



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

**QUARTERLY REPORT ON  
CONSOLIDATED RESULTS  
FOR THE FINANCIAL PERIOD ENDED  
31 MARCH 2017**

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)  
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

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	(Unaudited) 31 MARCH 2017 RM'000	(Audited) 30 JUNE 2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipments	211	266
Investment properties	50,165	50,287
Land held for property development	66,945	66,945
Operating financial asset	805,511	833,225
Investment in an associate	241	176
Other investments	6	6
	<b>923,079</b>	<b>950,905</b>
<b>Current assets</b>		
Inventories	102,125	101,641
Operating financial asset	106,797	91,140
Receivables	46,891	44,795
Tax assets	55	43
Cash and cash equivalents	37,876	64,496
	<b>293,744</b>	<b>302,115</b>
<b>TOTAL ASSETS</b>	<b>1,216,823</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	84,980	75,284
	<b>302,581</b>	<b>292,885</b>
<b>Non-controlling interests</b>	<b>69,490</b>	<b>72,637</b>
<b>Total equity</b>	<b>372,071</b>	<b>365,522</b>
<b>Non current liabilities</b>		
Deferred tax liabilities	61,487	57,121
Borrowings	599,280	646,593
	<b>660,767</b>	<b>703,714</b>
<b>Current liabilities</b>		
Payables	103,183	137,356
Tax payables	0	26
Borrowings	80,802	46,402
	<b>183,985</b>	<b>183,784</b>
<b>Total liabilities</b>	<b>844,752</b>	<b>887,498</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,216,823</b>	<b>1,253,020</b>
<b>Net assets per share (RM)</b>	<b>1.1328</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 THIRD QUARTER ENDED 31 MARCH 2017**

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	Current Quarter Ended 31 MARCH 2017 RM'000	Corresponding Quarter Ended 31 MARCH 2016 RM'000	Current Period to Date 31 MARCH 2017 RM'000	Corresponding Period to Date 31 MARCH 2016 RM'000
Revenue	27,883	47,164	82,475	137,543
Operating expenses	(15,696)	(32,641)	(35,236)	(78,985)
Other operating income	585	4	634	53
Profit from operations	12,772	14,527	47,873	58,611
Finance costs	(11,559)	(11,173)	(37,352)	(32,621)
Finance income	142	26	329	92
Investing results	(7)	-	65	-
Profit before tax	1,348	3,380	10,915	26,082
Tax expenses	(439)	(1,409)	(4,366)	(7,718)
Profit after tax for the period	909	1,971	6,549	18,364
Fair value adjustment of available-for-sale financial assets	-	-	-	(3)
<b>Total comprehensive income</b>	<b>909</b>	<b>1,971</b>	<b>6,549</b>	<b>18,361</b>
<b>Profit attributable to :</b>				
Owners of the Company	570	1,412	9,696	10,526
Non-controlling interests	339	559	(3,147)	7,838
	<b>909</b>	<b>1,971</b>	<b>6,549</b>	<b>18,364</b>
EPS (sen) - Basic / Diluted	<b>0.21</b>	<b>0.53</b>	<b>3.63</b>	<b>3.94</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 THIRD QUARTER ENDED 31 MARCH 2017**

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	<--Attributable to Owners of the Parent-->				Sub total RM'000	Non - controlling interests RM'000	Total equity RM'000
	<----Non-distributable ---->						
	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	9,696	9,696	(3,147)	6,549
Fair value gains on available for sale financial assets	0	0	0	0	0	0	0
	0	0	0	9,696	9,696	(3,147)	6,549
<b>As at 31 March 2017</b>	133,553	84,044	4	84,980	302,581	69,490	372,071

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

	<--Attributable to Owners of the Parent-->				Sub total RM'000	Non - controlling interests RM'000	Total equity RM'000
	<----Non-distributable ---->						
	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 THIRD QUARTER ENDED 31 MARCH 2017**

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	(Unaudited) 31 MARCH 2017 RM'000	(Audited) 30 JUNE 2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	10,849	49,056
Adjustments for:		
Bad debts recovered	-	(18)
Depreciation of investment properties	122	163
Depreciation of plant and equipment	69	100
Gain on disposal of plant and equipment	-	(33)
Gain on retention sum measured at amortised cost	-	(723)
Impairment losses on other receivable	-	750
Impairment losses on trade receivable	-	500
Interest expense	37,352	48,766
Interest income	(329)	(237)
Interest income on operating financial asset	(48,986)	(65,526)
Inventories written back	-	(2,982)
Share of (profit)/loss of associate, net of tax	(65)	2
Gain from compulsory acquisition by the Malaysian Government of the Klang Lands	-	(22,530)
<b>Operating profit before working capital changes</b>	<b>(988)</b>	<b>7,288</b>
Changes in working capital:		
Inventories	(484)	3,389
Operating financial asset	61,043	(13,622)
Trade and other receivables	(2,096)	(34,611)
Trade and other payables	(23,199)	70,496
Cash from operations	34,276	32,940
Tax paid	-	(140)
Interest received	-	100
Net cash from operating activities	34,276	32,900
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances made to an associate	-	(452)
Proceeds from disposal of plant and equipment	-	33
Purchase of plant and equipment	(14)	(6)
Interest received	329	137
(Placement)/Withdrawal of bank deposits pledged	(28,406)	993
Net cash (used in)/from investing activities	(28,091)	705
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment to consortium parties	(13,220)	(28,568)
Repayment to corporate shareholders	-	(8)
Drawdown of term loans	18,395	93,372
Repayment of term loans	(22,964)	(23,929)
Interest paid	(43,411)	(33,904)
Payment of finance lease payable	(13)	(16)
Net cash (used in)/from financing activities	(61,213)	6,947
Net (decrease)/increase in cash and cash equivalents	(55,028)	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>8,129</b>	<b>63,157</b>
Add: Deposits pledged	29,745	1,339
<b>Cash and cash equivalents at the end of financial year as reported in statements of financial position</b>	<b>37,874</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.

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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 31 March 2017						
	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	26	-	27,857	-	-	27,883
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	596	-	27,857	-	(570)	27,883
Segment results	(70)	(2,002)	14,847	(3)	-	12,772
Finance cost						(11,559)
Finance income						142
Investing results						(7)
Profit before tax						1,348
Tax expenses						(439)
Profit for the financial period						909

9 months ended 31 March 2017						
	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	73	-	82,402	-	-	82,475
Inter-segment revenue	1,710	-	-	-	(1,710)	-
Total revenue	1,783	-	82,402	-	(1,710)	82,475
Segment results	(847)	(6,177)	54,919	(22)	-	47,873
Finance cost						(37,352)
Finance income						329
Investing results						65
Profit before tax						10,915
Tax expenses						(4,366)
Profit for the financial period						6,549

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**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 27.883 million for the quarter under review, as compared to RM 47.164 million for the preceding year's corresponding quarter. This is mainly due to the completion of the PFI projects. As a result, the Group's profit from operation was lower at RM 12.771 million as compared to RM 14.527 million in preceding year's corresponding 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 82.475 million for the financial period under review, as compared to RM 137.543 million for the preceding financial period. This is mainly due to the completion of the PFI projects. As a result, the Group's profit from operation was lower at RM 47.872 million as compared to RM 58.611 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>	1,348	5,465	(75.33%)

The Group recorded lower profit before taxation by RM 4.117 million (or 75.33% decrease) mainly due to lower revenue and profit recognised for PFI projects as well as variation orders incurred for the projects.



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**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 streams 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**

	<b>Quarter Ended 31 March 2017 RM'000</b>	<b>Financial Period Ended 31 March 2017 RM'000</b>
Current Year	-	-
Deferred Tax Liability	439	4,668
<b>Total</b>	<b>439</b>	<b>4,668</b>

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**

On 14 April 2017, the Company announced to undertake a proposed Bonus Issues of up to 320,528,400 new ordinary shares in Menang Corporation (M) Berhad on the basis of four (4) bonus shares for every five (5) existing Menang Corporation (M) Berhad's shares. The proposal is now expected to be completed by the third (3<sup>rd</sup>) quarter of 2017.

**B7. Borrowings and debt securities**

As at 31 March 2017

	<b>Short Term Borrowings RM'000</b>	<b>Long Term Borrowings RM'000</b>
Secured	80,802	599,280
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.

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**B10. Dividends**

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

**B11. Earnings Per Share**

		<b>Quarter Ended 31 March 2017</b>	<b>Financial Period Ended 31 March 2017</b>
(a)	<b>Basic Earnings</b>		
	Profit attributable to shareholders (RM'000)	570	9,696
	Number of ordinary shares issued ('000)	267,107	267,107
	Basic Profit per ordinary share (sen)	0.21	3.63
(b)	<b>Diluted Earnings Per Share (sen)</b>	0.21	3.63

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

	<b>Quarter Ended 31 March 2017 RM'000</b>	<b>Financial Period Ended 31 March 2017 RM'000</b>
Interest Income	142	329
Interest Income on Operating Financial Asset	13,580	48,985
Other Income including Investment Income	585	634
Finance Costs	(11,559)	(37,352)
Depreciation	(64)	(191)

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

Total retained earnings of the Group comprise the following:-

	<b>As at 31.03.2017 RM'000</b>	<b>As at 30.06.2016 RM'000</b>
Realised	92,000	79,423
Unrealised	(61,315)	(56,949)
Consolidation Adjustments	54,295	52,810
<b>Total</b>	<b>84,980</b>	<b>75,284</b>

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