

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) AS AT 30 SEPTEMBER 2016 RM'000	(Audited) AS AT 30 JUNE 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	248	266
Investment Properties	50,247	50,287
Land Held For Property Development	66,945	66,945
Operating Financial Asset	827,683	833,225
Investment in An Associate	174	176
Other Investments	5	6
Total non-current assets	945,302	950,905
Current Assets		
Inventories	102,125	101,641
Operating Financial Asset	91,140	91,140
Receivables	60,728	44,795
Tax Assets	43	43
Cash and Cash Equivalents	41,672	64,496
	295,708	302,115
TOTAL ASSETS	1,241,010	1,253,020
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	133,553	133,553
Reserves	84,048	84,048
Retained Earnings	75,900	75,284
	293,501	292,885
Non-Controlling Interests	73,895	72,637
Total Equity	367,396	365,522
Non Current Liabilities		
Deferred Tax Liabilities	59,349	57,121
Payables	0	0
Borrowings	631,056	646,593
	690,405	703,714
Current Liabilities		
Payables	118,764	137,356
Tax payables	26	26
Borrowings	64,419	46,402
	183,209	183,784
Total Liabilities	873,614	887,498
TOTAL EQUITY	1,241,010	1,253,020
Net Assets Per Share (RM)	1.0988	1.0965

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2016.

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016
Condensed Consolidated Statement Of Comprehensive Income (Unaudited)

	Current Quarter Ended 30 SEPTEMBER 2016 RM'000	Corresponding Quarter Ended 30 SEPTEMBER 2015 RM'000	Current Year to Date 30 SEPTEMBER 2016 RM'000	Corresponding Year to Date 30 SEPTEMBER 2015 RM'000
Revenue	24,434	41,254	24,434	41,254
Operating Expenses	(7,960)	(21,226)	(7,960)	(21,226)
Other Operating Income	10	11	10	11
Profit from Operations	16,484	20,039	16,484	20,039
Finance Costs	(12,545)	(10,575)	(12,545)	(10,575)
Finance Income	165	44	165	44
Investing Results	0	0	0	0
	4,104	9,508	4,104	9,508
Share of Profit of Associates, net of tax	(2)	0	(2)	0
Profit before tax	4,102	9,508	4,102	9,508
Tax (Expenses)/Income	(2,228)	(2,733)	(2,228)	(2,733)
Profit after tax for the period	1,874	6,775	1,874	6,775
Fair Value Adjustment of available-for-sale financial assets	0	1	0	1
	1,874	6,776	1,874	6,776
Profit Attributable to :				
Owners of The Parent	616	4,102	616	4,102
Non-Controlling Interests	1,258	2,673	1,258	2,673
	1,874	6,775	1,874	6,775
EPS (sen) - Basic / Diluted	0.23	1.54	0.23	1.54

*The Condensed Financial Statements should be read in conjunction with
the audited financial statements of the Group for the year ended 30 June 2016.*

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Condensed Consolidated Statement of Changes in Equity (Unaudited)

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

<----Non-distributable ---->

	Share Capital RM'000	Capital Reserve RM'000	Available- for-sale reserve RM'000	Retained Earnings RM'000	Sub Total RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
As at 01 July 2016	133,553	84,044	4	75,284	292,885	72,637	365,522
Profit for the financial year	0	0	0	616	616	1,258	1,874
Fair Value Gains on Available For Sale Financial Assets	0	0	0	0	0	0	0
	0	0	0	616	616	1,258	1,874
As at 30 September 2016	133,553	84,044	4	75,900	293,501	73,895	367,396

For 12 months ended 30 June 2016

	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 2015	133,553	84,044	7	42,460	260,064	66,552	326,616
Profit for the financial year	0	0	0	32,824	32,824	6,085	38,909
Fair Value Gains on Available For Sale Financial Assets	0	0	-3	0	(3)	0	(3)
	0	0	-3	32,824	32,821	6,085	38,906
As at 30 June 2016	133,553	84,044	4	75,284	292,885	72,637	365,522

*The Condensed Financial Statements should be read in conjunction with
the audited financial statements of the Group for the year ended 30 June 2016.*

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Consolidated Statement Of Cash Flows

	(Unaudited) 30 SEPTEMBER 2016 RM'000	(Audited) 30 JUNE 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,102	49,056
Adjustments for:		
Bad debts recovered	0	(18)
Depreciation of investment properties	40	163
Depreciation of property, plant and equipment	23	100
Gain on disposal of property, plant and equipment	0	(33)
Gain on retention sum measured at amortised cost	0	(723)
Impairment losses on other receivable	0	750
Impairment losses on trade receivable	0	500
Interest expense	12,545	48,766
Interest income	(165)	(237)
Interest income on operating financial asset	(17,729)	(65,526)
Inventories written back	0	(2,982)
Share of profit of associate, net of tax	2	2
Gain from compulsory acquisition by the Malaysian Government of the Klang Lands	0	(22,530)
Operating profit before working capital changes	(1,182)	7,288
Changes in working capital:		
Inventories	(484)	3,389
Operating financial asset	23,271	(13,622)
Trade and other receivables	(15,933)	(34,611)
Trade and other payables	(7,019)	70,496
Cash from/(used in) operations	(1,347)	32,940
Tax paid	0	(140)
Interest received	0	100
Net cash from/(used in) operating activities	(1,347)	32,900
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances made to an associate	0	(452)
Proceeds from disposal of property, plant and equipment	0	33
Purchase of property, plant and equipment	(5)	(6)
Interest received	165	137
Withdrawal/(Placement) of bank deposits pledged	1,298	993
Net cash from investing activities	1,458	705
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to consortium parties	(12,061)	(28,568)
Repayment to corporate shareholders	0	(8)
Drawdown of term loans	9,285	93,372
Repayment of term loans	(11,307)	(23,929)
Interest paid	(7,549)	(33,904)
Payment of finance lease payable	(5)	(16)
Net cash from financing activities	(21,637)	6,947
Net increase in cash and cash equivalents	(21,526)	40,552
Cash and cash equivalents at beginning of financial year	63,157	22,605
Cash and cash equivalents at the end of financial year as reported in statements of cash flows	41,631	63,157
Add: Deposits pledged	41	1,339
Cash and cash equivalents at the end of financial year as reported in statements of financial position	41,672	64,496

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2016.

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 2016. 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 2016.

- (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 2016 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 2017.

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 2016 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 September 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	28	-	24,406	-	-	24,434
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	598	-	24,406	-	(570)	24,434
Segment results	(181)	(1,896)	18,567	(6)	-	16,484
Finance cost						(12,545)
Finance income						165
Investing results						-
Share of loss of associates, net of tax						(2)
Profit before tax						4,102
Tax expenses						(2,228)
Profit for the financial period						1,874

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.

A.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.

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 revenue of RM 24.4 million for the quarter under review, as compared to RM 41.3 million for the preceding quarter. This is mainly due to the completion of the PFI projects. As a result, the Group recognise lower profit from operation of RM 16.5 million for current quarter as compared to RM 20.03 million in preceding quarter.

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

The Group recorded a revenue of RM 24.4 million for the financial period under review, as compared to RM 41.3 million for the preceding financial period. This is mainly due to the completion of the PFI projects. As a result, the Group recognise lower profit from operation of RM 16.5 million for this financial period as compared to RM 20.03 million in preceding financial period.

B2. Variation of Results of the Preceding Quarter

	Current quarter RM'000	Preceding quarter RM'000	Change %
Profit before taxation	4,102	24,412	(83.2%)

The Group recorded lower profit before tax by RM 20.3 million (or 83.2% drop) mainly due to share of profit from Klang Land Joint Venture recognised in preceding quarter amounted to RM22.5 million.

B3. Current Year Prospects

In view of softening property market sentiment, the Group expects current year prospects to be challenging.

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 September 2016 RM'000	Financial Period Ended 30 September 2016 RM'000
Current Year	-	-
Deferred Tax Liability	2,228	2,228
Total	2,228	2,228

Tax expenses under the current quarter is wholly due to deferred tax, which resulted from temporary differences between tax base and accounting base of PFI profit and loss recognitions.

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 September 2016

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Secured	64,419	631,056
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 2016) 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 September 2016	Financial Period Ended 30 September 2016
(a) Basic Earnings		
Profit attributable to shareholders (RM'000)	616	616
Number of ordinary shares issued ('000)	267,107	267,107
Basic Profit per ordinary share (sen)	0.23	0.23
(b) Diluted Earnings Per Share	0.23	0.23

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

	Quarter Ended 30 September 2016 RM'000	Financial Period Ended 30 September 2016 RM'000
Interest Income	165	165
Interest income on Operating Financial Asset	17,729	17,729
Other Income including Investment Income	10	10
Finance Costs	(12,545)	(12,545)
Depreciation	(63)	(63)

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B13. Realised and Unrealised Profit or (Losses)

Total retained earnings of the Group comprise the following:-

	As at 30.09.2016 RM'000	As at 30.06.2016 RM'000
- Realised	83,525	79,423
- Unrealised	(59,177)	(56,949)
Consolidation Adjustment	51,552	52,810
Total	75,900	75,284

By Order of the Board
MENANG CORPORATION (M) BERHAD