



Menang Corporation (M) Berhad
(5383-K)

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

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

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

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	(Unaudited) 31 DECEMBER 2017 RM'000	(Audited) 30 JUNE 2017 RM'000
ASSETS		
Non-current assets		
Plant and equipments	159	195
Investment properties	50,044	50,124
Land held for property development	66,945	66,945
Operating financial asset	778,537	796,113
Investment in an associate	223	235
Other investments	6	6
	895,914	913,618
Current assets		
Inventories	102,125	102,125
Operating financial asset	104,272	104,272
Receivables	43,145	46,658
Tax assets	21	2
Cash and cash equivalents	66,401	31,415
	315,964	284,472
TOTAL ASSETS	1,211,878	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	89,229	86,603
	306,830	304,204
Non-controlling interests	71,679	68,829
Total equity	378,509	373,033
Non current liabilities		
Deferred tax liabilities	54,758	58,454
Borrowings	612,823	623,200
	667,581	681,654
Current liabilities		
Payables	103,149	94,705
Tax payables	141	170
Borrowings	62,499	48,528
	165,789	143,403
Total liabilities	833,370	825,057
TOTAL EQUITY AND LIABILITIES	1,211,879	1,198,090
Net assets per share (RM)	1.1487	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 SECOND QUARTER ENDED 31 DECEMBER 2017**

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	Current Quarter Ended 31 DECEMBER 2017 RM'000	Corresponding Quarter Ended 31 DECEMBER 2016 RM'000	Current Period-to-Date 31 DECEMBER 2017 RM'000	Corresponding Period-to-Date 31 DECEMBER 2016 RM'000
Revenue	22,968	30,158	46,286	54,592
Operating expenses	(10,670)	(11,580)	(20,814)	(19,540)
Other operating income	-	39	500	49
Operating profit	12,298	18,617	25,972	35,101
Finance income	144	22	145	187
Investing results	(5)	74	(12)	72
Profit before interest and tax	12,437	18,713	26,105	35,360
Finance costs	(12,157)	(13,248)	(24,231)	(25,793)
Profit before tax	280	5,465	1,874	9,567
Taxation	4,442	(1,699)	3,602	(3,927)
Profit after tax	4,722	3,766	5,476	5,640
Fair value adjustment of available-for-sale financial assets	-	-	-	-
Total comprehensive income	4,722	3,766	5,476	5,640
Profit attributable to :				
Owners of the Company	2,464	8,510	2,626	9,126
Non-controlling interests	2,258	(4,744)	2,850	(3,486)
	4,722	3,766	5,476	5,640
EPS (sen) - Basic (Note B10)	0.92	3.19	0.98	3.42
- Diluted (Note B10)	0.34	3.19	0.36	3.42

*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 SECOND QUARTER ENDED 31 DECEMBER 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 period							
Profit for the financial period	-	-	-	2,626	2,626	2,850	5,476
Total comprehensive income	-	-	-	2,626	2,626	2,850	5,476
As at 31 December 2017	133,553	84,044	4	89,229	306,830	71,679	378,509

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 period							
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	-
Ordinary shares issued to non- controlling interests of subsidiaries	-	-	-	-	-	(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 SECOND QUARTER ENDED 31 DECEMBER 2017

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	(Unaudited) 31 DECEMBER 2017 RM'000	(Audited) 30 JUNE 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,874	9,074
Adjustments for:		
Depreciation of investment properties	80	163
Depreciation of plant and equipment	45	97
Gain on retention sum measured at amortised cost	-	(5)
Interest expense	24,231	49,238
Interest income	(145)	(364)
Interest income on operating financial asset	(18,450)	(39,037)
Share of (profit)/loss of associate, net of tax	12	(59)
Share of (profit)/loss on joint venture project	-	(4,464)
Waiver of interest on late payment	-	(576)
Operating profit before working capital changes	7,647	14,067
Changes in working capital:		
Inventories	-	(484)
Operating financial asset	36,027	63,017
Trade and other receivables	3,513	(922)
Trade and other payables	9,925	(24,464)
Cash from operations	57,112	51,214
Income tax paid	(142)	(45)
Net cash from operating activities	56,970	51,169
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances made to an associate	-	(426)
Interest received	145	364
Purchase of plant and equipment	(9)	(26)
Placement of fixed deposits	-	(3,161)
Change in pledged deposits	-	1,318
Net cash from/(used in) investing activities	136	(1,931)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	30,225	20,890
Interest paid	(32,375)	(59,334)
Payment of finance lease liability	(5)	(16)
Repayment to consortium parties	(2,411)	(15,361)
Repayment of term loans	(17,553)	(30,341)
Net cash used in financing activities	(22,119)	(84,162)
Net increase/(decrease) in cash and cash equivalents	34,987	(34,924)
Cash and cash equivalents at beginning of financial period/year	24,660	59,584
Cash and cash equivalents at the end of financial period/year as reported in statements of cash flows	59,647	24,660
Add: Deposits pledged	6,755	6,755
Cash and cash equivalents at the end of financial period/year as reported in statements of financial position	66,402	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.

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FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

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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 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 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 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 quarter 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 quarter under review.

A8. Segmental Reporting

	3 months ended 31 December 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	17	-	22,951	-	-	22,968
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	587	-	22,951	-	(570)	22,968
Segment results	(1,383)	(1,720)	15,408	(7)	-	12,298
Finance cost	(365)	-	(11,792)	-	-	(12,157)
Finance income	-	28	116	-	-	144
Investing results	(5)	-	-	-	-	(5)
Profit before tax	(1,753)	(1,692)	3,732	(7)	-	280
Tax expenses	-	-	4,442	-	-	4,442
Profit for the financial period	(1,753)	(1,692)	8,174	(7)	-	4,722
Total assets	16,543	242,895	952,288	153	-	1,211,879
Total liabilities	22,660	43,118	767,576	16	-	833,370

	6 months ended 31 December 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	47	-	46,239	-	-	46,286
Inter-segment revenue	1,140	-	-	-	(1,140)	-
Total revenue	1,187	-	46,239	-	(1,140)	46,286
Segment results	(2,285)	(3,509)	31,778	(12)	-	25,972
Finance cost	(365)	(1)	(23,865)	-	-	(24,231)
Finance income	1	28	116	-	-	145
Investing results	(12)	-	-	-	-	(12)
Profit before tax	(2,661)	(3,482)	8,029	(12)	-	1,874
Tax expenses	-	(83)	3,685	-	-	3,602
Profit for the financial year	(2,661)	(3,565)	11,714	(12)	-	5,476
Total assets	16,543	242,895	952,288	153	-	1,211,879
Total liabilities	22,660	43,118	767,576	16	-	833,370

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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

In relation to the proposed Bonus Issues of 4 units of Share for every 5 units of Shares hold in the Company, shareholders have voted in favour of the proposal during the Extraordinary General Meeting at 29 November 2017. On 10 January 2018, the Company listed 213,684,280 Bonus Shares and 106,841,600 additional Warrants B on the Main Market of Bursa Securities.

A11. Changes in the Composition of the Group

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

A12. Contingent Liabilities or Contingent Assets

There are no 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

	Current quarter RM'000	Preceding year's corresponding quarter RM'000	Changes Amount RM'000	Changes Percentage %
Revenue	22,968	30,158	(7,190)	(23.84)
Operating profit	12,298	18,617	(6,319)	(33.94)
Profit before tax	280	5,465	(5,185)	(94.88)
Profit after tax	4,722	3,766	956	25.39
Profit attributable to ordinary equity holders of the parent	2,464	8,510	(6,046)	(71.05)

The Group recorded a revenue of RM22.97 million for the quarter as compared to RM30.16 million for the preceding year's corresponding quarter. Operating expenses drop from RM11.58 million preceding year's corresponding quarter to RM10.67 million this quarter. This is 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 RM12.30 million and RM18.62

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million respectively.

Accordingly, profit before tax decreased from RM5.47 million for the preceding year's corresponding quarter to RM0.28 million for the current quarter under review.

(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	46,286	54,592	(8,306)	(15.21)
Operating profit	25,972	35,101	(9,129)	(26.01)
Profit before tax	1,874	9,567	(7,693)	(80.41)
Profit after tax	5,476	5,640	(164)	(2.91)
Profit attributable to ordinary equity holders of the parent	2,626	9,126	(6,500)	(71.23)

The Group recorded a revenue of RM46.29 million for the financial period as compared to RM54.59 million for the preceding financial year. During the preceding year's corresponding period-to-date, the Group recognised RM4.86 million of construction income from closing of the concession arrangement project.

Operating expenses increased from RM19.54 million to RM20.81 million. Current year operating profit stood at RM25.97 million for the financial period under review as compared to preceding year operating profit of RM35.10 million mainly due to the completion of the PFI projects during the last financial period.

Accordingly, profit before tax decreased from RM9.57 million for the preceding year period-to-date to RM1.87 million for the current year period-to-date.

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	22,968	23,318	(350)	(1.50)
Operating profit	12,298	13,674	(1,376)	(10.06)
Profit before interest and tax	12,437	13,668	(1,231)	(9.01)
Profit before tax	280	1,594	(1,314)	(82.43)
Profit after tax	4,722	754	3,968	526.26
Profit attributable to ordinary equity holders of the parent	2,464	162	2,302	1,420.99

The Group recorded a steady revenue of approximately RM22.97 million for the current quarter under review, as compared to RM23.32 million for the immediately preceding quarter, contributed from the finance income recognised from the PFI projects.

Nevertheless, there was a decrease in the operating profit and profit before tax by approximately RM1.38 million and RM1.31 million respectively, in comparison of current quarter financials against the immediate preceding quarter, mainly resulted from additional provision of construction cost recognised for the PFI projects.

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The group recorded higher profit after tax resulted from revision of deferred tax computation.

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. Taxation

	Quarter Ended 31 December 2017 RM'000	Financial Period Ended 31 December 2017 RM'000
Current Year	(11)	(94)
Deferred Tax Liability	4,453	3,696
Total	4,442	3,602

Tax income under the current quarter mainly arises from revision of deferred tax.

B6. Status of Corporate Proposals

With regard to the proposed bonus issue as disclosed in preceding quarter report, please refer to item A10 for further info.

B7. Borrowings and debt securities

	As at 31 December 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	-	612,823	-	62,499	-	675,322
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 an additional term loan of RM20 million utilised to finance working capital for the Group.

(b) Details of significant increase or reduction in borrowings

The increase of total borrowings for financial period ended 31 December 2017 as compared to financial year ended 30 June 2017 mainly due to the additional borrowings as mentioned above.

(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 6.70%. The Group's borrowings are subjected to floating interest rate.

(d) Borrowings that denominated in foreign currencies

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There are no borrowings denominated in foreign currencies.

B8. Changes in Material Litigation

During the quarter under review, there is no further update on material litigation.

B9. Dividends

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

B10. Earnings Per Share

		Quarter Ended 31 December 2017	Financial Period Ended 31 December 2017
(a)	Basic Earnings		
	Profit attributable to shareholders (RM'000)	2,464	2,626
	Number of ordinary shares issued ('000)	267,107	267,107
	Basic Profit per ordinary share (sen)	0.92	0.98
(b)	Diluted Earnings Per Share (sen)	0.34	0.36

Diluted Earnings Per Share was calculated based on number of shares and warrants of Menang Corporation (M) Berhad upon exercise of said proposed Bonus Issues as set out in note A10.

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

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

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

	Quarter Ended 31 December 2017 RM'000	Financial Period Ended 31 December 2017 RM'000
Interest Income	144	145
Interest Income on Operating Financial Asset	1,125	18,450
Other Income including Investment Income	-	500
Finance Costs	(12,157)	(24,231)
Depreciation	(62)	(125)

B13. Realised and Unrealised Profit or (Losses)

Total retained earnings of the Group comprise the following:-

	As at 31.12.2017 RM'000	As at 30.06.2017 RM'000
Realised	252,873	247,967
Unrealised	(54,419)	(58,287)
Retained earnings from associate	223	235
Consolidation Adjustments	(109,448)	(103,312)
Total	89,229	86,603

By Order of the Board
MENANG CORPORATION (M) BERHAD