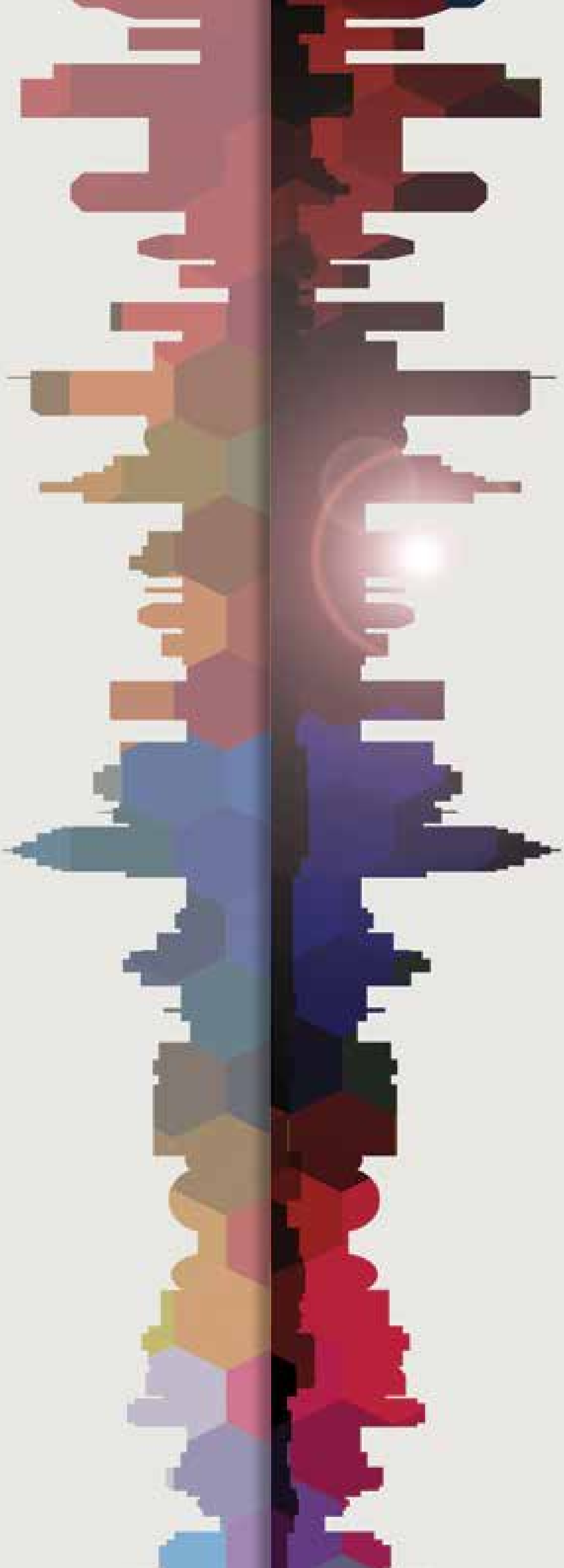
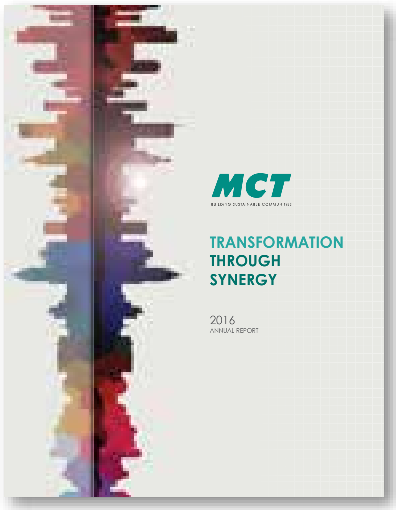


MCT

BUiLDiNG SUSTAiNABLE COMMUNiTiES

TRANSFORMATION THROUGH SYNERGY

2016
ANNUAL REPORT



Cover Rationale

Transformation through Synergy

Over the years, MCT has perfected a unique ecosystem that has enabled our committed team of professionals to build our brand, constantly improving the quality of our developments. Visionary, and with a keen eye on recognising opportunities, we have grown from a contractor to a full-fledged township developer, enriching the landscape with iconic buildings. Our transformation has been a natural progression of synergies created with partners and other stakeholders as we focus on delivering added value and fulfilling our promises.

As we transform ourselves, we are transforming our landscape into sustainable communities.

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

2016 AT A GLANCE

MCT'S GROUP

Revenue increased by **5.7%** year-on-year from **RM619.7 million** in FY 2015 to **RM654.9 million** in FY2016

Profit before tax (PBT) grew by **25.6%** from **RM95.0 million** to **RM119.3 million**

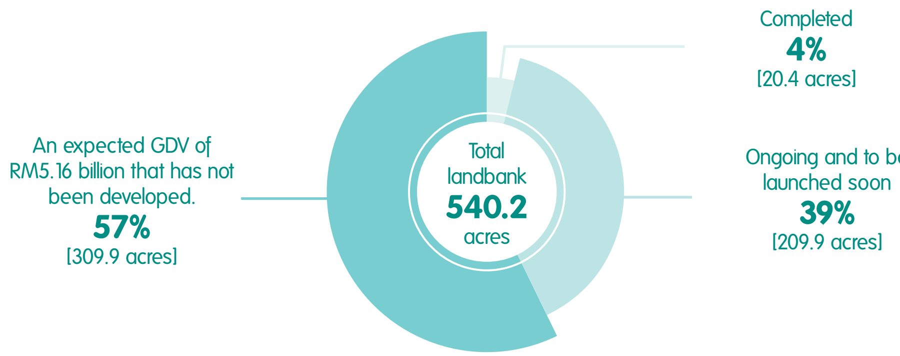
UNBILLED SALES

Recorded unbilled sales of **RM1.6 billion** at end FY 2016

TOTAL ASSETS

RM1.51 billion

SIZEABLE LANDBANK



GREEN CASA - 99% TAKE-UP RATE

comprising **418** units of double-storey terrace houses with an estimated GDV of **RM239 million**

OUR PROPERTY DEVELOPMENT DIVISION

is supported by **in-house construction**

OTHER RELATED BUSINESS UNITS

- Leasing
- Property Management
- Trading
- Hospitality
- Leisure

One City, USJ 25

One City is MCT's flagship integrated commercial development surrounded by commercial, leisure, educational and health institutions, and industrial facilities. The 77-acres development consists of Garden Shoppe, SkyPark @ One City, The Place @ One City, The Square and OneCity Phase 3, and boasts a total GDV exceeding RM5 billion.

For more info, please check our URL at: http://onecity.com.my/

CORPORATE PROFİLE

We are currently developing our first township in CyberSouth and have various completed as well as ongoing residential, retail and commercial projects in Cyberjaya and One City, USJ.

MCT Berhad ("MCT" or "the Company") is fast emerging as a leading property developer in Malaysia. We are currently developing our first township which is located at Cybersouth and have various completed as well as ongoing residential, retail and commercial projects in Cyberjaya and One City, USJ.

Commencing operations in 1999 as Modular Construction Technology Sdn Bhd with a total paid-up share capital of RM250,000, we were listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 6 April 2015 and, today, count among the top 15 property counters on the exchange with a market capitalisation of approximately RM1.5 billion.

CORPORATE PROFİLE

Driven to meet market demand, we are currently focused on affordable housing and have been validated in this decision by encouraging take-up of ongoing projects.

Sky Park @ Cyberjaya

One City @ USJ 25

Our success is underpinned by our construction philosophy centred on the principles of an integrated builder with an in-house design team, construction and purchasing arm, coupled with our own precast and ready-mixed concrete plant. These key features have enabled the Group to adapt quickly to changing market conditions while optimising costs to remain competitive.

Our existing landbank comprises over 540.2 acres of which only 20.4 acres have been fully developed. Ongoing and soon-to-be launched projects with a combined gross development value (GDV) of RM8.02 billion account for another 209.9 acres, leaving 309.9 acres for future projects with a conservatively estimated GDV of RM5.16 billion.

Driven to meet market demand, we are currently focused on affordable housing and have been validated in this decision by the encouraging take-up rate of ongoing projects. At the same time, we are expanding our portfolio of retail properties with Phase 3 of One City and SkyPark @ Cyberjaya.

Our single largest shareholder, Regent Wise Investment Limited, is a wholly-owned subsidiary of property conglomerate Ayala Land Inc. ("Ayala"), the leading property developer in the Philippines with a market capitalisation of approximately RM50 billion. We are collaborating closely with Ayala to create synergies for both organisations and to accelerate our emergence as a key property player in the Malaysian market.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Tan Sri Dato' Sri Goh Ming Choon *(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

Tan Sri Dato' Hj Abd. Karim Bin Shaikh Munisar

Bernard Vincent Olmedo Dy

Anna Maria Margarita Bautista Dy

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

Tan Sri Dato' Hj Abd. Karim Bin Shaikh Munisar

Anna Maria Margarita Bautista Dy

REMUNERATION COMMITTEE

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

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng

Tan Sri Dato' Hj Abd. Karim Bin Shaikh Munisar

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

Tan Sri Dato' Hj Abd. Karim Bin Shaikh Munisar

Bernard Vincent Olmedo Dy

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
Wilayah Persekutuan
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

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel No. : 603-2084 9000
Fax No. : 603-2094 9940

AUDITORS

Messrs. Deloitte
Chartered Accountants
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur

SOLICITORS

M/S LOW & LEE
Suite A-05-07 Block A Level 5
Sky Park One City
Jalan USJ25/1
47650 Subang Jaya
Selangor Darul Ehsan
Tel No. : 603-5115 0007
Fax No. : 603-5115 0020

M/S PEARLY NG, SOH & ASSOCIATES
No. 29, Lorong Maarof 1
Bangsar Park, 59000 Kuala Lumpur
Tel No. : 603-2282 3768
Fax No. : 603-2282 5898

PRINCIPAL BANKERS

Malayan Banking Berhad
Malaysia Building Society Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securties Berhad
Stock Name : MCT
Stock Code : 5182

INVESTOR RELATIONS

Email : info@mct.com.my

CORPORATE STRUCTURE

MCT BERHAD

100%

MCT CONSORTIUM BHD

Property Developer

- USJ One Avenue Sdn Bhd
- Lakefront Residence Sdn Bhd
- Sky Park Properties Sdn Bhd
- One Residence Sdn Bhd
- The Place Properties Sdn Bhd
- Eco Green City Sdn Bhd
- Undersea City Sdn Bhd
- Subang Residency Sdn Bhd
- Next Delta Sdn Bhd
- SPCJ Green Tech Sdn Bhd
  (formerly known as Great Atlas Sdn Bhd)
- Cherish Properties Sdn Bhd
  - Vista Global Development Sdn Bhd [1]
- One City Development Sdn Bhd
  - One City Properties Sdn Bhd

Contractor

- Modular Construction Technology Sdn Bhd

Trading House

- MCT Construction Materials Sdn Bhd
- MCT Store Sdn Bhd

Project/Property Management

- MCT Homes Sdn Bhd
- MCT Property Management Sdn Bhd

Energy & Utilities

- MCT Green Technology Sdn Bhd

Hospitality

- eCity Hotel Sdn Bhd
- Premium Cinema Sdn Bhd
- Skypark Fitness Sdn Bhd

Property Investment

- Ecolake Residence Sdn Bhd
- Leisure Event Sdn Bhd
- MCT Properties Sdn Bhd
- Timeless Hectares Sdn Bhd
- Solid Benefit Sdn Bhd
- Solid Interest Sdn Bhd
- Solid Recommendation Sdn Bhd
- Roaring Gain Sdn Bhd
- Nexus Advertising Sdn Bhd

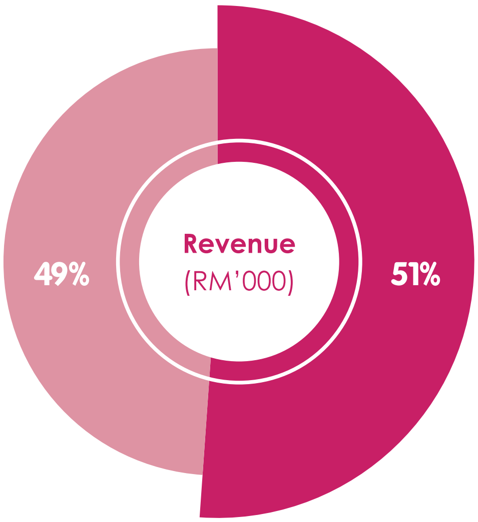
Note:
[1] 70% held by Cherish Properties Sdn Bhd.
Except as otherwise expressly stated, all companies in this structure are wholly owned by their respective holding companies.

FINANCIAL HIGHLIGHTS 2016

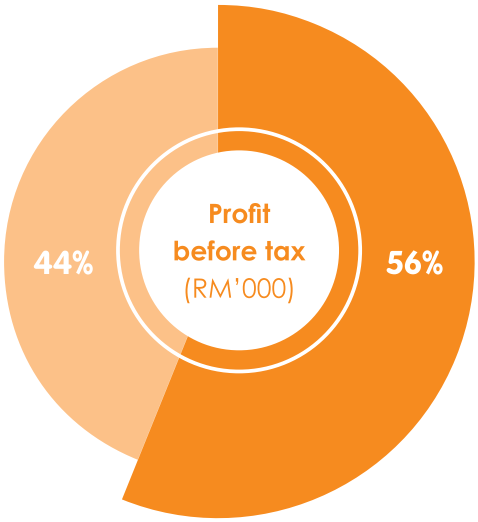
Year Ended	30 June 2016	30 June 2015
Financial Results (RM'000)		
Revenue	**654,908**	619,666
Profit before tax	**119,295**	94,958
Profit attributable to owners of the company	**77,367**	63,560
Financial Position (RM'000)		
Total cash and bank balances	**93,292**	462,347
Total assets	**1,507,053**	1,239,511
Total borrowings	**179,088**	205,960
Total net tangible assets	**720,854**	671,507
Paid-Up capital	**1,334,777**	1,334,777
Equity attributable to owners of the Company	**719,360**	668,688
Financial Ratios		
Basic earning per share (sen)	**5.80**	5.75
Net assets per share attributable to owners of the Company (RM)	**0.54**	0.50
Return on equity (%)	**11**	10
Gearing ratio (%)	**13**	-*

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

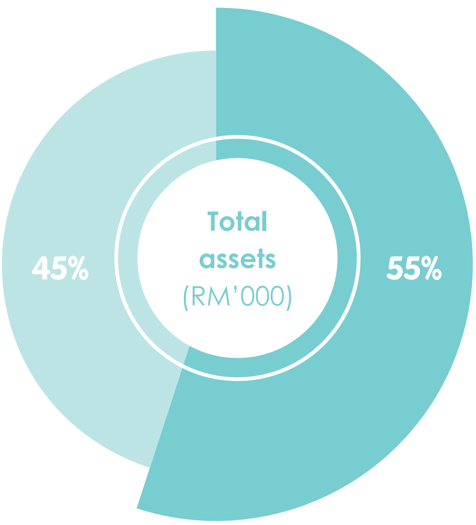
FINANCIAL HIGHLIGHTS 2016



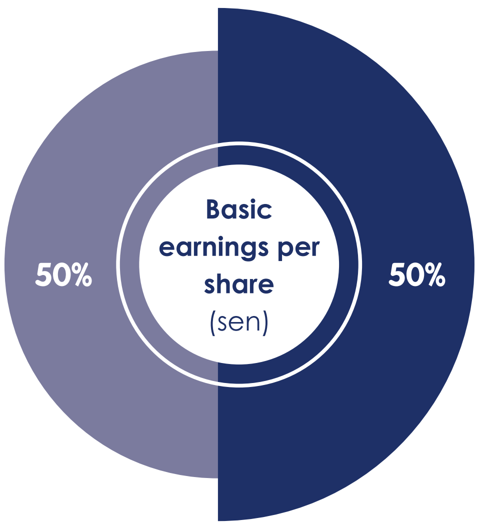
FY15 619,666 FY16 **654,908**



FY15 94,958 FY16 **119,295**



FY15 1,239,511 FY16 **1,507,053**



FY15 5.75 FY16 **5.80**

BOARD OF DIRECTORS

Left to Right :

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
Senior Independent Non-Executive Director

Datuk Lim Kok Boon
Non-Independent Executive Director

Tan Sri Dato' Sri Goh Ming Choon
Non-Independent Executive Deputy Chairman

Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor
Independent Non-Executive Chairman

Dato' Sri Tong Seech Wi
Non-Independent Executive Director and Chief Executive Officer

Anna Maria Margarita Bautista Dy
Non-Independent Non-Executive Director

Bernard Vincent Olmedo Dy
Non-Independent Non-Executive Director

Tan Sri Dato' Hj Abd Karim Bin Shaikh Munisar
Independent Non-Executive Director

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, male, aged 67, was appointed as an Independent Non-Executive Director on 1 April 2015 and was subsequently re-designated as the Chairman of the Company on 3 April 2015. On 22 December 2015, he was appointed as Chairman of the Remuneration Committee. He also serves as a member of the Audit and Risk Management Committee and the Nomination Committee.

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. He had also served as Chairman of the Board of Directors of University Pendidikan Sultan Idris.

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 Securities Berhad. He is also the Chairman of Graphene NanoChem PLC (United Kingdom) and Pelikan AG (Germany).

Tan Sri Dato' Sri Abi Musa Asa'ari attended all six (6) Board Meetings held during the financial year ended 30 June 2016.

BOARD OF DIRECTORS' PROFILES

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

Tan Sri Dato' Sri Goh Ming Choon, a Malaysian, male, aged 52, 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 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 six (6) Board Meetings held during the financial year ended 30 June 2016.

BOARD OF DIRECTORS' PROFILES

DATO' SRI TONG SEECH WI

Non-Independent Executive Director and Chief Executive Officer

Dato' Sri Tong Seech Wi, a Malaysian, male, aged 51, 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, a company involved in property development, property investment and construction activities. He also served on the Board of the Group.

Dato' Sri Tong attended all six (6) Board Meetings held during the financial year ended 30 June 2016.

BOARD OF DIRECTORS' PROFILES

DATUK LIM KOK BOON
Non-Independent Executive Director

Datuk Lim Kok Boon, a Malaysian, male, aged 58, 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 Eksons Corporation Berhad ("Eksons") 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 Eksons, previously known as Chongai Corporation Berhad, which was then financially insolvent.

Datuk Lim has served as the Vice President of the Malaysian Plastics Manufacturers Association from 2004 to 2006 and has been President of the Malaysian Plastics Manufacturers Association since 2006. He was formerly a Director of Pembangunan Sumber Manusia Berhad and is currently a Director of various private limited companies under the Scientex Bhd Group. He also served on the Board of the Group.

Datuk Lim attended all six (6) Board Meetings held during the financial year ended 30 June 2016.

BOARD OF DİRECTORS' PROFİLES

TAN SRİ DATO' LAU YİN PİN @ LAU YEN BENG
Senior Independent Non-Executive Director

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng, a Malaysian, male, aged 67, 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 (now known as Tunku Abdul Rahman University College) in 1974. He has been a member of the Malaysian Institute of Accountants since 1979. He was made a fellow of 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, Lembaga Letrik Negara ("LLN") and its successor company, Tenaga Nasional Berhad ("TNB") and served as a member of the Board for 22 years in various capacities. He had also served as Chairman of STAR Publications (M) Bhd and Nanyang Press Holdings Berhad and was a board member of Media Chinese International Limited (also listed in the Stock Exchange of Hong Kong Limited) until 1 April 2016.

Tan Sri Dato' Lau is currently a board member of two (2) other listed companies on the Main Market of Bursa Malaysia Securities Berhad, namely Ahmad Zaki Resources Berhad and YTL Power International Berhad.

Tan Sri Dato' Lau attended all six (6) Board Meetings held during the financial year ended 30 June 2016.

BOARD OF DIRECTORS' PROFILES

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

YBhg Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar, DSSA, SSA, KMN, ASA, a Malaysian, male, aged 66, was appointed as Independent Non-Executive Director on 22 December 2015. He was appointed as a member of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee on 22 December 2015.

Tan Sri Dato' Hj. Abd Karim holds a Master in Business Administration (business finance) from University of Edinburgh, Advanced Diploma in Economic Development (with Distinction) from University of Manchester, UK and Bachelor of Economics (Hons) from University of Malaya. He also attended an Advance Course in Urban Planning JICA at Tokyo, Japan.

In 1974, Tan Sri Dato' Hj. Abd Karim was the Assistant Director at the Ministry of Finance, Malaysia. Between 1975 to 1980, he held different positions in various districts in the state of Perak as Assistant District Officer, Kinta; Chairman of Kinta District Council; Assistant District Officer 1, Kampar; Chairman of Kampar/Gopeng Municipal Council and also Assistant State Secretary of Perak (UPEN).

Tan Sri Dato' Hj. Abd Karim was the Chief Assistant District Officer 1 (Land) of Kuantan District Office and Chief Assistant State Secretary of Pahang (Housing Division) in 1980; Deputy Director of Klang Valley Planning Secretariat, Prime Minister Department in 1982; Chief Assistant State Secretary of Selangor (Local Authority Division) in 1987.

Tan Sri Dato' Hj. Abd Karim also served as the President of Ampang Jaya Municipal Council from 1992 to 1996. He had an outstanding career in the government sector and was the President of Petaling Jaya Municipal Council in 2003 and 2004. Prior to that, he was the District Officer cum Acting President of Sepang District Council from 1998 to 2003. In 2005, he agreed to join the corporate sector and was appointed as President of Kumpulan Darul Ehsan Berhad. Tan Sri Dato' Hj. Abd Karim was previously the Executive Chairman of various companies listed in Bursa Malaysia such as Kumpulan Perangsang Selangor Berhad, Kumpulan Hartanah Selangor Berhad and Chairman of Taliworks Corporation Berhad from 2004 to 2011.

He was also the Chairman of various other companies namely Konsortium Abass Sdn Bhd, Titisan Modal Sdn Bhd, Central Spectrum Sdn Bhd, Cekal Tulin Development Sdn Bhd, JAKS-KDEB Consortium Sdn Bhd, Hydrovest Sdn Bhd and Perangsang Hotel & Properties Sdn Bhd. In addition, Tan Sri Dato' Haji Abd Karim was also a member of the Board of Directors for Syarikat Bekalan Air Selangor Sdn Bhd (Syabas), Syarikat Pengeluaran Air Selangor Holdings Berhad (Splash), Cyberview Sdn Bhd and Alam Flora Sdn Bhd.

He attended all two (2) Board Meetings held during the financial year ended 30 June 2016 since his appointment to the Board.

BOARD OF DIRECTORS' PROFILES

BERNARD VINCENT OLMEDO DY

Non-Independent Non-Executive Director

Mr. Bernard Vincent Olmedo Dy, a Filipino, male, aged 53, 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 an 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 firm 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 five (5) out of six (6) Board Meetings held during the financial year ended 30 June 2016.

BOARD OF DIRECTORS' PROFILES

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

Ms. Anna Maria Margarita Bautista Dy, a Filipino, female, aged 47, 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 an 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 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 six (6) Board Meetings held during the financial year ended 30 June 2016.

Notes:
Save as disclosed above, none of the Directors have:
(a) any family relationship with any directors and/or major shareholders of the Company;
(b) any conflict of interest with the Company;
(c) Any conviction for offences within the past five (5) years other than for traffic offences, if any;
(d) any public sanction or penalty composed by the relevant regulatory bodies during the financial year.

SkyPark, Cyberjaya

SkyPark @ Cyberjaya is a mixed residential, commercial and leisure development comprising 296 units of serviced apartments, two SOFO towers with 224 studio units and 192 duplex units respectively, a hotel tower, 186 units of office suites, an office tower, retail space and car park with 5,000 bays. The 11-acre development carries a total GDV of about RM1.3 billion.

For more info, please check our URL at: http://www.mct.com.my/our-projects/sky-park-cyberjaya

SENİOR MANAGEMENT TEAM

TAN SRİ DATO' SRİ GOH MİNG CHOON
Non-Independent Executive Deputy Chairman

DATO' RANNY WONG YİNG SİANG
Chief Financial Officer

DATO' SRİ TONG SEECH Wİ
Non-Independent Executive Director and Chief Executive Officer

DATO' İR. LİM KAY KENG
Chief Development Officer

DATUK LİM KOK BOON
Non-Independent Executive Director

TEH HENG CHONG
Chief Marketing Officer

SENİOR MANAGEMENT TEAM

Please refer to page 12 for **Tan Sri Dato' Sri Goh Ming Choon**'s profile.

Please refer to page 13 for **Dato' Sri Tong Seech Wi**'s profile.

Please refer to page 14 for **Datuk Lim Kok Boon**'s profile.

Dato' Ranny Wong, a Malaysian, male, aged 55, was appointed as Chief Financial Officer in March 2014, and was involved in the Due Diligence Working Group for the Listing Exercise of the Group from 2014 to 2015.

He obtained a professional qualification from the Chartered Institute of Management Accountants ("CIMA") from TAR University College in 1987, and Diplomas in Managerial Principles, Accounting, Auditing and Economics respectively from Kinabalu Commercial College in 1982. He is a Chartered Accountant registered with the Malaysian Institute of Accountants and a fellow member of CIMA where he has also qualified as a Chartered Global Management Accountant.

He has more than 27 years of experience in management, accounting and finance in various industries ranging from property development, property management, contructions, oil and gas, exploration, logistic and supply chain in the pulp and paper industries. Prior to joining MCT, he was the Director of Finance and Operations at the International Planned Parenthood Federation, Group Chief Finance Officer at Ghim Li Group Pte. Ltd, and the General Manager of Finance and Administration at Tropicana Corporation Berhad.

Dato' IR. Lim Kay Keng, a Malaysian, male, aged 51, was appointed as Chief Development Officer in January 2016 and currently oversees the property development portfolio and activities of the Company. He joined MCT Berhad in 2014 as Development Director, and was involved in the Due Diligence Working Group for the Listing Exercise of the Group from 2014 to 2015.

He obtained a Master of Business Administration from the University of Leicester in 2004 and a Bachelor's in Civil Engineering from the University of Malaya in 1990. He is a professional engineer registered with the Board of Engineers Malaysia since 1997.

He has more than 26 years of experience in property development, property management and related industries. Prior to joining MCT, he was with the United Engineers Limited of Singapore Group of Companies from 2008, serving as General Manager and Company Director of some of their business entities in Malaysia. He also spent about 10 years with Magnum Corporation Berhad Group of Companies in the earlier part of his career.

Mr. Teh Heng Chong, a Malaysian, male, aged 45, was appointed as Chief Marketing Officer in January 2016.

He obtained a Bachelor's in Economics from the University of Malaya in 1995.

He has more than 20 years of experience in sales and marketing in the property industry. Prior to joining MCT, he was the Chief Operating Officer of Marketing at Mah Sing Group Berhad from 2009 to 2015, responsible for the entire marketing and sales operations of high-end residential properties in the Klang Valley and Penang. From 2007 to 2009, he was with the UOA Group as General Manager of Sales and Marketing involved in Bangsar South City, Menara UOA Bangsar, Villa Yarl, Prima Setapak 2, Plaza Menjalara and Halimahton Residences.

Notes:
Save as disclosed above, none of the Senior Management have:
(a) any family relationship with any directors/major shareholders of the Company;
(b) any conflict of interest with the Company;
(c) any conviction for offences within the past five (5) years other than for traffic offences, if any;
(d) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAİRMAN'S STATEMENT

It gives me great pleasure to present our annual report for the financial year ended 30 June 2016 ("FY 2016"), which represents the first full year of MCT Berhad (MCT)'s operations following our listing on Bursa Malaysia in April 2015. Despite a challenging landscape for the Malaysian economy in general, and the property sector in particular, MCT was able to record an improvement in performance as we stayed true to our integrated business model which encompasses the modular construction technology that has driven our Group forward since our beginnings as a builder in 1999 and which, indeed, lends the Group our name.

The reverse take-over in 2015 provided the Group with, inter alia, the funds for our ongoing projects and access to the capital market for the Group to grow. I am pleased to say that our scale of activity has grown, with the Group completing and handing over The Square in OneCity; as well as launching Tower 3 and 4 of LakeFront Residence in Cyberjaya, and Casa View in Cybersouth in FY 2016.

We were able to capitalise on our integrated business model as we managed to expeditiously make strategic changes to our product mix to suit current consumer sentiment and market needs. Thus, despite the challenging market conditions, we were able to register a 25.6% increase in our profit before tax to RM119.3 million on the back of 5.7% growth in revenue to RM654.9 million. The Group currently has RM1.6 billion in net unbilled sales from our ongoing projects, which together with new projects that are being planned to be launched this year, will allow us to ride out the current property downturn, with visible earnings over the next two to three years.

" We were able to capitalise on our integrated business model. "

TAN SRİ DATO' SRİ
ABİ MUSA ASA'ARİ BİN MOHAMED NOR
Independent Non-Executive Chairman

TRANSFORMATION

Over the course of our 16-year journey, MCT has transformed from a contractor into a full-fledged property developer with the capability to undertake every aspect of the entire value chain of project development, inclusive of areas that are often contracted out to third parties. This forms the basis of our integrated building model, which gives us a cost advantage and a competitive edge in the industry.

Today, we are entering the second phase of our transformation to become a leading player in property development. While our listing has provided us with the funding and access to the capital market, we are also strengthening our internal infrastructure to support our expansion plans. Particular emphasis is being placed on further enhancing our quality processes and human resources capabilities, both of which are critical to the Group's sustained growth.

As we strive to meet customers' expectations of quality products delivered on time and within budget, we have enhanced our Quality Assurance and Quality Control (QAQC) department which will undertake inspections of our projects from the initial stages until their completion. Feedback from QAQC will ensure any aspect that falls short of our standards can be expeditiously and satisfactorily rectified prior to delivery to our customers. To incentivise our project teams, projects with high quality scores will be rewarded.

At the same time, we will continue to enhance our human capital, by nurturing the potential existing employees and recruiting more talent. Talent development is given high priority within the Group and is reliased through various structured programmes aimed at elevating employees' performance and abilities.

CHAİRMAN'S STATEMENT

" We will continue to enhance our human capital, by nurturing the potential of existing employees and recruiting more talent. "

We believe these internal initiatives will have a discernible effect on our brand, establishing MCT as a responsible property developer that can be trusted to deliver quality products to our customers.

CORPORATE RESPONSIBILITY

MCT takes to heart our responsibility to various stakeholders, a commitment that has intensified following our listing. We strive to build strong relationships with our stakeholders based on regular engagement, transparency and integrity.

With regard to our shareholders and the investment community at large, we communicate our quarterly and annual financial results to the media and Bursa Malaysia in the form of press releases and Bursa statements. These documents are subsequently posted on the Investor Relations portal of our corporate website. We also meet regularly with analysts to brief them on the Group's performance and strategy going forward.

CHAİRMAN'S STATEMENT

" We value our business partners and strive to establish synergistic relations with them. "

CHAİRMAN'S STATEMENT

Our customers guide much of our business direction, as their wants dictate our project blueprints. In addition, we are committed to fulfilling our stated Vision, namely 'to build the perfect sustainable community'. By this, we ensure our developments promote holistic well-being, encouraging communal bonds and enabling residents to benefit from the multifarious benefits of 'green living'. This extends beyond the provision of parks and green lungs in our developments to include Green Building Index features that contribute towards environmental conservation.

We value our business partners and strive to establish synergistic relations with them. Our employees, meanwhile, determine the Group's success; and we are committed to providing a stimulating as well as rewarding work environment to maintain their loyalty. As for our local communities, we either sponsor or take part in various events aimed at enhancing the lives of the marginalised.

Overriding these stakeholder initiatives, we are guided in all our business dealings and operations by best practices in corporate governance as provided by the Malaysian Code on Corporate Governance ("MCCG") released by the Securities Commission.

LOOKING FORWARD

While the property sector is expected to continue to be challenging in the coming financial year, MCT will forge ahead with our ongoing projects confident in the knowledge that our business plans are founded on sound principles of respecting market sentiment and keeping a firm rein on costs to enhance our business margins. Focusing on affordable housing and commercial properties in the right locations, we will continue to build the MCT brand as we develop more quality projects that occupy increasingly more space in the Klang Valley.

As part of our longer-term strategy, we will continue to increase our landbank selectively at strategic locations to ensure continuous stream of products into the market.

ACKNOWLEDGEMENTS

The financial year under review was, if anything, a test of our fundamentals given the challenging market conditions. On behalf of the Board, I would like to thank all our employees who have faced the difficult market and have braved many significant changes in the Group without letting up on their individual roles, contributing significantly to our success.

At the same time, we have been very fortunate to have business partners who have worked closely with us to achieve our business goals. Key among the group is Ayala Land Inc., a leading property developer in the Philippines and South-East Asia, which has become both a strategic partner to MCT as well as our single largest shareholder. I would like to extend my appreciation to Ayala for the synergies they have created by being our partner. I would also like to acknowledge the role played by their representatives on our Board who, along with our other Directors, have guided the Group in the initial – and often most challenging – stages of our journey as a public listed company.

We have only just embarked on this exciting journey but I feel confident that, with the continued cooperation, collaboration and commitment of all stakeholders, we can go on to achieve great things.

Once again, to our key contributing stakeholders, thank you.

MANAGEMENT DISCUSSION & ANALYSIS

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

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

MANAGEMENT DISCUSSION & ANALYSIS

" We were able to forge ahead to introduce three products with a total GDV of RM754 million – all of which have met with relatively good response. "

The economic landscape during our financial year ended 30 June 2016 continued to be challenging, affecting the property market which was in general soft, with volume and value of sales for residential and commercial projects continuing to decline. Along with measures adopted by the Government to cool down the market and prevent speculative investments, banks continued to apply more stringent criteria for loan applications and the consequential lower approvals have had an adverse effect on the property market.

However, the slowdown was not experienced uniformly across the board as demand for property priced below RM700,000 per unit, especially among first-time home-buyers, continued to be relatively robust. Recognising the demand for housing with affordable pricing, we were able to leverage on the flexibility afforded by our integrated business model to launch products in FY 2016 that catered to the market demand.

Consequently, despite the lull in property launches generally throughout the country, we were able to forge ahead to introduce three products with a total GDV of RM754 million – all of which have met with relatively good response – while completing and handing over another key development. Our swift and strategic actions enabled us to continue to enhance both our top and bottom lines, with revenue for FY 2016 growing 5.7% and PBT increasing by 25.6%. The encouraging launches and sales enabled us to end FY 2016 with net unbilled sales at a robust RM1.6 billion, which together with new launches that will take place during FY 2017 will provide us with a healthy earnings visibility for the next two to three years.

Our performance during the financial year under review, being our first full financial year of operations following our listing on 6 April 2015, validates the integrated business model that we have adopted which not only affords us design flexibility but also allows us to create optimal cost efficiencies by leveraging on our in-house capabilities in every aspect of construction – from the planning and architectural design of products, the civil and structural as well as mechanical and electrical works, to quantity surveying, procurement, ready mix concrete and the production of pre-cast modules.

A key focus during the year was to further build on our human capital in order to have the full suite of capabilities and competencies to undertake the diversified portfolio of projects that we have embarked on and plan to launch in the near future. This was achieved by bringing on board a number of experienced talent from the industry to meet our project management and construction needs.

MANAGEMENT DİSCUSSİON & ANALYSİS

" Our Group revenue increased by 5.7% year-on-year from RM619.7 million in FY 2015 to RM654.9 million, while PBT grew by 25.6% from RM95.0 million to RM119.3 million. "

Our capabilities have been further strengthened by the presence and involvement of our key partner, Ayala, whose 100% owned subsidiary, Regent Wise Investment Limited, became our single largest shareholder in mid-October 2015, increasing its equity stake from 9.16% to 32.95%. Ayala is a reputable diversified property developer in the Philippines, with a market capitalisation of approximately RM50 billion. Given that Ayala specialises in mixed-use projects comprising retail, office, hotel and residential developments, which are similar to our portfolio, we were therefore able to leverage on and draw on its expertise and experience to unlock more value from our developments. We are able to create further synergies through joint activities with Ayala such as sourcing of building materials, equipment and third-party services.

FY 2016 has therefore been a busy and fulfilling year for us in which we have not only delivered in terms of products but also strengthened our Group's fundamentals, building our technical and management capabilities which will put us in better stead to take on more projects to grow our market presence and brand value.

FINANCIAL REVIEW

Our core business is in Property Development. We have a landbank of 540.2 acres, of which 20.4 acres have been developed, while 209.9 acres are undergoing development (comprising of ongoing projects and projects to be launched soon) with a combined gross development value ("GDV") of RM8.02 billion, and the remaining 309.9 acres are earmarked for future development with an estimated GDV of RM5.16 billion.

Project Status	Land Area (Acres)	Total GDV (RM mil)	Assets For Sale (RM mil)	Retained Assets (RM mil)
Completed	20.4	1,571.8	1,251.8	320
Ongoing	185.8	4,301.4	3,707.6	593.8
Soon to be launched	24.1	3,721.6	1,957.3	1,764.3
Future	309.9	5,157.9	N/A	N/A
Total	**540.2**	**14,752.7**	**N/A**	**N/A**

MANAGEMENT DİSCUSSİON & ANALYSİS

As an integrated developer, our property development division is supported by our in-house construction arm while the other business units which include leasing, property management, trading, hospitality and leisure are complementary to our property development projects.

While FY 2015 was largely focused on our listing, the post listing activities in FY 2016 allowed us to capitalise on the funds raised from the listing exercise to intensify our property development activities which translated to an increase in revenue as well as profit.

As noted above, our Group's revenue increased by 5.7% year-on-year from RM619.7 million in FY 2015 to RM654.9 million, while PBT grew by 25.6% from RM95.0 million to RM119.3 million. This encouraging performance was due to higher profit recognition from more advanced completion of ongoing projects, namely Skypark @ Cyberjaya, Green Casa @ Cybersouth, Casa View @ Cybersouth, Lakefront Home @ Cyberjaya and Lakefront Residence @ Cyberjaya. At the same time, we recorded a 21.7% increase in profit after tax ("PAT") from RM63.6 million in FY 2015 to RM77.4 million, consistent with the higher revenue.

However, our effective tax rate increased from 33.1% to 35.1% year-on-year due to higher tax provision arising from loss-making subsidiaries which could not be set off against taxable profits made by other profitable subsidiaries within our Group.

OPERATIONS REVIEW

Our landbank is concentrated in the Klang Valley, more specifically in USJ Subang Jaya, Cyberjaya and CyberSouth – all areas of high growth which continue to present strong potential for property sales.

In **CyberSouth**, located on the fringes of Putrajaya and Cyberjaya, we are developing our 417 acres of landbank into our first township comprising residential and commercial components. We have invested much thought into the finer details of the masterplan for this township to achieve our tagline of 'Building Sustainable Communities'. In line with this tagline, we are not only building structures for sale, but we are ensuring a holistic green environment in this neighbourhood with the inclusion of a 25-acres Central Park. Further enhancing the level of communal interaction and cohesion amongst the residents within the township, we will also provide a community club with an attractive view of a lake.

In July 2015, we launched the second phase of this development, Casa View. This, as well as the first phase, Green Casa, which was launched in April 2015, has received overwhelming response. Green Casa, comprising 418 units of double-storey terrace houses with an estimated GDV of RM239 million, has seen a 99% take-up rate. Meanwhile, 77% of Casa View's 530 double-storey houses have been taken up. Casa View has an estimated GDV of RM392 million.

Moving forward, we will be launching 264 units of townhouse and 468 units of affordable apartments under Rumah Selangorku by 1Q and 2Q of 2017 with a total GDV of RM254 million.

We anticipate the total GDV of Cybersouth, which is projected to be completed in approximately 10 years, to be in the region of RM6 billion.

In **Cyberjaya**, we have four ongoing projects: namely, Lakefront Residence @ Cyberjaya, Lakefront Villa @ Cyberjaya, Lakefront Homes @ Cyberjaya and SkyPark @ Cyberjaya .

Lakefront @ Cyberjaya is a mixed development spread across 60 acres featuring landed and high-rise residential units in a serene lakefront setting. It comprises LakeFront Residence, LakeFront Villa, LakeFront Homes and LakeFront Terrace which collectively amount to an estimated GDV of RM2.7 billion.

LakeFront Residence features eight freehold condominium towers with a total of 2,424 units. During the financial year, we launched Towers 3 and 4, both with 303 units each. Tower 3, has enjoyed a 75% take-up rate since the launch in September and October 2015 while Tower 4, launched in December 2015,

MANAGEMENT DISCUSSION & ANALYSIS

has seen a take-up of 40% of its units. Towers 1 and 2 were introduced to the market in October 2013 and March 2014 respectively.

We intend to focus on the sales and completion of these four towers and the Lakefront Homes project before moving on to Phases 3 & 4 (Towers 5 – 8) of Lakefront Residence.

LakeFront Villa comprises 110 units of three- and four-storey bungalows. Phase 1, offering 86 zero lot villas and bungalows, has seen a 72% take-up rate since its launch in May 2014. The show houses are expected to be completed on site by end 2016 and a relaunch will be done for the limited balance units. Following the completion of Phase 1 by mid-2017,we plan to launch Phase 2.

LakeFront Homes is an affordable housing project comprising 3,243 units of apartments. All of the units have been sold *en bloc* to PR1MA Corporation Malayisa ("PR1MA") where we are playing the role as the developer and contractor of the project. The project is expected to be completed by 2019.

The development of Lakefront Terrace will commence towards the later stage of completion of all the other ongoing residential components.

SkyPark@Cyberjaya is an 11.28-acre mixed development comprising six towers housing serviced apartments, small office flexible office (SOFO) units, a hotel, office suites, a shopping mall and more than 5,000 car park bays. Carrying a GDV of RM1.3 billion, the project is expected to become a veritable landmark, boasting the largest integrated mall in Cyberjaya with a Sky Bridge at 23 storeys high straddling the top of five towers with an impressive span of 346 metres in length and 16 metres in width. This iconic Sky Bridge will be visible for miles in and around Cyberjaya and is expected to be a crowd puller. Tower 1, 2 and 3 comprising 296 units of serviced apartments, 224 SOFO studio units and 192 duplex SOFO units respectively are expected to be completed and handed over by 3Q 2017. Already they have achieved high take-up rates of 90%, 99% and 98%. Towers 5 and 6, comprising 186 units of office suites and an 18-storey office tower, respectively, will be handed over in 4Q 2017. All units in Tower 5 have been taken up while Tower 6 has been sold *en-bloc* to Perlaburan Hartanah Berhad.

We will be retaining Tower 4, which will be developed as a 4-star hotel, as well as the Sky Bridge and retail podium at the base of the towers, complete with the car park. This is part of our strategy to retain a certain portion of our developments for recurring income.

We are particularly excited about the Sky Bridge, which will be unique and the only of such structure in Cyberjaya. The sizable span of 346 metres in length and 16 metres in width will allow us to offer a range of food & beverage outlets in a breezy al fresco setting with an exceptional view of Cyberjaya's marvellous skyline.

The entire development is slated for completion by 2018, with the retail space and hotel are targeted to be operational by mid-2018. We have engaged a consultant to commence leasing activities for the retail space, and have signed a contract with InterContinental Hotels Group ("IHG") to manage the hotel, to be named Holiday Inn Hotel and Suites. The SkyBridge is targeted to be operational by end-2018 to complement the opening of the retail mall and hotel.

In **USJ Subang Jaya**, we are developing OneCity, an integrated development sprawling over 77 acres of prime freehold land. OneCity has been designed to be an urban oasis enveloped in lush greenery and featuring Green Building Index features. The development includes shop-offices, office suites, retail lots, serviced apartments, corporate offices, shopping malls and hotels, boasting an estimated total GDV of RM5 billion.

Various components of this development have already been completed, namely eCity Hotel, Garden Shoppe, SkyPark, The Place, The Square and the Urban Park.

We have completed The Square, offering 326 SOFO units and three levels of retail space during the year under review, and have handed over the development in February 2016. Work is ongoing to turn the retail space into a digital mall. Adjacent to The Square is a 3.15-acre Urban Park, which has also just been completed and is pending its Certificate of Completion and Compliance ("CCC"). Once the CCC is obtained, we intend to organise various events – concerts, carnivals, expos, sports and fitness activities – at the park to serve as a communal hub for residents in the surrounding areas. Given its proximity to the proposed digital mall at The Square, the Urban Park will also cater for those with digital-related hobbies such as drones, thus adding value to the digital mall.

STRATEGIC DIRECTION

We leverage on our integrated business model to focus on three strategic areas: **product**, **place** and **people**.

Product - We are committed to anticipating and meeting the market's needs. Towards this end, our team keeps a close watch on

MANAGEMENT DİSCUSSİON & ANALYSİS

property trends and ensures our products are tailored to complement the market requirements. Since the property market softened from 2015 onwards, we have focused on affordable housing and have managed to outperform the market as a result of this strategic decision. While most developers may shy away from venturing into the affordable housing market given that margins for this market is very tight, we are able to achieve a decent margin as our integrated business model with in-house capabilities and capacities throughout the value chain enables us to be cost-effective.

Place – or the location of our projects – is also a key factor in our project planning. The current concentration of our landbank in CyberSouth, Cyberjaya and USJ Subang Jaya is strategic in terms of property development. Because these areas skirt the city of Kuala Lumpur, we are able to develop properties that are more affordable than those in the centre of the country's metropolis but are yet close enough for residents to be able to commute quickly and conveniently.

CyberSouth is easily accessed from Kuala Lumpur via the Maju Expressway ("MEX") and is also linked to Putrajaya and other high-density destinations such as Nilai via the Cyberjaya Expressway and the Elite Highway.

Cyberjaya is one of the Government's focussed hot spots – a well-planned and well-connected cyber hub with advanced infrastructure. Most residents here are young professionals, families and upgraders working in Cyberjaya or nearby areas such as Putrajaya, Seri Kembangan and Puchong. Its proximity to KLIA is another positive factor, making it ideal for foreign multinationals looking to set up business. Once Cyberjaya reaches critical mass, which should happen in the next few years, the property market here will truly take off.

USJ is already a matured location, and our development – OneCity – is surrounded by high-density residential and commercial areas of Subang Jaya, Shah Alam, Putra Heights and Klang.

MANAGEMENT DISCUSSION & ANALYSIS

" We are confident that our existing total unbilled sales of RM1.6 billion, together with sales from the new launches planned for this financial year, will translate to a steady flow of revenue and profits. "

MANAGEMENT DİSCUSSİON & ANALYSİS

People - Having the right people is a given for any corporation. At MCT, it has added significance as we require a full team of employees with a wide range of expertise to enable us to capitalise on our integrated business model optimally. While we have already brought on board a number of new talent during the year under review, our focus on recruitment will continue into the coming years as our human capital needs expand. In order to create the greatest efficiencies from our expanded staff count, we are in the process of putting in place a new organisational chart and structure to streamline our work processes.

At the same time, we are committed to training our existing people to help them realise their true potential, which would also serve to increase our productivity. As a newly listed and ambitious company with a number of significant projects, we are confident of attracting and retaining some of the best talents in industry by offering a dynamic work environment that rewards skills and performance.

In addition to our own staff, we are tapping on Ayala expertise and experience, especially in new business areas such as mall and hotel management. Representatives from Ayala who sits on our Board play an important role in steering the Group's business decisions and direction. We have also sent some of our employees to Manila to gain first-hand exposure on their systems and best practices so these can be applied here.

OUTLOOK FOR FY 2017

The financial year ahead looks set to be as challenging as it was in FY 2016, along with a generally soft economy and weak consumer sentiment. Stringent lending policies will further exacerbate the situation, putting a dampener on demand for property.

Within this environment, we are optimistic of advancing along our path of steady growth both operationally and financially as we continue to place emphasis on affordable housing priced at about RM700,000 or below.

We are in the midst of converting our link houses in CyberSouth into townhouses which we will offer at a lower price range. After only three months of a targeted marketing campaign, we have received close to 2,000 registrants for the 264 units of townhouses which we aim to introduce to the market within the next few months. In addition to the townhouses, we will be launching 468 Rumah Selangorku apartment units. Together, both developments have an estimated GDV exceeding RM254 million.

At the same time, we will move ahead with ongoing projects in Cyberjaya and OneCity. In Cyberjaya, we will continue to focus on the current balance of remaining units with an aggregate GDV of approximately RM500 million. In OneCity, we will begin Phase 3, another integrated commercial development consisting of a shopping mall, shop-offices, corporate office towers, hotel, SOFO and small office home office ("SOHO") units. Phase 3 is located very close to the USJ21 LRT station, and will be connected by a link-way to the project, substantially enhancing its inherent value. Covering 17.2 acres, Phase 3 will lead to a GDV of approximately RM4 billion and is expected to be developed progressively over the next seven years.

As we develop our existing projects, we will also continue to explore strategic acquisitions to keep replenishing and building on our land bank. We will be guided in the process by the ability to diversify our product range; but will largely maintain our geographical nucleus in the Klang Valley where the growth and demand for well positioned properties is expected to remain promising.

We are confident that our existing total unbilled sales of RM1.6 billion, together with sales from the new launches planned for this financial year, will translate into a steady flow of revenue and profits.

CORPORATE RESPONSIBILITY

MCT believes in balancing our financial performance with an equally healthy social, ethical and environmental scorecard.

We have always played our role as a responsible corporate citizen by being sensitive to the needs of those who are underprivileged or marginalised in our local communities. We recognise our responsibility towards investors, partners and employees and are committed to operating at the highest level of integrity in order to respect these relationships. Finally, as a developer, we acknowledge that we have a duty to conduct our operations in the most environmentally-conscious manner so as to have minimal impact on our surroundings.

These principles serve as the backbone of our corporate responsibility ("CR") and guide us in our everyday business. The programmes and initiatives undertaken to underline our commitment to CR are outlined in the following pages, categorised according to their impact on the Marketplace, Community, Workplace and Environment.

SERVING THE MARKETPLACE

MCT is committed to upholding the highest possible level of corporate governance, transparency and accountability as we believe this not only to ensure our business sustainability but also goes a long way towards building our reputation and the trust of our stakeholders. Accordingly, we are guided in our operations by complying with all the relevant laws, regulations, codes of practice and directives in our day-to-day business activities.

As part of our commitment to respecting the rights of our stakeholders, we place great emphasis on privacy protection and comply with the Malaysian Personal Data Protection Act 2010 (PDPA) with regard to the private data of our customers, stakeholders, partners and others.

In terms of transparency, we provide updates on our financial results through briefings with investors, analysts and fund managers, and post the relevant announcements and press releases on our website. In addition, we engage regularly with our associates, customers, business partners, the media as well as the investment community at corporate events, project launches, site visit and other activities.

Event : "In the Spotlight" Profiling Event
Date : 14 June 2016
Venue : Bursa Malaysia

MCT was invited by Bursa Malaysia and the Malaysian Investor Relations Association (MIRA) to be profiled in their second series of 'In the Spotlight' for 2016. In the Spotlight enables public listed companies to increase their visibility by conducting a presentation on their business and financial aspects to local institutional and professional investors. Initiated by Bursa Malaysia, the event showcases good investment prospects to asset managers, fund managers, insurance companies, analysts, private equity firms, remisiers and high net worth individuals.

CORPORATE RESPONSIBILITY

SERVING THE COMMUNITY

MCT continued to lend support to the community through donations and the provision of funds while also utilising our resources, capabilities and expertise to reach out to the underprivileged and less fortunate segments of society, all the while mindful of creating a positive and meaningful impact.

Event : 30-HOUR Famine Heart DIY Camp
Date : 17 to 19 July 2015
Venue : The Event Place, One City

MCT was the venue sponsor of the 30-Hour Famine, an international movement initiated by World Vision to bring about long-term changes in impoverished communities around the world. Participants voluntarily fast for 30 hours to raise funds for communities in need.

Event : The Bursa Bull Charge 2015
Date : 20 August 2015
Venue : Exchange Square, Bursa Malaysia Berhad

MCT participated in the CEO and team run of The Bursa Bull Charge 2015, a Bursa Malaysia Berhad event which raises funds for charitable causes, improving financial literacy and ensuring the sustainability of the market place.

Event : Taste of Malaysia With Martin Yan Grand Launch
Date : 1 September 2015
Venue : Grand Ballroom, One City

In conjunction with the launch of cooking show Taste of Malaysia, featuring Malaysian celebrity chef Martin Yan, a charity dinner was held at One City to raise funds for Yayasan Anak-Anak Yatim, initiated by Raja Permaisuri Agong Tuanku Hajah Haminah. MCT donated RM150,000 in total to the event.

CORPORATE RESPONSIBILITY

Event	**: Malaysian Retail Chain Association (MRCA) Charity Run 2015**
Date	**: 29 November 2015**
Venue	**: One City**

MCT was the Platinum sponsor for the second time of the MRCA Run, which raises funds for the MRCA Branding Education Charity Foundation. The run, featuring Team, 5km and 10km categories, attracted approximately 5,000 runners and raised a total of RM100,000 for the needy.

Event	**: Charity Dinner Night Of Transformation 2015**
Date	**: 6 December 2015**
Venue	**: Grand Ballroom, The Place @ One City**

MCT was the diamond sponsor of the 10th Anniversary Charity Dinner of Lovely Disabled Home, an NGO dedicated to serving the disabled. The event, themed 'Night of Transformation' and supported by the home's ambassador Carrie Lee, raised a total of RM200,000 which will be used to help run the organisation.

Event	**: Charity Movie Day Out for Underprivileged Children**
Date	**: 9 April 2016**
Venue	**: Premium X Cinema, One City**

Laughter filled in the air as MCT hosted 20 underprivileged children at a special screening of Kung Fu Panda 3 at Premium X Cinema. The underprivileged children from Angels Children's Home were treated to a sumptuous buffet at Sky 360 Restaurant and given goodies bags.

Event	**: SJK(C) Union Fundraising Event**
Date	**: 21 May to 22 May 2016**
Venue	**: Lakefront Sales Gallery**

MCT organised a fundraising event for SJK (C) Union at the sales gallery this year in order to raise funds for the school relocation and campus rebuilding in Cyberjaya while also helping to compile data and interest of new students which was submitted to the State Education Department in order to kick start new student enrolment for the year of 2018. A total of RM55,000 was raised and approximately 200 registration forms were collected from the two-day event.

CORPORATE RESPONSIBILITY

SERVING THE WORKPLACE

MCT recognises that our people are our most important asset, as they are critical to the Company achieving our ultimate goals. Hence, we are committed to attract the best talent and to invest in their continuos professional development. We also believe in creating an environment in which our people feel a true sense of belonging to the Company and take pride in fulfilling their job functions.

We therefore constantly engage with our people and encourage open communication. While promoting excellence in performance we acknowledge the importance of work-life balance and make available various avenues for participation in different activities.

The following initiatives were conducted during the financial year under review to enhance our working culture and fulfill our employees' needs.

Training and Development

MCT is committed to the development and well-being of our employees. We also recognise the importance of training and development for the achievement of the Company's goals. Throughout the financial year, ongoing customised training programmes were organised so as to ensure all employees are provided with learning opportunities to enhance their knowledge and skills. Strategic developmental opportunities are also charted to allow for career development within the organisation.

Employee Engagement

We have in place employee engagement programmes which serve as a platform for management and employees to interact at the corporate and social levels. These programmes allow management to share the Company's business direction and strategies while obtaining feedback from the ground.

At the corporate level, Town Hall sessions are held by division and department heads to communicate the Group's strategies and direction. These sessions also serve as a platform for our leadership team to gather feedback on how to create strategic alignment between different departments while promoting effective collaboration and improving efficiency.

At a recent Town Hall session, employees were briefed on how to complete a Position Description Questionnaire (PDQ), which was part of an extensive Hay Job Evaluation conducted to help us in place a new organisational chart and structure to streamline our work process.

At the social level, Worklink was created as a platform to promote work-life balance and fun at work for our employees. Enhancing interaction at all levels, we introduced a Worklink Facebook page as a communication channel for employees to share of ideas. A Worklink committee, comprising eight members, was formed in September 2016 to better support future activities and programmes. To date, Worklink has organised a number of engagement programmes.

CORPORATE RESPONSIBILITY

Various other activities were organised to enable employees to meet colleagues from different departments and foster a sense of camaraderie as well as belonging to MCT, thus enhancing the work experience. These included the following events:

Event : MCT Movie Day Out
Date : 16 December 2015 & 22 May 2016
Venue : Premium X Cinema, One City

We organised two Movie Day Out sessions at Premium X Cinema this year. Both employees and management were invited to after-working-hours special screenings of the highly anticipated Star Wars and Kung Fu Panda 3.

Event : Employee Wellness Programme

We offer free access to a fitness centre offering gym equipment as well as yoga, zumba, belly dance, cardio dance and other activities for employees to participate in and enhance their well-being.

Event : Annual Dinner
Date : 30 January 2016
Venue : Grand Ballroom, The Place @ One City

The main objective of the event was to thank and reward staff for their hard work and commitment throughout the year. This year's dinner, themed 'Rise as One', reflected our belief in everyone playing an important role in the Company's future success. Management also recognised staff loyalty at the event by presenting long service awards.

Event : Badminton Club and Tournament
Date : April 2016
Venue : USJ23 Arena Sport

The Badminton Club offers training and practice sessions for employees. In April 2016, a tournament was held, attracting participants from various divisions.

CORPORATE RESPONSIBILITY

SERVING THE ENVIRONMENT

MCT recognises the importance of embedding environmental aspects in our development projects, and takes seriously our responsibility to contribute towards environmental protection.

Most of our projects incorporate Green Building Index elements such as double-glazed windows which reduce the need for air-conditioning; rain water harvesting; and thermal energy storage. Rain water is used for irrigation and cooling the buildings, among others, to reduce water wastage while thermal storage reduces or even eliminates peak demand for energy.

Event : Mother Earth Event

Date : 29 May 2015

Venue : Cybersouth Property Gallery

We collaborated with Recycle Items for Dual Blessing Bhd and Junior Chamber International (JCI) to organise a Mother Earth Event to create public awareness of recycling and reuse. The event featured activities such as a DYI flower pot workshop and collection of recyclable items, among others.

Event : Cybersouth Central Park Landscape Design Competition

Venue : Cybersouth Property Gallery

We collaborated with the Institute of Landscape Architects Malaysia (ILAM) to organise a landscape design competition, open to all corporate members of ILAM. The aim was to gain a creative and innovative landscape design for the 10-acre Cybersouth Central Park, embellished with a greenbelt, which will serve as a communal urban park in our first township. The competition challenged landscape artists to incorporate a sustainable forest ecosystem within the site. The winner was rewarded with RM10,000 cash and a Cybersouth Central Park Landscape Consultancy Contract.

Cybersouth, Cyberjaya

Bandar Cybersouth represents MCT's first mixed township development. Located within the vicinity of Dengkil, it comprises terrace houses, detached houses, townhouses, condominiums, affordable apartments, a club house and various commercial components. The total land area currently being developed is approximately 128 acres with a total GDV exceeding RM1.0 billion. The balance of 289 acres is currently in the midst of planning stage for development.

For more info, please check our URL at: http://cybersouth.my/

CALENDER OF EVENTS

MCT Berhad regularly hosts and/or organises various activities within the communities where we operate to engage in a meaningful way with our stakeholders and strengthen the relationships we have formed with them. The following is a list of events held during the last financial year.

2016 Chinese New Year Open House

Date: 20 February 2015
Venue: MCT Sales Gallery, One City

MCT celebrated the lunar New Year with an open house at One City where a crowd of guests were enthralled by lion dances in addition to being treated to a scrumptious meal, among other delights.

Durian Wet & Wild Pool Party

Date: 26 July 2015
Venue: Lakefront Sales Gallery

MCT organised a Durian Wet & Wild Pool Party in a gesture of appreciation to customers and supporters, who not only got to enjoy a durian buffet but also the chance to dip and cool down in an inflatable pool.

CALENDER OF EVENTS

ASTRO Asian Battle Ground 2015

Date: 7 August 2015
Venue: Grand Ballroom, One City

MCT hosted the Astro Battleground 2015 (BTG), a signature event that entered its ninth year to discover hidden dancing talents in Malaysia.

Yuan Carnival 2015

Date: 26 to 27 September 2015
Venue: West Garden Boulevard, One City

MCT collaborated with Media Prima companies including One FM, NTV7 and 8TV to organise the carnival at which visitors got to meet more than 60 local and international celebrities as well as enjoy various performances, games and other exciting activities.

CALENDER OF EVENTS

Bao Ga Liao 2.0 – Exploring Cyberjaya Neighbourhood Amenities

Date: 17 October 2015
Venue: Skyrides Festivals Park, Putrajaya

MCT treated customers to the Skyrides Festival Park in Putrajaya, which featured the biggest tethered helium balloon theme park in Malaysia. Guests got to enjoy mesmerising views of Putrajaya from a height of 150 metres in addition to testing their strength and endurance in a rainforest-inspired obstacle course, among other exciting activities.

starproperty.my fair 2015

Date: 27 to 29 November 2015
Venue: KLCC

MCT participated in the starproperty.my fair 2015, at which more than 50 exhibitors showcased their projects and developments. The fair also featured talks on real estate investment, public policy, legislation and financing.

Financial Check-Up Seminar

Date: 29 November 2015
Venue: Lakefront Show Unit

MCT organised a Financial Check-Up Seminar to enhance the public's knowledge of housing loans as well as to better prepare participants in their housing loan applications.

CALENDER OF EVENTS

Life Is Beautiful 2015

Date: 1 to 10 December 2015
Venue: One City

The most anticipated annual Chinese book fair in Malaysia attracted strong response from the reading public. Both local and international authors and speakers were also in attendance for sharing sessions.

LakeFront Residence Diandra (Tower 4) Soft Launch

Date: 6 December 2015
Venue: Ballroom 2, Rooftop The Place @ One City

The soft launch of Diandra Tower was warmly received by potential homebuyers who were also treated to a gala lunch complete with live music, a magic show and "Golden Touch" Tikam lucky draw.

Cybersouth Property Gallery Official Launch (Private)

Date: 26 April 2016
Venue: Cybersouth Property Gallery

Some 150 guests were invited to the private launch of MCT's most anticipated property, Cybersouth Township. The prize-giving ceremony of a landscape competition organised in collaboration with ILAM was held on the same day.

Cybersouth Property Official Launch

Date: 7 to 8 May 2016
Venue: Cybersouth Property Gallery

A total of 200 guests including Cybersouth homebuyers attended the official launch of Cybersouth Property Gallery a week after its private launch. They were kept entertained by activities including an origami workshop and use of a trampoline as well as 3D photo booth.

CALENDER OF EVENTS

Numerology Talk

Date: 4 June 2016
Venue: Cybersouth Property Gallery

MCT invited master numerologist Marinah Ng to share some tips on enhancing one's life through numerology.

Nanyang Property Fair 2016

Date: 10 to 12 June 2016
Venue: KLCC

MCT participated in the one-stop event that caters to homebuyers, investors as well as developers and real estate players. The fair included talks and forums by experts on market trends, legal procedures, urban master planning, house buyers' rights, Feng Shui and geomancy.

#12to12 Shopping Marathon

Date: 16 June to 3 July 2016
Venue: The Square, One City

MCT organised a #12to12 Shopping Marathon, enabling patrons to shop beyond normal operating hours. The event was enriched by The Big Bad Wolf Book Sale and Geek! Digital Fair. Shoppers also got the chance to experience technology-based hobbies such as drones, radio controlled cars and hoverboards.

Connectivity Talk

Date: 26 June 2016
Venue: Lakefront Sales Gallery

A sharing session on "The Future of Connectivity in Cyberjaya" was held at the sales gallery together with property guru Mr Ho Chin Soon and representatives from MRT Corporation as well as Cyberjaya Dedicated Transport Services.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("The Board") of MCT 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 ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the financial year ended 30 June 2016.

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.

1.1 Clear Function reserved for Board and Delegation to Management

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.

1.2 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. The activities of the Board Committees are further explained in this Statement.

The Board Committees are:

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

STATEMENT ON CORPORATE GOVERNANCE

1.2 Clear roles and responsibilities (continued)

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.

1.3 Code of Ethics & Whistle-Blowing Policy

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 implemented a set of Whistle-Blowing Policy and procedure to provide employees to raise genuine concerns related to possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way. A Senior Independent Non-Executive Directors has been appointed by the Board and he will act as a designated contact to whom executives' or employees' concerns and queries may be raised, if for any reason that the employee is reluctant to report to the Non-Independent Executive Deputy Chairman or the Chief Executive Officer.

The details and procedure on reporting and enforcement are stipulated in the Whistle-Blowing Policy and is presented in the Company's website at www.mct.com.my.

1.4 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.

1.5 Company Secretaries

The Directors have full and unrestricted access to the advice and 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.

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

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 2: STRENGTHEN COMPOSITION

2.1 Nomination Committee

The NC was established by the Board with the responsibility of overseeing the selection of new appointments to the Board and reviewing the effectiveness of the Board, through performance assessment of the Board, Board Committees and individual Directors. The full terms of reference of the NC is available on the Company's website at www.mct.com.my.

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
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar [1]	Member, Independent Non-Executive Director
Bernard Vincent Olmedo Dy	Member, Non-Independent Non-Executive Director

Note:
[1] Appointed as a member of the NC on 22 December 2015.

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;
(d) to review the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with the Terms of Reference of the Audit Committee.

STATEMENT ON CORPORATE GOVERNANCE

2.2 Criteria for Recruitment and Annual Assessment of Directors

Appointment to the Board

The NC is responsible for the identifying and recommending new nominees to the Board as well as committees of the Board. The selection of candidates is facilitated through recommendation from the Directors and Management including the Company's contacts in related industries and professions. In evaluating the appointment of a Director, the NC will review the skills, experience, integrity and core competencies of the candidate that is required by the Board.

Board Diversity

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

Board Effectiveness Assessment

During the financial year under review, the NC met once and carried out the following activities, and reported to the Board the outcome of:

(a) reviewed the Executive Directors' remuneration and Directors' Fees;
(b) assessed and recommended the appointment of Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar, who was appointed to the Board on 22 December 2015; and
(c) reviewed and recommended the re-election of seven (7) Directors, retiring pursuant to Article 88 of the Company's Articles of Association ("CAA"), all of whom were re-appointed and/or re-elected by the Shareholders during the Sixth (6th) Annual General Meeting ("AGM") held on 21 December 2015.

Subsequent to the financial year ended 30 June 2016, the NC has conducted the following annual assessments in accordance with the terms of reference of the Company and the results were reported to the Board:

(a) reviewed the effectiveness of the Board, Board Committees and contribution of each individual Director;
(b) reviewed the term of office and performance of the Audit Committee and each of its members to determine whether the audit committee and members have carried out their duties;
(c) assess the independence of each Independent Director in carrying out their respective functions during the year;
(d) reviewed and recommended the re-appointment/re-election of Directors retiring pursuant to the Articles 81 and 88 of the CAA for the Shareholders' approval at the forthcoming Seventh AGM.

The criteria used in the performance assessment of the Board, Board Committees and individual Directors include:

(a) appropriate size, composition, degree of independence, right mix of expertise, experience and skills within the Board and the Board Committees;
(b) open communication of information and active participation within the Board and Board Committee;
(c) clear understanding of the Board and Board Committees' roles and responsibilities and the Group's direction and strategy;
(d) the characteristic, integrity, competency and time commitment of the members of the Board and Board Committee in discharging their duties.

STATEMENT ON CORPORATE GOVERNANCE

2.2 Criteria for Recruitment and Annual Assessment of Directors (continued)

Re-election and Re-appointment of Directors

Pursuant to Article 81 of the CAA, at least one third (1/3) of the Directors of the Company shall retire and be eligible for re-election at the AGM provided that all Directors shall retire at least once in every three (3) years. Based on the chronology of Directors' appointment to the Board and upon recommendation by the NC, the Board takes pleasure in proposing the re-election of the following Directors, who have offered themselves for re-election, during the forthcoming Seventh AGM:

(a) Datuk Lim Kok Boon;
(b) Dato' Sri Tong Seech Wi.

Article 88 of the CAA provides that a Director who is appointed by the Board during the year shall be subject to re-election at the next AGM to be held following his or her appointment. With the recommendation of the NC, the Board also takes pleasure in proposing the re-election of the following Director during the forthcoming Seventh AGM:

(a) Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar.

2.3 Remuneration Committee

The RC was established by the Board to review Directors' remuneration matters and make relevant recommendation to the Board. 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 terms of reference for the RC is available on the Company's website at www.mct.com.my.

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

Name	Designation
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor (1)	Chairman, Independent Non-Executive Chairman
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	Member, Senior Independent Non-Executive Director
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar (2)	Member, Independent Non-Executive Director
Bernard Vincent Olmedo Dy	Member, Non-Independent Non-Executive Director

Note:
(1) Appointed as Chairman of the RC on 22 December 2015.
(2) Appointed as a member of the RC on 22 December 2015.

STATEMENT ON CORPORATE GOVERNANCE

2.3 Remuneration Committee (continued)

Directors' Remuneration

On the recommendation of the RC, the Board has decided to retain the current remuneration structure for the financial year ended 30 June 2016. Details of the range of remuneration received/receivable by the Directors of the Company are as follows:

	The Group (RM)	The Company (RM)
Executive Directors		
Salaries	3,900,000	-
Other emoluments	468,096	-
Benefits-in-kind	74,475	-
Total: Executive Directors	4,442,571	-
Non-Executive Directors		
Directors' Fees	399,667	399,667
Other emoluments	29,000	29,000
Benefits-in-kind	20,753	20,753
Total: Non-Executive Directors	449,420	449,420
Total Directors' Remuneration	4,891,991	449,420

The number of Directors of the Company, whose remuneration falls into the following bands:

	Number of Directors	
Range of remuneration	**Executive Directors**	**Non-Executive Directors**
RM50,000 and below	-	2
RM50,001 to RM100,000	-	2
RM100,001 to RM150,000	-	2
RM1,000,000 to RM1,500,000	2	-
RM1,500,001 to RM2,000,000	1	-

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 3: REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board has set out policies and procedures to ensure the effectiveness of the Independent Non-Executive Directors. Assessment of the Independence of the Independent Director is carried out annually. The Board and the NC have upon their annual assessment, concluded that each of the three (3) Independent Non-Executive Directors fulfil the criteria of independence as prescribed under the Main LR. They have exercised independent and objective judgement, discharged duties with reasonable care, skill and diligence and have the integrity and ethics that are essential indicators of independence.

3.2 Tenure of Independent Directors

The Independent Directors currently make up 37.5% of the composition of the Board. 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 the Independent Director(s) are retained beyond nine years, the NC will based on the result of the assessment recommend to the Board whether the Director(s) should remain as independent or be re-designated.

3.3 Board Composition

During the financial year under review, the Board consist of eight (8) members, comprising three (3) Executive Directors and five (5) Non-Executive Directors (including Chairman) of whom three (3) are independent. The Board's composition is in line with the recommendation of the MCCG and Paragraph 15.02 of the Main LR, which stipulates that at least two (2) Directors or one- third (1/3) of the Board, whichever is higher, must be Independent.

The Board comprises a mixture of Directors from diverse professional backgrounds, skills and experience in the areas of business, economics, construction, management and finance, required for effective and independent decision-making at the Board level. The Board considers its current size adequate given the present scope and nature of the Group's business operations. The profiles of the Directors are presented in the Director's Profile in this Annual Report.

3.4 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.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 4: FOSTER COMMITMENT

4.1 Time Commitment

The Board meet at least four (4) times a year with additional meetings to be convened when necessary. During the financial year, the Board held six (6) meetings and details of the attendance of the Directors at the Board meetings are as follows:

Name of Director	Designation	Attendance
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	Chairman, Independent Non-Executive Director	6/6
Tan Sri Dato' Sri Goh Ming Choon	Non-Independent Executive Deputy Chairman	6/6
Dato' Sri Tong Seech Wi	Non-Independent Executive Director and Chief Executive Officer	6/6
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	Senior Independent Non-Executive Director	6/6
Datuk Lim Kok Boon	Non-Independent Executive Director	6/6
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar (1)	Independent Non-Executive Director	2/2
Bernard Vincent Olmedo Dy	Non-Independent Non-Executive Director	5/6
Anna Maria Margarita Bautista Dy	Non-Independent Non-Executive Director	6/6
Dato' Goh Hin San (2)	Independent Non-Executive Director	4/4

Note:
(1) Appointed as a member of the Board on 22 December 2015.
(2) Retired as a member of the Board on 21 December 2015.

4.2 Directors' Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as specified by Bursa Malaysia. The Directors are also encouraged to attend courses and seminars that are relevant to the Company's operations and businesses conducted by professionals.

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.

During the financial year, the Directors attended seminars conducted by Bursa Malaysia on topics related to the following:

- Sustainability Engagement Series for Directors and Chief Executive Officer;
- Focus Group on Corporate Governance Disclosure;
- Corporate Governance Breakfast Series on Improving Board Risk Oversight Effectiveness.

STATEMENT ON CORPORATE GOVERNANCE

4.2 Directors' Training (continued)

Apart from that, the Directors also individually attended various other courses and seminars as listed below:

- Engineering Shopping Malls II organised by PPK Malaysia;
- LAB Transit Oriented Development (TOD): A necessity in the progressive city organised by Majlis Perbandaran Subang Jaya.
- Annual Corporate Governance Training Program organised by the Institute of Corporate Directors in Philippines.
- Critical Real Estate Issue Q1 2016: GST issues in Construction, Property Development and Real Estate, Mortgage, Banking and Economy, Strata Laws and Related Issues organised by REHDA Institute.
- Enhancing the 21st Century Maritime Silk Road through Malaysia organised by Port Klang Authority.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 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 composition of the ARMC, including its roles and responsibilities, are set out in the ARMC Report in this Annual Report.

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.

5.2 Assessment of Suitability and Independence of External Auditors

The ARMC had reviewed the suitability and independence of the external auditors and recommended their re-appointment for the financial year ending 30 June 2017. 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 or Management.

5.3 Related Party Transactions

The Board of Directors approved the procedures on related party transaction and through its ARMC, to review all related party transactions and conflicts of interest situations, if any, on a quarterly basis. A Director, who has an interest in a transaction, must abstain from deliberating and voting on the relevant resolution, in respect of such transaction at the meeting of the Board of Directors and at the AGM or Extraordinary General Meeting convened to consider the said matter.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLES 6: RECOGNISE AND MANAGE RISK

6.1 Sound risk management framework

In recognising the importance of risk management and internal controls, the Board has set up a Risk Management Department, separate from the Internal Audit Department, to assist the Management in identifying significant risks for the Group. The ARMC has recommended and the Board has approved the risk management framework and risk management policy and procedure to identify, evaluate, control, monitor and report the principal business risks on an on-going basis.

Full details of the internal control system are set out in the Statement on Risk Management and Internal Control in this Annual Report.

6.2 Internal Audit Function

The Internal Audit Department continues to undertake regular and systematic reviews of the Group's internal controls to provide reasonable assurance to the ARMC, the Board and the Management that the system of internal controls is effective in addressing the risks identified and improving the Group's operational efficiency. The internal audit function is independent of the Management and has full access to all of the Group's entities, records and personnel. The scope and activities of the Company's internal audit function as well as the cost incurred in maintaining it 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

7.1 Corporate Disclosure Policy and Procedure

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. There is also a section focusing on Corporate Governance that comprised the Company's Board Charter, Code of Ethics, Whistle-Blowing Policy, Terms of Reference for ARMC, NC and RC.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholders Participation at General Meetings

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.

8.2 Poll voting

In line with the recent amendments to the Main LR of Bursa Malaysia, the Company will implement poll voting for all the resolutions set out in the Notice of AGM. An Independent scrutineer will be appointed to validate the votes cast at the AGM.

This Statement is made in accordance with the resolution of the Board dated 18 October 2016.

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 year ended 30 June 2016 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	66,693	(2,565)	Within 24 months
	(ii) Development of investment properties	166,656	95,292	71,364	Within 24 months
2	Repayment of bank borrowings	120,192	125,601	(5,409)	immediate
3	General working capital	20,352	21,166	(814)	Within 24 months
4	Estimated expenses in relation to the Regularisation Plan	12,672	12,672	0	immediate
	Total gross proceeds	384,000	321,424	62,576	

2. Non-Audit Fees

The details of the fees paid/payable for audit and non-audit services rendered by the External Auditor during the financial year ended 30 June 2016 are as follows:

Fees paid/payable	Group (RM)	Company (RM)
Audit	329,000	50,000
Non-Audit	35,500	5,000

3. Variation in results

There was no material variation in the Audited Financial Statements for the financial year ended 30 June 2016 as compared to the unaudited consolidated results of the Group for the financial year ended 30 June 2016 announced to Bursa Malaysia Securities Berhad.

4. 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 year ended 30 June 2016.

5. 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 year ended 30 June 2016.

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 year ended 30 June 2016 are set out in this annual report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") of MCT Berhad 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.

THE MANAGEMENT'S RESPONSIBILITY

The Management is accountable and responsible for implementing the framework, policies and procedures on risk and internal control approved by the Board. In this regard, the Audit and Risk Management Committee ("the ARMC") have approved the establishment of a risk framework together with the policies and procedures in order to assist the Management and the Board to identify, evaluate, monitor and report risks and controls.

The ARMC continues to play a pivotal role in overseeing the implementation of the risk management framework, periodically reviewing the risk management processes and ensuring that on-going measures taken are adequate to manage, address or mitigate the identified risks and reporting the status to the Board.

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. Regular management meetings are conducted to evaluate, monitor and manage such risks.

The Board is ultimately responsible for the management of risks and the Board has approved the risk management framework and the risk management policy and procedures governing the Group's approach to risk management.

The risk management framework incorporates the identification, evaluation, monitoring and reviewing of the Group's significant risks and business risks taking into account changes in the environment. It will be communicated to all levels in the Group (at the Company and its subsidiaries) within the stipulated schedule arranged.

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) Internal policies and procedures, which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group, are maintained and subject to review as considered necessary.

2) Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant terms of reference, organisational structures and appropriate authority limits, including matters requiring the Board's approval. The corporate structure further enhances the ability of each subsidiary or division, as the case may be, to focus on its assigned core or support functions within the Group.

3) Appropriate business plans are established where the Group's business objectives, strategies and targets are articulated. Business planning and budgeting are undertaken annually to establish plans and targets against which performance is monitored on an ongoing basis.

STATEMENT ON RİSK MANAGEMENT AND İNTERNAL CONTROL

4) The Group's management team monitors and reviews financial and operational results, including monitoring and reporting of performance against the operating plans. The management team formulates and communicates action plans to address areas of concern.

5) The Board has set the tone at the top for corporate behavior and corporate governance. All employees of the Group shall adhere to the Code of Ethics and Conduct of the Group which sets out the principles and standard to guide employees in carrying out their duties and responsibilities to the high standards of personal and corporate integrity when dealing within the Group and with external parties.

6) The Group takes continuous efforts in maintaining the quality of its products and services. Accordingly, the Group has a process to enable timely adherence to safety and health regulations, environmental requirements and relevant legislations affecting the Group's operations.

7) Sufficient insurance coverage and physical safeguards over major assets of the Group are in place to enable assets to be adequately covered against calamities and/or theft that may result in material losses to the Group.

8) 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.

9) 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.

10) 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

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities Berhad, 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 2016. Their limited assurance review was performed in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management process and internal control systems of the Group.

The external auditors 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 approved by the Board on 5 October 2016.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of MCT is pleased to present the report of the Audit and Risk Management Committee ("ARMC") and its activities for the financial year ended 30 June 2016.

COMPOSITION

The ARMC currently comprises four (4) members all of whom are Non-Executive Directors with a majority being Independent Directors. Tan Sri Dato' Sri Lau Yin Pin @ Lau Yen Beng, Chairman of the ARMC is a member of the Malaysia Institute of Accountants. As such, the composition of the ARMC is in compliance with the Paragraph 15.09(1) of the Main LR. Details of the ARMC members are set out in the Board of Directors' Profiles in this Annual Report.

The ARMC who served during the financial year ended 30 June 2016 and their attendance are set out below:

Name	Designation	Attendance
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	Chairman, Senior Independent Non-Executive Director	5/5
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	Member, Independent Non-Executive Chairman	5/5
Tan Sri Dato' Hj. Abd. Karim Bin Shaikh Munisar[1]	Member, Independent Non-Executive Director	2/2
Dato' Goh Hin San [2]	Member, Independent Non-Executive Director	3/3
Anna Maria Margarita Bautista Dy	Member, Non-Independent Non-Executive Director	5/5

Note:

[1] Appointed as a member of the ARMC on 22 December 2015.

[2] Retired as a member of the ARMC on 21 December 2015.

MEETINGS

The ARMC convened five (5) meetings during the financial year ended 30 June 2016. The meetings were held on 25 August 2015, 23 October 2015, 30 November 2015, 24 February 2016 and 25 May 2016. The Chief Financial Officer, Head of Internal Audit and Head of Risk Management were invited to attend all the ARMC meetings. Other person were invited to attend the ARMC meeting upon invitation, as and when necessary.

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 or Management. The Chairman of the Audit Committee engages directly with the internal auditors and external auditors, and vice versa, including the senior management, for discussion on issues of concern at any time.

The ARMC undertook an annual assessment of the external auditors and is satisfied with their independence and effectiveness in providing their services to the Group. As such, the ARMC has recommended and the Board has approved to seek shareholders' approval at the forthcoming Seventh Annual General Meeting to re-appoint Messrs. Deloitte as the external auditors of the Company.

TERMS OF REFERENCE

The Terms of Reference ("TOR") of the ARMC were revised on 3 May 2016 in accordance with the amendments to the Main LR. The details of the TOR are available for reference on the Company's website: www.mct.com.my.

AUDİT AND RİSK MANAGEMENT COMMİTTEE REPORT

SUMMARY WORK DURING THE FINANCIAL YEAR

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

(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 memorandum 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 as well as the impact of any changes to the accounting policies.

(d) Reviewed with the external auditors, their audit report and findings on financial reporting matters, and reported such matters to the Board of Directors.

(e) Met with the external auditors without the presence of the Executive Directors and Management.

(f) Evaluated the performance of the external auditors and made recommendations to the Board on their re-appointment and audit fee.

(g) Reviewed and approved the implementation of fixed asset tagging exercise and transfer pricing exercise for the Group.

(h) 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.

(i) Reviewed the adequacy of resources to complete the audit plan.

(j) Reviewed the internal auditors' observations, recommendations for improvements and management's response thereto. Reported major findings to the Board and made recommendations to the Board for consideration and approval based on the internal audit reports.

(k) Approved the Risk Management Framework and Policy including the Business Continuity Plan and Crisis Management for the Group.

(l) Reviewed and verified the related party transactions and conflicts of interest entered into by the Company and its subsidiaries and recommendation on the same to the Board of Directors.

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

AUDİT AND RİSK MANAGEMENT COMMİTTEE REPORT

INTERNAL AUDIT FUNCTION

The ARMC is supported by an in-house Internal Audit Department ("IAD") whose function is to provide independent, objective assurance and consulting services which are designed to add value to the Group's operational efficiency, risk management processes and internal control systems.

During the financial year under review, the Company hired a Senior Manager to lead the Risk Management Department ("RMD"), a separate department to carry out the risk assessment to assist the Management in identifying significant risks for the Group. The RMD will complement the IAD in carrying out its functions to manage risk.

The ARMC recommended and the Board has approved the Risk Management Framework Policy and Risk Management Procedure and Process for the Group. The function of the RMD includes the Risk Management Facilitation, Fraud Investigations, Business Continuity Plan and Annual Report.

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

(i) assisted the Management in verifying progress claims from subcontractors;
(ii) assisted the Management in revising the procedure for identifying, evaluating, approving and announcing related party transactions;
(iii) assisted the ARMC in reviewing the fairness of related party transactions, transacted in the period from 6 April 2015 to 31 March 2016;
(iv) prepared a risk-based annual internal audit plan for the review and approval of the ARMC; and
(v) reviewed the operations of batching plants, procurement and subcontracting activities of construction projects, operations of car parks, operations of weighbridge stations of construction projects and management of foreign worker affairs. Reported findings from the reviews to the Management and the ARMC for the formulation and implementation of effective action plans.

The total cost incurred for the internal audit function of the Group for the financial year under review was approximately RM310,000.00.

This ARMC Report is made in accordance with the resolution of the Board dated 18 October 2016.

Financial Statements

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors of **MCT BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiaries are as disclosed in Note 14 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.

RESULTS OF OPERATIONS

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

	The Group RM	The Company RM
Profit/(Loss) before tax	119,295,238	(1,057,665)
Income tax expense	(41,926,934)	-
Profit/(Loss) for the year	77,368,304	(1,057,665)

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

DIVIDENDS

Since the end of the previous financial year, a second interim single tier dividend of 2 sen per ordinary share on 1,334,777,114 ordinary shares of RM1.00 each, amounting to RM26,695,542, in respect of financial year ended 30 June 2015 was declared and paid on 9 October 2015.

The directors do not recommend any dividend in respect of financial year ended 30 June 2016.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

SHARE OPTIONS

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

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, 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 would 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 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.

DIRECTORS' REPORT

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, 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 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

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
Tan Sri Dato' Sri Goh Ming Choon
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
Dato' Sri Tong Seech Wi
Datuk Lim Kok Boon
Bernard Vincent Olmedo Dy
Anna Maria Margarita Bautista Dy
Tan Sri Dato' Hj Abd Karim Bin Shaikh Munisar (appointed on 22.12.2015)
Dato' Goh Hin San (resigned on 21.12.2015)

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM1.00 each			
	As of 1.7.2015	**Additions**	**Sold**	**As of 30.6.2016**
The Company				
Direct interest				
Tan Sri Dato' Sri Goh Ming Choon	569,669,267	400,000	(206,435,813)	363,633,454
Dato' Sri Tong Seech Wi	306,744,990	-	(111,157,746)	195,587,244
Datuk Lim Kok Boon	372,625	-	-	372,625

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 companies during and at the end of the financial year.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial period, 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 34 to the Financial Statements.

During and at the end of the financial year, 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 **DATO' SRI TONG SEECH WI**

Kuala Lumpur
5 October 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCT BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **MCT BERHAD**, which comprise the statements of financial position of the Group and of the Company as of 30 June 2016 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 72 to 141.

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 about 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 2016 and of their financial performance and cash flows for the year then ended 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 40 on page 142 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.

DELOITTE
AF 0080
Chartered Accountants
Kuala Lumpur

HUANG KHEAN YEONG
Partner - 2993/05/18 (J)
Chartered Accountant

5 October 2016

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016
(With the comparative figures of the Company for the period 1 January 2014 to 30 June 2015)

	Note	The Group 2016 (12 months) RM	The Group 2015 (12 months) RM	The Company 2016 (12 months) RM	The Company 2015 (18 months) RM
Revenue	5	**654,908,265**	619,666,111	**-**	38,324,328
Cost of sales	6	**(390,353,153)**	(419,656,905)	**-**	-
Gross profit		**264,555,112**	200,009,206	**-**	38,324,328
Other income		**6,689,610**	5,138,781	**1,015**	744,673
Selling and marketing expenses		**(29,392,519)**	(33,904,371)	**-**	-
Administrative expenses		**(115,582,113)**	(72,157,926)	**(1,058,680)**	(11,848,065)
Finance costs	7	**(6,974,852)**	(4,189,763)	**-**	-
Share of results of associate		**-**	62,063	**-**	-
Profit/(Loss) before tax	8	**119,295,238**	94,957,990	**(1,057,665)**	27,220,936
Income tax expense	9	**(41,926,934)**	(31,402,606)	**-**	(5,897)
Profit/(Loss) for the year/period		**77,368,304**	63,555,384	**(1,057,665)**	27,215,039
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income/(loss) for the year/period		**77,368,304**	63,555,384	**(1,057,665)**	27,215,039
Attributable to:					
Equity holders of the Company		**77,367,366**	63,559,792	**(1,057,665)**	27,215,039
Non-controlling interests		**938**	(4,408)	**-**	-
		77,368,304	63,555,384	**(1,057,665)**	27,215,039
Earnings per ordinary share attributable to owners of the Company (sen)					
Basic and diluted	10	**5.80**	5.75		

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

STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2016

	Note	The Group		The Company	
		2016	2015	2016	2015
		RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	**282,570,559**	243,636,055	**-**	-
Investment properties	12	**275,063,363**	173,899,176	**-**	-
Land held for property development	13	**42,362,554**	34,179,900	**-**	-
Investment in subsidiaries	14	**-**	-	**1,154,639,226**	1,154,639,226
Available-for-sale investments	15	**244,113**	237,961	**-**	-
Goodwill on consolidation	16	**-**	-	**-**	-
Total Non-Current Assets		**600,240,589**	451,953,092	**1,154,639,226**	1,154,639,226
Current Assets					
Inventories		**307,371**	443,488	**-**	-
Property development costs	17	**225,811,894**	156,926,000	**-**	-
Accrued billings		**149,573,716**	111,931,337	**-**	-
Amount due from contract customers	18	**-**	737,823	**-**	-
Trade receivables	19	**373,277,352**	38,596,985	**-**	-
Other receivables and prepaid expenses	20	**51,149,195**	16,526,783	**59,540**	9,412
Amount owing by subsidiaries	21	**-**	-	**388,451,727**	414,222,825
Tax recoverable		**13,401,533**	48,374	**-**	-
Deposits with licensed banks		**42,369,946**	225,638,934	**38,335**	36,909
Cash and bank balances		**50,921,675**	236,708,369	**390,458**	2,561,918
Total Current Assets		**906,812,682**	787,558,093	**388,940,060**	416,831,064
Total Assets		**1,507,053,271**	1,239,511,185	**1,543,579,286**	1,571,470,290

STATEMENTS OF FINANCIAL POSITION

AS OF 30 JUNE 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	22	**1,334,777,114**	1,334,777,114	**1,334,777,114**	1,334,777,114
ICULS	23	**122,218,357**	122,218,357	**122,218,357**	122,218,357
Reserves	24	**(978,529,769)**	(978,529,769)	**84,096,954**	84,096,954
Retained earnings	25	**240,894,021**	190,222,197	**2,233,298**	29,986,505
		719,359,723	668,687,899	**1,543,325,723**	1,571,078,930
Non-controlling interests		**1,494,445**	2,819,599	**-**	-
Total Equity		**720,854,168**	671,507,498	**1,543,325,723**	1,571,078,930
Non-Current Liabilities					
Borrowings	26	**167,785,294**	186,384,668	**-**	-
Hire-purchase payables	27	**6,181,701**	7,021,693	**-**	-
Deferred tax liabilities	28	**3,364,093**	1,853,761	**-**	-
Total Non-Current Liabilities		**177,331,088**	195,260,122	**-**	-
Current Liabilities					
Progress billings		**104,130,835**	139,229	**-**	-
Amount due to contract customers	18	**-**	12,776,046	**-**	-
Trade payables	29	**321,290,547**	195,863,549	**-**	-
Other payables and accrued expenses	30	**155,600,961**	108,408,332	**253,563**	391,360
Borrowings	26	**11,302,965**	19,575,788	**-**	-
Hire-purchase payables	27	**3,146,648**	3,252,126	**-**	-
Tax liabilities		**13,396,059**	32,728,495	**-**	-
Total Current Liabilities		**608,868,015**	372,743,565	**253,563**	391,360
Total Liabilities		**786,199,103**	568,003,687	**253,563**	391,360
Total Equity and Liabilities		**1,507,053,271**	1,239,511,185	**1,543,579,286**	1,571,470,290

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

(With the comparative figures of the Company for the period 1 January 2014 to 30 June 2015)

The Group	Note	Share capital RM	ICULS RM	Non-distributable reserves Share premium RM	Non-distributable reserves Reverse acquisition reserve RM	Distributable reserve Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity 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 Consortium Bhd	22	1,032,420,869	122,218,357	-	-	-	1,154,639,226	-	1,154,639,226
Private Placement	22	146,300,400	-	40,964,112	-	-	187,264,512	-	187,264,512
Bumiputera Issue	22	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	22	(5)	-	-	-	5	-	-	-
Issue of shares in a subsidiary to a non-controlling shareholder		-	-	-	-	-	-	2,823,574	2,823,574
Dividends paid	31	-	-	-	-	(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
As of 1 July 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
Adjustment		-	-	-	-	-	-	(1,326,092)	(1,326,092)
Dividends paid	31	-	-	-	-	(26,695,542)	(26,695,542)	-	(26,695,542)
Total comprehensive income for the year		-	-	-	-	77,367,366	77,367,366	938	77,368,304
As of 30 June 2016		**1,334,777,114**	**122,218,357**	**84,096,954**	**(1,062,626,723)**	**240,894,021**	**719,359,723**	**1,494,445**	**720,854,168**

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016
(With the comparative figures of the Company for the period 1 January 2014 to 30 June 2015)

The Company	Note	Share capital RM	ICULS RM	Non-distributable reserves Share premium RM	Distributable reserve Retained earnings RM	Total equity RM
As of 1 January 2014		117,812,500	-	28,371,954	4,656,461	150,840,915
Issue of shares arising from:						
Bonus issue	22(i)	28,275,000	-	(28,275,000)	-	-
Acquisition of MCT Consortium Bhd	22(iv)	1,032,420,869	122,218,357	-	-	1,154,639,226
Private Placement	22(iv)	146,300,400	-	40,964,112	-	187,264,512
Bumiputera Issue	22(iv)	153,699,600	-	43,035,888	-	196,735,488
Capital repayment	22(ii)	(143,731,250)	-	-	-	(143,731,250)
Consolidation of shares	22(iii)	(5)	-	-	5	-
Dividends paid	31	-	-	-	(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
As of 1 July 2015		1,334,777,114	122,218,357	84,096,954	29,986,505	1,571,078,930
Dividends paid	31	-	-	-	(26,695,542)	(26,695,542)
Total comprehensive loss for the year		-	-	-	(1,057,665)	(1,057,665)
As of 30 June 2016		**1,334,777,114**	**122,218,357**	**84,096,954**	**2,233,298**	**1,543,325,723**

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016
(With the comparative figures of the Company for the period 1 January 2014 to 30 June 2015)

	The Group		The Company	
	2016 (12 months) RM	2015 (12 months) RM	2016 (12 months) RM	2015 (18 months) RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit/(Loss) before tax	**119,295,238**	94,957,990	**(1,057,665)**	27,220,936
Adjustments for:				
Depreciation of:				
Property, plant and equipment	**14,677,367**	10,660,373	**-**	-
Investment properties	**645,977**	-	**-**	-
Finance costs	**6,974,852**	4,189,763	**-**	-
Provision for rebates	**4,402,586**	7,298,912	**-**	-
Allowance for doubtful debts	**3,310,858**	787,458	**-**	-
Loss on disposal of:				
Property, plant and equipment	**1,218,976**	28,754	**-**	-
Investment in associate	**-**	48,018	**-**	-
Bad debts written off	**824,805**	319,891	**-**	-
Unrealised loss on foreign exchange	**335,087**	-	**-**	-
Property, plant and equipment written off	**187**	4,843	**-**	-
Interest income	**(4,346,679)**	(2,591,279)	**(1,015)**	(744,673)
Bargain purchase gain from acquisition of a subsidiary	**(264,074)**	-	**-**	-
Impairment loss of goodwill on consolidation	**-**	3,272,290	**-**	-
Share of results of associate	**-**	(62,063)	**-**	-
Dividend income	**-**	-	**-**	(38,324,328)
Operating Profit/(Loss) Before Working Capital Changes	**147,075,180**	118,914,950	**(1,058,680)**	(11,848,065)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016
(With the comparative figures of the Company for the period 1 January 2014 to 30 June 2015)

	The Group		The Company	
	2016 (12 months) RM	**2015 (12 months) RM**	**2016 (12 months) RM**	**2015 (18 months) RM**
(Increase)/Decrease in:				
Inventories	**136,117**	(305,217)	**-**	-
Property development costs	**(56,650,817)**	(84,309,853)	**-**	-
Accrued billings	**(37,642,379)**	(66,100,925)	**-**	-
Amount due from contract customers	**737,823**	3,237,561	**-**	-
Trade receivables	**(338,753,030)**	17,576,656	**-**	-
Other receivables and prepaid expenses	**(34,022,741)**	164,929,531	**(50,128)**	1,084,657
Increase/(Decrease) in:				
Progress billings	**103,991,606**	(26,540,555)	**-**	-
Amount due to contract customers	**(12,776,046)**	12,776,046	**-**	-
Trade payables	**125,379,625**	125,510,283	**-**	-
Other payables and accrued expenses	**38,645,313**	(81,073,466)	**(137,797)**	(141,340)
Cash (Used In)/Generated From Operations	**(63,879,349)**	184,615,011	**(1,246,605)**	(10,904,748)
Tax paid	**(73,102,197)**	(32,807,064)	**-**	(9,124)
Net Cash (Used In)/From Operating Activities	**(136,981,546)**	151,807,947	**(1,246,605)**	(10,913,872)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016
(With the comparative figures of the Company for the period 1 January 2014 to 30 June 2015)

	The Group		The Company	
	2016 (12 months) RM	2015 (12 months) RM	2016 (12 months) RM	2015 (18 months) RM
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Proceeds from disposal of:				
Property, plant and equipment	**1,719,024**	74,387	**-**	-
Investment in associate	**-**	3,000,000	**-**	-
Interest received	**4,346,679**	2,591,279	**1,015**	744,673
Additions to:				
Investment properties	**(101,810,164)**	(62,457,559)	**-**	-
Property, plant and equipment (Note)	**(47,790,317)**	(67,972,142)	**-**	-
Land held for property development	**(6,726,767)**	(345,448)	**-**	-
(Increase)/Decrease in:				
Fixed deposits pledged with licensed banks	**(1,397,821)**	(1,724,357)	**-**	-
Available-for-sale investments	**(6,152)**	93,588	**-**	-
Amount owing by subsidiaries	**-**	-	**25,771,098**	(375,898,497)
Net cash outflow from acquisition of subsidiaries (Note 14)	**(488,252)**	(3,656,659)	**-**	-
Net Cash (Used In)/From Investing Activities	**(152,153,770)**	(130,396,911)	**25,772,113**	(375,153,824)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016
(With the comparative figures of the Company for the period 1 January 2014 to 30 June 2015)

	Note	The Group 2016 (12 months) RM	The Group 2015 (12 months) RM	The Company 2016 (12 months) RM	The Company 2015 (18 months) RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Drawdown of term loans		**61,116,810**	115,539,841	**-**	-
Repayment of:					
Term loans		**(91,340,169)**	(111,028,282)	**-**	-
Hire-purchase payables		**(3,733,470)**	(3,082,173)	**-**	-
Dividends paid		**(26,695,542)**	(1,885,000)	**(26,695,542)**	(1,885,000)
Finance costs paid		**(20,665,816)**	(15,763,385)	**-**	-
Proceeds from issue of shares:					
Private Placement		**-**	187,264,512	**-**	187,264,512
Bumiputera Issue		**-**	196,735,488	**-**	196,735,488
Proceeds from issue of shares in a subsidiary to a non-controlling shareholder		**-**	2,823,574	**-**	-
Capital repayments		**-**	(100,000)	**-**	(143,731,250)
Net Cash (Used In)/From Financing Activities		**(81,318,187)**	370,504,575	**(26,695,542)**	238,383,750
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(370,453,503)**	391,915,611	**(2,170,034)**	(147,683,946)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD		**446,356,099**	54,440,488	**2,598,827**	150,282,773
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	32	**75,902,596**	446,356,099	**428,793**	2,598,827

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

	The Group 2016 RM	The Group 2015 RM
Cash purchase	**47,790,317**	67,972,142
Hire-purchase financing	**2,788,000**	7,667,692
	50,578,317	75,639,834

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 14.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

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 5 October 2016.

2. BASIS OF PREPARATION OF THE 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.

Malaysian Financial Reporting Standards ("MFRS Framework")

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 given a transitional period of two years, which allowed these entities an option to continue with the FRS Framework. Following an announcement by the MASB on 7 August 2013, the transitional period for Transitioning Entities had been extended for an additional year.

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.

The Group falls within the scope definition of Transitioning Entities and has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. 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 the new MFRS Framework.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

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, the Group and the Company have adopted all the revised Standards and Amendments issued by the MASB that are relevant to their operations and effective for annual periods beginning on or after 1 July 2015 as follows:

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010 - 2012 cycle	
Annual Improvements to FRSs 2011 - 2013 cycle	

The adoption of these revised Standards and Amendments has not affected the amounts reported on the financial statements of the Group and of the Company in the current and previous financial year/period.

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 Group and the Company are as listed below.

FRS 9	Financial Instruments[3]
FRS 14	Regulatory Deferral Accounts[1]
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception[1]
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to FRS 101	Disclosure Initiative[1]
Amendments to FRS 107	Disclosure Initiative[2]
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses[2]
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Annual Improvements to FRSs 2012 - 2014 cycle[1]	

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[4] Effective date deferred to a date to be determined and announced, with earlier application permitted.

NOTES TO THE FİNANCİAL STATEMENTS

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these Standards and Amendments may have material impact on the financial statements of the Group and the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect until the Group and the Company undertake a detailed review.

3. 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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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 todate 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.

NOTES TO THE FINANCIAL STATEMENTS

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits (continued)

(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.

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.

NOTES TO THE FİNANCİAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Leasehold land is amortised over the lease period.

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	3.3 - 10.0%
Construction equipment	12.5 - 20.0%
Tools and equipment	12.5%
Motor vehicles	20.0%
Renovation	10.0%
Buildings	2.0%

The residual values, 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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FİNANCİAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Development Activities (continued)

(ii) Property development costs (continued)

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 todate 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Development Activities (continued)

(ii) Property development costs (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Development Activities (continued)

(ii) Property development costs (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Development Activities (continued)

(ii) Property development costs (continued)

Financial Instruments (continued)

(i) Financial Assets (continued)

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.

NOTES TO THE FİNANCİAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Development Activities (continued)

(ii) Property development costs (continued)

Financial Instruments (continued)

(i) Financial Assets (continued)

(a) Financial assets at FVTPL (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Development Activities (continued)

(ii) Property development costs (continued)

Financial Instruments (continued)

(i) Financial Assets (continued)

(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.

(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.

NOTES TO THE FİNANCİAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Development Activities (continued)

(ii) Property development costs (continued)

Financial Instruments (continued)

(i) Financial Assets (continued)

(e) Impairment of financial assets (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property Development Activities (continued)

(ii) Property development costs (continued)

Financial Instruments (continued)

(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.

Irredeemable Convertible Unsecured Loan Stocks ("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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Development Activities (continued)

(ii) Property development costs (continued)

Financial Instruments (continued)

(ii) Financial Liabilities and Equity Instruments (continued)

(c) Financial liabilities at FVTPL (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Development Activities (continued)

(ii) Property development costs (continued)

Financial Instruments (continued)

(ii) Financial Liabilities and Equity Instruments (continued)

(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.

4. 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 3 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.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(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 and investment properties

Except for property, plant and equipment and investment properties 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 and investment properties 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 and investment properties may result in revision of future depreciation charges.

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE

	The Group		The Company	
	2016 (12 months) RM	2015 (12 months) RM	2016 (12 months) RM	2015 (18 months) RM
Property development revenue	**591,934,426**	412,584,428	**-**	-
Contract revenue	**9,835,789**	159,962,317	**-**	-
Leasing, car park, utility services, sale of cinema tickets, hotel operations and fitness centre	**53,138,050**	47,119,366	**-**	-
Dividend income receivable from subsidiary	**-**	-	**-**	38,324,328
	654,908,265	619,666,111	**-**	38,324,328

6. COST OF SALES

	The Group	
	2016 (12 months) RM	2015 (12 months) RM
Property development costs	**330,587,150**	265,403,386
Contract costs	**14,962,559**	105,010,294
Leasing, car park, utility services, sale of cinema tickets, hotel operations and fitness centre	**44,803,444**	49,243,225
	390,353,153	419,656,905

7. FINANCE COSTS

	The Group	
	2016 (12 months) RM	2015 (12 months) RM
Interest expense on:		
Term loans	**3,235,940**	3,423,000
Hire-purchases	**632,788**	504,872
Bank guarantees	**3,039,428**	211,246
Bank overdrafts	**66,696**	37,807
Letters of credit	**-**	12,838
	6,974,852	4,189,763

NOTES TO THE FINANCIAL STATEMENTS

8. PROFIT/(LOSS) BEFORE TAX

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

	The Group		The Company	
	2016 (12 months) RM	2015 (12 months) RM	2016 (12 months) RM	2015 (18 months) RM
Staff costs	**77,396,176**	45,158,054	**-**	-
Depreciation of:				
Property, plant and equipment	**14,677,367**	10,660,373	**-**	-
Investment property	**645,977**	-	**-**	-
Developer interest bearing scheme	**12,364,706**	13,961,339	**-**	-
Directors' remunerations	**4,328,667**	1,481,917	**428,667**	506,917
Rental of:				
Premises	**3,251,052**	1,444,797	**-**	-
Equipment	**418,475**	106,601	**-**	-
Allowance for doubtful debts	**3,310,858**	787,458	**-**	-
Loss on disposal of:				
Property, plant and equipment	**1,218,976**	28,754	**-**	-
Investment in associate	**-**	48,018	**-**	-
Realised loss/(gain) on foreign exchange	**1,090,901**	(26,171)	**-**	-
Bad debts written off	**824,805**	319,891	**-**	-
Auditors' remunerations:				
Statutory audit	**329,000**	335,000	**50,000**	50,000
Others	**35,500**	644,000	**5,000**	635,000
Unrealised gain on foreign exchange	**335,087**	-	**-**	-
Property, plant and equipment written off	**187**	4,843	**-**	-
Interest income	**(4,346,679)**	(2,591,279)	**(1,015)**	(744,673)
Bargain purchase gain from acquisition of a subsidiary (Note 14)	**(264,074)**	-	**-**	-
Rental income	**(90,739)**	(612,065)	**-**	-
Impairment losses on goodwill on consolidation	**-**	3,272,290	**-**	-

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 RM8,182,143 (2015: RM4,271,446).

NOTES TO THE FINANCIAL STATEMENTS

8. PROFIT/(LOSS) BEFORE TAX (continued)

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

	The Group		The Company	
	2016 (12 months) RM	2015 (12 months) RM	2016 (12 months) RM	2015 (18 months) RM
Fees:				
Non-executive directors	**399,667**	94,917	**399,667**	282,417
Salaries and other emoluments:				
Executive directors	**4,368,096**	1,313,934	**-**	200,000
Non-executive directors	**29,000**	9,000	**29,000**	24,500
	4,796,763	1,417,851	**428,667**	506,917

The estimated monetary value of benefits-in-kind received by the directors of the Company are RM95,228 (2015: RM30,333).

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

	Number of Directors The Group	
	2016	2015
Executive directors		
RM100,000 and below	**-**	-
RM100,001 - RM200,000	**-**	-
RM200,001 - RM300,000	**-**	1
RM300,001 - RM400,000	**-**	-
RM400,001 - RM500,000	**-**	1
RM500,001 and above	**3**	1
	3	3
Non-Executive directors		
RM100,000 and below	**4**	5
RM100,001 - RM200,000	**2**	-
	6	5
	9	8

NOTES TO THE FINANCIAL STATEMENTS

9. INCOME TAX EXPENSE

	The Group		The Company	
	2016 (12 months) RM	2015 (12 months) RM	2016 (12 months) RM	2015 (18 months) RM
Estimated tax payable:				
Current year	**40,655,725**	27,219,174	**-**	-
(Over)/Under provision in prior years/period	**(239,123)**	2,329,671	**-**	5,897
	40,416,602	29,548,845	**-**	5,897
Deferred tax (Note 28):				
Current year	**1,099,465**	1,853,761	**-**	-
Underprovision in prior years/period	**410,867**	-	**-**	-
	1,510,332	1,853,761	**-**	-
	41,926,934	31,402,606	**-**	5,897

A numerical reconciliation of income tax expense applicable to profit/(loss) 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	
	2016 (12 months) RM	2015 (12 months) RM	2016 (12 months) RM	2015 (18 months) RM
Profit/(Loss) before tax	**119,295,238**	94,957,990	**(1,057,665)**	27,220,936
Tax at applicable statutory tax rate of 24% (2015: 25%)	**28,630,857**	23,739,498	**(253,840)**	6,805,234
Tax effects of:				
Non-deductible expenses	**2,566,917**	4,338,094	**253,840**	2,614,047
Non-taxable income	**(571,919)**	(1,483,353)	**-**	(9,581,082)
Intercompany losses/profits taxable/(deductible) at subsidiary level	**9,356,199**	(4,048,010)	**-**	-
Share of results of associate	**-**	(15,516)	**-**	-
Deferred tax assets not recognised	**1,894,333**	12,830,183	**-**	161,801
Realisation of deferred tax assets previously not recognised	**(121,197)**	(6,287,961)	**-**	-
(Over)/Underprovision in prior years/period:				
Current tax	**(239,123)**	2,329,671	**-**	5,897
Deferred tax	**410,867**	-	**-**	-
	41,926,934	31,402,606	**-**	5,897

NOTES TO THE FINANCIAL STATEMENTS

9. INCOME TAX EXPENSE (continued)

The Finance Act, 2015 gazetted on 30 December 2015 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 3, 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 2016, 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	
	2016 (12 months) RM	2015 (12 months) RM	2016 (12 months) RM	2015 (18 months) RM
Unused tax losses	**34,245,374**	26,577,561	**-**	647,204
Unabsorbed capital allowances	**11,686,364**	11,766,775	**-**	-
Other receivables and prepaid expenses	**287,714**	-	**-**	-
Other payables and accrued expenses	**17,938**	-	**-**	-
	46,237,390	38,344,336	**-**	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 FİNANCİAL STATEMENTS

10. 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	
	2016	**2015**
	RM	**RM**
Profit attributable to owners of the Company	**77,367,366**	63,559,792

	2016	**2015**
Number of ordinary shares in issue	**1,334,777,114**	1,034,777,114
Effects of:		
Private placement	**-**	34,069,956
Bumiputera issue	**-**	35,793,058
Number/Weighted average number of shares	**1,334,777,114**	1,104,640,128
Basic earnings per ordinary share (sen)	**5.80**	5.75

Diluted earnings per ordinary share

The basic and diluted earnings per share for 2016 and 2015 are the same as the Company has no dilutive potential ordinary shares at the end of the reporting period.

NOTES TO THE FİNANCİAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Office equipment RM	Furniture and fittings RM	Computer equipment RM	Plant and machinery RM	Construction equipment RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Buildings RM	Leasehold land RM	Property, plant and equipment under construction RM	Total RM
Cost												
As of 1 July 2014	735,956	3,388,462	2,480,314	62,852,680	4,534,902	906,514	4,905,266	-	110,423,330	-	182,924	190,410,348
Additions	461,762	8,217,470	2,585,383	29,464,770	4,942,554	1,940,711	2,701,012	1,101,100	24,225,072	-	-	75,639,834
Arising from acquisition of subsidiaries (Note 14)	-	-	-	-	-	-	-	-	6,280,000	-	-	6,280,000
Disposals	-	-	-	(13,000)	-	-	(120,000)	-	-	-	-	(133,000)
Write offs	-	-	(8,119)	-	-	-	(14,500)	-	-	-	-	(22,619)
As of 30 June 2015/1 July 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	140,928,402	-	182,924	272,174,563
Additions	393,485	1,239,803	1,540,692	21,171,646	8,158,750	1,972,483	3,340,465	2,760,210	10,000,783	-	-	50,578,317
Arising from acquisition of subsidiary (Note 14)	-	-	-	-	-	-	-	-	-	5,971,741	-	5,971,741
Disposals	-	(1,636,074)	(18,310)	(1,097,408)	(162,280)	(31,288)	(453,495)	-	-	-	-	(3,398,855)
Write offs	(199)	-	-	-	-	-	-	-	-	-	-	(199)
Reclassification	(156,512)	156,512	182,924	(331,600)	368,450	(36,850)	-	-	-	-	(182,924)	-
As of 30 June 2016	1,434,492	11,366,173	6,762,884	112,047,088	17,842,376	4,751,570	10,358,748	3,861,310	150,929,185	5,971,741	-	325,325,567

11. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group	Office equipment RM	Furniture and fittings RM	Computer equipment RM	Plant and machinery RM	Construction equipment RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Buildings RM	Leasehold land RM	Property, plant and equipment under construction RM	Total RM
Accumulated depreciation												
As of 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	1,889,587	-	-	10,660,373
Disposals	-	-	-	(1,859)	-	-	(28,000)	-	-	-	-	(29,859)
Write offs	-	-	(3,276)	-	-	-	(14,500)	-	-	-	-	(17,776)
As of 30 June 2015/1 July 2015	560,580	660,808	2,169,552	15,065,835	3,312,445	794,691	3,421,281	38,925	2,514,391	-	-	28,538,508
Charge for the year	118,366	905,050	1,312,718	6,198,468	1,635,607	402,868	1,761,494	163,797	2,178,999	-	-	14,677,367
Disposals	-	(74,924)	(6,721)	(99,593)	(37,465)	(5,880)	(236,272)	-	-	-	-	(460,855)
Write offs	(12)	-	-	-	-	-	-	-	-	-	-	(12)
Reclassification	(48,022)	48,022	-	(4,193)	4,577	(384)	-	-	-	-	-	-
As of 30 June 2016	630,912	1,538,956	3,475,549	21,160,517	4,915,164	1,191,295	4,946,503	202,722	4,693,390	-	-	42,755,008
Net Book Value												
As of 30 June 2016	803,580	9,827,217	3,287,335	90,886,571	12,927,212	3,560,275	5,412,245	3,658,588	146,235,795	5,971,741	-	282,570,559
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	138,414,011	-	182,924	243,636,055

(a) At the end of the reporting period, the carrying amount of property, plant and equipment of the Group acquired under hire-purchase is RM10,384,979 (2015: RM13,038,255).

(b) At the end of the reporting period, the net book value of property, plant and equipment totalling to RM80,610,119 (2015: RM72,009,373) are pledged to financial institutions as security for term loan facilities granted to the Group as disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT PROPERTIES

	The Group	
	2016	2015
	RM	RM
Cost		
At beginning of year	**173,899,176**	111,441,617
Additions	**101,810,164**	62,457,559
At end of year	**275,709,340**	173,899,176
Accumulated depreciation		
At beginning of year	**-**	-
Charge for the year	**645,977**	-
At end of year	**645,977**	-
Net book value	**275,063,363**	173,899,176
Represented by:		
Freehold land and buildings	**31,094,113**	31,500,238
Freehold land and buildings under construction	**243,969,250**	142,398,938
	275,063,363	173,899,176

The investment properties with carrying amount of RM275,063,363 (2015: RM173,899,176) have been pledged to financial institution as security for term loan facilities granted to the Group as disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

13. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2016	2015
	RM	RM
Cost		
At beginning of year	**34,179,900**	32,544,917
Additions	**8,182,654**	1,634,983
At end of year	**42,362,554**	34,179,900
Represented by:		
Land cost	**38,079,357**	31,371,912
Development costs	**4,283,197**	2,807,988
	42,362,554	34,179,900

During the financial year, interest expense capitalised in land held for property development of the Group amounted to RM1,455,887 (2015: RM1,289,535).

The land held for property development with carrying amount of RM35,655,109 (2015: RM34,179,900) have been pledged to financial institution as security for term loan facilities granted to the Group as disclosed in Note 26.

14. INVESTMENT IN SUBSIDIARIES

	The Company	
	2016	2015
	RM	RM
Unquoted shares, at cost	**1,154,639,226**	1,154,639,226

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT IN SUBSIDIARIES (continued)

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 2016 %	2015 %	Principal activities
Direct subsidiary			
MCT Consortium Bhd	**100**	100	Investment holding
Indirect subsidiaries			
Subsidiaries of MCT Consortium Bhd			
Modular Construction Technology Sdn Bhd	**100**	100	Construction, trading and 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**	100	Property development
Solid Benefit Sdn Bhd	**100**	100	Property investment and property development
Eco Green City Sdn Bhd	**100**	100	Property development and construction
MCT Green Technology Sdn Bhd	**100**	100	Utilities services provider

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT IN SUBSIDIARIES (continued)

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

Name of companies	Proportion of ownership and voting power held by the Group		Principal activities
	2016 %	2015 %	
Sky Park Properties Sdn Bhd	**100**	100	Property development
Lakefront Residence Sdn Bhd	**100**	100	Property development and construction
One City Development Sdn Bhd	**100**	100	Property development and investment
Cherish Properties Sdn Bhd	**100**	100	Investment holding
Ecolake Residence Sdn Bhd	**100**	100	Dormant
Leisure Event Sdn Bhd	**100**	100	Property investment
MCT Property Management Sdn Bhd	**100**	100	Property management
MCT Properties Sdn Bhd	**100**	100	Dormant
Premium Cinema Sdn Bhd	**100**	100	Dormant
Roaring Gain Sdn Bhd	**100**	100	Property investment
Skypark Fitness Sdn Bhd	**100**	100	Dormant
Solid Interest Sdn Bhd	**100**	100	Property investment and property development
Solid Recommendation Sdn Bhd	**100**	100	Property investment and property development
MCT Store Sdn Bhd	**100**	100	Dormant
Timeless Hectares Sdn Bhd	**100**	100	Property investment and property development
One Residence Sdn Bhd	**100**	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT IN SUBSIDIARIES (continued)

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

Name of companies	Proportion of ownership and voting power held by the Group 2016 %	2015 %	Principal activities
Next Delta Sdn Bhd	**100**	-	Dormant
SPCJ Green Tech Sdn Bhd (formerly known as Great Atlas Sdn Bhd)	**100**	-	Dormant
Nexus Advertising Sdn Bhd	**100**	-	Property investment
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**	70	Property development and investment

(a) Acquisition of Subsidiaries

During the current financial year:

(i) On 3 August 2015, the Group completed its acquisition of 100% equity interest each in Next Delta Sdn Bhd and SPCJ Green Tech Sdn Bhd (formerly known as Great Atlas Sdn Bhd) for a total cash consideration of RM4.

(ii) On 18 February 2016, the Group completed its acquisition of a 100% equity interest in Nexus Advertising Sdn Bhd for a total cash consideration of RM500,000.

In 2015, the Group via MCT Consortium Bhd ("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.

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT IN SUBSIDIARIES (continued)

(a) Acquisition of Subsidiaries (continued)

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

	Fair values	
	2016	**2015**
	RM	**RM**
Property, plant and equipment (Note 11)	**5,971,741**	6,280,000
Property development costs (Note 17)	**-**	77,750,696
Trade receivables	**63,000**	-
Other receivables and prepaid expenses	**887,385**	57,139,727
Tax recoverable	**-**	464,332
Cash and bank balances	**11,748**	2,143,355
Borrowings	**(3,351,162)**	(19,134,859)
Other payables and accrued expenses	**(72,904)**	(70,472,227)
Amount due to director	**(2,745,734)**	-
Net assets acquired	**764,074**	54,171,024
Cash consideration paid to acquire subsidiary	**(500,000)**	(5,800,014)
Excess of fair value over purchase consideration credited to:		
Profit or loss (Bargain purchase gain)	**264,074**	-
Other reserve	**-**	48,371,010
	264,074	48,371,010
Net cash outflow from acquisition:		
Cash and cash equivalents of subsidiaries acquired	**11,748**	2,143,355
Total purchase consideration	**(500,000)**	(5,800,014)
Cash outflow on acquisition, net of cash acquired	**(488,252)**	(3,656,659)

(b) Incorporation of a Subsidiary

In 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.

NOTES TO THE FINANCIAL STATEMENTS

15. AVAILABLE-FOR-SALE INVESTMENTS

	The Group	
	2016	2015
	RM	RM
Quoted investments at fair value	**244,113**	237,961

16. GOODWILL ON CONSOLIDATION

	The Group	
	2016	2015
	RM	RM
Goodwill on consolidation	**3,272,290**	3,272,290
Less: Accumulated impairment losses	**(3,272,290)**	(3,272,290)
Net	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

17. PROPERTY DEVELOPMENT COSTS

	The Group 2016 RM	2015 RM
At beginning of year:		
Land costs	**210,476,075**	143,665,288
Development costs	**653,872,729**	377,007,401
	864,348,804	520,672,689
Cost incurred during the year:		
Land costs	**5,109,294**	2,242,345
Development costs	**394,363,750**	263,683,074
	399,473,044	265,925,419
Arising from acquisition of subsidiaries (Note 14):		
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	**707,422,804**	442,019,418
Current year	**330,587,150**	265,403,386
	(1,038,009,954)	(707,422,804)
	225,811,894	156,926,000
At end of year:		
Land costs	**38,519,464**	38,804,590
Development costs	**187,292,430**	118,121,410
	225,811,894	156,926,000

NOTES TO THE FINANCIAL STATEMENTS

17. PROPERTY DEVELOPMENT COSTS (continued)

During the financial year, interest expense capitalised in property development costs of the Group amounted to RM12,235,077 (2015: RM10,284,087).

Certain property development costs amounting to RM141,200,154 (2015: RM115,071,356) have been pledged to financial institution as security for term loan facilities granted to the Group as disclosed in Note 26.

(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 ("TPP 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 TPP Development, whichever is higher. Gross development profit refers to the profit before tax earned by TPP in relation to the TPP Development; and

   (b) TPP would be entitled to all remaining profits after tax of the TPP 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 ("SPP 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 SPP Development, whichever is higher. Gross development profit refers to the profit before tax earned by SPP in relation to the SPP Development; and

   (b) SPP would be entitled to all remaining profits after tax of the SPP Development, after deduction of the landowner's entitlement.

On 30 August 2013, SPP entered into a Supplementary Joint Venture Agreement with SOR to revise the term (ii) (a) above to SOR is entitled to a sum of RM42,694,926 plus 10% of the development profit of the SPP Development, whichever is higher. Gross development profit refers to the profit before tax earned by SPP in relation to the SPP Development.

On 15 August 2016, SPP entered into another Supplementary Agreement with SOR to further revise the said term to SOR is entitled to a sum of RM43,160,000.

(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 ("LFR 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 LFR Development, after deduction of the landowner's entitlement.

SI, SOR and TH became wholly-owned indirect subsidiaries in 2015.

NOTES TO THE FİNANCİAL STATEMENTS

18. AMOUNT DUE FROM/TO CONTRACT CUSTOMERS

	The Group	
	2016	2015
	RM	RM
Contract costs incurred todate	**258,561,146**	250,617,413
Add: Attributable profit	**56,457,401**	53,686,568
	315,018,547	304,303,981
Progress billings	**(315,018,547)**	(316,342,204)
Net	**-**	(12,038,223)
Consisting of:		
Amount due from contract customers	**-**	737,823
Amount due to contract customers	**-**	(12,776,046)
Net	**-**	(12,038,223)
Retention sums on contracts, included in trade payables (Note 29)	**25,441,843**	17,015,196

19. TRADE RECEIVABLES

	The Group	
	2016	2015
	RM	RM
Trade receivables	**369,072,496**	31,081,937
Retention sum	**8,303,172**	8,302,506
	377,375,668	39,384,443
Less: Allowance for doubtful debts	**(4,098,316)**	(787,458)
	373,277,352	38,596,985

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

NOTES TO THE FINANCIAL STATEMENTS

19. TRADE RECEIVABLES (continued)

The credit period granted for the progress billings ranged from 14 to 45 days (2015: 14 to 45 days). Interest is charged on past due billings at interest rate of 8% per annum for commercial properties and 10% per annum for residential properties. 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 (2015: 24 months).

The Group has trade receivables totalling RM332,828,056 (2015: RM13,956,136) 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 one (2015: two) customer who accounted approximately 83% (2015: 49%) 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	
	2016	**2015**
	RM	**RM**
Neither past due nor impaired	**32,146,124**	16,338,343
Past due but not impaired	**332,828,056**	13,956,136
Past due and impaired	**4,098,316**	787,458
	369,072,496	31,081,937
Aging of past due but not impaired		
Past due 1 to 30 days	**10,229,881**	5,468,992
Past due 31 to 60 days	**27,128,575**	1,341,541
Past due 61 to 90 days	**24,067,067**	4,284,795
Past due more than 90 days	**271,402,533**	2,860,808
	332,828,056	13,956,136
Movement in the allowance for doubtful debts		
At beginning of year	**787,458**	-
Allowance for the year	**3,310,858**	787,458
At end of year	**4,098,316**	787,458

NOTES TO THE FİNANCİAL STATEMENTS

20. OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Other receivables	**29,629,767**	4,665,378	**-**	412
Refundable deposits	**9,212,412**	10,127,526	**50,000**	-
Prepaid expenses	**3,708,149**	1,733,879	**9,540**	9,000
Advance payment for purchase of building materials	**8,598,867**	-	**-**	-
	51,149,195	16,526,783	**59,540**	9,412

21. 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

22. SHARE CAPITAL

		The Group and The Company			
		30 June 2016 (12 months)		30 June 2015 (18 months)	
	Note	Number of shares	RM	Number of shares	RM
Authorised:					
Ordinary shares of RM0.50 each:					
At beginning of year/period		-	-	600,000,000	300,000,000
Arising from cancellation of RM0.49 of ordinary shares of RM0.50 each	(ii)(b)	-	-	(600,000,000)	(300,000,000)
At end of year/period		-	-	-	-
Ordinary shares of RM1.00 each:					
At beginning of year/period		**2,500,000,000**	**2,500,000,000**	-	-
Increase in authorised share capital	(iv)	-	-	2,500,000,000	2,500,000,000
At end of year/period		**2,500,000,000**	**2,500,000,000**	2,500,000,000	2,500,000,000
Issued and fully paid:					
Ordinary shares of RM0.50 each:					
At beginning of year/period		-	-	235,625,000	117,812,500
Issuance of shares pursuant to bonus issue	(i)	-	-	56,550,000	28,275,000
Cancellation of bonus issue	(ii)(a)	-	-	(56,550,000)	-
Arising from cancellation of RM0.49 of ordinary shares of RM0.50 each	(ii)(b)	-	-	(235,625,000)	(146,087,500)
At end of year/period		-	-	-	-

NOTES TO THE FİNANCİAL STATEMENTS

22. SHARE CAPITAL (continued)

		The Company			
		30 June 2016		30 June 2015	
	Note	Number of shares	RM	Number of shares	RM
Ordinary shares of RM0.01 each:					
At beginning of year/period		-	-	-	-
Arising from cancellation of RM0.49 of ordinary shares of RM0.50 each	(ii)(b)	-	-	235,625,000	146,087,500
Arising from capital repayment	(ii)(c)	-	-	-	(143,731,250)
Arising from consolidation of ordinary shares of RM0.01 each into New Shares	(iii)	-	-	(235,625,000)	(2,356,250)
At end of year/period		-	-	-	-
Ordinary shares of RM1.00 each:					
At beginning of year/period		**1,334,777,114**	**1,334,777,114**	-	-
Arising from consolidation of ordinary shares of RM0.01 each into New Shares	(iii)	-	-	2,356,245	2,356,245
Issues of shares arising from:					
Acquisition of MCTCB	(iv)	-	-	1,032,420,869	1,032,420,869
Private Placement	(iv)	-	-	146,300,400	146,300,400
Bumiputera Issue	(iv)	-	-	153,699,600	153,699,600
At end of year/period		**1,334,777,114**	**1,334,777,114**	1,334,777,114	1,334,777,114

(i) 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.

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS

22. SHARE CAPITAL (continued)

(iii) In conjunction with the regularisation plan undertaken by the Company which was completed on 6 April 2015 ("Regularisation Plan"), the Company had completed the 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 1 New Shares, with 5 New Shares disregarded as factional shares.

(iv) Also, in conjunction with the said Regularisation Plan, the authorised share capital was increased from RM300,000,000 to RM2,500,000,000 and 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.

23. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

In 2015, 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.

NOTES TO THE FINANCIAL STATEMENTS

23. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (continued)

Salient terms of ICULS are as follows: (continued)

(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 current financial year and previous financial period, there are no ICULS being converted into new ordinary shares of RM1.00 each in the Company.

24. RESERVES

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Non-distributable reserves:				
Share premium	**84,096,954**	84,096,954	**84,096,954**	84,096,954
Reverse acquisition reserve	**(1,062,626,723)**	(1,062,626,723)	**-**	-
	(978,529,769)	(978,529,769)	**84,096,954**	84,096,954

Share premium

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

NOTES TO THE FINANCIAL STATEMENTS

24. RESERVES (continued)

Reverse acquisition reserve

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

	The Group	
	2016	2015
	RM	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

25. 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.

26. BORROWINGS

	The Group	
	2016	2015
	RM	RM
Current		
Secured:		
Term loans	**11,302,965**	19,575,788
Non-Current		
Secured:		
Term loans	**167,785,294**	186,384,668
Total borrowings		
Term loans	**179,088,259**	205,960,456

NOTES TO THE FINANCIAL STATEMENTS

26. BORROWINGS (continued)

Borrowings are repayable as follows:

	The Group	
	2016	2015
	RM	RM
Current	**11,302,965**	19,575,788
Non-current:		
More than a year and less than 5 years	**148,736,020**	170,114,309
More than 5 years	**19,049,274**	16,270,359
	179,088,259	205,960,456

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 11, 12, 13 and 17, respectively;
- A third party memorandum of deposit of fixed deposits belonging to the Group as disclosed in Note 32; and
- A joint and several guarantee by certain directors of the Company.

The borrowings bear interest at rates ranging from 5.70% to 7.40% (2015: 4.60% to 8.10%) per annum.

27. HIRE-PURCHASE PAYABLES

	The Group	
	2016	2015
	RM	RM
Total outstanding	**10,267,900**	11,518,645
Less: Interest-in-suspense	**(939,551)**	(1,244,826)
Principal portion	**9,328,349**	10,273,819
Payable as follows:		
Within the next 12 months (shown under current liabilities)	**3,146,648**	3,252,126
After the next 12 months	**6,181,701**	7,021,693
	9,328,349	10,273,819

NOTES TO THE FINANCIAL STATEMENTS

27. HIRE-PURCHASE PAYABLES (continued)

The interest rates implicit in these hire-purchase obligations range from 2.36% to 11.00% (2015: 2.36% to 11.00%) per annum.

The hire-purchase payables are secured by the property, plant and equipment as disclosed in Note 11.

28. DEFERRED TAX LIABILITIES

	The Group	
	2016	**2015**
	RM	**RM**
At beginning of year	**1,853,761**	-
Charged to profit or loss (Note 9)	**1,510,332**	1,853,761
At end of year	**3,364,093**	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.

29. TRADE PAYABLES

	The Group	
	2016	**2015**
	RM	**RM**
Trade payables	**295,848,704**	178,848,353
Retention sum (Note 18)	**25,441,843**	17,015,196
	321,290,547	195,863,549

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 (2015: 30 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

30. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Other payables	**29,560,474**	47,863,380	**2,892**	330,322
Accrued expenses	**40,433,215**	14,836,920	**250,671**	61,038
Provision for rebates	**29,579,894**	34,175,682	**-**	-
Deposits received	**56,027,378**	11,532,350	**-**	-
	155,600,961	108,408,332	**253,563**	391,360

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

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

31. DIVIDENDS

	The Group and The Company	
	2016	2015
	RM	RM
For the period 1 January 2014 to 30 June 2015:		
First interim single tier dividend of RM0.008 per share on 235,625,000 ordinary shares of RM0.01 each	**-**	1,885,000
Second interim single tier dividend of RM0.02 per share on 1,334,777,114 ordinary shares of RM1.00 each	**26,695,542**	-
	26,695,542	1,885,000

NOTES TO THE FINANCIAL STATEMENTS

32. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Fixed deposits with licensed banks	**42,331,611**	31,357,221	**-**	-
Investments in short-term funds	**38,335**	194,281,713	**38,335**	36,909
Deposits under Housing Development Accounts	**9,579,147**	11,029,944	**-**	-
Cash and bank balances	**41,342,528**	225,678,425	**390,458**	2,561,918
Cash and bank balances	**93,291,621**	462,347,303	**428,793**	2,598,827
Less: Fixed deposits pledged with licensed banks (Note 26)	**(17,389,025)**	(15,991,204)	**-**	-
	75,902,596	446,356,099	**428,793**	2,598,827

Fixed deposits with licensed banks earn interest at rates ranging from 2.55% to 4.30% (2015: 2.55% to 4.30%) per annum and have maturity periods ranging from 30 to 365 days (2015: 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.

33. 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.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (continued)

Capital Risk Management (continued)

Gearing Ratio

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

	The Group 2016 RM	The Group 2015 RM
Total debts	**188,416,608**	216,234,275
Less: Fixed deposits and cash and bank balances (Note 32)	**(93,291,621)**	(462,347,303)
Net debts/(cash)	**95,124,987**	(246,113,028)
Equity	**720,854,168**	671,507,498
Debt to equity ratio	**13%**	N/A

Debts are defined as borrowings and hire-purchase payables as disclosed in Notes 26 and 27, 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 3.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments

	The Group		The Company	
	RM	RM	RM	RM
	2016	2015	2016	2015
Financial assets				
Available-for-sale investments	**244,113**	237,961	**-**	-
Loans and receivables:				
Trade receivables	**373,277,352**	38,596,985	**-**	-
Other receivables and deposits (Note 20)	**38,842,179**	14,792,904	**50,000**	412
Amount owing by subsidiaries	**-**	-	**388,451,727**	414,222,825
Deposits with licensed banks	**42,369,946**	225,638,934	**38,335**	36,909
Cash and bank balances	**50,921,675**	236,708,369	**390,458**	2,561,918
Financial liabilities				
Other financial liabilities:				
Borrowings (Note 26)	**179,088,259**	205,960,456	**-**	-
Hire-purchase payables (Note 27)	**9,328,349**	10,273,819	**-**	-
Trade payables	**321,290,547**	195,863,549	**-**	-
Other payables and accrued expenses (Note 30)	**99,573,583**	96,875,982	**253,563**	391,360

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 26. Interest rate for hire-purchase payables, which is disclosed in Note 27, is fixed at the inception of the financing arrangement.

The Group's exposures to interest rates on financial liabilities are detailed below. The sensitivity analyses 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

33. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk Management (continued)

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 2016 would be decrease/increase as follows:

	The Group	
	2016	**2015**
	RM	**RM**
Interest expense recognised in profit or loss	**264,987**	284,856
Interest expense capitalised in property development costs	**630,455**	744,946

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 2016, 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 19. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk Management (continued)

	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
The Group				
30 June 2016				
Financial liabilities				
Non-interest bearing:				
Trade payables	321,290,547	-	-	321,290,547
Other payables and accrued expenses	145,365,583	-	-	145,365,583
	466,656,130	-	-	466,656,130
Interest bearing:				
Borrowings	12,077,218	158,924,437	20,354,149	191,355,804
Hire purchase payables	3,463,309	6,804,591	-	10,267,900
	15,540,527	165,729,028	20,354,149	201,623,704
	482,196,657	165,729,028	20,354,149	668,279,834
The Company				
30 June 2016				
Financial liabilities				
Non-interest bearing:				
Other payables and accrued expenses	253,563	-	-	253,563

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk Management (continued)

	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

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.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

	The Group			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30 June 2016				
Financial Assets				
Available-for-sale investments	**244,113**	**-**	**-**	**244,113**
30 June 2015				
Financial Assets				
Available-for-sale investments	237,961	-	-	237,961

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	The Group	
	2016 RM	2015 RM
Sales of properties to persons related to the directors	**1,533,600**	579,800
Rental of premises received/receivable from related parties	**784,760**	663,216
Sales of motor vehicle to persons related to the related party	**239,601**	-
Provision of plan submission/services paid/payable to a related party	**51,150**	1,208,400
Renovation works received/receivable from a related party	**-**	606,365
Hire of motor vehicles paid/payable to a related party	**-**	186,000

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

NOTES TO THE FINANCIAL STATEMENTS

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

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 are as follows:

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Salaries and other remunerations	**22,931,973**	2,494,058	**-**	200,000
Defined contribution plans	**2,671,880**	316,146	**-**	-
Benefits-in-kind	**330,929**	54,383	**-**	-
	25,934,782	2,864,587	**-**	200,000

35. COMMITMENTS

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

	The Group	
	2016	**2015**
	RM	**RM**
Purchase of property, plant and equipment	**5,909,523**	1,344,220
Rental commitments from leaseback arrangement	**35,180,473**	21,242,156
	41,089,996	22,586,376

NOTES TO THE FINANCIAL STATEMENTS

36. CONTINGENT LIABILITIES

	The Group 2016 RM	The Group 2015 RM
Financial guarantees provided in favour of third parties pursuant to the construction projects of the Group	**51,726,922**	49,097,952

37. 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.

A writ of possession ("Writ") vide "Permohonan Perlaksanaan No. 37WP-44-12/2015" was issued by the High Court on 22 December 2015 and subsequently served by the Court Bailiff to the Existing Temple on 30 May 2016. On 10 June 2016, OCD's solicitors applied to court to extend the Writ. It is now fixed for case management on 26 October 2016.

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

38. 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.

30 June 2016	Property development RM	Construction activities RM	Others RM	Total RM	Elimination RM	The Group RM
Revenue						
External revenue	591,934,426	9,835,789	53,138,050	654,908,265	-	654,908,265
Inter-segment revenue	29,114,624	199,321,573	184,833,624	413,269,821	(413,269,821)	-
Total Revenue	621,049,050	209,157,362	237,971,674	1,068,178,086	(413,269,821)	654,908,265
Results						
Operating profit/(loss)	174,277,720	2,046,768	(15,416,907)	160,907,581	(38,984,170)	121,923,411
Interest income	2,629,193	1,212,908	504,578	4,346,679	-	4,346,679
Finance costs	(3,154,484)	(629,291)	(3,191,077)	(6,974,852)	-	(6,974,852)
Profit before tax						119,295,238
Income tax expense						(41,926,934)
Profit after tax						77,368,304
Assets and liabilities						
Segment assets	1,679,631,794	567,376,507	1,899,309,745	4,146,318,046	(2,652,666,308)	1,493,651,738
Tax recoverable	3,366,704	9,693,882	340,947	13,401,533	-	13,401,533
Total assets	1,682,998,498	577,070,389	1,899,650,692	4,159,719,579	(2,652,666,308)	1,507,053,271
Segment liabilities	1,277,074,193	502,515,983	305,704,105	2,085,294,281	(1,315,855,330)	769,438,951
Tax and deferred tax liabilities	13,290,611	3,360,280	109,261	16,760,152	-	16,760,152
Total liabilities	1,290,364,804	505,876,263	305,813,366	2,102,054,433	(1,315,855,330)	786,199,103

NOTES TO THE FINANCIAL STATEMENTS

38. SEGMENTAL REPORTING (continued)

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

Information about major customer

Revenue of the Group for the current financial year amounting to RM8,658,048 (2015: to RM149,285,720) from the construction activities is derived from a customer.

NOTES TO THE FINANCIAL STATEMENTS

39. COMPARATIVE FIGURES

Certain comparative figures in the financial statements of the Group have been reclassified to conform with the presentation in the current financial year. These relate mainly to the following:

	As previously reported RM	Reclassifications RM	As reclassified RM
Statement of financial position for the year ended 30 June 2015			
Property, plant and equipment	125,973,275	117,662,780	243,636,055
Investment properties	291,561,956	(117,662,780)	173,899,176
Property development costs	155,152,055	1,773,945	156,926,000
Other receivables and prepaid expenses	18,300,728	(1,773,945)	16,526,783

Certain comparative figures in the statements of cash flow have also been reclassified consequent to the reclassifications above.

The reclassification does not impact the opening balances as at 1 July 2014, no third statement of financial position has been presented.

NOTES TO THE FINANCIAL STATEMENTS

40. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings 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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total retained earnings of the Company and its subsidiaries				
Realised	**429,051,673**	336,073,074	**2,233,298**	29,986,505
Unrealised	**(8,971,102)**	(5,913,509)	**-**	-
	420,080,571	330,159,565	**2,233,298**	29,986,505
Add: Consolidation adjustments	**(179,186,550)**	(139,937,368)	**-**	-
Total retained earnings	**240,894,021**	190,222,197	**2,233,298**	29,986,505

STATEMENT BY DIRECTORS

The directors of **MCT 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 2016 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 40 on page 142, 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
5 October 2016

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**, 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 5th day of October 2016

Before me,

COMMISSIONER FOR OATHS

LIST OF PROPERTIES

No.	Title Reference	Purpose/existing use	Tenure	NBV 30.06.16	NBV 30.06.16
1.	**Sky Park Properties Sdn Bhd**				
	Lot PT 11992, Jalan Teknorat 1, Cyber 3, Cyberjaya, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	Basement	Freehold	69,358,032	
		Podium	Freehold	128,507,289	
		Hotel	Freehold	36,847,146	
		Link Bridge	Freehold	9,256,783	243,969,250
2.	**The Place Properties Sdn Bhd**				
	Lot PT 12018, Jalan Teknokrat 1/1, CyberJaya, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	Basement Car Parks	Freehold	14,520,404	
		Podium	Freehold	16,573,709	31,094,113
					275,063,363

ANALYSIS OF SHAREHOLDINGS
AS AT 28 SEPTEMBER 2016

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

	Shareholder		Shareholding	
Size of Shareholding	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	52	4.72	1,365	0.00
100 to 1,000	444	40.29	115,570	0.01
1,001 to 10,000	354	32.12	2,144,116	0.16
10,001 to 100,000	173	15.70	5,503,806	0.41
100,001 to less than 5% of issued shares	75	6.81	261,502,500	19.59
5% and above of issued shares	4	0.36	1,065,509,757	79.83
Total	1,102	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	296,633,454	22.22
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 (PBCL-0G0264)	66,700,000	5.00
6	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for AIA Bhd	45,928,200	3.44
7	Kumpulan Wang Persaraan (Diperbadankan)	33,490,400	2.51
8	Lai Ming Chun @ Lai Poh Lin	19,770,050	1.48

ANALYSIS OF SHAREHOLDINGS

AS AT 28 SEPTEMBER 2016

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
9	HLB Nominees (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	4,864,100	0.36
14	Lai Ming Chun @ Lai Poh Lin	4,056,900	0.30
15	Looi Teh Sung	3,493,300	0.26
16	Ng Lee Ling	3,236,200	0.24
17	Ramle Bin Nayan	3,076,600	0.23
18	AMSEC Nominees (Tempatan) Sdn Bhd - Mtrustee Berhad for Pacific Dividend Fund (UT-PM-DIV)	1,637,200	0.12
19	WHC Capital Sdn Bhd	1,562,000	0.12
20	RHB Nominees (Tempatan) Sdn Bhd - pledged securities account for Siau Lian Sang	1,385,100	0.10
21	Tan Pei Geok	1,350,000	0.10
22	Tokio Marine Life Insurance Malaysia Bhd as beneficial owner (TMEF)	1,308,900	0.10
23	Tokio Marine Life Insurance Malaysia Bhd as Beneficial owner (NPF)	1,300,000	0.10
24	Citigroup Nominees (Tempatan) Sdn Bhd - Kenanga Islamic Investors Bhd for Lembaga Tabung Haji	1,128,300	0.08
25	Alliancegroup Nominees (Tempatan) Sdn Bhd - pledged securities account for Koh Kin Lip (8058900)	1,005,000	0.08
26	Tokio Marine Life Insurance Malaysia Bhd as Beneficial owner (PF)	1,000,000	0.07
27	Koh Yoke Chai	955,100	0.07
28	CIMB Islamic Nominees (Tempatan) Sdn Bhd - CIMB Islamic Trustees Berhad - Kenanga Syariah Growth Fund	954,800	0.07
29	Alliancegroup Nominees (Tempatan) Sdn Bhd - pledged securities account for Tan Siew Booy (D18)	880,300	0.07
30	Dato' Goh Meng Keong	869,100	0.07
		1,311,261,307	98.24

ANALYSIS OF SHAREHOLDINGS
AS AT 28 SEPTEMBER 2016

Substantial Shareholders as per the Register of Substantial Shareholders

		No. of Shares Held in The Company			
No.	Name of Substantial Shareholder	Direct Interest	%	Indirect Interest	%
1	Regent Wise Investments Limited	439,809,059	32.95	-	-
2	Tan Sri Dato' Sri Goh Ming Choon	363,633,454	27.24		
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

		Direct Interest		Indirect Interest	
No.	Name of Directors	No. of Shares	% of Shares	No. of Shares	% of Shares
1	Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	-	-	-	-
2	Tan Sri Dato' Sri Goh Ming Choon (1)	363,633,454	27.24	-	-
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	Tan Sri Dato' Hj Abd Karim Bin Shaikh Munisar (2)	-	-	-	-
7	Anna Maria Margarita Bautista Dy	-	-	-	-
8	Bernard Vincent Olmedo Dy	-	-	-	-

Note: (1) 67,000,000 shares held through CIMSEC Nominees (Tempatan) Sdn Bhd, CIMB Bank for Tan Sri Dato' Sri Goh Ming Choon.
(2) Appointed as a Director of the Company on 22 December 2015.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of the Company will be held at the Grand Ballroom, Level R (Rooftop), The Place @ One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan on Monday, 28 November 2016 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2016 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 1)

2. To approve the payment of Directors' Fees in respect of the financial year ended 30 June 2016. (Resolution 1)

3. To re-elect the following Directors who shall retire pursuant to Article 81 of the Articles of Association of the Company:-

   (a) Datuk Lim Kok Boon (Resolution 2)
   (b) Dato' Sri Tong Seech Wi (Resolution 3)

4. To re-elect Tan Sri Dato' Hj Abd. Karim Bin Shaikh Munisar who shall retire pursuant to Article 88 of the Articles of Association of the Company (Resolution 4)

5. To re-appoint Deloitte as the Auditors of the Company for the ensuing year and to authorize the Directors of the Company to fix their remuneration. (Resolution 5)

As Special Business

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

6. 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. (Resolution 6)

7. 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.

NOTICE OF ANNUAL GENERAL MEETING

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: 31 October 2016

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 22 November 2016 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 Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur 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 6 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.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last AGM of the Company held on 21 December 2015 and accordingly no proceeds were raised.

MCT 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** ("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 Seventh Annual General Meeting of the Company **("AGM")** to be held at the Grand Ballroom, Level R (Rooftop), The Place @ One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan on Monday, 28 November, 2016 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 Datuk Lim Kok Boon as a Director of the Company**		
Resolution 3	**To re-elect Dato' Sri Tong Seech Wi as a Director of the Company**		
Resolution 4	**To re-elect Tan Sri Dato' Hj Abd. Karim Bin Shaikh Munisar as a Director of the Company**		
Resolution 5	**To re-appoint Messrs. Deloitte as Auditors**		
SPECIAL BUSINESS			
Resolution 6	**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:

(1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 November 2016 shall be eligible to attend, speak and vote at the AGM.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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 not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

Fold this flap for sealing

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AFFIX
STAMP

The Company Secretaries

MCT BERHAD
(Company No. 881786-X)

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

1st fold here

MCT Berhad

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

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