



Menang Corporation (M) Berhad
(5383-K)

**QUARTERLY REPORT ON
CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2017**

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2017**

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	(Unaudited) 30 JUNE 2017 RM'000	(Audited) 30 JUNE 2016 RM'000
ASSETS		
Non-current assets		
Plant and equipments	195	266
Investment properties	50,125	50,287
Land held for property development	66,945	66,945
Operating financial asset	796,113	833,225
Investment in an associate	235	176
Other investments	6	6
	913,619	950,905
Current assets		
Inventories	102,125	101,641
Operating financial asset	104,272	91,140
Receivables	47,311	44,795
Tax assets	20	43
Cash and cash equivalents	41,427	64,496
	295,155	302,115
TOTAL ASSETS	1,208,774	1,253,020
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	133,553	133,553
Reserves	84,048	84,048
Retained earnings	86,597	75,284
	304,198	292,885
Non-controlling interests	68,819	72,637
Total equity	373,017	365,522
Non current liabilities		
Deferred tax liabilities	58,454	57,121
Borrowings	621,046	646,593
	679,500	703,714
Current liabilities		
Payables	105,389	137,356
Tax payables	188	26
Borrowings	50,680	46,402
	156,257	183,784
Total liabilities	835,757	887,498
TOTAL EQUITY AND LIABILITIES	1,208,774	1,253,020
Net assets per share (RM)	1.1389	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.

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2017**

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	Current Quarter Ended 30 JUNE 2017 RM'000	Corresponding Quarter Ended 30 JUNE 2016 RM'000	Current Year to Date 30 JUNE 2017 RM'000	Corresponding Year to Date 30 JUNE 2016 RM'000
Revenue	27,094	48,592	109,569	186,134
Operating expenses	(17,098)	(34,849)	(52,334)	(113,834)
Other operating income	5	728	639	781
Operating profit	10,001	14,471	57,874	73,081
Finance income	34	147	363	238
Investing results	(6)	(2)	59	(2)
Share of Profit of Consortium	-	21,523	-	21,523
Profit before interest and tax	10,029	36,139	58,296	94,840
Finance costs	(11,886)	(11,727)	(49,238)	(44,348)
Profit before tax	(1,857)	24,412	9,058	50,492
Tax expenses	2,803	(3,491)	(1,563)	(11,209)
Profit after tax	946	20,921	7,495	39,283
Fair value adjustment of available-for-sale financial assets	-	(2)	-	(3)
Total comprehensive income	946	20,919	7,495	39,280
Profit attributable to :				
Owners of the Company	1,617	21,700	11,313	32,224
Non-controlling interests	(671)	(779)	(3,818)	7,059
	946	20,921	7,495	39,283
EPS (sen) - Basic / Diluted	0.61	8.12	4.24	12.06

*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 FOURTH QUARTER ENDED 30 JUNE 2017**

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	<--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 1 July 2016	133,553	84,044	4	75,284	292,885	72,637	365,522
Profit/(Loss) for the financial year	-	-	-	11,313	11,313	(3,818)	7,495
Fair value gains on available for sale financial assets	-	-	-	-	-	-	-
Dividend expenses born by NCI	-	-	-	-	-	(51,673)	(51,673)
Bonus shares issued to NCI	-	-	-	-	-	51,673	51,673
	-	-	-	11,313	11,313	(3,818)	7,495
As at 31 March 2017	133,553	84,044	4	86,597	304,198	68,819	373,017

For the financial year ended 30 June 2016

	<--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 1 July 2015	133,553	84,044	7	42,460	260,064	66,552	326,616
Profit for the financial year	-	-	-	32,824	32,824	6,085	38,909
Fair value gains on available for sale financial assets	-	-	(3)	-	(3)	-	(3)
	-	-	(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.*

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

**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2017**

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	(Unaudited) 30 JUNE 2017 RM'000	(Audited) 30 JUNE 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,058	49,056
Adjustments for:		
Bad debts recovered	-	(18)
Depreciation of investment properties	162	163
Depreciation of plant and equipment	97	100
Gain on disposal of plant and equipment	-	(33)
Gain on retention sum measured at amortised cost	(5)	(723)
Impairment losses on other receivable	-	750
Impairment losses on trade receivable	-	500
Interest expense	49,238	48,766
Interest income	(363)	(237)
Interest income on operating financial asset	(69,880)	(65,526)
Inventories written back	-	(2,982)
Share of (profit)/loss of associate, net of tax	(59)	2
Gain from compulsory acquisition by the Malaysian Government of the Klang Lands	-	(22,530)
Operating profit before working capital changes	(11,752)	7,288
Changes in working capital:		
Inventories	(484)	3,389
Operating financial asset	93,860	(13,622)
Trade and other receivables	(2,516)	(34,611)
Trade and other payables	(12,141)	70,496
Cash from operations	66,967	32,940
Tax refund/(paid)	(47)	(140)
Interest received	-	100
Net cash from operating activities	66,920	32,900
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances made to an associate	-	(452)
Proceeds from disposal of plant and equipment	-	33
Purchase of plant and equipment	(26)	(6)
Interest received	363	137
(Placement)/Withdrawal of bank deposits pledged	(34,139)	993
Net cash (used in)/from investing activities	(33,802)	705
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to consortium parties	(21,525)	(28,568)
Repayment to corporate shareholders	-	(8)
Drawdown of term loans	20,886	93,372
Repayment of term loans	(30,340)	(23,929)
Interest paid	(59,329)	(33,904)
Payment of finance lease payable	(18)	(16)
Net cash (used in)/from financing activities	(90,326)	6,947
Net (decrease)/increase in cash and cash equivalents	(57,208)	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	5,949	63,157
Add: Deposits pledged	35,478	1,339
Cash and cash equivalents at the end of financial year as reported in statements of financial position	41,427	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 FRS 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, paragraph 9.22 of the Listing Requirements as well as Guidance on Disclosure in Notes to Quarterly Report (ICN 1/2017) 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 year 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 year under review.

A7. Dividends

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

A8. Segmental Reporting

	3 months ended 30 June 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	21	4,464	22,609	-	-	27,094
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	591	4,464	22,609	-	(570)	27,094
Segment results	(2,526)	3,135	9,406	(14)	-	10,001
Finance cost	-	-	(11,886)	-	-	(11,886)
Finance income	4	8	22	-	-	34
Investing results	-	(6)	-	-	-	(6)
Profit before tax	(2,522)	3,137	(2,458)	(14)	-	(1,857)
Tax expenses	(1)	(64)	2,868	-	-	2,803
Profit for the financial period	(2,523)	3,073	410	(14)	-	946
As at 30 June 2017:						
Total assets	368,313	323,739	982,112	1,633	(467,039)	1,208,758
Total liabilities	(77,588)	(81,786)	(814,663)	(4,445)	142,827	(835,655)

	12 months ended 30 June 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	94	4,464	105,011	-	-	109,569
Inter-segment revenue	2,280	-	-	-	(2,280)	-
Total revenue	2,374	4,464	105,011	-	(2,280)	109,569
Segment results	(3,373)	(3,042)	64,325	(36)	-	57,874
Finance cost	-	(141)	(49,097)	-	-	(49,238)
Finance income	4	247	112	-	-	363
Investing results	-	59	-	-	-	59
Profit before tax	(3,369)	(2,877)	15,340	(36)	-	9,058
Tax expenses	(1)	(64)	(1,498)	-	-	(1,563)
Profit for the financial year	(3,370)	(2,941)	13,842	(36)	-	7,495
As at 30 June 2017:						
Total assets	368,313	323,739	982,112	1,633	(467,039)	1,208,758
Total liabilities	(77,588)	(81,786)	(814,663)	(4,445)	142,827	(835,655)

A9. Capital Commitments

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

A10. Material Events Subsequent to the End of the Year Reported

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

A11. Changes in the Composition of the Group

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

A12. Contingent Liabilities or Contingent Assets

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

A13. Disclosure on Entities Becoming, or Ceasing to be, Investment Entities

There is neither new entities becoming investment entities of the Group; nor ceasing to be investment entities.

A14. Litigation Settlements

No material litigation settled in the quarter under review.

A15. Corrections of Prior Period Errors

No prior period errors noted during the quarter under review.

A16. Loan Default or Breach of a Loan Agreement

No loan default nor breach of loan agreements in the quarter under review.

A17. Related Party Transactions

No related party transactions in the quarter under review.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE BURSA SECURITIES LISTING REQUIREMENTS AND GUIDANCE ON DISCLOSURES IN NOTES TO QUARTERLY REPORT (ICN 1/2017)

B1. Review of Performance

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

The Group recorded a revenue of RM27.09 million for the quarter as compared to RM48.59 million for the preceding year's corresponding quarter. Operating expenses dropped from RM34.84 million preceding year's corresponding quarter to RM17.09 million this quarter. This was mainly due to the completion of PFI projects. Hence, The operating profit for current quarter is lower than the preceding year's corresponding quarter, which are RM10.00 million and RM14.47 million respectively.

Accordingly, profit after tax decreased from RM20.92 million for the preceding year's corresponding quarter to RM0.95 million for the current quarter under review, mainly due to an one-off gain of RM21.52 million resulted from a compulsory acquisition of lands by the Government occurred during the last 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 RM109.57 million for the financial year as compared to RM186.13 million for the preceding financial year. Operating expenses dropped from RM113.83 million to RM52.33 million this year. Current year operating profit stood at RM57.87 million for the financial year under review as compared to preceding year operating profit of RM73.08 million mainly due to the completion of the PFI projects during the last financial year.

In addition, during the preceding financial year, there was a compulsory acquisition of lands by the Government, which resulted in one-off profit before tax of RM21.523 million contributed to the Group.

B2. Financial Review for Current Quarter Compared with Immediate Preceding Quarter

The revenue for the current quarter under review at RM27.09 million is slightly lower than that of the preceding quarter at RM27.88 million.

The profit after tax for the current quarter under review at RM0.95 million is slightly higher than that of the preceding quarter at RM0.91 million due to deferred tax adjustment.

B3. Group's Prospects

In view of softening property market sentiment, the Group expects coming 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

	Quarter Ended 30 June 2017 RM'000	Financial Year Ended 30 June 2017 RM'000
Current Year	65	65
Deferred Tax Liability	(2,868)	1,498
Total	(2,803)	1,563

Tax expenses under the current quarter mainly 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

With regard to the proposed bonus issue as disclosed in preceding quarter report, on 6 June 2017, the Company has submitted the application to Bursa Malaysia Securities Berhad. The said proposal is currently pending approval from the relevant authorities.

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B7. Borrowings and debt securities

As at 31 March 2017

As at 30 June 2017						
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination RM'000	Foreign denomination	RM denomination RM'000	Foreign denomination	RM denomination RM'000
Secured	-	621,046	-	50,680	-	671,726
Unsecured	-	-	-	-	-	-
As at 30 June 2016						
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination RM'000	Foreign denomination	RM denomination RM'000	Foreign denomination	RM denomination RM'000
Secured	-	646,593	-	46,402	-	692,995
Unsecured	-	-	-	-	-	-

(a) Detailed explanation on the material changes in borrowings

There are no additional borrowings taken up by the Group during the financial year.

(b) Details of significant increase or reduction in borrowings

The reduction of total borrowings for financial year ended 30 June 2017 as compared to financial year ended 30 June 2016 is mainly due to repayment of borrowings to the financiers of the PFI projects.

(c) Weighted average interest rate of borrowings and proportion of debt that is based on the fixed interest rate and floating interest rate

The weighted average interest rate of borrowings is 7.22%. The Group's borrowings are subjected to floating interest rate.

(d) Borrowings that denominated in foreign currencies

There are no borrowings denominated in foreign currencies.

B8. Changes in Material Litigation

Reference is made to the disclosures of the Company's joint development of the Klang Lands under the Consortium Agreement dated 26 March 2010 in the Company's Fourth Quarterly Report for the financial period ended 30 June 2016 and Annual Report 2016 which were announced on 30 August 2016 and 31 October 2016 respectively. The term herein shall bear the same meaning as defined in the said disclosures.

The Company's appeal on the quantum of compensation (Shah Alam High Court Land Ref BA-15-210-2016) was fixed for case management on the 21st June 2017 ("the Appeal"). The Appeal is now fixed for further case management on the 25th July 2017 for the parties to file additional documents as required by the said High Court, which was subsequently postponed to 27th September 2017.

B9. Dividends

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

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B10. Earnings Per Share

		Quarter Ended 30 June 2017	Financial Year Ended 30 June 2017
(a)	Basic Earnings		
	Profit attributable to shareholders (RM'000)	1,617	11,313
	Number of ordinary shares issued ('000)	267,107	267,107
	Basic Profit per ordinary share (sen)	0.61	4.24
(b)	Diluted Earnings Per Share (sen)	0.61	4.24

B11. Audit Report from the Group's Annual Report 2016

The audit report from the Group's Annual Report 2016 was an unqualified opinion with emphasis of matter, highlighting the joint venture consortium agreement and the compulsory acquisition of Klang lands by the Government.

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

	Quarter Ended 30 June 2017 RM'000	Financial Year Ended 30 June 2017 RM'000
Interest Income	34	363
Interest Income on Operating Financial Asset	20,895	69,880
Other Income including Investment Income	5	639
Finance Costs	(11,886)	(49,238)
Depreciation	(68)	(259)

B13. Realised and Unrealised Profit or (Losses)

Total retained earnings of the Group comprise the following:-

	As at 31.03.2017 RM'000	As at 30.06.2016 RM'000
Realised	91,162	79,423
Unrealised	(58,114)	(56,949)
Consolidation Adjustments	53,549	52,810
Total	86,597	75,284

By Order of the Board
MENANG CORPORATION (M) BERHAD