Directors

With the appointment of the new members of the Board from 3 April 2015, the Independent Directors currently make up 37.5% of the composition of the Board after the RTO exercise. Hence, the composition of the Board fulfils the prescribed requirement that one-third (1/3) of the number of Directors on the Board be independent. The purpose of appointing Independent Directors is to ensure that the Board includes Directors who can effectively exercise their independent and objective judgement during the Board's deliberations and during decision-making of the Board and the Committees.

In the event that Independent Director(s) are retained beyond nine years, the NC will conduct an assessment of the Independent Director(s) and recommend to the Board whether the Director(s) should remain as independent or be re-designated.

STATEMENT ON CORPORATE GOVERNANCE

Chairman/Executive Deputy Chairman/CEO

The roles of the Chairman, Executive Deputy Chairman and CEO are undertaken by separate persons. The Chairman is an Independent Non-Executive Director.

PRINCIPLE 4: FOSTER COMMITMENT

Directors' Training

All newly appointed Directors have attended and successfully completed the Mandatory Accreditation Programme as specified by Bursa Malaysia.

Every Director of the Company undergoes continuous training as an ongoing process to equip himself/herself to effectively discharge his/her duties as a Director. For that purpose, he/she ensures that he/she attends such training programmes to continually develop and update himself/herself from time to time. The Company also provides induction programme for new members of the Board, to ensure that they have a comprehensive understanding of the operations of the Group and the Company.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

The Board, which is 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 Malaysia.

The Directors are responsible for ensuring that the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia which gives a true and fair view of the Group and of 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.

Assessment of Suitability and Independence of External Auditors

The ARMC undertakes an annual assessment of the suitability and independence of the external auditors. The ARMC meets with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. At least one of these meetings is held without the presence of the Executive Directors and Management.

PRINCIPLES 6: RECOGNISE AND MANAGE RISK

Sound risk management framework

The Board has implemented an internal control system and full details of this system are set out in the Statement on Risk Management and Internal Control in this Annual Report.

Internal Audit Function

The Internal Audit Department continues to undertake regular and systematic review of the Group's internal controls to provide and assist the ARMC, the Board and the Management with reasonable sufficient assurance that the system of internal controls is effective in addressing the risks identified and to improve the Group's operational efficiency. The internal audit function is independent of Management and has full access to all the Group's entities, records and personnel. The scope, activities and cost of the Company's internal audit function are reported in the Report of the ARMC and the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Company values the importance of dissemination of 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 <http://www.mct.com.my> serves as one 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.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The AGM is the principal forum 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.

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode of shareholder communication. This includes the supply of comprehensive and timely information to shareholders and encouraging active participation at the general meetings.

All resolutions set out in the Notice of the AGM are put to vote by a show of hands. In the future, the Company shall endeavour, wherever possible, to put to vote resolutions at the AGM by poll, if required, including highlighting to the shareholders their right to demand a poll at the commencement of the AGM.

This Statement is made in accordance with the resolution of the Board dated 17 November 2015.

ADDITIONAL COMPLIANCE INFORMATION

Additional Compliance Information

1. Utilisation of proceeds raised from the Regularisation Plan

The status of utilisation of proceeds from the Regularisation Plan during the financial period ended 30 June 2015 is as follows:

No.	Detail of utilisation	Proposed utilisation RM'000	Amount utilised RM'000	Balance RM'000	Expecting Time frame for utilisation
1	Capital expenditure				
	(i) Development costs for property development projects	64,128	10,014	54,114	Within 24 months
	(ii) Development of investment properties	166,656	21,578	145,078	Within 24 months
2	Repayment of bank borrowings	120,192	94,101	26,091	immediate
3	General working capital	20,352	3,473	16,879	Within 24 months
4	Estimated expenses in relation to the Regularisation Plan	12,672	7,763	4,909	immediate
	Total gross proceeds	384,000	136,929	247,071	

2. Share Buy-backs

The Company did not carry out any share buy-back during the financial period ended 30 June 2015.

3. Options, Warrants or Convertible Securities

There were no options and warrants issued or exercised during the financial period ended 30 June 2015.

During the financial period ended 30 June 2015, the Company issued 122,218,357 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a nominal value of 36 months zero coupon pursuant to the completion of the Regularisation Plan.

4. Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on the Company and its Group, Directors or Management by the regulatory bodies during the financial period ended 30 June 2015.

5. Non-Audit Fees

The non-audit fees to the External Auditors during the financial period ended 30 June 2015 was RM644,000.00.

6. Variation in results

There was no material variation in the Audited Financial Statements for the financial period ended 30 June 2015 contained in this Annual Report as compared with the unaudited consolidated results of the Group for the financial period ended 30 June 2015 which was announced to Bursa Malaysia.

7. Profit Guarantee

The Company did not provide any form of profit guarantee to any parties during the financial period ended 30 June 2015.

8. Material contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and the Group, which involve the interest of Directors and major shareholders of the Company during the financial period ended 30 June 2015.

9. Recurrent Related Party Transactions (“RRPT”) of revenue or Trading nature:

The Company did not enter into any RRPT which requires the shareholders' mandate during the financial period ended 30 June 2015.

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

The Directors are responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the financial results and cashflow of the Group and the Company for that year then ended.

In preparing the financial statements, 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 Company and the Group maintain accounting records which disclose with reasonable accuracy the financial position of the Company and the Group. These financial records are used to ensure that the financial statements of the Group and the Company are compliant with the Act, the Main LR and the applicable Malaysian Accounting Standards Board Approved Accounting Standards.

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 to detect and prevent fraud and other irregularities.

The financial statements of the Company and the Group for the financial period ended 30 June 2015 are set out in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of MCT is committed to nurture and maintain sound risk management processes and systems of internal control throughout its group of companies.

The Board's Statement on Risk Management and Internal Control ("the Statement") featuring the Group's risk management process and its state of internal control is outlined as follows.

The Statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Recommendation 6.1 for Principle 6 of the Malaysian Code on Corporate Governance 2012.

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 ensures 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 to achieve business objectives and therefore can provide only reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Board confirms that the Group has in place an on-going risk management process for identifying, evaluating, monitoring and managing the significant risks, which are affecting the achievement of the Group's business objectives.

The management identifies, evaluates, monitors and manages significant risks through regular management meetings.

The Group is in the process of setting up an in-house risk management function to assist the management and the Board in identifying, evaluating, monitoring and managing risks.

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:

- (1) Group's policies and procedures, which set out guidelines and the expected standards for the Group's operations are under regular reviews and updates so as to maintain their effectiveness at all times.
- (2) Periodical and/or annual budgeting and target setting and review system for every operation of the Group. Analysis, data comparison and reporting of variances against targets are presented in the Group's various management meetings, which provide the framework for monitoring and controlling mechanism.
- (3) Submission of regular, timely and comprehensive flow of information/ reports to the Board and management on all aspects of the Group's operations to facilitate the monitoring of performance against strategic plans.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- (4) Clearly defined organisation structure of the various departments with defined delegation of responsibilities and accountability.
- (5) Setting out the decision that needs to be taken and the appropriate approving authority at various levels of the management including matters that require Board's approvals.
- (6) Setting up monetary limits to the various levels of delegated authority in order to minimise the risk of unauthorised transactions.
- (7) 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.
- (8) Continuous training and development programmes covering all levels of the Group's employees to ensure and to maintain the competency and efficiency of the employees.
- (9) Undertakes the compliance review functions to ensure adherence to rules and regulations laid down by the various regulators and authorities.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Company for the year ended 30 June 2015 and reported to the Board that nothing have come to their attention that caused them to believe that this statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of the risk management process and internal control systems of the Group.

THE BOARD'S CONCLUSION

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 year under review and up to the date of issuance of the financial statements, are effective and adequate to safeguard the shareholders' investment, the interests of regulators and employees.

The Board has also received reasonable assurance from the Chief Executive Officer and the Chief Financial Officer, who is primarily responsible for the financial management, 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.

This statement does not include the state of internal control in any of the associated companies and was made in accordance with a resolution of the Board dated 17 November 2015.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of MCT is pleased to present the report of the ARMC and its activities for the financial period ended 30 June 2015.

MEMBERSHIPS AND MEETINGS

The Company was listed on the Main Market of Bursa Malaysia on 6 April 2015 following the completion of the RTO of GW Plastics Holdings Berhad through the acquisition of MCT Consortium Berhad. A total of 2 ARMC meetings were held before and after the RTO exercise during the financial period under review. Details of the compositions of the ARMC and the attendance by each of the members are set out below:

The ARMC who served during the financial period ended 30 June 2015 prior to the completion of the RTO exercise are set out below:

Name	Designation	Attendance
Dato' Chew Kong Seng ⁽¹⁾	Chairman, Independent Non-Executive Director	1/1
Tan Sri Datuk Dr Haji Omar bin Abdul Rahman ⁽²⁾	Member, Senior Independent Non-Executive Director	1/1
Abang Ariffin bin Abang Bohan ⁽³⁾	Member, Non-Independent Non-Executive Director	1/1

Note:

- ⁽¹⁾ Resigned as the Chairman of the ARMC on 24 February 2014.
- ⁽²⁾ Resigned as a member of the ARMC on 3 April 2015.
- ⁽³⁾ Resigned as a members of the ARMC on 3 April 2015.

On 3 April 2015, the new members of the ARMC were appointed.

The current members of the ARMC after the RTO exercise are as follows:

Name	Designation	Attendance
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng ⁽¹⁾	Chairman, Senior Independent Non-Executive Director	1/1
Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor ⁽²⁾	Member, Independent Non-Executive Director	1/1
Dato' Goh Hin San ⁽³⁾	Member, Independent Non-Executive Director	1/1
Bernard Vincent Olmedo Dy ⁽⁴⁾	Member, Non-Independent Non-Executive Director	1/1
Anna Maria Margarita Bautista Dy ⁽⁵⁾	Member, Non-Independent Non-Executive Director	0/0

Note:

- ⁽¹⁾ Appointed as the Chairman of the ARMC on 3 April 2015.
- ⁽²⁾ Appointed as a member of the ARMC on 3 April 2015.
- ⁽³⁾ Appointed as a member of the ARMC on 3 April 2015.
- ⁽⁴⁾ Appointed as a member of the ARMC on 6 April 2015 but resigned on 7 May 2015.
- ⁽⁵⁾ Appointed as a member of the ARMC on 7 May 2015.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The current composition of the ARMC complies with Paragraph 15.09 of the Main LR of the Bursa Malaysia.

COMPOSITIONS AND TERMS OF REFERENCE

1. Composition of Audit and Risk Management Committee

1.1 Membership

- (a) The ARMC shall be appointed by the Board from amongst them and shall comprise no fewer than 3 members.
- (b) All members of the ARMC shall be non-executive directors, of whom a majority shall be independent directors and at least one member of the ARMC:
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and:
 - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - (iii) fulfills such other requirements as may be prescribed or approved by Bursa Malaysia.
- (c) No alternate director shall be appointed as a member of the ARMC.
- (d) In the event of any vacancy in the ARMC resulting in the number of members being reduced to less than three, the vacancy shall be filled within 3 months.
- (e) The board must review the term of office and performance of the ARMC and each of its members at least once every 3 years to determine whether the ARMC and members have carried out their duties in accordance with their terms of reference.

1.2 Chairman

The members of the ARMC shall elect a Chairman from amongst them who shall be an Independent Director.

2. Duties and Functions

The duties and functions of the ARMC are as follows:-

- (a) to review the following and report the same to the Board:-
 - (i) the audit plan, audit report and the evaluation of the system of internal controls with the external auditor;
 - (ii) the assistance given by the employees of the Company to the external auditor;
 - (iii) the adequacy of the scope, functions, competency and resources of the internal audit function, which reports directly to the ARMC and that it has the necessary authority to carry out its work;
 - (iv) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (v) the quarterly results and year end financial statements prior to the approval by the Board of directors, focusing particularly on the changes in or implementation of major accounting policy changes, significant and unusual events, the going concern assumption and compliance with accounting standards and other legal requirements;
 - (vi) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (b) to consider the major findings of internal investigations and management's response;
- (c) to discuss problems and reservations arising from audits and any matter the external auditor may wish to discuss (in the absence of the management where necessary);
- (d) to consider the nomination and appointment of the external auditor and review any letter of resignation from the external auditor, assess their suitability and independence whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment;
- (e) to report to Bursa Malaysia promptly any matter reported by the ARMC to the Board which was not satisfactorily resolved resulting in a breach of the Listing Requirements; and
- (f) to consider any other topics as defined by the Board.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

3. Rights

Whenever necessary and reasonable for the performance of its duties, the ARMC shall, in accordance with a procedure to be determined by the directors and at the cost of the Company:-

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company and the Group;
- (d) have direct communication channels with the external auditors and persons carrying out the internal audit function or activity;
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

4. Meetings and Reporting Procedures

- (a) The ARMC shall hold at least 4 meetings per year.
- (b) The quorum shall be a majority of independent directors.
- (c) The internal auditor shall attend ARMC meetings to present and discuss audit reports and other relevant matters and the recommendations relating thereto and to follow up on all relevant decisions made. Other directors and employees may attend any ARMC meeting at the ARMC's invitation.
- (d) At the request of the external auditor, the Chairman shall convene a meeting of the ARMC to consider any matter which the external auditor believes should be brought to the attention of the Board or shareholders.
- (e) The ARMC shall meet with the external auditors without executive board members present, whenever it deems necessary.
- (f) The Secretary of MCT shall be the Secretary of the ARMC.
- (g) The Minutes of the ARMC Meetings are to be extended to the Board.

SUMMARY ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year under review, the ARMC carried out the following activities:

- (a) Reviewed the quarterly financial reports before they were presented to the Board for approval.
- (b) Reviewed the year-end financial statements of the 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, their audit plan covering the audit objectives and approach, key audit areas and the relevant accounting standards issued by the Malaysian Accounting Standard Board and other relevant technical pronouncements that are relevant to the Group.
- (d) Reviewed with the external auditors, their audit report and findings on financial reporting matters, and reported such matters to the Board.
- (e) Evaluated the performance of the external auditors and made recommendations to the Board on their re-appointment and audit fee.
- (f) Reviewed the internal auditors' annual audit plan to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas.
- (g) Reviewed the internal auditors' observations, recommendations for improvements and management's response thereto. Reported major findings to the Board and made recommendations to the Board for consideration and approval based on the internal audit reports.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group has set up an in-house Internal Audit Department ("IAD") which reports to the ARMC. The responsibility of the internal audit function is to provide independent, objective assurance and consulting services designed to add value, improve the Group's operational efficiency, risk management and internal control systems.

The role of the IAD is to assist the Board, the ARMC and the Management in the effective discharge of their responsibilities in establishing and maintaining effective controls, risk management systems and governance processes.

The IAD shall be accountable to the ARMC to prepare and implement risk based audit plans according to best practices and report the results to the ARMC periodically. In addition, the IAD shall provide risk management services to the Management and maintain adequate competent manpower at all times.

During the financial year under review, the IAD has carried out assignments on the following areas, of which the findings were reported to the ARMC:

- (i) prepared the annual internal audit plan and internal audit charter for the review and approval of the ARMC;
- (ii) undertook the investigation on significant issues as requested by the Management;
- (iii) reviewed current construction projects in relation to the consumption of building materials;
- (iv) reviewed internal controls on food costs of F&B outlets and sales & sales admin activities of property development projects.

In addition, the IAD assisted the Management in preparation of the policy and procedure for the purchase of mechanical and electrical products for construction projects.

The total cost incurred for the internal audit function of the Group for the financial period under review was RM155,071.00.

This ARMC Report is made in accordance with the resolution of the Board dated 17 November 2015.

Financial Statements

- 66. Directors' Report
- 72. Independent Auditors' Report
- 74. Statements of Profit or Loss and Other Comprehensive Income
- 75. Statements of Financial Position
- 77. Statements of Changes in Equity
- 80. Statements of Cash Flows
- 83. Notes to the Financial Statements
- 152. Supplementary Information
- 153. Statement by Directors
- 153. Declaration by the Officer Primarily Responsible
for the Financial Management of the Company

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors of **MCT BERHAD** (formerly known as GW Plastics Holdings Berhad) have pleasure in submitting their report and the audited financial statements of the Group for the year ended 30 June 2015 and of the Company for the period 1 January 2014 to 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiaries are as disclosed in Note 15 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and of its subsidiaries during the financial year/period other than as disclosed in Note 2 to the Financial Statements.

SIGNIFICANT CORPORATE EVENTS

Significant corporate events during the financial year/period are disclosed in Note 2 to the Financial Statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year/period are as follows:

	The Group	The Company
	RM	RM
Profit before tax	94,957,990	27,220,936
Income tax expense	(31,402,606)	(5,897)
Profit for the year/period	63,555,384	27,215,039

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year/period have not been substantially affected by any item, transaction or event of a material and unusual nature other than the transactions as disclosed under Significant Corporate Events in Note 2 to the Financial Statements.

DIVIDENDS

A first interim single tier dividend of RM0.008 per ordinary share on 235,625,000 ordinary shares of RM0.01 each, amounting to RM1,885,000 in respect of the current financial year/period was declared and paid on 8 April 2015.

A second interim single tier dividend of RM0.02 per ordinary share on 1,334,777,114 ordinary shares of RM1.00 each, amounting to RM26,695,542 in respect of the current financial year/period was declared and paid on 9 October 2015.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year/period other than those disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

On 29 January 2014, the issued and paid-up share capital of the Company was increased from RM117,812,500 to RM146,087,500 by way of bonus issue of 56,550,000 ordinary shares of RM0.50 each ("Bonus Shares"), on the basis of twenty-four (24) Bonus Shares for every one hundred (100) existing ordinary shares of RM0.50 each held ("Bonus Issue").

The Company had on 13 February 2014 completed the following:

- (a) the cancellation of all 56,550,000 Bonus Shares;
- (b) the cancellation of RM0.49 of the par value of every ordinary share of RM0.50 each resulting in the then existing ordinary share capital of the Company being comprised of ordinary shares of RM0.01 per share; and
- (c) capital repayments of RM143,731,250 on the basis of RM0.61 for every one (1) ordinary share of RM0.01 held.

In conjunction with the Regularisation Plan (as defined in Note 2 to the Financial Statements) undertaken by the Company, the Company completed the following:

- (a) the authorised share capital of the Company was increased from RM300,000,000 to RM2,500,000,000 by the creation of an additional 2,200,000,000 new ordinary shares of RM1.00 each;
- (b) Consolidation of the then existing issued and paid-up share capital of the Company comprising 235,625,000 ordinary shares of RM0.01 each into 2,356,245 new ordinary shares of RM1.00 each ("New Shares") on the basis where every 100 ordinary shares of RM0.01 each is consolidated into one New Share, with 5 New Shares disregarded as fractional shares; and

DIRECTORS' REPORT

ISSUE OF SHARES AND DEBENTURES (CONT'D.)

- (c) the issued and paid-up share capital of the Company was increased from RM2,356,245 comprising 2,356,245 New Shares to RM1,334,777,114 comprising 1,334,777,114 New Shares as follows:

	Share capital RM	Share premium RM
(i) Acquisition of MCT Consortium Bhd	1,032,420,869	-
(ii) Private Placement	146,300,400	40,964,112
(iii) Bumiputera Issue	153,699,600	43,035,888
	1,332,420,869	84,000,000

The resulting share premium has been credited to the share premium account.

The Company did not issue any debentures during the financial year/period.

ISSUE OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

In conjunction with the Regularisation Plan undertaken, the Company issued a nominal value of 36 months zero coupon irredeemable convertible unsecured loan stocks ("ICULS").

The salient terms of the ICULS are set out in Note 25 to the Financial Statements.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year/period to take up unissued shares of the Company.

No shares have been issued during the financial year/period by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year/period, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and the statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance for doubtful debts had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year/period which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year/period.

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/period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year/period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS' REPORT

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor (appointed on 1.4.2015)
Tan Sri Dato' Sri Goh Ming Choon (appointed on 1.4.2015)
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng (appointed on 1.4.2015)
Dato' Sri Tong Seech Wi (appointed on 1.4.2015)
Datuk Lim Kok Boon
Dato' Goh Hin San (appointed on 1.4.2015)
Bernard Vincent Olmedo Dy (appointed on 3.4.2015)
Anna Maria Margarita Bautista Dy (appointed on 7.5.2015)
Dato' Chew Kong Seng @ Chew Kong Huat (resigned on 24.2.2014)
Tan Sri Datuk Dr Haji Omar bin Abdul Rahman (resigned on 3.4.2015)
Dato' Seri Yeoh Soo Ann (resigned on 3.4.2015)
Abang Ariffin bin Abang Bohan (resigned on 3.4.2015)

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial period are as follows:

	Number of ordinary shares of RM1.00 each					
	Ordinary shares of RM0.50 each as of 1.1.2014	Ordinary shares of RM0.01 each arising from cancellation of RM0.49	Arising from Consolidation	Acquired/ Pursuant to the Regularisation Plan	Sold	As of 30.6.2015
The Company						
Direct interest						
Datuk Lim Kok Boon	14,465,000	14,465,000	144,650	227,975	-	372,625
Tan Sri Dato' Sri Goh Ming Choon	-	-	-	569,669,267	-	569,669,267
Dato' Sri Tong Seech Wi	-	-	-	306,744,990	-	306,744,990

By virtue of the above directors' interest in the shares of the Company, the abovementioned directors are also deemed to have an interest in the shares of all the subsidiaries to the extent that the Company has interest.

Other than as disclosed above, the other directors did not hold shares or have beneficial interest in shares of the Company or its related corporations during and at the end of the financial year/period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the Financial Statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, save and except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and its related companies and certain companies in which certain directors of the Company and/or its subsidiaries or persons connected with such directors have interests as disclosed in Note 36 to the Financial Statements.

During and at the end of the financial year/period, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors,

TAN SRI DATO' SRI GOH MING CHOON

Kuala Lumpur
23 October 2015

DATO' SRI TONG SEECH WI

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCT BERHAD

Report on the Financial Statements

We have audited the financial statements of **MCT BERHAD** (formerly known as GW Plastics Holdings Berhad), which comprise the statements of financial position of the Group and of the Company as of 30 June 2015 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the year then ended and of the Company for the period 1 January 2014 to 30 June 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 74 to 152.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of the financial performance and cash flows of the Group for the year then ended and of the Company for the period 1 January 2014 to 30 June 2015 in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCT BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

- (a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the Act;
- (b) we are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- (c) the auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 43 on page 152 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

The financial statements of the Company for the preceding financial year ended 31 December 2013 were audited by another firm of auditors whose auditors' report dated 18 February 2014 expressed an unmodified opinion.

DELOITTE
AF 0080
Chartered Accountants

HUANG KHEAN YEONG
Partner - 2993/05/16
Chartered Accountant

23 October 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2015 AND OF THE COMPANY FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2015

(With the comparative figures of the Company for the year ended 31 December 2013)

	Note	The Group		The Company	
		30 June 2015 (12 Months) RM	30 June 2014 (12 Months) RM	30 June 2015 (18 Months) RM	31 December 2013 (12 Months) RM
Revenue	6	619,666,111	308,253,712	38,324,328	-
Cost of sales	7	(419,656,905)	(223,313,070)	-	-
Gross profit		200,009,206	84,940,642	38,324,328	-
Other income		5,138,781	45,220,025	744,673	141,857,185
Selling and marketing expenses		(33,904,371)	(20,377,898)	-	-
Administrative expenses		(72,157,926)	(64,833,239)	(11,848,065)	(673,201)
Finance costs	8	(4,189,763)	(1,985,852)	-	-
Share of results of associate		62,063	22,304	-	-
Profit before tax	9	94,957,990	42,985,982	27,220,936	141,183,984
Income tax expense	10	(31,402,606)	(15,749,998)	(5,897)	(61,043)
Profit for the year/period		63,555,384	27,235,984	27,215,039	141,122,941
Other comprehensive income		-	-	-	-
Total comprehensive income for the year/period		63,555,384	27,235,984	27,215,039	141,122,941
Attributable to:					
Equity holders of the Company		63,559,792	27,235,984	27,215,039	141,122,941
Non-controlling interests		(4,408)	-	-	-
		63,555,384	27,235,984	27,215,039	141,122,941
Earnings per ordinary share attributable to owners of the Company (sen)					
Basic and diluted	11	5.75	2.63		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2015

	Note	The Group		The Company	
		30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	125,973,275	82,722,319	-	-
Investment properties	13	291,561,956	201,203,876	-	-
Land held for property development	14	34,179,900	32,544,917	-	-
Investment in subsidiaries	15	-	-	1,154,639,226	-
Investment in associate	16	-	2,985,955	-	-
Available-for-sale investments	17	237,961	331,549	-	-
Goodwill on consolidation	18	-	3,272,290	-	-
Total Non-Current Assets		451,953,092	323,060,906	1,154,639,226	-
Current Assets					
Inventories		443,488	138,271	-	-
Property development costs	19	155,152,055	78,653,271	-	-
Accrued billings		111,931,337	45,830,412	-	-
Amount due from contract customers	20	737,823	3,975,384	-	-
Trade receivables	21	38,596,985	57,280,990	-	-
Other receivables and prepaid expenses	22	18,300,728	129,234,297	9,412	1,094,069
Amount owing by subsidiaries	23	-	-	414,222,825	-
Tax recoverable		48,374	1,494,332	-	-
Deposits with licensed banks		225,638,934	16,967,227	36,909	150,243,351
Cash and bank balances		236,708,369	52,303,658	2,561,918	39,422
Total Current Assets		787,558,093	385,877,842	416,831,064	151,376,842
Total Assets		1,239,511,185	708,938,748	1,571,470,290	151,376,842

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2015

	Note	The Group		The Company	
		30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	1,334,777,114	18,600,000	1,334,777,114	117,812,500
ICULS	25	122,218,357	-	122,218,357	-
Reserves	26	(978,529,769)	-	84,096,954	28,371,954
Retained earnings	27	190,222,197	128,547,400	29,986,505	4,656,461
		668,687,899	147,147,400	1,571,078,930	150,840,915
Non-controlling interests		2,819,599	433	-	-
Total Equity		671,507,498	147,147,833	1,571,078,930	150,840,915
Non-Current Liabilities					
Borrowings	28	186,384,668	151,206,439	-	-
Hire-purchase payables	29	7,021,693	3,521,805	-	-
Deferred tax liabilities	30	1,853,761	-	-	-
Total Non-Current Liabilities		195,260,122	154,728,244	-	-
Current Liabilities					
Progress billings		139,229	26,679,784	-	-
Amount due to contract customers	20	12,776,046	-	-	-
Trade payables	31	195,863,549	168,195,651	-	-
Other payables and accrued expenses	32	108,408,332	140,452,588	391,360	532,700
Borrowings	28	19,575,788	31,671,149	-	-
Hire-purchase payables	29	3,252,126	2,166,495	-	-
Tax liabilities		32,728,495	37,897,004	-	3,227
Total Current Liabilities		372,743,565	407,062,671	-	535,927
Total Liabilities		568,003,687	561,790,915	391,360	535,927
Total Equity and Liabilities		1,239,511,185	708,938,748	1,571,470,290	151,376,842

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2015 AND OF THE COMPANY FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2015

(With the comparative figures for the year ended 31 December 2013)

The Group	Share capital RM	Distributable reserve – Retained earnings RM	Attributable to equity holders of the Company RM	Non- controlling interests RM	Total equity RM
As of 1 January 2013	18,600,000	101,311,416	119,911,416	433	119,911,849
Total comprehensive income for the year	-	27,235,984	27,235,984	-	27,235,984
As of 31 December 2013	18,600,000	128,547,400	147,147,400	433	147,147,833

STATEMENTS OF CHANGES IN EQUITY OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2015 AND OF THE COMPANY FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2015

(With the comparative figures for the year ended 31 December 2013)

The Group	Note	Share capital RM	ICULS RM	Non-distributable reserves			Distributable reserve –		Non-controlling interests RM	Total equity RM
				Share premium RM	Reverse acquisition reserve RM	Retained earnings RM	Attributable to owners of the Company RM			
As of 1 July 2014		18,600,000	-	-	-	128,547,400	147,147,400	433	147,147,833	
Capital repayment		(100,000)	-	-	-	-	(100,000)	-	(100,000)	
Issue of shares arising from:										
Acquisition of MCT Consortiumium Bhd	24	1,032,420,869	122,218,357	-	-	-	1,154,639,226	-	1,154,639,226	
Private Placement	24	146,300,400	-	40,964,112	-	-	187,264,512	-	187,264,512	
Bumiputera Issue	24	153,699,600	-	43,035,888	-	-	196,735,488	-	196,735,488	
Arising from reverse acquisition		(16,143,750)	-	96,954	(1,062,626,723)	-	(1,078,673,519)	-	(1,078,673,519)	
Consolidation of shares	24	(5)	-	-	-	5	-	-	-	
Issue of shares in a subsidiary to a non-controlling shareholder		-	-	-	-	-	-	2,823,574	2,823,574	
Dividends paid	33	-	-	-	-	(1,885,000)	(1,885,000)	-	(1,885,000)	
Total comprehensive income for the year		-	-	-	-	63,559,792	63,559,792	(4,408)	63,555,384	
As of 30 June 2015		1,334,777,114	122,218,357	84,096,954	(1,062,626,723)	190,222,197	668,687,899	2,819,599	671,507,498	

STATEMENTS OF CHANGES IN EQUITY OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2015 AND OF THE COMPANY FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2015

(With the comparative figures for the year ended 31 December 2013)

The Company	Note	Share capital RM	Non-distributable reserves			Distributable reserve –		Total equity RM
			ICULS RM	Share premium RM	Treasury shares RM	Retained earnings RM		
As of 1 January 2013		118,000,000	-	28,371,954	(273,601)	282,121	146,380,474	
Cancellation of treasury shares	24	(187,500)	-	-	273,601	(86,101)	-	
Dividends paid	33	-	-	-	-	(136,662,500)	(136,662,500)	
Total comprehensive income for the year		-	-	-	-	141,122,941	141,122,941	
As of 31 December 2013		117,812,500	-	28,371,954	-	4,656,461	150,840,915	
As of 1 January 2014		117,812,500	-	28,371,954	-	4,656,461	150,840,915	
Issue of shares arising from:								
Bonus issue	24	28,275,000	-	(28,275,000)	-	-	-	
Acquisition of MCT Consortium Bhd	24	1,032,420,869	122,218,357	-	-	-	1,154,639,226	
Private Placement	24	146,300,400	-	40,964,112	-	-	187,264,512	
Bumiputera Issue	24	153,699,600	-	43,035,888	-	-	196,735,488	
Consolidation of shares	24	(5)	-	-	-	5	-	
Capital repayment	24	(143,731,250)	-	-	-	-	(143,731,250)	
Dividends paid	33	-	-	-	-	(1,885,000)	(1,885,000)	
Total comprehensive income for the period		-	-	-	-	27,215,039	27,215,039	
As of 30 June 2015		1,334,777,114	122,218,357	84,096,954	-	29,986,505	1,571,078,930	

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2015 AND OF THE COMPANY FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2015

(With the comparative figures of the Company for the year ended 31 December 2013)

	The Group		The Company	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM	30 June 2015 (18 months) RM	31 December 2013 (12 months) RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before tax	94,957,990	42,985,982	27,220,936	141,183,984
Adjustments for:				
Depreciation of:				
Property, plant and equipment	9,393,097	4,725,576	-	-
Investment properties	1,267,276	-	-	-
Finance costs	4,189,763	1,985,852	-	-
Impairment loss of goodwill on consolidation	3,272,290	-	-	-
Allowance for doubtful debts	787,458	-	-	-
Bad debts written off	319,891	-	-	-
Loss/(Gain) on disposal of:				
Investment in associate	48,018	-	-	-
Property, plant and equipment	28,754	-	-	-
Investment in subsidiaries	-	-	-	(136,948,000)
Property, plant and equipment written off	4,843	41,328	-	-
Interest income	(2,591,279)	(689,372)	(744,673)	(4,909,185)
Share of results of associate	(62,063)	(22,304)	-	-
Provision for liquidated damages	-	1,343,322	-	-
Dividend income	-	-	(38,324,328)	-
Operating Profit/(Loss) Before Working Capital Changes	111,616,038	50,370,384	(11,848,065)	(673,201)
(Increase)/Decrease in:				
Inventories	(305,217)	(138,271)	-	-
Property development costs	(82,535,908)	87,549,496	-	-
Accrued billings	(66,100,925)	(45,830,412)	-	-
Amount due from contract customers	3,237,561	65,614,551	-	-
Trade receivables	17,576,656	(38,607,248)	-	-
Other receivables and prepaid expenses	163,155,586	(56,560,874)	1,084,657	(1,094,069)
Increase/(Decrease) in:				
Progress billings	(26,540,555)	16,903,452	-	-
Amount due to contract customers	12,776,046	(42,060,046)	-	-
Trade payables	125,510,283	11,989,451	-	-
Other payables and accrued expenses	(73,774,554)	75,530,558	(141,340)	(777,000)
Cash Generated From/(Used In) Operations	184,615,011	124,761,041	(10,904,748)	(2,544,270)
Tax paid	(32,807,064)	(17,893,547)	(9,124)	(50,188)
Net Cash From/(Used In) Operating Activities	151,807,947	106,867,494	(10,913,872)	(2,594,458)

STATEMENTS OF CASH FLOWS OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2015 AND OF THE COMPANY FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2015

(With the comparative figures of the Company for the year ended 31 December 2013)

	The Group		The Company	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM	30 June 2015 (18 months) RM	31 December 2013 (12 months) RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Proceeds from disposal of:				
Investment in associate	3,000,000	-	-	-
Property, plant and equipment	74,387	-	-	-
Interest received	2,591,279	689,372	744,673	4,909,185
Additions to:				
Property, plant and equipment (*)	(45,084,345)	(29,147,171)	-	-
Investment properties	(85,345,356)	(138,289,681)	-	-
Land held for property development	(345,448)	(32,446,212)	-	-
Net cash outflow from acquisition of subsidiaries (Note 15)	(3,656,659)	-	-	-
Net cash inflow from disposal of investment in subsidiaries	-	-	-	283,200,000
(Increase)/Decrease in:				
Fixed deposits pledged with licensed banks	(1,724,357)	(2,870,592)	-	-
Available-for-sale investments	93,588	(105,202)	-	-
Amount owing by subsidiaries	-	-	(375,898,497)	-
Net Cash (Used In)/From Investing Activities	(130,396,911)	(202,169,486)	(375,153,824)	288,109,185

STATEMENTS OF CASH FLOWS OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2015 AND OF THE COMPANY FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2015

(With the comparative figures of the Company for the year ended 31 December 2013)

Note	The Group		The Company	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM	30 June 2015 (18 months) RM	31 December 2013 (12 months) RM
CASH FLOWS FROM/(USED IN)				
FINANCING ACTIVITIES				
Drawdown of term loans	115,539,841	141,128,920	-	-
Proceeds from issue of shares:				
Private Placement	187,264,512	-	187,264,512	-
Bumiputera Issue	196,735,488	-	196,735,488	-
Capital repayments	(100,000)	-	(143,731,250)	-
Proceeds from issue of shares in a subsidiary to a non-controlling shareholder	2,823,574	-	-	-
Repayment of:				
Term loans	(111,028,282)	(12,112,150)	-	-
Hire-purchase payables	(3,082,173)	(2,524,185)	-	-
Finance costs paid	(15,763,385)	(4,527,534)	-	-
Dividends paid	(1,885,000)	-	(1,885,000)	(136,662,500)
Net Cash From/(Used In) Financing Activities	370,504,575	121,965,051	238,383,750	(136,662,500)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	391,915,611	26,663,059	(147,683,946)	148,852,227
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	54,440,488	27,777,429	150,282,773	1,430,546
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	446,356,099	54,440,488	2,598,827	150,282,773

* During the financial year, the Group acquired property, plant and equipment by the following means:

	The Group	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM
Cash purchase	45,084,345	29,147,171
Hire purchase financing	7,667,692	2,242,046
	52,752,037	31,389,217

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in investment holding.

The principal activities of the subsidiaries are as disclosed in Note 15.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year/period other than as disclosed in Note 2.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Block A-03-02, Skypark One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan, Malaysia.

The Financial Statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on 23 October 2015.

2. SIGNIFICANT CORPORATE EVENTS

(i) Regularisation Plan

On 6 April 2015, the Company completed the regularisation plan undertaken by the Company ("Regularisation Plan").

In conjunction with the Regularisation Plan undertaken, the Company completed, amongst others, the following transactions during the financial year/period:

- (a) consolidation of the then existing issued and paid-up share capital of the Company comprising 235,625,000 ordinary shares of RM0.01 each into 2,356,245 New Shares on the basis where every 100 ordinary shares of RM0.01 each is consolidated into one New Share, with 5 New Shares disregarded as fractional shares ("Consolidation");
- (b) acquisition of the entire issued and paid-up share capital of MCT Consortium Bhd ("MCTCB") after the completion of a reorganisation exercise (see Note 2(ii) below) of MCTCB from Tan Sri Dato' Sri Goh Ming Choon and Dato' Sri Tong Seech Wi (collectively, the "Vendors") for an aggregate purchase consideration of RM1,154,639,226, satisfied via the issuance of 1,032,420,869 New Shares ("Consideration Shares") and RM122,218,357 ICULS ("Acquisition");

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT CORPORATE EVENTS (CONT'D.)

(i) Regularisation Plan (cont'd.)

- (c) exemption sought by the Vendors and parties acting in concert ("PAC") with them under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Over and Mergers 2010 ("Code") from the obligation to extend a mandatory offer under Part III of Paragraph 9 of the Code to holders of voting shares of the Company to acquire all the New Shares not already owned by the Vendors and the PAC after the completion of the Acquisition;
- (d) renunciation by the Vendors of the Vendors' rights of allotment to 3,534,375 Consideration Shares ("Free Shares"), in favour of the then shareholders of the Company, on the basis of three Free Shares for every two New Shares held by the entitled shareholders ("Renunciation of Shares");
- (e) private placement of 146,300,400 New Shares ("Placement Shares") to selected investors who fall within the ambit of Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007 ("Identified Investors") at an issue price of RM1.28 each ("Private Placement");
- (f) restricted offer for sale of the Vendors' rights of allotment of up to 150,000,000 Consideration Shares to Identified Investors at RM1.28 per New Share;
- (g) issuance of 153,699,600 New Shares to Bumiputera investor(s) approved by the Ministry of International Trade and Industry of Malaysia at an issue price of RM1.28 each ("Bumiputera Issue");
- (h) additional renunciation by the Vendors of the Vendors' rights of allotment of such number of Consideration Shares to be renounced/offered in favour of the then existing shareholders of the Company who each held less than 100 New Shares after the completion of the Consolidation, the Acquisition and the Renunciation of Shares;
- (i) restricted offer for sale of the Vendors rights of allotment of 7,500,000 Consideration Shares ("Shareholder Offer Shares") to the then existing shareholders of the Company, on the basis of entitlement determined by the board of directors at an offer price of RM1.28 per Shareholder Offer Share;
- (j) increase in the authorised share capital of the Company from RM300,000,000 to RM2,500,000,000;
- (k) amendments to the Memorandum and Articles of Association of the Company; and
- (l) change of name from "GW Plastics Holdings Berhad" to its present name, "MCT Berhad".

2. SIGNIFICANT CORPORATE EVENTS (CONT'D.)

(ii) Reorganisation Exercise

The reorganisation exercise undertaken by MCTCB comprises the following:

(a) Acquisition of Subsidiaries

During the financial year, MCTCB acquired the entire equity interest in Ecolake Residence Sdn Bhd, Leisure Event Sdn Bhd, MCT Property Management Sdn Bhd, MCT Properties Sdn Bhd, Premium Cinema Sdn Bhd, Roaring Gain Sdn Bhd, Skypark Fitness Sdn Bhd, Solid Interest Sdn Bhd, Solid Recommendation Sdn Bhd, MCT Store Sdn Bhd and Timeless Hectares Sdn Bhd for a total cash consideration of RM5,800,014 and the fair value of the net assets acquired amounted to RM54,171,024. The excess of the fair value of net assets acquired over the cash consideration of RM48,371,010 is credited to reverse acquisition reserve as this is a transaction with shareholders in conjunction with the Regularisation Plan.

(b) Settlement of Advances Between the MCTCB and its Subsidiaries, Directors and Related Parties

The aggregate purchase consideration of RM1,154,639,226 for the acquisition of the entire issued and paid-up share capital of MCTCB includes the settlement of net advances owing by MCTCB, directors and the newly acquired subsidiaries to directors and related parties. The said amount of RM23,241,929 is credited to reverse acquisition reserve.

(c) Capital Repayment

MCTCB undertook capital repayment to distribute cash proceeds of RM100,000 to its then existing shareholders.

NOTES TO THE FINANCIAL STATEMENTS

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia.

Reverse Acquisition

As disclosed in Note 2, the Company completed the acquisition of the entire equity interest in MCTCB via the issuance of 1,032,420,869 New Shares in the Company at an issue price of RM1.00 per share and RM122,218,357 nominal value of ICULS on 6 April 2015.

Upon completion of the acquisition of MCTCB, the Company became the legal holding company of MCTCB. Due to the relative values of MCTCB and its subsidiaries ("MCTCB Group") and the Company, the former shareholders of MCTCB became the majority shareholders of the Company through the issuance of 1,032,420,869 New Shares at an issue price of RM1.00 each, controlling about 99.77% of the issued and paid-up share capital of the Company. Further, the Company's continuing operations and key executive management are those of MCTCB. Accordingly, the substance of the business combination is that MCTCB acquired the Company in a reverse acquisition.

FRS 3 *Business Combinations* requires that the consolidated financial statements are issued under the name of the legal holding company, though they are a continuation of the financial statements of the legal subsidiary. In order to comply with FRS 3, the following have been reflected in the consolidated financial statements:

- (i) the assets and liabilities of the Company and MCTCB Group have been recognised at their book values immediately prior to the reverse acquisition;
- (ii) the pre-acquisition retained earnings recognised in the consolidated financial statements are those of MCTCB Group;
- (iii) the amount recognised as issued equity instruments in the consolidated financial statements is the sum of:
 - (a) the issued and paid-up share capital of MCTCB immediately before the reverse acquisition; and
 - (b) the cost of achieving the combination;
- (iv) the equity structure appearing these consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the Company; and
- (v) the comparative information presented in these consolidated financial statements is that of MCTCB Group.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D.)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that Transitioning Entities which have chosen to continue with the FRS Framework is now required to adopt the MFRS Framework latest by 1 January 2017.

On 8 September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted.

In the previous financial year ended 31 December 2013, the financial statements of the Group and the Company were prepared in accordance with MFRS in Malaysia. The Group falls within the scope definition of Transitioning Entities and has opted to apply FRSs as its reporting framework for the financial period 1 January 2014 to 30 June 2015 and defer adoption of the new MFRS Framework. Accordingly, the Group will be required to apply MFRS 1 *First-time adoption of Malaysian Financial Reporting Standards* in its financial statements for the financial year ending 30 June 2019, being the first set of financial statements prepared in accordance with new MFRS Framework.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

Adoption of New and Revised Financial Reporting Standards

In the current financial year/period, the Group and the Company adopted all the new and revised FRSs and Issues Committee Interpretations ("IC Interpretations") and amendments to FRSs and IC Interpretations issued by MASB that are effective for annual financial periods beginning on or after 1 January 2014.

Amendments to FRS 10, FRS 12 and FRS 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements (Amendments relating to Investment Entities)
Amendments to FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
Amendments to FRS 136	Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)
Amendments to FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
IC Interpretation 21	Levies

NOTES TO THE FINANCIAL STATEMENTS

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D.)

Adoption of New and Revised Financial Reporting Standards (cont'd.)

The adoption of these new and revised FRSs and IC Interpretation did not result in significant changes in the accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company.

Standards and Amendments in issue but not yet effective

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

FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) ³
Amendments to FRS 119	Defined Benefit Plans (Amendments relating to Employee Contributions) ¹
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception ³
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
Amendments to FRS 101	Disclosure Initiative ³
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to FRS 127	Equity Method in Separate Financial Statements ³

Annual Improvements to FRSs 2010 - 2012 cycle²

Annual Improvements to FRSs 2011 - 2013 cycle¹

Annual Improvements to FRSs 2012 - 2014 cycle³

¹ Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

² Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

³ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transactions that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 *Inventories* or value in use in FRS 136 *Impairment of Assets*.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses 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 listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the statements of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Basis of Consolidation (cont'd.)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing the control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Where the Group loses control of a subsidiary, a gain or loss is recognised and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Business Combinations (cont'd.)

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRSS.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with FRS 139 or FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Business Combinations (cont'd.)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

Investment in Subsidiaries

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with *FRS 5 Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate, less any impairment in the value of individual investments. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Investment in Associate (cont'd.)

The requirements of FRS 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 139. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets and liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with its associate, profit or losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associate that are not related to the Group.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods or services in the ordinary course of business. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- (i) Property development revenue

Revenue from property development projects is accounted for using the percentage of completion method where the outcome of the development can be reliably estimated and is in respect of sales where agreements have been finalised by the end of the reporting period. The percentage of completion is measured by reference to the costs incurred to date compared to the estimated total costs of the development.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Revenue Recognition (cont'd.)

(ii) Sale of completed properties

Revenue from sale of completed properties is recognised upon the finalisation of sale and purchase agreements by the end of the reporting period and when the risks and rewards of ownership have passed to the customers.

(iii) Revenue from construction contracts

Revenue is recognised based on the stage of completion of individual projects. The stage of completion is determined by the proportion of contract costs incurred to date against the total estimated costs on project where the outcome of the project can be reliably estimated. All anticipated losses on contract projects are fully provided for.

(iv) Other revenue

Other revenue earned by the Group are recognised on the following basis:

Leasing income	- Leasing income is recognised on a straight line basis over the terms of the relevant lease agreements.
Car park income	- Car park income is recognised as and when the services are performed.
Utility services income	- Utility services income is recognised upon rendering of services.
Revenue from sale of cinema tickets	- Revenue from sale of cinema tickets is recognised upon delivery of services.
Revenue from hotel operations	- Revenue from hotel operations is recognised upon delivery of services.
Revenue from fitness centre	- Revenue represents income earned from the sale of fitness club memberships and associated joining fees. All income is recognised on an accrual basis over the membership period apart from income relating to joining fees which is recognised immediately.

(v) Interest income

Interest income is recognised by calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(vi) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Foreign Currencies

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 Company and each group entity operate (their functional currency).

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 items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on 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 year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Employee Benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences for 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 plan

The Group is required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan, for all its eligible employees based on certain prescribed rates of the employees' salaries. The Group's contributions to EPF are disclosed separately. The employees' contributions to EPF are included in staff costs.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Taxation

Income tax expense for the year comprises current and deferred tax.

(i) Current tax

Current tax is the expected amount of income taxes payable in respect of the taxable profits for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits 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. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets, if any, is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited to the statements of profit or loss and other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

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.

Property, plant and equipment under construction are not depreciated.

Depreciation of other property, plant and equipment is computed on the straight-line method to write off the cost of the various 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	8.3 - 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, estimated useful lives and depreciation method of the property, plant and equipment are reviewed at the end of each reporting period and, if expectations differ from previous estimates, the changes will be accounted for prospectively as a change in accounting estimate.

Assets Acquired Under Hire-Purchase Arrangements

Assets acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Assets held under hire-purchase arrangement are depreciated over their expected useful lives on the same basis as owned assets.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Investment Properties

Investment properties, comprising certain freehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties under construction are not depreciated. Investment properties are stated at cost less accumulated depreciation and any impairment losses. Investment properties are depreciated on the straight-line method at an annual rate of 2%.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statements of financial position). The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Property Development Activities

(i) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less any impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

(ii) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Property Development Activities (cont'd.)

(ii) Property development costs (cont'd.)

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that are probable of recovery.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value.

Where revenue recognised in profit or loss exceeds billings to purchasers, the balance is shown as accrued billings within current assets. Where billings to purchasers exceed revenue recognised in profit or loss, the balance is shown as progress billings within current liabilities.

Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable of recovery. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately as an allowance for foreseeable loss.

Amount due from contract customers represents the excess of cost incurred to-date and portion of profit or loss attributable to work performed to-date over progress billings while amount due to contract customers represents the excess of progress billings over cost incurred to-date and portion of profit or loss attributable to work performed to-date.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Goodwill on Consolidation

Goodwill is identified as any excess of the consideration paid over Group's share of fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition. Goodwill is initially measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Where the consideration is lower than the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is recognised as negative goodwill. Negative goodwill is recognised immediately in profit or loss.

Goodwill acquired is allocated to the cash-generating units ("CGU") expected to benefit from the acquisition synergies. An impairment loss is recognised in profit or loss when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each assets in the CGU. Impairment loss on goodwill is not reversed in a subsequent period.

Impairment of Non-Financial Assets Excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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.

Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligations, and when a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the amount required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

At the end of each reporting period, the provisions are reviewed by the directors and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Group and the Company will be required to settle the obligations.

Segment Reporting

For management purposes, the Group is organised into operating segments that engages 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.

Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Financial Instruments (cont'd.)

(i) Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Financial Instruments (cont'd.)

(i) Financial Assets (cont'd.)

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

(c) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investment or financial assets at FVTPL. All AFS assets are measured at fair value at the end of the reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Financial Instruments (cont'd.)

(i) Financial Assets (cont'd.)

(e) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Financial Instruments (cont'd.)

(i) Financial Assets (cont'd.)

(e) Impairment of financial assets (cont'd.)

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(f) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

ICULS which were issued after the effective date of FRS 132: *Financial Instruments: Disclosure and Presentation*, are regarded as compound instruments, consisting of an equity component and a liability component.

ICULS which have a zero coupon rate are considered to have only the equity component, as there is no obligation for payment of interest, principal or for re-purchase.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Financial Instruments (cont'd.)

(ii) Financial Liabilities and Equity Instruments (cont'd.)

(b) Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*; or
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

(c) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Financial Instruments (cont'd.)

(ii) Financial Liabilities and Equity Instruments (cont'd.)

(d) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

(e) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, Group's obligations are discharged, cancelled or they expire.

The difference between the carrying amount of the financial liabilities derecognised and the consideration paid or payable is recognised in profit or loss.

Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash equivalents are short term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value, against which bank overdrafts, if any are deducted.

NOTES TO THE FINANCIAL STATEMENTS

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

- (i) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 4 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

- (ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, except for the following:

- (a) Property development revenue

The Group recognised property development revenue based on the percentage of completion method. The percentage of completion is measured by reference to the property development costs incurred to date to the estimated total costs for the property development. The percentage of completion method requires the Group to make reasonably dependable estimates of progress towards completion of property development projects and costs in determining the percentage of completion, and the recoverability of development projects. In making the estimate, management relied on opinion/service of experts, past experience and a continuous monitoring mechanism.

- (b) Revenue from construction contracts

The Group recognises revenue and costs in the profit or loss using the stage of completion method. The stage of completion is determined by the completion of a physical proportion of the contract work. Judgements are required in determining the stage of completion, the estimated total contract revenue and costs, as well as the recoverability of the contracts.

- (c) Depreciation of property, plant and equipment

Except for property, plant and equipment under construction, the costs of property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives.

The Group reviews the remaining useful lives of property, plant and equipment at the end of each reporting period and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives of property, plant and equipment may result in revision of future depreciation charges.

- (d) Impairment of goodwill on consolidation

The assessment of whether goodwill on consolidation is impaired requires an estimation of the value-in-use of the cash-generating units from which goodwill arises. The value-in-use calculation requires the management to estimate the future cash flows reflected from the related property development projects on which the goodwill arises.

6. REVENUE

	The Group		The Company	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM	30 June 2015 (18 months) RM	31 December 2013 (12 months) RM
Property development revenue	412,584,428	220,797,211	-	-
Contract revenue	159,962,317	87,456,501	-	-
Leasing, car park, utility services, sale of cinema tickets, hotel operations and fitness centre	47,119,366	-	-	-
Dividend income receivable from subsidiary	-	-	38,324,328	-
	619,666,111	308,253,712	38,324,328	-

7. COST OF SALES

	The Group	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM
Property development costs	265,403,386	145,580,030
Contract costs	105,010,294	77,733,040
Leasing, car park, utility services, sale of cinema tickets, hotel operations and fitness centre	49,243,225	-
	419,656,905	223,313,070

8. FINANCE COSTS

	The Group	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM
Interest expense on:		
Term loans	3,423,000	1,473,867
Hire-purchases	504,872	457,358
Bank guarantees	211,246	23,463
Bank overdrafts	37,807	21,435
Letters of credit	12,838	9,729
	4,189,763	1,985,852

NOTES TO THE FINANCIAL STATEMENTS

9. PROFIT BEFORE TAX

Profit before tax is arrived at after the following charges/(credits):

	The Group		The Company	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM	30 June 2015 (18 months) RM	31 December 2013 (12 months) RM
Staff costs	45,158,054	16,691,688	-	-
Developer interest bearing scheme	13,961,339	12,354,444	-	-
Depreciation of:				
Property, plant and equipment	9,393,097	4,725,576	-	-
Investment property	1,267,276	-	-	-
Impairment losses on goodwill on consolidation	3,272,290	-	-	-
Rental of:				
Premises	1,444,797	18,672,202	-	-
Equipment	106,601	524,631	-	-
Allowance for doubtful debts	787,458	-	-	-
Directors' remunerations	1,481,917	537,600	506,917	308,500
Auditors' remunerations:				
Statutory audit	335,000	202,500	50,000	36,000
Others	644,000	220,000	635,000	16,000
Bad debts written off	319,891	-	-	-
Loss/(Gain) on disposal of:				
Investment in associate	48,018	-	-	-
Property, plant and equipment	28,754	-	-	-
Investment in subsidiaries	-	-	-	(136,948,000)
Property, plant and equipment written off	4,843	41,328	-	-
Interest income	(2,591,279)	(689,372)	(744,673)	(4,909,185)
Rental income	(612,065)	(6,773,027)	-	-
Realised gain on foreign exchange	(26,171)	(383,520)	-	-
Provision for liquidated damages	-	1,343,322	-	-
Grant income receivable from Government of Malaysia	-	(28,310,509)	-	-

9. PROFIT BEFORE TAX (CONT'D.)

Staff costs include salaries, contributions to defined contribution plans and all other staff related expenses. Contributions to approved provident funds by the Group during the year amounted to RM4,271,446 (2014: RM1,623,449).

Directors' remunerations charged to profit or loss for the financial year/period are as follows:

	The Group		The Company	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM	30 June 2015 (18 months) RM	31 December 2013 (12 months) RM
Fees:				
Non-executive directors	94,917	-	282,417	148,000
Salaries and other emoluments:				
Executive directors	1,313,934	537,600	200,000	150,000
Non-executive directors	9,000	-	24,500	10,500
	1,417,851	537,600	506,917	308,500

The estimated monetary value of benefits-in-kind received by the directors of the Company are RM30,333 (2014: RM28,000).

The number of directors of the Company whose total remuneration during the financial year/period fell within the following bands is analysed below:

	Number of Directors The Group	
	30 June 2015 (12 months)	30 June 2014 (12 months)
Executive directors:		
RM100,000 and below	-	-
RM100,001 - RM200,000	-	-
RM200,001 - RM300,000	1	2
RM300,001 - RM400,000	-	-
RM400,001 - RM500,000	1	-
RM500,001 - RM600,000	1	-
	3	2
Non-Executive directors		
RM100,000 and below	5	-

NOTES TO THE FINANCIAL STATEMENTS

10. INCOME TAX EXPENSE

	The Group		The Company	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM	30 June 2015 (18 months) RM	31 December 2013 (12 months) RM
Estimated tax payable:				
Current year/period	27,219,174	16,344,434	-	59,653
Under/(Over)provision in prior years	2,329,671	(66)	5,897	1,390
	29,548,845	16,344,368	5,897	61,043
Deferred tax (Note 30):				
Current year/period	1,853,761	(699,275)	-	-
Underprovision in prior years	-	104,905	-	-
	1,853,761	(594,370)	-	-
	31,402,606	15,749,998	5,897	61,043

A numerical reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM	30 June 2015 (18 months) RM	31 December 2013 (12 months) RM
Profit before tax	94,957,990	42,985,982	27,220,936	141,183,984
Tax at applicable statutory tax rate of 25%	23,739,498	10,746,496	6,805,234	35,295,996
Tax effects of:				
Non-deductible expenses	4,338,094	2,809,874	2,614,047	168,262
Non-taxable income	(1,483,353)	(7,078,540)	(9,581,082)	(35,404,605)
Intercompany (profits)/losses (taxable)/ deductible at subsidiary level	(4,048,010)	2,541,197	-	-
Share of results of associate	(15,516)	(5,576)	-	-
Deferred tax assets not recognised	12,830,183	6,631,708	161,801	-
Realisation of deferred tax assets previously not recognised	(6,287,961)	-	-	-
Under/(Over)provision in prior years:				
Current tax	2,329,671	(66)	5,897	1,390
Deferred tax	-	104,905	-	-
	31,402,606	15,749,998	5,897	61,043

10. INCOME TAX EXPENSE (CONT'D.)

The Finance (No. 2) Act 2014 gazetted on 30 December 2014 enacts the reduction of corporate income tax rate from 25% to 24% with effect from year of assessment 2016. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax for entities in Malaysia will be the expected rates.

As mentioned in Note 4, 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. As of 30 June 2015, the estimated amount of unused tax losses and unused tax credits, for which the deferred tax assets have not recognised in the financial statements due to uncertainty of their realisation, are as follows:

	The Group		The Company	
	30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
Unused tax losses	46,173,004	30,137,156	647,204	-
Unabsorbed capital allowances	11,766,775	1,633,735	-	-
	57,939,779	31,770,891	647,204	-

The availability of unused tax losses and unabsorbed capital allowances for offsetting future taxable profits is subject to the agreement with the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

11. EARNINGS PER ORDINARY SHARE

The earnings per ordinary share of the Group has been calculated by dividing profit for the year attributable to owners of the Company by the number of ordinary shares in issue.

	The Group	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM
Profit attributable to owners of the Company	63,559,792	27,235,984
	30 June 2015	30 June 2014
Number of ordinary shares in issue*	1,034,777,114	1,034,777,114
Effects of:		
Private placement	34,069,956	-
Bumiputera issue	35,793,058	-
Weighted average number of shares	1,104,640,128	1,034,777,114
Basic earnings per ordinary share (sen)	5.75	2.63

* The number of shares in issue for the Group in 2014 is calculated based on the number of ordinary shares issued by the legal parent to the owners of the legal subsidiary in the reverse acquisition in accordance with FRS 3 *Business Combinations*.

Diluted earnings per ordinary share

The basic and diluted earnings per share for 2015 and 2014 are the same as the Company has no dilutive potential ordinary shares at the end of the reporting period.

12. PROPERTY, PLANT AND EQUIPMENT

The Group	Office equipment	Furniture and fittings	Computer equipment	Plant and machinery	Construction equipment	Tools and equipment	Motor vehicles	Renovation	Buildings	Property, plant and equipment under construction	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost											
As of 1 July 2013	593,841	83,899	1,537,893	13,642,140	3,763,603	626,118	3,905,652	-	-	45,475,606	69,628,752
Additions	144,955	3,304,563	942,421	11,695,040	771,299	5,540	1,327,614	-	5,060,288	8,137,497	31,389,217
Write offs	(2,840)	-	-	-	-	-	(328,000)	-	-	(39,040)	(369,880)
Reclassifications	-	-	-	37,515,500	-	274,856	-	-	15,600,783	(53,391,139)	-
As of 30 June 2014	735,956	3,388,462	2,480,314	62,852,680	4,534,902	906,514	4,905,266	-	20,661,071	182,924	100,648,089
Additions	461,762	8,217,470	2,585,383	29,464,770	4,942,554	1,940,711	2,701,012	1,101,100	1,337,275	-	52,752,037
Disposals	-	-	-	(13,000)	-	-	(120,000)	-	-	-	(133,000)
Write offs	-	-	(8,119)	-	-	-	(14,500)	-	-	-	(22,619)
As of 30 June 2015	1,197,718	11,605,932	5,057,578	92,304,450	9,477,456	2,847,225	7,471,778	1,101,100	21,998,346	182,924	153,244,507

NOTES TO THE FINANCIAL STATEMENTS

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

The Group	Office equipment	Furniture and fittings	Computer equipment	Plant and machinery	Construction equipment	Tools and equipment	Motor vehicles	Renovation	Buildings	Property, plant and equipment under construction	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated depreciation											
As of 1 July 2013	415,288	47,283	1,016,508	7,236,578	2,201,308	600,685	2,011,096	-	-	-	13,528,746
Charge for the year	62,710	163,949	347,566	2,390,493	405,521	14,304	716,229	-	624,804	-	4,725,576
Write offs	(552)	-	-	-	-	-	(328,000)	-	-	-	(328,552)
As of 30 June 2014/1 July 2014	477,446	211,232	1,364,074	9,627,071	2,606,829	614,989	2,399,325	-	624,804	-	17,925,770
Charge for the year	83,134	449,576	808,754	5,440,623	705,616	179,702	1,064,456	38,925	622,311	-	9,393,097
Disposals	-	-	-	(1,859)	-	-	(28,000)	-	-	-	(29,859)
Write offs	-	-	(3,276)	-	-	-	(14,500)	-	-	-	(17,776)
As of 30 June 2015	560,580	660,808	2,169,552	15,065,835	3,312,445	794,691	3,421,281	38,925	1,247,115	-	27,271,232
Net book value											
As of 30 June 2015	637,138	10,945,124	2,888,026	77,238,615	6,165,011	2,052,534	4,050,497	1,062,175	20,751,231	182,924	125,973,275
As of 30 June 2014	258,510	3,177,230	1,116,240	53,225,609	1,928,073	291,525	2,505,941	-	20,036,267	182,924	82,722,319

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) At the end of the reporting period, the carrying amount of property, plant and equipment of the Group acquired under hire-purchase are RM13,038,255 (2014: RM2,279,066).
- (b) At the end of the reporting period, the net book value of property, plant and equipment amounting to RM72,009,373 (2014: RM56,892,936) are pledged to financial institutions as security for term loan facilities granted to the Group as disclosed in Note 28.

13. INVESTMENT PROPERTIES

	The Group	
	30 June 2015 RM	30 June 2014 RM
Cost		
At beginning of year	201,203,876	62,173,183
Additions	85,345,356	139,030,693
Arising from acquisition of subsidiaries (Note 15)	6,280,000	-
At end of year	292,829,232	201,203,876
Accumulated depreciation		
At beginning of year	-	-
Charge for the year	1,267,276	-
At end of year	1,267,276	-
Net book value	291,561,956	201,203,876
Represented by:		
Freehold land and buildings	149,163,018	-
Freehold and buildings under construction	142,398,938	201,203,876
	291,561,956	201,203,876

Rental income earned from the investment properties amounted to RM5,184,009 (2014: RMNil). Direct operating expenses incurred in respect of the investment properties amounted to RM100,526 (2014: RMNil).

During the financial year, interest expense capitalised in investment properties under construction amounted to RMNil (2014: RM741,012).

The investment properties with carrying amount of RM291,561,956 (2014: RM201,203,876) have been pledged to financial institution as security for term loan facilities granted to the Group as disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

14. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	30 June 2015 RM	30 June 2014 RM
Cost		
At beginning of year	32,544,917	-
Additions	1,634,983	32,544,917
At end of year	34,179,900	32,544,917
Represented by:		
Land cost	31,371,912	31,371,912
Development costs	2,807,988	1,173,005
	34,179,900	32,544,917

During the financial year, interest expense capitalised in land held for property development of the Group amounted to RM1,289,535 (2014: RM98,705).

The land held for property development with carrying amount of RM34,179,900 (2014: RM32,544,917) have been pledged to financial institution as security for term loan facilities granted to the Group as disclosed in Note 28.

15. INVESTMENT IN SUBSIDIARIES

	The Company	
	30 June 2015 RM	31 December 2013 RM
Unquoted shares, at cost	1,154,639,226	-

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

The details of the subsidiaries, all incorporated in Malaysia, are as follows:

Name of companies	Proportion of ownership and voting power held by the Group		Principal activities
	30 June 2015	30 June 2014	
	%	%	
Direct subsidiary			
MCT Consortium Bhd	100	100	Investment holding
Indirect subsidiaries			
Subsidiaries of MCT Consortium Bhd			
Modular Construction Technology Sdn Bhd	100	100	Construction, providing civil and mechanical engineering and electrical works
MCT Homes Sdn Bhd	100	100	Provision of management services
MCT Construction Materials Sdn Bhd	100	100	Trading of construction materials
The Place Properties Sdn Bhd	100	100	Property development and management
USJ One Avenue Sdn Bhd	100	100	Previously involved in property development and investment in property and management services and currently dormant.
Subang Residency Sdn Bhd	100	100	Dormant
Ecity Hotel Sdn Bhd	100	100	Operating in hotelling, fitness center and cinema cum seminar facility
Undersea City Sdn Bhd	100	70	Property development
Solid Benefit Sdn Bhd	100	100	Property investment and property development

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

The details of the subsidiaries, all incorporated in Malaysia, are as follows: (cont'd.)

Name of companies	Proportion of ownership and voting power held by the Group		Principal activities
	30 June 2015	30 June 2014	
	%	%	
Eco Green City Sdn Bhd	100	100	Property development
MCT Green Technology Sdn Bhd	100	100	Utilities services provider
Sky Park Properties Sdn Bhd	100	100	Property development
Lakefront Residence Sdn Bhd	100	100	Property development
One City Development Sdn Bhd	100	100	Property development and investment
Cherish Properties Sdn Bhd	100	100	Investment holding
Ecolake Residence Sdn Bhd	100	-	Dormant
Leisure Event Sdn Bhd	100	-	Property investment
MCT Property Management Sdn Bhd (formerly known as Leisure K Sdn Bhd)	100	-	Property management
MCT Properties Sdn Bhd (formerly known as MCT Property.com Sdn Bhd)	100	-	Dormant
Premium Cinema Sdn Bhd	100	-	Dormant
Roaring Gain Sdn Bhd	100	-	Property investment
Skypark Fitness Sdn Bhd	100	-	Dormant

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

The details of the subsidiaries, all incorporated in Malaysia, are as follows: (cont'd.)

Name of companies	Proportion of ownership and voting power held by the Group		Principal activities
	30 June 2015	30 June 2014	
	%	%	
Solid Interest Sdn Bhd	100	-	Property investment and property development
Solid Recommendation Sdn Bhd	100	-	Property investment and property development
MCT Store Sdn Bhd (formerly known as Stripe Café Sdn Bhd)	100	-	Dormant
Timeless Hectares Sdn Bhd	100	-	Property investment and property development
One Residence Sdn Bhd	100	-	Dormant
Subsidiary of One City Development Sdn Bhd			
One City Properties Sdn Bhd	100	100	Property development, investment and management
Subsidiary of Cherish Properties Sdn Bhd			
Vista Global Development Sdn Bhd	70	100	Property development and investment

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of Subsidiaries

As disclosed in Note 2, during the financial year, MCTCB acquired the entire equity interest in Ecolake Residence Sdn Bhd, Leisure Event Sdn Bhd, MCT Property Management Sdn Bhd, MCT Properties Sdn Bhd, Premium Cinema Sdn Bhd, Roaring Gain Sdn Bhd, Skypark Fitness Sdn Bhd, Solid Interest Sdn Bhd, Solid Recommendation Sdn Bhd, MCT Store Sdn Bhd and Timeless Hectares Sdn Bhd for a total cash consideration of RM5,800,014.

The fair values of identifiable assets acquired and liabilities assumed at the dates of acquisition are as follows:

	Fair values RM
Property development costs (Note 19)	77,750,696
Investment properties (Note 13)	6,280,000
Other receivables and prepaid expenses	57,139,727
Tax recoverable	464,332
Cash and bank balances	2,143,355
Other payables and accrued expenses	(70,472,227)
Borrowings	(19,134,859)
	<hr/> 54,171,024
Cash considerations paid to acquire subsidiaries	(5,800,014)
	<hr/> 48,371,010
Net cash outflow from acquisition:	
Cash and cash equivalents of subsidiaries acquired	2,143,355
Total purchase consideration	(5,800,014)
	<hr/> (3,656,659)

(b) Incorporation of a Subsidiary

On 12 January 2015, MCTCB incorporated a new subsidiary, One Residence Sdn Bhd, a private limited liability company in Malaysia, with an authorised share capital of RM400,000, comprising 400,000 ordinary shares of RM1.00 each, and an issued and paid-up share capital of RM2, comprising 2 ordinary shares of RM1.00 each.

16. INVESTMENT IN ASSOCIATE

	The Group	
	30 June 2015 RM	30 June 2014 RM
Unquoted shares at cost	-	3,000,000
Share of post-acquisition reserve	-	(14,045)
	-	2,985,955
Represented by:		
Share of net assets	-	1,155,623
Goodwill on acquisition	-	1,830,332
	-	2,985,955

The details of the associate, incorporated in Malaysia, were as follows:

Name of companies	Proportion of ownership and voting power held by the Group		Principal activities
	30 June 2015	30 June 2014	
	%	%	
KAS Engineering Sdn Bhd	-	25	Project main contractor

The summarised financial information of the associate was as follows:

	30 June 2015 RM	30 June 2014 RM
Assets and liabilities		
Non-current assets	-	60,572,509
Current assets	-	58,285,311
Total assets	-	118,857,820
Non-current liabilities	-	79,861,495
Current liabilities	-	34,373,832
Total liabilities	-	114,235,327
Net assets	-	4,622,493
The Group's share of net assets	-	1,155,623

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN ASSOCIATE (CONT'D.)

	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM
Results		
Revenue	-	-
Profit for the year	248,253	89,216
The Group's share of results of associate	62,063	22,304

The financial year end of the associate is 31 December, which is different from the Group. For the purpose of applying the equity method of accounting, the share of results of associate is arrived at based on the management financial statements.

The Company had on 17 October 2014 disposed off its entire equity interest in its associate, KAS Engineering Sdn Bhd for a cash consideration of RM3,000,000.

17. AVAILABLE-FOR-SALE INVESTMENTS

	The Group	
	30 June 2015 RM	30 June 2014 RM
Quoted investments at fair value	237,961	231,549
Unquoted shares at cost	-	100,000
	237,961	331,549

18. GOODWILL ON CONSOLIDATION

	The Group	
	30 June 2015 RM	30 June 2014 RM
Goodwill on consolidation	3,272,290	3,272,290
Less: Accumulated impairment losses	(3,272,290)	-
Net	-	3,272,290

The recoverable amount of the CGU is determined from a value-in-use calculation. The key assumptions for the value-in-use calculation are those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

19. PROPERTY DEVELOPMENT COSTS

	The Group	
	30 June 2015 RM	30 June 2014 RM
At beginning of year:		
Land costs	143,665,288	79,247,258
Development costs	377,007,401	293,109,806
	520,672,689	372,357,064
Cost incurred during the year:		
Land costs	2,242,345	64,418,030
Development costs	261,909,129	83,897,595
	264,151,474	148,315,625
Arising from acquisition of subsidiaries (Note 15):		
Land costs	64,568,442	-
Development costs	13,182,254	-
	77,750,696	-
Costs recognised as expense in profit or loss during the year:		
Previous years	442,019,418	296,439,388
Current year	265,403,386	145,580,030
	707,422,804	442,019,418
	155,152,055	78,653,271
At end of year:		
Land costs	38,446,056	21,746,495
Development costs	116,705,999	56,906,776
	155,152,055	78,653,271

NOTES TO THE FINANCIAL STATEMENTS

19. PROPERTY DEVELOPMENT COSTS (CONT'D.)

During the financial year, interest expense capitalised in property development costs of the Group amounted to RM10,284,087 (2014: RM1,701,965).

Certain property development costs amounting to RM115,071,356 (2014: RM78,094,018) have been pledged to financial institution as security for term loan facilities granted to the Group as disclosed in Note 28.

- (i) On 2 February 2011, The Place Properties Sdn Bhd ("TPP"), an indirect subsidiary, entered into a Joint Venture Agreement ("JVA") with Solid Interest Sdn Bhd ("SI"), then a related party, for the development of a parcel of freehold land ("Development"). The salient features of the JVA are as follows:
 - (a) SI is entitled to a sum of RM10,000,000 or 10% of the development profit of the Development, whichever is higher. Gross development profit refers to the profit before tax earned by TPP in relation to the Development; and
 - (b) TPP would be entitled to all remaining profits after tax of the Development, after deduction of the landowner's entitlement.
- (ii) On 23 February 2011, Sky Park Properties Sdn Bhd ("SPP"), an indirect subsidiary, entered into a Joint Venture Agreement ("JVA") with Solid Recommendation Sdn Bhd ("SOR"), then a related party, for the development of a parcel of freehold land ("Development"). The salient features of the JVA are as follows:
 - (a) SOR is entitled to a sum of RM42,694,926 or 10% of the development profit of the Development, whichever is higher. Gross development profit refers to the profit before tax earned by SPP in relation to the Development; and
 - (b) SPP would be entitled to all remaining profits after tax of the Development, after deduction of the landowner's entitlement.
- (iii) On 25 March 2011, Lakefront Residence Sdn Bhd ("LFR"), an indirect subsidiary, entered into a Joint Venture Agreement ("JVA") with Timeless Hectares Sdn Bhd ("TH"), then a related party, for the development of a two parcel of freehold land ("Development"). The salient features of the JVA are as follows:
 - (a) TH is entitled to a sum of RM78,208,437; and
 - (b) LFR would be entitled to all remaining profits after tax of the Development, after deduction of the landowner's entitlement.

As disclosed in Note 15, SI, SOR and TH became wholly-owned indirect subsidiaries during the financial year/period.

20. AMOUNT DUE FROM CONTRACT CUSTOMERS

	The Group	
	30 June 2015 RM	30 June 2014 RM
Contract costs incurred to date	250,617,413	186,952,484
Add: Attributable profit	53,686,568	17,510,234
	304,303,981	204,462,718
Progress billings	(316,342,204)	(200,487,334)
Net	(12,038,223)	3,975,384
Consisting of:		
Amount due from contract customers	737,823	3,975,384
Amount due to contract customers	(12,776,046)	-
Net	(12,038,223)	3,975,384
Retention sums on contracts, included in trade payables (Note 31)	17,015,196	10,294,615

21. TRADE RECEIVABLES

	The Group	
	30 June 2015 RM	30 June 2014 RM
Trade receivables	31,081,937	50,325,908
Retention sum	8,302,506	6,955,082
	39,384,443	57,280,990
Less: Allowance for doubtful debts	(787,458)	-
	38,596,985	57,280,990

Trade receivables are classified as loans and receivables and are therefore measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

21. TRADE RECEIVABLES (CONT'D.)

The credit period granted for the progress billings ranged from 14 to 45 days (2014: 14 to 45 days). No interest is charged on trade receivables. Impairment losses are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The credit period granted by the Group for retention sum is 24 months (2014: 24 months).

The Group has trade receivables totalling RM13,956,136 (2014: RM40,055,820) that are past due at the end of the reporting period but against which the Group has not recognised allowance for doubtful debts as the amounts are still considered recoverable. 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, except for two (2014: one) customers who accounted approximately 49% (2014: 74%) of the total amount outstanding at the end of the reporting period.

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

	The Group	
	30 June 2015 RM	30 June 2014 RM
Neither past due nor impaired	16,338,343	10,270,088
Past due but not impaired	13,956,136	40,055,820
Past due and impaired	787,458	-
	31,081,937	50,325,908
<u>Aging of past due but not impaired</u>		
Past due 1 to 30 days	5,468,992	9,533,432
Past due 31 to 60 days	1,341,541	15,584,435
Past due 61 to 90 days	4,284,795	872,361
Past due more than 90 days	2,860,808	14,065,592
	13,956,136	40,055,820
<u>Movement in the allowance for doubtful debts</u>		
At beginning of year	-	-
Allowance for the year	787,458	-
At end of year	787,458	-

22. OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
Other receivables:				
Grant receivable	-	28,310,509	-	-
Third parties	4,665,378	7,916,197	412	1,052,569
Amount owing by former ultimate holding company	-	5,000,000	-	-
Amount owing by related parties	-	79,626,759	-	-
Amount owing by directors	-	1,525,480	-	-
	4,665,378	122,378,945	412	1,052,569
Refundable deposits	10,127,526	5,425,773	-	15,000
Prepaid expenses	3,507,824	1,429,579	9,000	26,500
	18,300,728	129,234,297	9,412	1,094,069

Grant receivable in 2014 represented grant income receivable from the Government of Malaysia in relation to the construction cost incurred on the road infrastructure surrounding the Group's One City Development project.

Amount owing by former ultimate holding company in 2014, which arose mainly from expenses paid on behalf and advances, was unsecured, interest-free and repayable on demand.

Amounts owing by related parties and directors in 2014, which arose mainly from expenses paid on behalf and advances, were unsecured, interest-free and repayable on demand.

Related parties in 2014 refer to companies in which certain directors have interests.

23. AMOUNT OWING BY SUBSIDIARIES

Amount owing by subsidiaries, which arose mainly from expenses paid on behalf and advances, are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

24. SHARE CAPITAL

	Note	The Company			
		30 June 2015		31 December 2013	
		Number of shares	RM	Number of shares	RM
Authorised:					
Ordinary shares of RM0.50 each:					
At beginning of period/year		600,000,000	300,000,000	600,000,000	300,000,000
Ordinary shares of RM1.00/ RM0.50 each:					
At end of period/year		2,500,000,000	2,500,000,000	600,000,000	300,000,000
Issued and fully paid:					
Ordinary shares of RM0.50 each:					
At beginning of period/year		235,625,000	117,812,500	236,000,000	118,000,000
Cancellation of treasury shares	(i)	-	-	(375,000)	(187,500)
Issuance of shares pursuant to bonus issue	(ii)	56,550,000	28,275,000	-	-
Cancellation of bonus issue	(iii)	(56,550,000)	-	-	-
Arising from cancellation of RM0.49 of ordinary shares of RM0.50 each	(iii)	(235,625,000)	(146,087,500)	-	-
At end of period/year		-	-	235,625,000	117,812,500

24. SHARE CAPITAL (CONT'D.)

	Note	The Company			
		30 June 2015		31 December 2013	
		Number of shares	RM	Number of shares	RM
Ordinary shares of RM0.01 each:					
At beginning of period/year		-	-	-	-
Arising from cancellation of RM0.49 of ordinary shares of RM0.50 each	(iii)	235,625,000	146,087,500	-	-
Arising from capital repayment	(iii)	-	(143,731,250)	-	-
Arising from consolidation of paid-up share capital comprising 235,625,000 ordinary shares of RM0.01 each into 2,356,245 New Shares	(iv)	(235,625,000)	(2,356,250)	-	-
At end of period/year		-	-	-	-
Ordinary shares of RM1.00 each					
At beginning of period/year		-	-	-	-
Arising from consolidation of paid-up share capital comprising 235,625,000 ordinary shares of RM0.01 each into 2,356,245 New Shares	(iv)	2,356,245	2,356,245	-	-
Issue of shares arising from:					
Acquisition of MCTCB	(v)	1,032,420,869	1,032,420,869	-	-
Private Placement	(v)	146,300,400	146,300,400	-	-
Bumiputera Issue	(v)	153,699,600	153,699,600	-	-
At end of period/year		1,334,777,114	1,334,777,114	-	-

NOTES TO THE FINANCIAL STATEMENTS

24. SHARE CAPITAL (CONT'D.)

- (i) The Company had on 6 December 2013 cancelled 375,000 treasury shares.
- (ii) The Company had on 29 January 2014 issued 56,550,000 Bonus Shares, on the basis of twenty-four (24) Bonus Shares for every one hundred (100) existing ordinary shares of RM0.50 each held.
- (iii) The Company had on 13 February 2014 completed the following:
 - (a) the cancellation of all 56,550,000 Bonus Shares;
 - (b) the cancellation of RM0.49 of the par value of every ordinary share of RM0.50 each resulting in the existing ordinary share capital of the Company being comprised of ordinary shares of RM0.01 per share; and
 - (c) capital repayments of RM143,731,250 on the basis of RM0.61 for every one (1) ordinary share of RM0.01 held.
- (iv) The Company had on 6 April 2015 completed the Consolidation as disclosed in Note 2.
- (v) In conjunction with the Regularisation Plan undertaken by the Company, the issued and paid-up share capital of the Company was increased from RM2,356,245 comprising 2,356,245 New Shares to RM1,334,777,114 comprising 1,334,777,114 New Shares as follows:

	Share capital RM	Share premium RM
(a) Acquisition of MCTCB	1,032,420,869	-
(b) Private Placement	146,300,400	40,964,112
(c) Bumiputera Issue	153,699,600	43,035,888
	1,332,420,869	84,000,000

The resulting share premium has been credited to the share premium account.

25. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”)

As disclosed in Note 2, the Company completed the acquisition of the entire equity interest in MCTCB via the issuance of 1,032,420,869 New Shares at an issue price of RM1.00 each per share and RM122,218,357 nominal value of 36 months zero coupon ICULS.

Salient terms of ICULS are as follows:

(i) Conversion rights and rate

The ICULS are convertible into New Shares during the conversion period at a conversion price of RM1.00 for each new ordinary share.

(ii) Conversion period

The ICULS are convertible at any time during the period of 36 months from the date of issue of the ICULS.

(iii) Coupon rate

The ICULS has a zero coupon rate.

(iv) Redeemability

Unless the ICULS are required by law to be redeemed, the ICULS shall not be redeemable at any time during their tenure.

(v) Ranking

The New Shares issued upon conversion of the ICULS shall rank *pari passu* in all respects with the then existing shares of the Company, save and except that such New Shares shall not be entitled to any rights, dividends, benefits entitlements, allotments and/or any other distributions declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the date of allotment of the New Shares to be issued upon the conversion of the ICULS.

During the financial year, there are no ICULS being converted into new ordinary shares of RM1.00 each in the Company.

NOTES TO THE FINANCIAL STATEMENTS

26. RESERVES

	The Group		The Company	
	30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
Non-distributable reserves:				
Share premium	84,096,954	-	84,096,954	28,371,954
Reverse acquisition reserve	(1,062,626,723)	-	-	-
	(978,529,769)	-	84,096,954	28,371,954

Share premium

Share premium arose from the premium on the issuance of new ordinary shares in current and prior periods.

Reverse acquisition reserve

Reverse acquisition reserve arose from the reverse acquisition of the Company by MCTCB during the financial year/period as follows:

	The Group	
	30 June 2015 RM	30 June 2014 RM
Shares issued by the Company to acquire MCTCB	1,032,420,869	-
ICULS issued by the Company to acquire MCTCB	122,218,357	-
Total purchase consideration	1,154,639,226	-
Reversal of MCTCB's paid-up share capital pursuant to reverse acquisition	(18,500,000)	-
Reversal of MCTCB's other reserves pursuant to reverse acquisition	(71,612,939)	-
Retained earnings of the Company immediately before reverse acquisition	(1,899,564)	-
Adjustment taken for reverse acquisition reserve	1,062,626,723	-

27. RETAINED EARNINGS

At the end of the reporting period, the entire balance of the retained earnings of the Company is available for distribution as dividends under the single tier income tax system.

28. BORROWINGS

	The Group	
	30 June 2015 RM	30 June 2014 RM
Current		
Secured:		
Term loans	19,575,788	31,107,599
Bank overdrafts	-	563,550
	19,575,788	31,671,149
Non-Current		
Secured:		
Term loans	186,384,668	151,206,439
Total borrowings		
Term loans	205,960,456	182,314,038
Bank overdrafts (Note 34)	-	563,550
	205,960,456	182,877,588

Borrowings are repayable as follows:

	The Group	
	30 June 2015 RM	30 June 2014 RM
Current	19,575,788	31,671,149
Non-current:		
More than a year and less than 5 years	170,114,309	108,933,278
More than 5 years	16,270,359	42,273,161
	205,960,456	182,877,588

The borrowings are secured by the following:

- Property, plant and equipment, investment properties, land held for property development and property development costs as disclosed in Notes 12, 13, 14 and 19, respectively;
- A third party memorandum of deposit of fixed deposits belonging to the Group as disclosed in Note 34; and
- A joint and several guarantee by certain directors of the Company.

The borrowings bear interest at rates ranging from 4.60% to 8.10% (2014: 4.60% to 8.10%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

29. HIRE-PURCHASE PAYABLES

	The Group	
	30 June 2015 RM	30 June 2014 RM
Total outstanding	11,518,645	6,247,519
Less: Interest-in-suspense	(1,244,826)	(559,219)
Principal portion	10,273,819	5,688,300
Payable as follows:		
Within the next 12 months (shown under current liabilities)	3,252,126	2,166,495
After the next 12 months	7,021,693	3,521,805
	10,273,819	5,688,300

The interest rates implicit in these hire-purchase obligations range from 2.36% to 11.00% (2014: 2.36% to 11.00%) per annum.

The hire-purchase payables are secured by the property, plant and equipment as disclosed in Note 12.

30. DEFERRED TAX LIABILITIES

	The Group	
	30 June 2015 RM	30 June 2014 RM
At beginning of year	-	-
Transfer from profit or loss (Note 10)	1,853,761	-
At end of year	1,853,761	-

Deferred tax liabilities provided in the financial statements are in respect of the tax effects of temporary differences arising from property, plant and equipment.

31. TRADE PAYABLES

	The Group	
	30 June 2015 RM	30 June 2014 RM
Trade payables	178,848,353	60,058,651
Retention sum (Note 20)	17,015,196	10,294,615
Landowners' entitlements	-	97,842,385
	195,863,549	168,195,651

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The average credit period granted to the Group for trade purchase ranges from 30 to 90 days (2014: 30 to 90 days).

In the previous financial year ended 30 June 2014, the Group entered into Joint Venture Agreements with three related parties for the development of four parcels of freehold land. The landowners' entitlements above represent the present value of the landowners' entitlements, discounted using the discount rate of 8% per annum.

32. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
Other payables:				
Third parties	47,863,380	6,522,227	330,322	528,390
Amount owing to related parties	-	18,850,404	-	-
Amount owing to directors	-	22,966,192	-	-
	47,863,380	48,338,823	330,322	528,390
Accrued expenses	14,836,920	9,329,749	61,038	4,310
Provision for rebates	34,175,682	31,342,729	-	-
Deposits received	11,532,350	50,097,965	-	-
Provision for liquidated damages	-	1,343,322	-	-
	108,408,332	140,452,588	391,360	532,700

NOTES TO THE FINANCIAL STATEMENTS

32. OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D.)

Amounts owing to related parties and directors in 2014, which arose mainly from expenses paid on behalf and advances, were unsecured, interest-free and repayable on demand.

Provision for rebates represent rebates granted to the purchasers of the property development of the Group.

Provision for liquidated damages represented late payment charges for late delivery of the property development to the purchasers.

Deposits received represent deposits received from the purchasers of the property development of the Group.

Related parties in 2014 refer to companies in which certain directors have interests.

33. DIVIDENDS

	The Group		The Company	
	30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
For the year ended 31 December 2013:				
Special single tier dividend of RM0.58 per share on 235,625,000 ordinary shares of RM0.50 each	-	-	-	136,662,500
For the period 1 January 2014 to 30 June 2015:				
Interim single tier dividend of RM0.008 per share on 235,625,000 ordinary shares of RM0.01 each	1,885,000	-	1,885,000	-
	1,885,000	-	1,885,000	136,662,500

34. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:

	The Group		The Company	
	30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
Fixed deposits with licensed banks	31,357,221	16,967,227	-	-
Investments in short-term funds	194,281,713	-	36,909	150,243,351
Deposits under Housing Development Accounts	11,029,944	4,393,334	-	-
Cash and bank balances	225,678,425	47,910,324	2,561,918	39,422
Cash and bank balances	462,347,303	69,270,885	2,598,827	150,282,773
Less: Fixed deposits pledged with licensed banks (Note 28)	(15,991,204)	(14,266,847)	-	-
Less: Bank overdrafts (Note 28)	-	(563,550)	-	-
	446,356,099	54,440,488	2,598,827	150,282,773

Fixed deposits with licensed banks earn interest at rates ranging from 2.55% to 4.30% (2014: 2.55% to 3.35%) per annum and have maturity periods ranging from 30 to 365 days (2014: 30 to 365 days).

The investments in short-term funds are placements made in management funds that invest in fixed deposits and short-term money market instruments offered by banks or financial institutions which allow redemption with notice of one business day.

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.

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS

Capital Risk Management

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 balance. 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 with each class of capital.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows:

	The Group	
	30 June 2015 RM	30 June 2014 RM
Total debts	216,234,275	188,565,888
Less: Fixed deposits and cash and bank balances (Note 34)	(462,347,303)	(69,270,885)
Net (cash)/debts	(246,113,028)	119,295,003
Equity	671,507,498	147,147,833
Debt to equity ratio	N/A	81%

Debts are defined as borrowings and hire-purchase payables as disclosed in Notes 28 and 29, respectively.

Equity includes share capital, ICULS, reserves, retained earnings and non-controlling interests.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 4.

35. FINANCIAL INSTRUMENTS (CONT'D.)

Categories of financial instruments

	The Group		The Company	
	30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
Financial assets				
Available-for-sale investments	237,961	331,549	-	-
Loans and receivables:				
Trade receivables	38,596,985	57,280,990	-	-
Other receivables and deposits (Note 22)	14,792,904	127,804,718	412	1,067,569
Amount owing by subsidiaries	-	-	414,222,825	-
Deposits with licensed banks	225,638,934	16,967,227	36,909	150,243,351
Cash and bank balances	236,708,369	52,303,658	2,561,918	39,422
Financial liabilities				
Other financial liabilities:				
Borrowings (Note 28)	205,960,456	182,877,588	-	-
Hire-purchase payables (Note 29)	10,273,819	5,688,300	-	-
Trade payables	195,863,549	168,195,651	-	-
Other payables and accrued expenses (Note 32)	96,875,982	90,354,623	391,360	532,700

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including interest rate 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.

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 borrowings of the Company are disclosed in Note 28. Interest rate for hire-purchase payables, which is disclosed in Note 29, is fixed at the inception of the financing arrangement.

The Group's exposures to interest rates on financial liabilities are detailed below. The sensitivity analysis below have been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 50 basis point increase or decrease in the interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONT'D.)

Interest Rate Risk Management (cont'd.)

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the financial impact of the Group for the year ended 30 June 2015 would be decrease/increase as follows:

	The Group	
	30 June 2015 RM	30 June 2014 RM
Interest expense recognised in profit or loss	284,856	279,488
Interest expense capitalised in property development costs	744,946	634,900

Credit Risk Management

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 of 30 June 2015, is the carrying amount of these receivables as disclosed in statements of financial position.

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 21. The Group defines counterparties having similar characteristics if they are related entities.

Liquidity Risk Management

Ultimate 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.

35. FINANCIAL INSTRUMENTS (CONT'D.)

Liquidity Risk Management (cont'd.)

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	More than 5 years RM	Total RM
The Group				
30 June 2015				
Financial liabilities				
Non-interest bearing:				
Trade payables	195,863,549	-	-	195,863,549
Other payables and accrued expenses	96,875,982	-	-	96,875,982
	292,739,531	-	-	292,739,531
Interest bearing:				
Borrowings	20,818,851	180,916,568	17,303,527	219,038,946
Hire-purchase payables	3,647,203	7,871,442	-	11,518,645
	24,466,054	188,788,010	17,303,527	230,557,591
	317,205,585	188,788,010	17,303,527	523,297,122
The Company				
30 June 2015				
Financial liabilities				
Non-interest bearing:				
Other payables and accrued expenses	391,360	-	-	391,360

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONT'D.)

Liquidity Risk Management (cont'd.)

	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
The Group				
30 June 2014				
Non-interest bearing:				
Trade payables	80,353,266	94,032,002	26,871,354	201,256,622
Other payables and accrued expenses	90,354,623	-	-	90,354,623
	170,707,889	94,032,002	26,871,354	291,611,245
Interest bearing:				
Borrowings	33,729,774	116,013,941	45,020,916	194,764,631
Hire-purchase payables	2,379,483	3,868,036	-	6,247,519
	36,109,257	119,881,977	45,020,916	201,012,150
	206,817,146	213,913,979	71,892,270	492,623,395

The Company

31 December 2013

Financial liabilities

Non-interest bearing:

Other payables and accrued expenses	532,700	-	-	532,700
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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.

Fair Values

The carrying amounts of the financial instruments approximate their fair values as these financial assets and financial liabilities have short-term maturity or are repayable on demand except for the following:

The fair value of long-term financial liabilities are determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between the fair values and carrying values of these liabilities as at the end of the reporting period.

35. FINANCIAL INSTRUMENTS (CONT'D.)

Fair Value Hierarchy

The table below analysis 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).

	The Group			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30 June 2015				
Financial Assets				
Available-for-sale investments	237,961	-	-	237,961
30 June 2014				
Financial Assets				
Available-for-sale investments	231,549	-	-	231,549

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial period, the significant related party transactions entered by the Group, which were determined based on negotiations agreed between the parties, are as follows:

	The Group	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM
Rental of premises paid/payable to its former ultimate holding company	-	15,000
Renovation works received/receivable from a related party	606,365	-
Provision of plan submission services paid/payable to a related party	1,208,400	1,453,260
Rental of premises received/receivable from related parties	663,216	-
Sales of properties to persons related to the directors	579,800	-
Hire of motor vehicles paid/payable to a related party	186,000	-

NOTES TO THE FINANCIAL STATEMENTS

36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Related parties refer to companies in which certain directors have interests.

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 either directly or indirectly. The key management personnel includes directors of the Company, and certain members of senior management of the Group.

The remuneration of key management personnel during the financial year/period are as follows:

	The Group		The Company	
	30 June 2015 (12 months) RM	30 June 2014 (12 months) RM	30 June 2015 (18 months) RM	31 December 2013 (12 months) RM
Salaries and other remunerations	2,494,058	875,890	200,000	150,000
Defined contribution plans	316,146	105,108	-	-
Benefits-in-kind	54,383	32,625	-	-
	2,864,587	1,013,623	200,000	150,000

37. COMMITMENTS

At the end of the reporting period, the Group has the following purchase commitments:

	The Group	
	30 June 2015 RM	30 June 2014 RM
Purchase of property, plant and equipment	1,344,220	7,072,662
Rental commitments from leaseback arrangement	21,242,156	26,464,349
	22,586,376	33,537,011

38. CONTINGENT LIABILITIES

	The Group	
	30 June 2015 RM	30 June 2014 RM
Financial guarantees provided in favour of third parties pursuant to the construction projects of the Group	49,097,952	6,086,500
Corporate guarantee provided to former ultimate holding company for banking facilities	-	1,000,000

39. MATERIAL LITIGATIONS

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 One City Development Sdn Bhd ("OCD"), 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 OCD, as the fourth defendant, being the registered proprietor of the Master Title and such application was allowed on 29 March 2010.

There is also a court case involving the Plaintiff and one other group which is led by Nagaraju a/l Merganathan and some of its committee members in Suit No. 22 - 491-2001 in the High Court in Shah Alam claiming for the control and management of the Society and the Existing Temple.

The Plaintiff is claiming, among other reliefs, an order that the Land Portion (measuring approximately one acre), be alienated to the Plaintiff.

On 11 March 2014, the parties have recorded a consent judgment in relation to the matter ("Consent Judgment") and the sealed Consent Judgment has been extracted from the High Court. Accordingly, the matter has been amicably settled subsequent to the completion of the fulfillment of the terms stated in the Consent Judgment by the parties involved, which include, *inter-alia*, the following:

- (a) OCD has completed the construction of the new temple and OCD has deposited a sum of RM1.5 million with OCD's solicitors as stakeholders.
- (b) The parties occupying the Existing Temple have not delivered the vacant possession of the Land Portion to OCD. OCD has instructed its solicitors to commence legal proceedings to recover the possession of the site occupied by the Existing Temple.

The directors are of the opinion that in any event, the claim to the Land Portion will not unduly affect the ongoing construction development on the said land as the Existing Temple is not sited on the relevant part of the land which has been approved for development.

NOTES TO THE FINANCIAL STATEMENTS

40. 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) Others - Investment holding, operating in hotelling, fitness center and cinema cum seminar facility, provision of utilities services and leasing of properties

No information on geographical areas is presented as the Group operates mainly in Malaysia.

40. SEGMENTAL REPORTING (CONT'D.)

30 June 2015	Property development RM	Construction activities RM	Others RM	Total RM	Elimination RM	The Group RM
Revenue						
External revenue	412,584,428	159,962,317	47,119,366	619,666,111	-	619,666,111
Inter-segment revenue	(31,447,683)	300,048,503	166,506,213	435,107,033	(435,107,033)	-
Total Revenue	381,136,745	460,010,820	213,625,579	1,054,773,144	(435,107,033)	619,666,111
Results						
Operating profit/(loss)	60,245,275	50,251,910	(26,984,593)	83,512,592	12,981,819	96,494,411
Interest income	389,264	1,766,120	435,895	2,591,279	-	2,591,279
Finance costs	(147,129)	(702,417)	(3,340,217)	(4,189,763)	-	(4,189,763)
Share of results of associate						62,063
Profit before tax						94,957,990
Income tax expense						(31,402,606)
Profit after tax						63,555,384
Assets and liabilities						
Segment assets	1,039,415,871	558,887,160	1,813,316,635	3,411,619,666	(2,172,156,855)	1,239,462,811
Tax recoverable	7,240	-	41,134	48,374	-	48,374
Total assets	1,039,423,111	558,887,160	1,813,357,769	3,411,668,040	(2,172,156,855)	1,239,511,185
Segment liabilities	730,817,729	461,819,841	238,972,434	1,431,610,004	(898,188,573)	533,421,431
Tax and deferred tax liabilities	31,540,484	2,450,044	591,728	34,582,256	-	34,582,256
Total liabilities	762,358,213	464,269,885	239,564,162	1,466,192,260	(898,188,573)	568,003,687

NOTES TO THE FINANCIAL STATEMENTS

40. SEGMENTAL REPORTING (CONT'D.)

30 June 2014	Property development RM	Construction activities RM	Others RM	Total RM	Elimination RM	The Group RM
Revenue						
External revenue	220,797,211	87,456,501	-	308,253,712	-	308,253,712
Inter-segment revenue	39,698,201	204,200,398	140,112,723	384,011,322	(384,011,322)	-
Total Revenue	260,495,412	291,656,899	140,112,723	692,265,034	(384,011,322)	308,253,712
Results						
Operating profit/(loss)	91,499,174	(16,404,262)	(20,669,962)	54,424,950	(10,164,792)	44,260,158
Interest income	225,148	88,692	375,532	689,372	-	689,372
Finance costs	-	(477,520)	(1,508,332)	(1,985,852)	-	(1,985,852)
Share of results of associate						22,304
Profit before tax						42,985,982
Income tax expense						(15,749,998)
Profit after tax						27,235,984
Assets and liabilities						
Segment assets	674,619,275	290,179,544	206,241,914	1,171,040,733	(463,596,317)	707,444,416
Tax recoverable	1,275,000	-	219,332	1,494,332	-	1,494,332
Total assets	675,894,275	290,179,544	206,461,246	1,172,535,065	(463,596,317)	708,938,748
Segment liabilities	427,580,968	234,462,501	178,966,256	841,009,725	(317,115,814)	523,893,911
Tax and deferred tax liabilities	35,608,290	2,020,890	267,824	37,897,004	-	37,897,004
Total liabilities	463,189,258	236,483,391	179,234,080	878,906,729	(317,115,814)	561,790,915

40. SEGMENTAL REPORTING (CONT'D.)

Information about major customers

Revenue of the Group for the current financial year amounting to RM149,285,720 (2014: RM73,275,487) from the construction activities is derived from a customer.

41. CHANGE OF FINANCIAL YEAR

On 11 February 2015, the Company changed its financial year from 31 December to 30 June.

42. COMPARATIVE FIGURES

As a result of the change in financial year end, the financial statements of the Company for the current financial period are drawn up for the period 1 January 2014 to 30 June 2015 or a period of 18 months while the financial statements of the Company for the preceding financial year are drawn up for the year ended 31 December 2013.

Under the reverse acquisition method of accounting as disclosed in Note 3, the comparative figures in the Group's financial statements are presented to reflect those of MCTCB Group.

NOTES TO THE FINANCIAL STATEMENTS

43. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company at the end of the reporting period, into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") dated 25 March 2010 and prepared in accordance with the Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements", as issued by the Malaysian Institute of Accountants, and the directive of Bursa Securities.

	The Group		The Company	
	30 June 2015 RM	30 June 2014 RM	30 June 2015 RM	31 December 2013 RM
Total retained earnings/ (accumulated losses) of the Company and its subsidiaries				
Realised	336,073,074	280,925,600	29,986,500	4,656,461
Unrealised	(5,913,509)	(1,357,367)	-	-
	330,159,565	279,568,233	29,986,500	4,656,461
Add: Consolidation adjustments	(139,937,368)	(151,020,833)	-	-
Total retained earnings	190,222,197	128,547,400	29,986,500	4,656,461

STATEMENT BY DIRECTORS

The directors of **MCT BERHAD** (formerly known as GW Plastics Holdings Berhad) state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provision of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of the financial performance and the cash flows of the Group for the year then ended and of the Company for the period 1 January 2014 to 30 June 2015.

The supplementary information set out in Note 43 on page 152, which is not part of the financial statements, is prepared in all material respects, in accordance to Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with
a resolution of the Directors,

TAN SRI DATO' SRI GOH MING CHOON

DATO' SRI TONG SEECH WI

Kuala Lumpur
23 October 2015

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **DATO' WONG YING SIANG**, the officer primarily responsible for the financial management of **MCT BERHAD** (formerly known as GW Plastics Holdings Berhad), do solemnly and sincerely declare that the accompanying financial statements 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.

Signed in accordance with
a resolution of the Directors,

DATO' WONG YING SIANG

Subscribed and solemnly declared by the abovenamed **DATO' WONG YING SIANG** at **KUALA LUMPUR** on this 23rd day of October, 2015

Before me,

COMMISSIONER FOR OATHS

LIST OF PROPERTIES

No.	Location	Land Area (Hectare)	Tenure	Existing Use	Net Book Value As At 30.06.2015 (RM)
1	SKY PARK PROPERTIES SDN BHD Lot PT 11992, Jalan Teknorat 1, Cyber 3, Cyberjaya, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	4.5637	Freehold	Basement car park, podium, hotel, buildings and link bridge	142,398,938
2	ONE CITY PROPERTIES SDN BHD Lot 54445, Lot 77027, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	2.0822	Freehold	Building, basement car park, podium, rooftop	29,635,639
	Lot 91835, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	0.6014	Freehold	Buildings, basement car park, podium, rooftop	23,848,547
	Lot PT 9671, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	0.6568	Freehold	Buildings, basement car park, podium, rooftop	19,266,800
	Lot 91834, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	1.2424	Lease of Stratum	Car park	38,246,038

ANALYSIS OF SHAREHOLDINGS

As at 30 October 2015

Share Capital

Authorised Share Capital	:	RM2,500,000,000.00 divided into 2,500,000,000 ordinary shares of RM1.00 each
Issued and Paid-Up Capital	:	RM1,334,777,114.00 divided into 1,334,777,114 ordinary shares of RM1.00 each
Types of Shares	:	Ordinary share of RM1.00 each
Voting Rights	:	One vote per ordinary share

Distribution of Shareholdings

Size of Shareholding	Shareholder		Shareholding	
	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	25	2.04	921	0.00
100 to 1,000	468	38.11	130,668	0.01
1,001 to 10,000	428	34.85	2,568,656	0.19
10,001 to 100,000	215	17.51	6,861,987	0.51
100,001 to less than 5% of issued shares	87	7.08	193,105,125	14.47
5% and above of issued shares	5	0.41	1,132,109,757	84.82
Total	1,228	100.00	1,334,777,114	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 and Paid Up Share Capital
1	Regent Wise Investments Limited	439,809,059	32.95
2	Tan Sri Dato' Sri Goh Ming Choon	296,233,454	22.19
3	Dato' Sri Tong Seech Wi	195,587,244	14.65
4	Lembaga Tabung Haji	133,480,000	10.00
5	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Goh Ming Choon (PB)	67,000,000	5.02
6	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt an for AIA Bhd	39,671,100	2.97
7	Kumpulan Wang Persaraan (Diperbadankan)	33,490,400	2.51
8	Lai Ming Chun @ Lai Poh Lin	22,572,500	1.69
9	HLB Nominess (Tempatan) Sdn Bhd - Pledged securities account for Tan Kim Heung	13,800,000	1.03
10	Maybank Nominees (Tempatan) Sdn Bhd - Pledged securities account for Koh Kin Lip	11,000,000	0.82
11	Maybank Nominees (Tempatan) Sdn Bhd - Pledged securities account for Rickoh Corporation Sdn Bhd	11,000,000	0.82
12	KDYMM Tuanku Sultanah Hajah Haminah Binti Haji Hamidun	10,000,000	0.75
13	IDIQA Holding Sdn Bhd	4,830,400	0.36

ANALYSIS OF SHAREHOLDINGS

As at 30 October 2015

List of Thirty (30) Largest Securities Account Holders as per the Record of Depositors (Cont'd.)

No.	Name of Shareholder	No. of Shares Held	% of Issued and Paid Up Share Capital
14	Looi Teh Sung	4,476,000	0.34
15	Ng Lee Ling	3,146,600	0.24
16	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Islamic Trustee Berhad for Pacific Dana Aman (3717 TR01)	2,180,000	0.16
17	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (KIB)	2,050,400	0.15
18	AMSEC Nominees (Tempatan) Sdn Bhd - Amtrustee Berhad for Pacific Dividend Fund (UT-PM-DIV)	1,911,000	0.14
19	WHC Capital Sdn Bhd	1,562,000	0.12
20	Tokio Marine Life Insurance Malaysia Bhd as beneficial owner (TMEF)	1,500,000	0.11
21	RHB Nominees (Tempatan) Sdn Bhd - pledged securities account for Siau Lian Sang	1,385,100	0.10
22	Tokio Marine Life Insurance Malaysia Bhd as Beneficial owner (NPF)	1,300,000	0.09
23	Citigroup Nominees (Tempatan) Sdn Bhd - Kenanga Islamic Investors Bhd for Lembaga Tabung Haji	1,128,300	0.08
24	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Bhd for Libra Amanah Saham Wanita (N14011980040)	1,109,000	0.08
25	Alliancegroup Nominees (Tempatan) Sdn Bhd - pledged securities account for Koh Kin Lip (8058900)	1,005,000	0.08
26	Tan Pei Geok	1,000,000	0.07
27	Tokio Marine Life Insurance Malaysia Bhd as Beneficial owner (PF)	1,000,000	0.07
28	Chiam Siew Moi	955,100	0.07
29	CIMB Islamic Nominees (Tempatan) Sdn Bhd - CIMB Islamic Trustees Berhad – Kenanga Syariah Growth Fund	954,800	0.07
30	Alliancegroup Nominees (Tempatan) Sdn Bhd - pledged securities account for Tan Siew Booy (D18)	880,300	0.06
		1,306,017,757	97.79

Substantial Shareholders as per the Register of Substantial Shareholders

No.	Name of Substantial Shareholder	No. of Shares Held in The Company			
		Direct Interest	%	Indirect Interest	%
1	Regent Wise Investments Limited	439,809,059	32.95	-	-
2	Tan Sri Dato' Sri Goh Ming Choon	363,233,454	27.12	-	-
3	Dato' Sri Tong Seech Wi	195,587,244	14.65	-	-
4	Lembaga Tabung Haji	134,608,300	10.09	-	-

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'ri bin Mohamed Nor	-	-	-	-
2	Tan Sri Dato' Sri Goh Ming Choon	363,233,454	27.21	-	-
3	Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	-	-	-	-
4	Dato' Sri Tong Seech Wi	195,587,244	14.65	-	-
5	Datuk Lim Kok Boon	372,625	0.03	-	-
6	Dato' Goh Hin San	-	-	-	-
7	Anna Maria Margarita Bautista Dy	-	-	-	-
8	Bernard Vincent Olmedo Dy	-	-	-	-

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of the Company will be held at eCity Hotel Grand Ballroom, Level R (Rooftop), The Place @ One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan on 21 December 2015 at 10.00 a.m.

AGENDA

1. To receive the Audited Financial Statements for the financial period ended 30 June 2015 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' Fees in respect of the financial period ended 30 June 2015.
3. To re-elect the following Directors who shall retire pursuant to Article 88 of the Articles of Association of the Company:-
 - (a) Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor
 - (b) Tan Sri Dato' Sri Goh Ming Choon
 - (c) Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
 - (d) Dato' Sri Tong Seech Wi
 - (e) Dato' Goh Hin San
 - (f) Mr. Bernard Vincent Olmedo Dy
 - (g) Ms. Anna Maria Margarita Bautista Dy
4. To re-appoint Deloitte as the Auditors of the Company for the ensuing year and to authorise the Directors of the Company to fix their remuneration.

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolution with or without modifications:-

5. Ordinary Resolution - Allotment of Shares Pursuant to Section 132D of the Companies Act, 1965

THAT subject always to the Companies Act, 1965, the Articles of Association of the Company, and the approvals from Bursa Malaysia Securities Berhad and any relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being **AND THAT** the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad **AND FURTHER THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

Please refer to note 1

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

Resolution 6

Resolution 7

Resolution 8

Resolution 9

Resolution 10

NOTICE OF ANNUAL GENERAL MEETING

6. To transact any other business for which due notice shall have been given in accordance with the Articles of Association of the Company and the Companies Act, 1965.

By Order of the Board

Chua Hooi Sian (MAICSA 7014565)
Chua Siew Chuan (MAICSA 0777689)
Mak Chooi Peng (MAICSA 7017931)
Company Secretaries

Kuala Lumpur
Dated: 27 November 2015

Notes:

1. This Agenda Item is not put forward for voting as the provisions of Section 169 of the Companies Act, 1965 do not require the Audited Financial Statements to be approved by shareholders.
2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 December 2015 shall be eligible to attend, speak and vote at the meeting.
3. Subject to Note 6 below, a member is entitled to attend and vote at a meeting of the Company and is entitled to appoint not more than two (2) proxies to attend and vote in his stead in respect of each securities account he holds with ordinary shares of the Company standing to the credit of the said securities account.
4. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
5. The form of proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
6. A member who is an Authorised Nominee may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which hold ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy must be deposited at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes to Special Business:-

Allotment of shares pursuant to Section 132D of the Companies Act, 1965

The proposed adoption of the Ordinary Resolution is for the purpose of seeking a general mandate to empower the Directors of the Company pursuant to Section 132D of the Companies Act, 1965, from the date of the above Meeting, to issue and allot ordinary shares of not more than ten percent (10%) from the unissued share capital of the Company for such purposes as the Directors of the Company consider would be in the interest of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

This authority will provide flexibility and enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placement of shares for purposes of funding future investment project(s), working capital and/ or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.



MCT BERHAD
 (formerly known as GW Plastics Holdings Berhad)
 (Company No. 881786-X)
 (Incorporated in Malaysia under the Companies Act, 1965)

I/We (full name in block capitals) _____

NRIC No./Passport No./Company No. _____

of _____

being a Member/Members of **MCT BERHAD** (formerly known as GW Plastics Holdings Berhad) ("the Company"), hereby appoint (full name)

NRIC No./Passport No. _____ of _____

_____ or failing whom, _____

NRIC No./Passport No. _____ of _____

_____ or failing whom THE CHAIRMAN ON THE MEETING as my/our proxy/proxies to vote on my/our behalf at the Sixth

Annual General Meeting of the Company ("**AGM**") to be held at eCity Hotel Grand Ballroom, Level R (Rooftop), The Place @ One City, Jalan

USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan on 21 December 2015 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

Resolutions		*FOR	*AGAINST
Ordinary Business			
Resolution 1	To approve the payment of Directors' fees		
Resolution 2	To re-elect Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor as a Director of the Company		
Resolution 3	To re-elect Tan Sri Dato' Sri Goh Ming Choon as a Director of the Company		
Resolution 4	To re-elect Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng as a Director of the Company		
Resolution 5	To re-elect Dato' Sri Tong Seech Wi as a Director of the Company		
Resolution 6	To re-elect Dato' Goh Hin San as a Director of the Company		
Resolution 7	To re-elect Mr Bernard Vincent Olmedo Dy as a Director of the Company		
Resolution 8	To re-elect Ms Anna Maria Margarita Bautista Dy as a Director of the Company		
Resolution 9	To re-appoint Deloitte as Auditors		
Special Business			
Resolution 10	Ordinary Resolution: Allotment of shares pursuant to Section 132D of the Companies Act 1965		

* Please indicate with an "X" in the spaces provided above how you wish your votes to be cast. If no specific instruction as to voting is given, the proxy shall vote or abstain from voting at his/her discretion.

As witness my/our hand(s) this _____ day of _____ 20____

 Number of Shares held

 Signature/Common Seal of Member

 CDS Account No.

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 December 2015 shall be eligible to attend, speak and vote at the AGM.
- Subject to note (5) below, a member is entitled to attend and vote at a meeting of the Company and is entitled to appoint not more than two (2) proxies to attend and vote in his stead in respect of each securities account he holds with ordinary shares of the Company standing to the credit of the said securities account.
- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- A member who is an Authorised Nominee may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which hold ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be deposited at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

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AFFIX
STAMP

The Company Secretaries

MCT BERHAD

(formerly known as GW Plastics Holdings Berhad)

(Company No. 881786-X)

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur
Malaysia

1st fold here

MCT Berhad
(formerly known as GW Plastics Holdings Berhad)

Ground Floor, MCT Tower, One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor, Malaysia.

Tel: +603-5115 9988 Fax: +603-5115 9995