

MENANG CORPORATION (M) BERHAD (Company No : 5383-K)

INTERIM REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 2016
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) AS AT 30 JUNE 2016 RM'000	(Audited) AS AT 30 JUNE 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	266	360
Investment Properties	50,287	50,450
Land Held For Property Development	66,945	66,945
Operating Financial Asset	833,225	782,500
Investment in An Associate	176	0
Other Investments	6	9
Total non-current assets	950,905	900,264
Current Assets		
Inventories	98,659	103,229
Operating Financial Asset	91,140	62,717
Receivables	44,796	9,061
Tax Assets	41	12
Cash and Cash Equivalents	64,496	24,937
	299,132	199,956
TOTAL ASSETS	1,250,037	1,100,220
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	133,553	133,553
Reserves	84,048	84,051
Retained Earnings	74,684	42,282
	292,285	259,886
Non-Controlling Interests	73,611	66,552
Total Equity	365,896	326,438
Non Current Liabilities		
Deferred Tax Liabilities	58,181	47,064
Payables	0	1,897
Borrowings	622,818	563,096
	680,999	612,057
Current Liabilities		
Payables	139,919	112,918
Tax payables	26	45
Borrowings	63,197	48,762
	203,142	161,725
Total Liabilities	884,141	773,782
TOTAL EQUITY	1,250,037	1,100,220
Net Assets Per Share (RM)	1.0943	0.9730

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2015.

INTERIM REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 2016
Condensed Consolidated Statement Of Comprehensive Income (Unaudited)

	Current Quarter Ended 30 June 2016 RM'000	Corresponding Quarter Ended 30 June 2015 RM'000	Current Year to Date 30 June 2016 RM'000	Corresponding Year to Date 30 June 2015 RM'000
Revenue	48,592	68,578	186,134	276,622
Operating Expenses	(34,849)	(54,530)	(113,834)	(202,477)
Other Operating Income	728	13	781	35,060
Profit from Operations	14,471	14,061	73,081	109,205
Finance Costs	(11,727)	(11,585)	(44,348)	(37,428)
Finance Income	147	(3)	238	263
Investing Results	0	0	0	0
	2,891	2,473	28,971	72,040
Share of Profit of Associates, net of tax	(2)	0	(2)	0
Share of Profit of Consortium (Note 1)	21,523	0	21,523	0
Profit before tax	24,412	2,473	50,492	72,040
Tax (Expenses)/Income	(3,491)	178	(11,209)	(5,486)
Profit after tax for the period	20,921	2,651	39,283	66,554
Fair Value Adjustment of available-for-sale financial assets	(2)	1	(3)	1
	20,919	2,652	39,280	66,555
Profit Attributable to :				
Owners of The Parent	21,700	1,130	32,224	55,111
Non-Controlling Interests	(779)	1,521	7,059	11,443
	20,921	2,651	39,283	66,554
EPS (sen) - Basic / Diluted	8.12	0.42	12.06	20.63

*The Condensed Financial Statements should be read in conjunction with
the audited financial statements of the Group for the year ended 30 June 2015.*

Note 1: Please refer to Note B1 (b) for details of the Consortium.

Condensed Consolidated Statement of Changes in Equity (Unaudited)

<---Attributable to Owners of the Parent--->

	<----Non-distributable ---->					Non -	Total
	Share Capital RM'000	Capital Reserve RM'000	Available- for-sale reserve RM'000	Retained Earnings RM'000	Sub Total RM'000	Controlling Interests RM'000	Equity RM'000
As at 01 July 2015	133,553	84,044	7	42,282	259,886	66,552	326,438
Prior Year Adjustment							
- Share of profit from associate	0	0	0	178	178	0	178
	133,553	84,044	7	42,460	260,064	66,552	326,616
Profit for the financial year	0	0	0	32,224	32,224	7,059	39,283
Fair Value Gains on Available For Sale Financial Assets	0	0	(3)	0	(3)	0	(3)
	0	0	(3)	32,224	32,221	7,059	39,280
As at 30 June 2016	133,553	84,044	4	74,684	292,285	73,611	365,896

For 12 months ended 30 June 2015

	Share Capital RM'000	Capital Reserve RM'000	Available- for-sale reserve RM'000	(Accumulated Losses) / Retained Earnings RM'000	Sub Total RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
As at 01 July 2014	133,553	84,044	6	(12,829)	204,774	55,109	259,883
Profit for the financial year	0	0	0	55,111	55,111	11,443	66,554
Fair Value Gains on Available For Sale Financial Assets	0	0	1	0	1	0	1
	0	0	1	55,111	55,112	11,443	66,555
As at 30 June 2015	133,553	84,044	7	42,282	259,886	66,552	326,438

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2015.

MENANG CORPORATION (M) BERHAD (Company No : 5383-K)

INTERIM REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 2016

Consolidated Statement Of Cash Flows

	(Unaudited) 30 June 2016 RM'000	(Unaudited) 30 June 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	50,492	72,040
Adjustments for:		
Allowance for doubtful debts	1,250	0
Bad debts recovered	0	(6)
Bad debts written off	0	454
Depreciation of investment properties	163	162
Depreciation of property, plant and equipment	100	133
Interest income on operating financial asset	(66,032)	(58,611)
Gain on disposal of property, plant and equipment	(33)	0
Gain on retention sum measured at amortised cost	(723)	(3,669)
Impairment loss on amount owing by an associate	454	717
Interest expense	44,348	37,428
Interest income	(238)	(263)
Share of profit of associate, net of tax	2	
Waiver of term loan	0	(31,326)
Operating profit before working capital changes	29,783	17,059
Inventories	4,570	6,172
Operating financial asset	(13,116)	(116,437)
Receivables	(37,439)	6,256
Payables	22,683	15,954
Cash from/(used in) operations	6,481	(70,996)
Tax paid	(140)	(84)
Interest received	0	8
Net cash from/(used in) operating activities	6,341	(71,072)
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal of bank deposits pledged	0	90
Proceeds from disposal of property, plant and equipment	33	0
Purchase of property, plant and equipment	(6)	(110)
Interest received	238	255
Net cash from investing activities	265	235
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to corporate shareholders	(8)	(582)
Drawdown of term loans	90,809	452,400
Interest paid	(31,018)	(70,512)
Repayment of term loans	(26,812)	(305,630)
Repayment of finance lease payable	(18)	(16)
Net cash from financing activities	32,953	75,660
Net increase in cash and cash equivalents	39,559	4,823
Cash and cash equivalents at beginning of financial year	24,151	19,328
Cash and cash equivalents at the end of financial year as reported in statements of cash flows	63,710	24,151
Add: Deposits pledged	786	786
Cash and cash equivalents at the end of financial year as reported in statements of financial position	64,496	24,937

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2015.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

- (a) 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.

- (b) 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 period 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.

A2. 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.

A3. Seasonal or Cyclical Factors

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

A4. 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.

A5. Changes in Estimates

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

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A6. 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.

A7. Dividends

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

A8. Segmental Reporting

	3 months ended 30 June 2016					
	Project Management and Other investment	Property Development	Concession Arrangements	Other Operating Segments	Eliminations	Consolidation
Business Segments	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	17	8,254	40,319	2	-	48,592
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	587	8,254	40,319	2	(570)	48,592
Segment results	1,802	(1,604)	14,281	(8)	-	14,471
Finance cost	-	(224)	(11,503)	-	-	(11,727)
Finance income	-	33	114	-	-	147
Investing results	-	-	-	-	-	-
Share of profit of associates, net of tax	-	(2)	-	-	-	(2)
Share of profit for consortium	-	21,523	-	-	-	21,523
Profit before tax						24,412
Tax expenses						(3,491)
Profit for the financial period						20,921

	12 months ended 30 June 2016					
	Project Management and Other investment	Property Development	Concession Arrangements	Other Operating Segments	Eliminations	Consolidation
Business Segments	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	93	8,889	177,150	2	-	186,134
Inter-segment revenue	2,280	-	-	-	(2,280)	-
Total revenue	2,373	8,889	177,150	2	(2,280)	186,134
Segment results	407	(2,666)	75,335	5	-	73,081
Finance cost	-	(471)	(43,877)	-	-	(44,348)
Finance income	2	34	202	-	-	238
Investing results	-	-	-	-	-	-
Share of profit of associates, net of tax	-	(2)	-	-	-	(2)
Share of profit for consortium	-	21,523	-	-	-	21,523
Profit before tax						50,492
Tax expenses						(11,209)
Profit for the financial year						33,283

A9. Valuation of Property, Plant and Equipment

All property, plant and equipment of the Group are carried at costs less accumulated depreciate and accumulated impairment losses, if any. There is no land and building in the Group's property, plant and equipment carrying amount.

A10. Capital Commitments

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

A11. 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.

A12. Changes in the Composition of the Group

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

A13. Contingent Liabilities or Contingent Assets

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

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

(a) Current Quarter Compared to Preceding Year's Corresponding Quarter

The Group recorded a decrease in revenue from RM 68.6 million for the quarter ended 30 June 2015, as compared to revenue of RM48.6 million for the quarter under review. The revenue recorded was mainly attributed to construction income from the development of Private Financial Initiative ("PFI") projects located at Nilai and Puncak Alam. The decrease in revenue for the period under review was mainly due to lower construction income recognised from the existing PFI development projects which mostly at its near completion stages during the fourth quarter of 2016. For the period under review, the Group was yet to commence any major Private Finance Initiative (PFI) project development.

The Group recorded a share of profit amounted to RM 21.5 million contributed from the disposal of partial development lands located at Mukim Kapar, Daerah Klang, which was contracted for joint development under the Consortium Agreement entered by the Company on 26th March 2010. The partial of the subject lands identified of approximately 30 acres in size was compulsorily disposed under notice of acquisition by Malaysia Government pursuant of Land Acquisition Act 1960, for the proposed West Coast Expressway Development.

The said CA was entered between the Company and third parties, whom participated in relevant borrowing by way of the settlement on behalf of the Company, the Islamic Facility amounted to RM28,568,000 during FYE 2010 to redeem the subject Lands from Bank Islam Malaysia Berhad. Based on the said settlement as the consideration, the consortium parties entered into CA to formalize the desire of joint development of the proposed UiTM Campus PFI development, on the subject lands as detailed below:

- (i) Geran 27917 Lot No. 48, Mukim Kapar, Daerah Kelang, Negeri Selangor;
- (ii) HS(D) 97332 PT 25008, Mukim Kapar, Daerah Klang, Negeri Selangor;
- (iii) HS(D) 97333 PT 50718, Mukim Klang, Daerah Klang, Negeri Selangor;
- (iv) Geran 27973 Lot No. 2596, Mukim Kapar, Daerah Kelang, Negeri Selangor;
- (v) Geran 27974 Lot No. 2597, Mukim Kapar, Daerah Kelang, Negeri Selangor;
- (vi) Geran 27975 Lot No. 2615, Mukim Kapar, Daerah Klang, Negeri Selangor; and

(vii) Geran 27976 Lot No. 2616, Mukim Kapar, Daerah Klang, Negeri Selangor.

(hereinafter known as “the subject Lands”)

The subject Lands are registered in the sole name of Menang Development (M) Sdn Bhd, the wholly owned subsidiary of Menang Corporation (M) Berhad. As stipulated in the CA, the consortium parties agreed to incorporate a Special Purpose Vehicle (“SPV”) to undertake the PFI Project in the event the PFI project being awarded and to jointly share the project, equity and the construction profit from the proposed PFI project in the following proportion:

Prosper Commodity Group Sdn Bhd (“PCGSB”)	51%
Menang Corporation (M) Berhad (“MCB”)	30%
Runding Waja Sdn Bhd (“RWSB”)	19%

The SPV was subsequently incorporated on 27th April 2010 named as Pacific Bright Sdn Bhd (“PBSB”) and all relevant documents have been executed to effect the formalisation of the consortium arrangement:

- Deed of Trust entered between Menang Development Sdn Bhd (“MDSB”) and the Consortium Parties;
- Deed of Novation dated 3 June 2010 entered between the consortium parties and the designated third party;
- Deed of Trust dated 7 June 2010 entered between MDSB and PBSB;
- Shareholders Agreement dated 5 April 2011 entered between the consortium parties and PBSB.

On 6th May 2011, the consortium parties consented to the disposal of the subject lands (iv), (v), (vi) and (vii) stated above, from PBSB to PCGSB for a consideration of RM1,958,000, to finance the settlement of the quit rents, assessment and other expenses for the subject lands. A Sales & Purchase Agreement was entered between PBSB and PCGSB on the same date for the said effect.

Nevertheless, on 6th December 2011, the Consortium parties were informed that the proposed PFI project would be relocated away from the subject Lands by reason of a proposed acquisition on partial of the subject Lands, by Malaysia Government for Proposed West Coast Expressway Development. By the notice of acquisition dated 13th April 2016, partial of the subject Lands (i), (ii) and (iii) above have been compulsorily acquired for a Compensation Monies amounted to RM80,242,127.64 paid to MDSB, whom being authorised to dispose the same, by the Consortium Parties.

The Consortium Parties had on 23th August 2016, entered into Memorandum of Re-iteration and Confirmation (“MRC”) stipulated the consensus between Parties in acknowledgement of the structural development for the past years, recognition of the return derived from the said Compensation Monies as well as the intention between the parties to continue its joint development planning for the remaining lands.

As a result of the stated compulsory acquisition, the Group recorded significant increase in profit before taxation of RM 24.4 million for the quarter under review, as compared to RM2.5 million for the corresponding quarter for FYE 30 June 2015. Despite the surge in profit before taxation, the provision of taxation was relatively low at RM 3.5 million for quarter ended 30 June 2016, after off-set with the business loss brought forward from the past years.

Lastly, the Group recorded profit after taxation of RM 20.9 million for quarter ended 30 June 2016 versus RM 2.7 million for the corresponding quarter ended 30 June 2015.

(b) Current Financial Year-to-Date Results Compared to Preceding Year's Corresponding Year-to-Date Results

The Group recorded a decrease in revenue and profit after taxation from RM 276.6 million and RM 66.6 million for the FYE 30 June 2015, as compared to revenue of RM186.1 million and profit after tax of RM39.3 million respectively for the FYE 30 June 2016. The decrease in turnover and profit after taxation for the financial year under review was mainly attributed to lower construction income recognised from the existing PFI development projects which were mostly at its near completion stages, such as project UiTM Puncak Alam and project Pusat Latihan Nilai. For the financial year under review, the Group was yet to commence any major development project. Finance cost has increased for the financial year under review, from RM 37.4 million for FYE 30 June 2015 to RM 44.3 million, mainly resulted from higher loan recorded for financing of existing PFI project.

In addition, the Group also recorded share of profit amounted to RM 21.5 million contributed from the disposal on partial of development lands located at Mukim Kapar, Daerah Klang, which were originally contracted for joint development under the Consortium Agreement (“CA”) entered by the Company on 26th March 2010. The partial of the subject lands identified of approximately 30 acres in size was mandatorily disposed under notice of acquisition by Malaysia Government pursuant of Land Acquisition Act 1960, for the proposed West Coast Expressway Development.

As a result of the stated compulsory acquisition, the Group recorded a profit before taxation of RM 50.5 million for the FY under review, as compared to RM72.0 million for FYE 30 June 2015. The provision of taxation recorded at RM11.2 million, after off-set with the business loss brought forward from the past years.

Lastly, the Group recorded profit after taxation of RM 39.3 million for FYE 30 June 2016 versus RM 66.6 million for FYE 30 June 2015.

B2. Variation of Results of the Preceding Quarter

	Current quarter RM'000	Preceding quarter RM'000	Change %
Profit before taxation	24,412	3,380	622%

The material improvement in the current quarter results as compared to that of the preceding quarter was mainly due to the share of profit amounted to RM 21.5 million from the disposal of joint development lands identified of approximately 30 acres in size, under notice of acquisition by Malaysia Government pursuant of Land Acquisition Act 1960, for the proposed West Coast Expressway Development.

B3. Current Year Prospects

The Group is cautious in view of the market sentiment resulting from global, regional and national economic uncertainties. Prospects are further impacted by the softening of the local property sector and stringent measures on mortgage approval terms imposed by Bank Negara Malaysia. The Group expects lower property sales from our inventories as compared to the past years. The Group expects a lower but steady income contributed by the existing PFI projects.

B4. Profit forecast or profit guarantee

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

B5. Tax Expense

	Quarter Ended 30 June 2016 RM'000	Financial Year Ended 30 June 2016 RM'000
Current Year	48	92
Deferred Tax Liability	3,443	11,117
Total	3,491	11,209

The provision of taxation was relatively low against the recorded profit before taxation having benefited from the off-set with the business loss brought forward from the past years.

B6. Status of Corporate Proposals

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

B7. Borrowings and debt securities

As at 30 June 2016

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Secured	63,197	622,818
Unsecured	-	-

The bank borrowings were substantially disbursed for financing the construction of PFI projects, secured against the future availability charges from the said projects.

B8. 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.

B9. Changes in Material Litigation

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

B10. Dividends

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

B11. Earnings Per Share

		Quarter Ended 30 June 2016	Financial Year Ended 30 June 2016
(a)	Basic Earnings		
	Profit attributable to shareholders (RM'000)	21,700	32,224
	Number of ordinary shares issued ('000)	267,107	267,107
	Basic Profit per ordinary share (sen)	8.12	12.06
(b)	Diluted Earnings Per Share	8.12	12.06

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B12. Profit before tax is arrived at after (charging) / crediting:

	Quarter Ended 30 June 2016 RM'000	Financial Year Ended 30 June 2016 RM'000
Finance Income	147	238
Interest income on Operating Financial Asset	13,364	66,032
Other Income including Investment Income	728	781
Finance Costs	(11,727)	(44,348)
Depreciation of property, plant and equipment	(68)	(263)

B13. Realised and Unrealised Profit or (Losses)

Total retained earnings of the Group comprise the following:-

	As at 30.06.2016 RM'000	As at 31.03.2016 RM'000
- Realised	76,250	64,889
- Unrealised	(47,549)	(56,366)
Consolidation Adjustment	45,987	44,285
Total	74,688	52,808

By Order of the Board
MENANG CORPORATION (M) BERHAD