

Notes to the Accounts

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2015. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes to the financial position and performance of the Group since the financial year ended 30 June 2015.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the financial statements for the financial year ended 30 June 2015 except for the adoption of the relevant new FRSS, amendments to FRSS and IC Interpretations that are effective for year beginning on or after 1 July 2015.

The adoption of the new FRSS, amendments/improvements to FRSS and IC Int does not have any material impact on the financial position and results of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called Transitioning Entities")

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the definition of "Transitioning Entities" and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2018.

**2. Audit report for the preceding annual financial statements**

The audit report on the audited financial statements for the year ended 30 June 2015 was an unqualified opinion.

**3. Seasonal or Cyclical Factors**

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

**4. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of nature, size or incidence**

There are no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the quarter under review.

**5. Changes in estimates**

There are no material changes in estimates for the period under review.

**6. Issuances, Repayment and Cancellations of Debt and Equity Securities**

There were no debt and equity securities issued, cancelled, repurchased, resold or repaid during the period under review.

**7. Dividends**

No dividend has been paid, proposed or declared during the period under review.

**MENANG CORPORATION (M) BERHAD (Co No : 5383-K)**  
**QUARTERLY UNAUDITED RESULTS FOR THE GROUP**  
**FOR THE 3RD QUARTER ENDING 31 MARCH 2016**

Page 2

**8. Segmental Reporting**

9 months ended 31 March 2016						
	Project Management and investment holding	Property Development	Concession arrangements	Others	Eliminations	Consolidation
Business Segments	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	76	636	136,831	-		137,543
Inter-segment revenue	1,710				(1,710)	-
Total revenue	1,786	636	136,831	-	(1,710)	137,543
Segment Results	(1,395)	(1,061)	61,054	13	-	58,611
Finance cost	-	(247)	(32,374)	-	-	(32,621)
Finance income	2	1	89	-	-	92
Investing results	-	-	-	-	-	-
Profit before tax						26,082
Tax expense						(7,718)
Profit for the financial period						18,364

**9. Valuation of property, plant and equipment**

The carrying value of land and buildings have been brought forward without amendment from the previous financial statements.

**10. Capital Commitments**

The Group does not have any significant capital commitments as at the date of this announcement.

**11. Material Events Subsequent To The End Of The Period Reported**

There are no material events subsequent to the end of the period reported on that have not been reflected in the financial statements for the said period.

**12. Changes in the Composition of the Group**

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

**13. Contingent Liabilities or Contingent Assets**

There are no material changes in contingent liabilities since the end of the previous financial year.

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS**

**1. Review of Performance**

For the 9 months period ended 31 March 2016, the Group recorded a revenue of RM137.543 million and a profit after tax of RM18.364 million. The turnover and profit after tax were mainly attributed to the Private Finance Initiative (PFI) projects.

**MENANG CORPORATION (M) BERHAD (Co No : 5383-K)**  
**QUARTERLY UNAUDITED RESULTS FOR THE GROUP**  
**FOR THE 3RD QUARTER ENDING 31 MARCH 2016**

Page 3

**2. Variation of Results of the Preceding Quarter**

	<b>Current quarter RM'000</b>	<b>Preceding quarter RM'000</b>	<b>Change %</b>
<b>Profit before taxation</b>	3,380	13,192	-74%

The lower profit before taxation in the current quarter results compared to that of the preceding quarter was accounted for principally by lower gains in the PFI projects resulting from higher operating expenses.

**3. Current Year Prospects**

Cautious market sentiment resulting from global, regional and national economic uncertainties contributed to the continued softening of the local property sector and stringent measures on mortgage approvals terms introduced by the Bank Negara, the Group expects lower property sales from our inventories. With higher operating expenses incurred by the Concession Arrangements segment, the Board expects a lower earning for financial year 2016.

**4. Profit forecast or profit guarantee**

Not applicable as no profit forecast or profit guarantee was published or provided.

**5. Tax Expense**

	<b>Quarter Ended 31 March 2016 RM'000</b>	<b>3rd Quarter Ended 31 March 2016 RM'000</b>
Current Year	0	44
Deferred Tax Liability	1,409	7,674
<b>Total</b>	<b>1,409</b>	<b>7,718</b>

**6. Status of Corporate Proposals**

There were no corporate proposals announced at the date of this report.

**7. Borrowings and debt securities**

	<b>Short Term Borrowings 31 March 2016 RM'000</b>	<b>Long Term Borrowings 31 March 2016 RM'000</b>
Secured	63,373	604,362
Unsecured	-	-

**8. Financial Instruments with Off Balance Sheet Risk**

There were no financial instruments contracts with material off balance sheet risk at the date of this report.

**9. Changes in Material Litigation**

As at the date of this report, there were no material litigation (reported in the audited financial statements for the year ended 30 June 2015) since the last annual balance sheet date.

**MENANG CORPORATION (M) BERHAD (Co No : 5383-K)**  
**QUARTERLY UNAUDITED RESULTS FOR THE GROUP**  
**FOR THE 3RD QUARTER ENDING 31 MARCH 2016**

Page 4

**10. Dividends**

No dividend has been proposed or declared during the current quarter under review.

**11. Earnings Per Share**

		Quarter Ended 31 March 2016	3rd Quarter Ended 31 March 2016
(a)	<b><u>Basic Earnings</u></b>		
	Profit attributable to owners of the parent (RM'000)	1,412	10,526
	Weighted average number of ordinary shares issued ('000)	267,107	267,107
	Basic earnings per ordinary share (sen)	0.53	3.94
(b)	<b><u>Diluted earnings per share</u></b>	0.00	0.00

**12. Profit before tax is arrived at after (charging) / crediting:**

	Quarter Ended 31 March 2016 RM'000	3rd Quarter Ended 31 March 2016 RM'000
Finance income	26	92
Interest income on operating financial assets	17,859	52,669
Other Income	4	53
Finance costs	(11,173)	(32,621)
Depreciation of investment properties, property, plant and equipment	(65)	(195)

**13. Realised and Unrealised Profit or (Losses)**

Total retained profits of the Group comprise the following:-

	As at end of 31.03.2016 RM'000	As at end of 31.12.2015 RM'000
- Realised	64,889	63,508
- Unrealised	(56,366)	(56,957)
Consolidation Adjustment	44,285	44,844
<b>Total group retained profits</b>	<b>52,808</b>	<b>51,395</b>

By Order of the Board  
**MENANG CORPORATION (M) BERHAD**

**Ng Ah Wah** (MIA No. 10366)  
 Secretary  
 Kuala Lumpur  
 26 May 2016