



Menang Corporation (M) Berhad
(5383-K)

**QUARTERLY REPORT ON
CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2017**

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

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

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	(Unaudited) 30 SEPTEMBER 2017 RM'000	(Audited) 30 JUNE 2017 RM'000
ASSETS		
Non-current assets		
Plant and equipments	179	195
Investment properties	50,084	50,124
Land held for property development	66,945	66,945
Operating financial asset	787,370	796,113
Investment in an associate	228	235
Other investments	6	6
Total non-current assets	904,812	913,618
Current assets		
Inventories	102,125	102,125
Operating financial asset	104,272	104,272
Trade and other receivables	55,792	46,658
Tax assets	19	2
Deposits, cash and bank balances	51,808	31,415
Total current assets	314,016	284,472
TOTAL ASSETS	1,218,828	1,198,090
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	133,553	133,553
Reserves	84,048	84,048
Retained earnings	86,765	86,603
	304,366	304,204
Non-controlling interests	69,421	68,829
TOTAL EQUITY	373,787	373,033
LIABILITIES		
Non current liabilities		
Deferred tax liabilities	59,211	58,454
Loans and borrowings	625,019	623,200
Total non-current liabilities	684,230	681,654
Current liabilities		
Trade and other payables	112,122	94,705
Tax liabilities	165	170
Loans and borrowings	48,524	48,528
Total current liabilities	160,811	143,403
TOTAL LIABILITIES	845,041	825,057
TOTAL EQUITY AND LIABILITIES	1,218,828	1,198,090
Net assets per share (RM)	1.1395	1.1389

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2017.

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

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

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	Current Quarter Ended 30 SEPTEMBER 2017 RM'000	Corresponding Quarter Ended 30 SEPTEMBER 2016 RM'000	Current Year to Date 30 SEPTEMBER 2017 RM'000	Corresponding Year to Date 30 SEPTEMBER 2016 RM'000
Revenue	23,318	24,434	23,318	24,434
Operating expenses	(10,144)	(7,960)	(10,144)	(7,960)
Other operating income	500	10	500	10
Operating profit	13,674	16,484	13,674	16,484
Finance income	1	165	1	165
Investing results	(7)	(2)	(7)	(2)
Profit before interest and tax	13,668	16,647	13,668	16,647
Finance costs	(12,074)	(12,545)	(12,074)	(12,545)
Profit before tax	1,594	4,102	1,594	4,102
Tax expenses	(840)	(2,228)	(840)	(2,228)
Profit after tax	754	1,874	754	1,874
Fair value adjustment of available-for-sale financial assets	-	-	-	-
Total comprehensive income	754	1,874	754	1,874
Profit attributable to :				
Owners of the Company	162	616	162	616
Non-controlling interests	592	1,258	592	1,258
	754	1,874	754	1,874
Earnings per ordinary share attributable to owners of the Company:				
Basic and diluted earnings per share (sen)	0.06	0.23	0.06	0.23

*The Condensed Financial Statements should be read in conjunction with
the audited financial statements of the Group for the year ended 30 June 2017.*

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

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	<----- Attributable to owners of the Company ----->				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			
As at 1 July 2017	133,553	84,044	4	86,603	304,204	68,829	373,033
Total comprehensive income for the financial year							
Profit for the financial period	-	-	-	162	162	592	754
Total comprehensive income	-	-	-	162	162	592	754
As at 30 September 2017	133,553	84,044	4	86,765	304,366	69,421	373,787

For the financial year ended 30 June 2017

	<----- Attributable to owners of the Company ----->				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			
As at 1 July 2016	133,553	84,044	4	75,284	292,885	72,637	365,522
Total comprehensive income for the financial year							
Profit for the financial year	-	-	-	11,319	11,319	(3,808)	7,511
Total comprehensive income	-	-	-	11,319	11,319	(3,808)	7,511
Transactions with owners							
Share dividends paid to non- controlling interests of subsidiaries	-	-	-	-	-	51,673	51,673
Ordinary shares issued to non- controlling interests of subsidiaries	-	-	-	-	-	(51,673)	(51,673)
Total transactions with owners	-	-	-	-	-	-	-
As at 30 June 2017	133,553	84,044	4	86,603	304,204	68,829	373,033

*The Condensed Financial Statements should be read in conjunction with
the audited financial statements of the Group for the year ended 30 June 2017.*

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

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

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	(Unaudited) 30 SEPTEMBER 2017 RM'000	(Audited) 30 JUNE 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,594	9,074
Adjustments for:		
Depreciation of investment properties	41	163
Depreciation of plant and equipment	22	97
Gain on retention sum measured at amortised cost	-	(5)
Interest expense	12,074	49,238
Interest income	(1)	(364)
Interest income on operating financial asset	(17,326)	(39,037)
Share of results of an associate, net of tax	7	(59)
Share of profits on joint venture project	-	(4,464)
Waiver of interest on late payment	-	(576)
Operating profit before changes in working capital	(3,589)	14,067
Changes in working capital:		
Inventories	-	(484)
Operating financial asset	26,069	63,017
Trade and other receivables	(9,134)	(922)
Trade and other payables	16,904	(24,464)
Net cash flows generated from operations	30,250	51,214
Income tax paid	-	(45)
Net cash flows from operating activities	30,250	51,169
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances made to an associate	-	(426)
Interest received	1	364
Purchase of plant and equipment	(6)	(26)
Placement of fixed deposits	-	(3,161)
Change in pledged deposits	-	1,318
Net cash used in investing activities	(5)	(1,931)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	937	20,890
Interest paid	(5,890)	(59,334)
Payment of finance lease liability	(5)	(16)
Repayment to consortium parties	-	(15,361)
Repayment of term loans	(4,894)	(30,341)
Net cash used in financing activities	(9,852)	(84,162)
Net decrease in cash and cash equivalents	20,393	(34,924)
Cash and cash equivalents at beginning of financial period	24,660	59,584
Cash and cash equivalents at the end of financial period as reported in statements of cash flows	45,053	24,660
Add: Deposits pledged	6,755	6,755
Cash and cash equivalents at the end of financial period as reported in statements of financial position	51,808	31,415

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2017.

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 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 2017. 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 2017.

- (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 2017 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 Interpretations 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 2017 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.

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 September 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	30	-	23,288	-	-	23,318
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	600	-	23,288	-	(570)	23,318
Segment results	(902)	(1,789)	16,370	(5)	-	13,674
Finance cost	-	(1)	(12,073)	-	-	(12,074)
Finance income	1	-	-	-	-	1
Investing results	(7)	-	-	-	-	(7)
Loss before tax	(908)	(1,790)	4,297	(5)	-	1,594
Tax expenses	-	(83)	(757)	-	-	(840)
Profit for the financial period	(908)	(1,873)	3,540	(5)	-	754
Total assets	16,977	227,055	974,659	137	-	1,218,828
Total liabilities	(2,609)	(46,303)	(796,115)	(14)	-	(845,041)

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 other 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

	Current quarter RM'000	Preceding year's corresponding quarter RM'000	Changes Amount RM'000	Changes Percentage %
Revenue	23,318	24,434	(1,116)	(4.57)
Operating profit	13,674	16,484	(2,810)	(17.05)
Profit before tax	1,594	1,594	-	-
Profit after tax	754	1,874	(1,120)	(59.77)
Profit/(loss) attributable to ordinary equity holders of the parent	162	616	(454)	(73.70)

The Group recorded a lower revenue of RM23.318 million for the quarter under review as compared to RM24.434 million for the preceding year's corresponding quarter, mainly due to contribution from the construction revenue from PFI projects in the preceding year's corresponding quarter. The lower operating profit for the current quarter as compared with the preceding year's corresponding quarter which were RM13.674 million and RM16.484 million respectively, was mainly due to additional works incurred for UiTM Nilai Training Center amounted to approximately RM1.5 million. Accordingly, profit after tax decreased from RM1.874 million in the preceding year's corresponding quarter to RM0.754 million in the current quarter.

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

	Current period-to-date RM'000	Preceding year's corresponding period-to-date RM'000	Changes Amount RM'000	Changes Percentage %
Revenue	23,318	24,434	(1,116)	(4.57)
Operating profit	13,674	16,484	(2,810)	(17.05)
Profit before tax	1,594	1,594	-	-
Profit after tax	754	1,874	(1,120)	(59.77)
Profit/(loss) attributable to ordinary equity holders of the parent	162	616	(454)	(73.70)

The Group recorded a lower revenue of RM23.318 million for the financial period as compared to RM24.434 million for the preceding year's corresponding financial period, mainly due to contribution from the construction revenue from PFI projects in the preceding year's

corresponding financial period. The lower operating profit for the current financial period as compared with the preceding year's corresponding financial period which were RM13.674 million and RM16.484 million respectively, was mainly due to additional works incurred for UiTM Nilai Training Center amounted to approximately RM1.5 million. Accordingly, profit after tax decreased from RM1.874 million in the preceding year's corresponding financial period to RM0.754 million in the current financial period.

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

	Current quarter RM'000	Preceding quarter RM'000	Changes Amount RM'000	Changes Percentage %
Revenue	23,318	27,094	(3,776)	(13.94)
Operating profit	13,674	10,001	3,673	36.73
Profit before tax	1,594	(1,857)	3,451	185.84
Profit after tax	754	946	(192)	(20.30)
Profit/(loss) attributable to ordinary equity holders of the parent	162	1,617	(1,455)	(89.98)

The Group recorded a lower revenue of RM23.318 million as compared to preceding quarter of RM27.094 million was mainly due to lower contribution from property development segment in the current quarter. Accordingly, the profit after tax decreased from RM0.946 million in the immediate preceding quarter to RM0.754 million in the current quarter.

B3. Group's Prospects

In view of soft property market sentiment, the Group expects coming year prospects to remain 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 September 2017 RM'000	Financial Period Ended 30 September 2017 RM'000
Current Year	(83)	(83)
Deferred Tax Liability	(757)	(757)
Total	(840)	(840)

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 announced on 14 April 2017, 20 October 2017 and 31 October 2017, the shareholders voted unanimously in favour of the resolution during Extraordinary General Meeting ("EGM") held on 29 November 2017. The exercise is expected to be complete soonest practicable.

B7. Borrowings and debt securities

As at 30 September 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	-	625,019	-	48,524	-	673,543
Unsecured	-	-	-	-	-	-
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	-	623,200	-	48,524	-	671,724
Unsecured	-	-	-	-	-	-

(a) Detailed explanation on the material changes in borrowings

The Group has no new borrowings during the quarter under review.

(b) Details of significant increase or reduction in borrowings

The slight increase of borrowing was due to the delay of timing in repayment in October 2017.

(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 is no borrowings that are denominated in foreign currencies.

B8. Changes in Material Litigation

During the quarter under review, there is no updates on material litigations since previous quarter report.

B9. Dividends

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

B10. Earnings Per Share

		Quarter Ended 30 September 2017	Financial Period Ended 30 September 2017
(a)	Basic Earnings		
	Profit attributable to shareholders (RM'000)	162	162
	Number of ordinary shares issued ('000)	267,107	267,107
	Basic Profit per ordinary share (sen)	0.06	0.06
(b)	Diluted Earnings Per Share (sen)	0.06	0.06

B11. Audit Report from the Group's Annual Report 2017

The audit report from the Group's Annual Report 2017 was an unqualified opinion.

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

QUARTERLY UNAUDITED RESULTS FOR THE GROUP FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017

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

	Quarter Ended 30 September 2017 RM'000	Financial Period Ended 30 September 2017 RM'000
Interest Income	1	1
Interest Income on Operating Financial Asset	17,325	17,325
Other Income including Investment Income	500	500
Finance Costs	(12,074)	(12,074)
Depreciation	(63)	(63)

B13. Realised and Unrealised Profit or (Losses)

Total retained earnings of the Group comprise the following:-

	As at 30.09.2017 RM'000	As at 30.06.2017 RM'000
Realised	248,462	247,967
Unrealised	(58,872)	(58,287)
Retained earnings from associate	228	235
Consolidation adjustments	(103,053)	(103,312)
Total	86,765	86,603

By Order of the Board
MENANG CORPORATION (M) BERHAD