



**Menang Corporation (M) Berhad**  
(5383-K)

**QUARTERLY REPORT ON  
CONSOLIDATED RESULTS  
FOR THE FINANCIAL PERIOD ENDED  
31 DECEMBER 2016**

Condensed Consolidated Statements of Financial Position (Unaudited)	1
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)	2
Condensed Consolidated Statement of Changes in Equity (Unaudited)	3
Consolidated Statement of Cash Flows (Unaudited)	4
Part A – Explanatory Notes Pursuant to MFRS 134	5
Part B – Explanatory Notes Pursuant To Appendix 9b of the Bursa Securities Listing Requirements	7

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)  
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**

Page 1

	(Unaudited) 31 DECEMBER 2016 RM'000	(Audited) 30 JUNE 2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipments	230	266
Investment properties	50,206	50,287
Land held for property development	66,945	66,945
Operating financial asset	806,787	833,225
Investment in an associate	248	176
Other investments	5	6
	<b>924,421</b>	<b>950,905</b>
<b>Current assets</b>		
Inventories	102,125	101,641
Operating financial asset	106,797	91,140
Receivables	52,338	44,795
Tax assets	43	43
Cash and cash equivalents	53,985	64,496
	<b>315,288</b>	<b>302,115</b>
<b>TOTAL ASSETS</b>	<b>1,239,709</b>	<b>1,253,020</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	133,553	133,553
Reserves	84,048	84,048
Retained earnings	84,410	75,284
	<b>302,011</b>	<b>292,885</b>
<b>Non-controlling interests</b>	<b>69,151</b>	<b>72,637</b>
<b>Total equity</b>	<b>371,162</b>	<b>365,522</b>
<b>Non current liabilities</b>		
Deferred tax liabilities	61,049	57,121
Borrowings	622,036	646,593
	<b>683,085</b>	<b>703,714</b>
<b>Current liabilities</b>		
Payables	121,021	137,356
Tax payables	26	26
Borrowings	64,415	46,402
	<b>185,462</b>	<b>183,784</b>
<b>Total liabilities</b>	<b>868,547</b>	<b>887,498</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,239,709</b>	<b>1,253,020</b>
<b>Net assets per share (RM)</b>	<b>1.1307</b>	<b>1.0965</b>

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

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)  
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**

Page 2

	Current Quarter Ended 31 DECEMBER 2016 RM'000	Corresponding Quarter Ended 31 DECEMBER 2015 RM'000	Current Period to Date 31 DECEMBER 2016 RM'000	Corresponding Period to Date 31 DECEMBER 2015 RM'000
Revenue	30,158	49,124	54,592	90,378
Operating expenses	(11,580)	(25,118)	(19,540)	(46,344)
Other operating income	39	38	49	49
Profit from operations	18,617	24,044	35,101	44,083
Finance costs	(13,248)	(10,873)	(25,793)	(21,447)
Finance income	22	21	187	65
Investing results	74	0	72	0
Profit before tax	5,465	13,192	9,567	22,701
Tax expenses	(1,699)	(3,576)	(3,927)	(6,309)
Profit after tax for the period	3,766	9,616	5,640	16,392
Fair value adjustment of available-for-sale financial assets	0	(2)	0	(3)
<b>Total comprehensive income</b>	<b>3,766</b>	<b>9,614</b>	<b>5,640</b>	<b>16,389</b>
<b>Profit attributable to :</b>				
Owners of the Company	8,510	5,010	9,126	9,113
Non-controlling interests	(4,744)	4,606	(3,486)	7,279
	<b>3,766</b>	<b>9,616</b>	<b>5,640</b>	<b>16,392</b>
EPS (sen) - Basic / Diluted	<b>3.19</b>	<b>1.88</b>	<b>3.42</b>	<b>3.41</b>

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

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**

Page 3

	<--Attributable to Owners of the Parent--> <----Non-distributable ---->				Sub total RM'000	Non - controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Available- for-sale reserve RM'000	Retained earnings RM'000			
<b>As at 1 July 2016</b>	133,553	84,044	4	75,284	292,885	72,637	365,522
Profit for the financial year	0	0	0	9,126	9,126	(3,486)	5,640
Fair value gains on available for sale financial assets	0	0	0	0	0	0	0
	0	0	0	9,126	9,126	(3,486)	5,640
<b>As at 31 December 2016</b>	133,553	84,044	4	84,410	302,011	69,151	371,162

**For the financial year ended 30 June 2016**

	<--Attributable to Owners of the Parent--> <----Non-distributable ---->				Sub total RM'000	Non - controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Available- for-sale reserve RM'000	Retained earnings RM'000			
<b>As at 1 July 2015</b>	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
<b>As at 30 June 2016</b>	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.*

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

**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

**INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**

**Page 4**

	(Unaudited) 31 DECEMBER 2016 RM'000	(Audited) 30 JUNE 2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,567	49,056
Adjustments for:		
Bad debts recovered	0	(18)
Depreciation of investment properties	81	163
Depreciation of plant and equipment	46	100
Gain on disposal of 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	25,793	48,766
Interest income	(187)	(237)
Interest income on operating financial asset	(35,405)	(65,526)
Inventories written back	0	(2,982)
Share of (profit)/loss of associate, net of tax	(72)	2
Gain from compulsory acquisition by the Malaysian Government of the Klang Lands	0	(22,530)
<b>Operating profit before working capital changes</b>	<b>(177)</b>	<b>7,288</b>
Changes in working capital:		
Inventories	(484)	3,389
Operating financial asset	46,186	(13,622)
Trade and other receivables	(7,543)	(34,611)
Trade and other payables	(5,252)	70,496
Cash from operations	32,730	32,940
Tax paid	0	(140)
Interest received	0	100
Net cash from operating activities	32,730	32,900
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances made to an associate	0	(452)
Proceeds from disposal of plant and equipment	0	33
Purchase of plant and equipment	(10)	(6)
Interest received	187	137
(Placement)/Withdrawal of bank deposits pledged	(26,172)	993
Net cash (used in)/from investing activities	(25,995)	705
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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	(15,821)	(23,929)
Interest paid	(24,812)	(33,904)
Payment of finance lease payable	(9)	(16)
Net cash (used in)/from financing activities	(43,418)	6,947
Net (decrease)/increase in cash and cash equivalents	(36,683)	40,552
Cash and cash equivalents at beginning of financial year	63,157	22,605
<b>Cash and cash equivalents at the end of financial year as reported in statements of cash flows</b>	<b>26,474</b>	<b>63,157</b>
Add: Deposits pledged	27,511	1,339
<b>Cash and cash equivalents at the end of financial year as reported in statements of financial position</b>	<b>53,985</b>	<b>64,496</b>

*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 1C 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.

**MENANG CORPORATION (M) BERHAD (Co No : 5383-K)**  
**QUARTERLY UNAUDITED RESULTS FOR THE GROUP**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**

Page 6

**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 31 December 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	19	-	30,139	-	-	30,158
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	589	-	30,139	-	(570)	30,158
Segment results	(596)	(2,279)	21,505	(13)	-	18,617
Finance cost						(13,248)
Finance income						22
Investing results						74
Profit before tax						5,465
Tax expenses						(1,699)
Profit for the financial period						3,766

	6 months ended 31 December 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	47	-	54,545	-	-	54,592
Inter-segment revenue	1,140	-	-	-	(1,140)	-
Total revenue	1,187	-	54,545	-	(1,140)	54,592
Segment results	(777)	(4,175)	40,072	(19)	-	35,101
Finance cost						(25,793)
Finance income						187
Investing results						72
Profit before tax						9,567
Tax expenses						(3,927)
Profit for the financial period						5,640

**A9. Valuation of Plant and Equipment**

All plant and equipment of the Group are carried at costs less accumulated depreciate and accumulated impairment losses, if any.

**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 30.158 million for the quarter under review, as compared to RM 49.124 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 18.617 million for current quarter as compared to RM 24.044 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 54.592 million for the financial period under review, as compared to RM 90.378 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 35.101 million for this financial period as compared to RM 44.083 million in preceding financial period.

**B2. 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>	5,465	4,102	33%

The Group recorded higher profit before taxation by RM 1.363 million (or 33% increase) mainly derived from saving in construction cost from final settlement of accounts.



**MENANG CORPORATION (M) BERHAD (Co No : 5383-K)**  
**QUARTERLY UNAUDITED RESULTS FOR THE GROUP**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**

Page 8

**B3. Current Year Prospects**

In view of softening property market sentiment, the Group expects current year prospects to be challenging. However, the three (3) PFI's companies are providing consistent and reliable stream of cash flows to support operations of the Group.

**B4. Profit forecast or profit guarantee**

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

**B5. Tax Expense**

	Quarter Ended 31 December 2016 RM'000	Financial Period Ended 31 December 2016 RM'000
Current Year	-	-
Deferred Tax Liability	1,699	3,927
Total	1,699	3,927

Tax expenses under the current quarter arises from 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 31 December 2016

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Secured	64,415	622,036
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 since the last annual balance sheet date.

**B10. Dividends**

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

**MENANG CORPORATION (M) BERHAD (Co No : 5383-K)**  
**QUARTERLY UNAUDITED RESULTS FOR THE GROUP**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**

Page 9

**B11. Earnings Per Share**

		<b>Quarter Ended 31 December 2016</b>	<b>Financial Period Ended 31 December 2016</b>
(a)	<b>Basic Earnings</b>		
	Profit attributable to shareholders (RM'000)	8,510	9,126
	Number of ordinary shares issued ('000)	267,107	267,107
	Basic Profit per ordinary share (sen)	3.19	3.42
(b)	<b>Diluted Earnings Per Share (sen)</b>	3.19	3.42

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

	<b>Quarter Ended 31 December 2016 RM'000</b>	<b>Financial Period Ended 31 December 2016 RM'000</b>
Interest Income	22	187
Interest Income on Operating Financial Asset	17,676	35,405
Other Income including Investment Income	39	49
Finance Costs	(13,248)	(25,793)
Depreciation	(64)	(127)

**B13. Realised and Unrealised Profit or (Losses)**

Total retained earnings of the Group comprise the following:-

	<b>As at 31.12.2016 RM'000</b>	<b>As at 30.06.2016 RM'000</b>
Realised	90,984	79,423
Unrealised	(60,877)	(56,949)
Consolidation Adjustments	54,303	52,810
<b>Total</b>	<b>84,410</b>	<b>75,284</b>

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