



Menang Corporation (M) Berhad
(5383-K)

**QUARTERLY REPORT ON
CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2018**

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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 2018**

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	(Unaudited) 31 MARCH 2018 RM'000	(Audited) 30 JUNE 2017 RM'000
ASSETS		
Non-current assets		
Plant and equipments	147	195
Investment properties	50,003	50,124
Land held for property development	66,945	66,945
Operating financial asset	769,613	796,113
Investment in an associate	217	235
Other investments	5	6
	886,930	913,618
Current assets		
Inventories	102,125	102,125
Operating financial asset	104,272	104,272
Receivables	44,822	46,658
Tax assets	21	2
Cash and cash equivalents	68,821	31,415
	320,061	284,472
TOTAL ASSETS	1,206,991	1,198,090
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	240,396	133,553
Reserves	4	84,048
Retained earnings	69,156	86,603
	309,556	304,204
Non-controlling interests	74,243	68,829
Total equity	383,799	373,033
Non current liabilities		
Deferred tax liabilities	52,616	58,454
Borrowings	604,560	623,200
	657,176	681,654
Current liabilities		
Payables	103,681	94,705
Tax payables	172	170
Borrowings	62,163	48,528
	166,016	143,403
Total liabilities	823,192	825,057
TOTAL EQUITY AND LIABILITIES	1,206,991	1,198,090
Net assets per share (RM)	0.6438	1.1389

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Company 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 THIRD QUARTER ENDED 31 MARCH 2018**

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	Current Quarter Ended 31 MARCH 2018 RM'000	Corresponding Quarter Ended 31 MARCH 2017 RM'000	Current Period-to-Date 31 MARCH 2018 RM'000	Corresponding Period-to-Date 31 MARCH 2017 RM'000
Revenue	23,104	27,883	69,390	82,475
Operating expenses	(8,541)	(15,696)	(29,355)	(35,236)
Other operating income	3	585	503	634
Operating profit	14,566	12,772	40,538	47,873
Finance income	246	142	391	329
Investing results	(6)	(7)	(18)	65
Profit before interest and tax	14,806	12,907	40,911	48,267
Finance costs	(11,544)	(11,559)	(35,775)	(37,352)
Profit before tax	3,262	1,348	5,136	10,915
Taxation	2,028	(439)	5,630	(4,366)
Profit after tax	5,290	909	10,766	6,549
Fair value adjustment of available-for-sale financial assets	-	-	-	-
Total comprehensive income	5,290	909	10,766	6,549
Profit attributable to :				
Owners of the Company	2,726	570	5,352	9,696
Non-controlling interests	2,564	339	5,414	(3,147)
	5,290	909	10,766	6,549
EPS (sen) - Basic (Note B10)	0.57	0.21	1.11	3.63
- Diluted (Note B10)	0.38	0.14	0.74	2.42

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Company 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 THIRD QUARTER ENDED 31 MARCH 2018**

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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	-	-	-	5,352	5,352	5,414	10,766
Total comprehensive income	-	-	-	5,352	5,352	5,414	10,766
Transactions with owners							
Bonus issues of share capital	106,843	(84,044)	-	(22,799)	-	-	-
Total transactions with owners	106,843	(84,044)	-	(22,799)	-	-	-
As at 31 March 2018	240,396	-	4	69,156	309,556	74,243	383,799

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 Interim Financial Statements should be read in conjunction with
the audited financial statements of the Group and of the Company 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 THIRD QUARTER ENDED 31 MARCH 2018**

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	(Unaudited) 31 MARCH 2018 RM'000	(Audited) 30 JUNE 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,136	9,074
Adjustments for:		
Depreciation of investment properties	121	163
Depreciation of plant and equipment	64	97
Gain on disposal of plant and equipment	(3)	-
Gain on retention sum measured at amortised cost	-	(5)
Interest expense	35,775	49,238
Interest income	(391)	(364)
Interest income on operating financial asset	(27,535)	(39,037)
Share of (profit)/loss of associate, net of tax	18	(59)
Share of (profit)/loss on joint venture project	-	(4,464)
Waiver of interest on late payment	-	(576)
Operating profit before working capital changes	13,185	14,067
Changes in working capital:		
Inventories	-	(484)
Operating financial asset	54,035	63,017
Trade and other receivables	1,836	(922)
Trade and other payables	10,645	(24,464)
Cash from operations	79,701	51,214
Income tax paid	(225)	(45)
Net cash from operating activities	79,476	51,169
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances made to an associate	-	(426)
Interest received	391	364
Proceed from disposal of plant and equipment	3	-
Purchase of plant and equipment	(15)	(26)
Placement of fixed deposits	-	(3,161)
Change in pledged deposits	-	1,318
Net cash from/(used in) investing activities	379	(1,931)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	31,621	20,890
Interest paid	(47,065)	(59,334)
Payment of finance lease liability	(5)	(16)
Repayment to consortium parties	(3,011)	(15,361)
Repayment of term loans	(23,989)	(30,341)
Net cash used in financing activities	(42,449)	(84,162)
Net increase/(decrease) in cash and cash equivalents	37,406	(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	62,066	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	68,821	31,415

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Company 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, 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 auditors' report on the audited financial statements for the financial year ended 30 June 2017 was not qualified.

A3. Seasonal or Cyclical Factors

The Group's business operations were not significantly affected by any seasonal and cyclical factors for the quarter under review.

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 were no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the quarter under review.

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A5. Changes in Estimates

There were no material changes in estimates for the quarter under review.

A6. Issuances, Repayment and Cancellations of Debt and Equity Securities

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.

There were no other debt and equity securities issued, cancelled, repurchased, resold or repaid during the quarter under review.

A7. Dividends

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

A8. Segmental Reporting

	As at 31 March 2018					
Business Segments	Project Management and Other Investment RM'000	Property Development RM'000	Concession Arrangements RM'000	Other Operating Segments RM'000	Eliminations RM'000	Consolidation RM'000
Total assets	16,703	240,735	949,401	152	-	1,206,991
Total liabilities	22,840	42,093	758,244	15	-	823,192

	3 months ended 31 March 2018					
Business Segments	Project Management and Other Investment RM'000	Property Development RM'000	Concession Arrangements RM'000	Other Operating Segments RM'000	Eliminations RM'000	Consolidation RM'000
Revenue from external customers	25	-	23,079	-	-	23,104
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	595	-	23,079	-	(570)	23,104
Segment results	(803)	(1,681)	17,057	(7)	-	14,566
Finance cost	(452)	-	(11,092)	-	-	(11,544)
Finance income	-	168	78	-	-	246
Investing results	(6)	-	-	-	-	(6)
Profit before tax	(1,261)	(1,513)	6,043	(7)	-	3,262
Taxation	(14)	(48)	2,090	-	-	2,028
Profit for the financial period	(1,275)	(1,561)	8,133	(7)	-	5,290

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Business Segments	9 months ended 31 March 2018					
	Project Management and Other Investment RM'000	Property Development RM'000	Concession Arrangements RM'000	Other Operating Segments RM'000	Eliminations RM'000	Consolidation RM'000
Revenue from external customers	72	-	69,318	-	-	69,390
Inter-segment revenue	1,710	-	-	-	(1,710)	-
Total revenue	1,782	-	69,318	-	(1,710)	69,390
Segment results	(3,088)	(5,190)	48,835	(19)	-	40,538
Finance cost	(817)	(1)	(34,957)	-	-	(35,775)
Finance income	1	196	194	-	-	391
Investing results	(18)	-	-	-	-	(18)
Profit before tax	(3,922)	(4,995)	14,072	(19)	-	5,136
Taxation	(14)	(131)	5,775	-	-	5,630
Profit for the financial period	(3,936)	(5,126)	19,847	(19)	-	10,766

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 Period Reported

There were no material events subsequent to the end of the period reported.

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 were no contingent liabilities since the end of the previous financial year.

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

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

A14. Litigation Settlements

There were no material litigations settled in the quarter under review.

A15. Corrections of Prior Period Errors

There were no prior period errors noted during the quarter under review.

A16. Loan Default or Breach of a Loan Agreement

There were no loan default nor breach of loan agreements in the quarter under review.

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A17. Related Party Transactions

There were 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	23,104	27,883	(4,779)	(17.14)
Operating profit	14,566	12,772	1,794	14.05
Profit before interest and tax	14,806	12,907	1,899	14.71
Profit before tax	3,262	1,348	1,914	141.99
Profit after tax	5,290	909	4,381	481.96
Profit attributable to ordinary equity holders of the parent	2,726	570	2,156	378.25

Decrease in revenue from RM27.88 million in preceding year's corresponding quarter to RM23.10 million in current quarter was mainly due to the completion of the PFI projects.

Operating profit, profit before interest and tax, and profit before tax increased by approximately RM1.9 million from preceding year's corresponding quarter due to the completion of PFI projects.

Profit after tax increased by RM4.38 million from preceding year's corresponding quarter to current quarter and profit attributable to ordinary equity holders of the parent increased by RM2.16 million from preceding year's corresponding quarter to current quarter is due to lower expenses and reversal of deferred tax.

(b) Current Financial Year-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	69,390	82,475	(13,085)	(15.87)
Operating profit	40,538	47,873	(7,335)	(15.32)
Profit before interest and tax	40,911	48,267	(7,356)	(15.24)
Profit before tax	5,136	10,915	(5,779)	(52.95)
Profit after tax	10,766	6,549	4,217	64.39
Profit attributable to ordinary equity holders of the parent	5,352	9,696	(4,344)	(44.80)

Revenue decreased from RM82.48 million in preceding year's corresponding period-to-date to RM69.39 million in current period-to-date was due to the completion of PFI projects.

Operating profit, profit before interest and tax, and profit before tax decreased due to the completion of PFI projects from preceding year's corresponding period-to-date to current period-

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to-date.

Increase of profit after tax from RM6.55 million in preceding year's corresponding period-to-date to RM10.77 million in current period-to-date was due to lower expenses and reversal of deferred tax.

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	23,104	22,968	136	0.59
Operating profit	14,566	12,298	2,268	18.44
Profit before interest and tax	14,806	12,437	2,369	19.05
Profit before tax	3,262	280	2,982	1,065.00
Profit after tax	5,290	4,722	568	12.03
Profit attributable to ordinary equity holders of the parent	2,726	2,464	262	10.63

Operating profit and profit before interest and tax increased by approximately RM2.3 million from preceding quarter to current quarter due to lower operating expenses. The increase in profit before tax from preceding quarter RM0.28 million to current quarter RM3.26 million was mainly due to lower operating cost expenses.

Increase in profit after tax from RM4.72 million in preceding quarter to RM5.29 million in current quarter was due to lower operating expenses and reversal of deferred tax.

B3. Group's Prospects

In view of softening property market sentiment, the Group expects the coming year prospects to be challenging. However, the three PFI companies will continue to provide consistent streams of profit and cash flows to support the 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 March 2018 RM'000	Financial Period Ended 31 March 2018 RM'000
Income tax	(113)	(207)
Reversal of deferred tax	2,141	5,837
Total	2,028	5,630

The reversal of deferred tax was due to reversal of timing differences arising from lower operating financial assets.

B6. Status of Corporate Proposals

During the quarter under review, the proposed bonus issues set out in note A6 was completed.

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B7. Borrowings and debt securities

	As at 31 March 2018					
	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	-	604,560	-	62,163	-	666,723
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	-	48,528	-	671,728
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 decrease in total borrowings for financial period ended 31 March 2018 as compared to financial year ended 30 June 2017 was due to repayments made to banks.

(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

There are no borrowings denominated in foreign currencies.

B8. Changes in Material Litigation

With regards to the update on joint development of Klang Lands under consortium agreement dated 26 March 2010, as per announcements made on 22 June 2017, 25 July 2017, 16 August 2017, 27 September 2017, 13 October 2017, 23 February 2018, and 17 April 2018, the Court had fixed the Appeal for continued hearing on 17 May 2018. On 17 May 2018, the High Court dismissed the Appeal for higher compensation for the compulsory acquisition. The Company is in consultation with the solicitors to appeal the decision.

There are no other updates on material litigation during the quarter under review.

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 31 March 2018	Financial Period Ended 31 March 2018
Profit attributable to shareholders (RM'000)	2,726	5,352
(a) Basic Earnings Per Share		
Number of ordinary shares issued ('000)	480,792	480,792
Basic profit per ordinary share (sen)	0.57	1.11
(b) Diluted Earnings Per Share		
Number of ordinary shares issued and full exercise of warrants ('000)	721,186	721,186
Diluted profit per ordinary share (sen)	0.38	0.74

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 March 2018 RM'000	Financial Period Ended 31 March 2018 RM'000
Interest Income	246	391
Interest Income on Operating Financial Asset	9,085	27,535
Other Income including Investment Income	3	503
Finance Costs	(11,544)	(35,775)
Depreciation	310	185

B13. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 May 2018.

By Order of the Board
MENANG CORPORATION (M) BERHAD