



Menang Corporation (M) Berhad

Registration No. : 196401000240 (5383-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2020

	Unaudited 31 MARCH 2020 RM'000	Audited 30 JUNE 2019 RM'000
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Plant and equipment	218	124
Investment properties	53,506	53,628
Inventories	76,654	76,654
Operating financial asset	-	341,870
Investment in an associate	230	233
Total non-current assets	130,608	472,509
Current assets		
Inventories	112,597	112,597
Operating financial asset	-	18,140
Receivables	23,910	29,138
Tax assets	193	193
Cash and cash equivalents	13,652	41,323
	150,352	201,391
Assets of a disposal group classified as held for sale	<u>861,485</u>	<u>504,829</u>
Total current assets	<u>1,011,837</u>	<u>706,220</u>
TOTAL ASSETS	<u>1,142,445</u>	<u>1,178,729</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2020 (continued)

	Unaudited 31 MARCH 2020 RM'000	Audited 30 JUNE 2019 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	240,400	240,398
Retained earnings	81,128	79,425
	321,528	319,823
Non-controlling interests	80,631	76,134
Total equity	402,159	395,957
Non current liabilities		
Deferred tax liabilities	167	46,063
Borrowings	79	207,904
Total non-current liabilities	246	253,967
Current liabilities		
Payables	47,140	50,586
Tax payables	6	940
Contract liability	-	14,716
Borrowings	20,168	46,768
	67,314	113,010
Liabilities of a disposal group classified as held for sale	672,726	415,795
Total current liabilities	740,040	528,805
Total liabilities	740,286	782,772
TOTAL EQUITY AND LIABILITIES	1,142,445	1,178,729
Net assets per share (RM)	0.67	0.67

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 2019.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2020**

	Current Quarter Ended 31 MAR 2020 RM'000	Corresponding Quarter Ended 31 MAR 2019 RM'000	Current Period-to-Date 31 MAR 2020 RM'000	Corresponding Period-to-Date 31 MAR 2019 RM'000
Continuing operations (Note A4)				
Revenue	10	27	92	75
Operating expenses	(1,803)	(2,043)	(9,101)	(8,172)
Other operating income	-	-	27	-
Operating loss	(1,793)	(2,016)	(8,982)	(8,097)
Finance income	75	87	158	343
Investing results	-	(1)	(2)	(2)
Loss before interest and tax	(1,718)	(1,930)	(8,826)	(7,756)
Finance costs	(462)	(456)	(1,395)	(1,389)
Loss before tax	(2,180)	(2,386)	(10,221)	(9,145)
Taxation	(15)	(19)	(58)	(63)
Loss from continuing operations	(2,195)	(2,405)	(10,279)	(9,208)
Discontinued operations				
Results from discontinued operations, net of tax (Note A4)	2,586	2,903	16,479	13,530
Profit for the period / Total comprehensive income	391	498	6,200	4,322
(Loss)/Profit / Total comprehensive (loss)/income attributable to:				
Owners of the Company				
- continuing operations	(2,195)	(2,405)	(10,279)	(9,208)
- discontinued operations	2,730	2,123	11,982	9,379
	535	(282)	1,703	171
Non-controlling interests	(144)	(7,522)	4,497	(4,151)
	391	(7,804)	6,200	(3,980)
Basic (loses)/earnings per share (sen)				
- continuing operations	(0.46)	(0.50)	(2.14)	(1.92)
- discontinued operations	0.57	0.44	2.49	1.95
	0.11	(0.06)	0.35	0.03

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 2019.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2020

	<Attributable to Owners of the Company>				
	Share capital RM'000	Retained earnings RM'000	Sub total RM'000	Non - controlling interests RM'000	Total equity RM'000
As at 1 July 2019	240,398	79,425	319,823	76,134	395,957
Total comprehensive income for the financial period					
Profit for the financial period / total comprehensive income for the financial period	-	1,703	1,703	4,497	6,200
Transactions with owner					
Issuance of ordinary shares pursuant to warrant exercised	2	-	2	-	2
As at 31 March 2020	240,400	81,128	321,528	80,631	402,159

For the financial year ended 30 June 2019

	<Attributable to Owners of the Company>					
	Share capital RM'000	Fair value reserve of financial assets at FVOCI RM'000	Retained earnings RM'000	Sub total RM'000	Non - controlling interests RM'000	Total equity RM'000
As at 1 July 2018	240,396	3	77,103	317,502	67,557	385,059
Total comprehensive income for the financial year						
Profit for the financial year/ total comprehensive income for the financial year	-	-	2,319	2,319	8,577	10,896
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	(3)	3	-	-	-
Transactions with owners						
Issuance of ordinary shares pursuant to warrant exercised	2	-	-	2	-	2
As at 30 June 2019	240,398	-	79,425	319,823	76,134	395,957

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 2019.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2020

	Unaudited 31 MARCH 2020 RM'000	Audited 30 JUNE 2019 RM'000
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax		
- continuing operations	(10,218)	1,938
- discontinued operations	22,856	12,916
	<u>12,638</u>	<u>14,854</u>
Adjustments for:		
Depreciation of investment properties	122	160
Depreciation of plant and equipment	38	67
Gain on disposal of plant and equipment	(19)	(14)
Impairment losses on trade receivables	-	408
Impairment losses on other receivables	-	8
Interest expense	30,779	44,355
Interest income	(405)	(784)
Interest income on operating financial assets	(25,265)	(35,040)
Share of results of an associate, net of tax	3	3
	<u>17,891</u>	<u>24,017</u>
Operating profit before working capital changes	17,891	24,017
Changes in working capital:		
Inventories	-	(3,594)
Operating financial assets	54,033	72,051
Trade and other receivables	(1,816)	1,512
Trade and other payables	(9,902)	1,950
Contract liability	2,023	2,698
	<u>62,229</u>	<u>98,634</u>
Cash from operations	62,229	98,634
Income tax paid	(3,840)	(319)
	<u>58,389</u>	<u>98,315</u>
Net cash from operating activities	58,389	98,315

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2020 (continued)

	Unaudited 31 MARCH 2020 RM'000	Audited 30 JUNE 2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment made to an associate	-	(6)
Interest received	405	784
Proceed from disposal of plant and equipment	19	14
Proceed from disposal of other investments	-	5
Purchase of plant and equipment	(130)	(44)
Placement of time deposits	(84)	(322)
Net cash from investing activities	210	431
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank overdraft	9,000	-
Finance from lease facility	94	-
Interest paid	(32,147)	(44,355)
Proceed from issuance of shares	2	2
Repayment to consortium parties	-	(291)
(Repayment to)/Advances from directors	(58)	44
Repayment of term loans	(44,874)	(48,931)
Net cash used in financing activities	(67,983)	(93,531)
Net (decrease)/increase in cash and cash equivalents	(9,384)	5,215
Cash and cash equivalents at beginning of financial year	56,297	51,082
Cash and cash equivalents at the end of financial period/year as reported in statements of cash flows	46,913	56,297
Add: Deposits pledged	9,279	9,195
Less: Cash and cash equivalents of disposal group classified as held for sale (Note A4)	(42,540)	(24,169)
Cash and cash equivalents at the end of financial period/year as reported in statements of financial position	13,652	41,323

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 2019.

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 MFRS 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 2019. 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 2019.

- (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 2019 except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations that are effective for year beginning on or after 1 July 2018.

The adoption of the new MFRSs, amendments/improvements to MFRSs and IC Interpretations do not have any material impact on the financial position and results of the Group.

A2. Audit Report for the Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2019 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

On 18 July 2018, the Company announced the proposed disposals of its 51% equity interests in Rumpun Positif Sdn Bhd ("RPSB") and Protokol Elegan Sdn Bhd ("PESB"). However, on 19 July 2019, the proposed disposals lapsed due to the non-fulfillment of the conditions precedent in connection with the required approvals from UKAS and lenders.

The Group still intends to dispose its interests in both companies and fulfills the requirements in MFRS 5 *Non-current Assets Held for Sale and Discounted Operations* ("MFRS 5"). Accordingly, the assets and liabilities of RPSB and PESB will continue to be reclassified as held for sale in the Consolidated Statement of Financial Position ("CSOFP"); while the income, expenses and profit after tax of RPSB and PESB will continue to be reclassified and presented as results from discontinued operations in the Consolidated Statement of Comprehensive Income ("CSOCI").

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A4. Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows That Are Unusual Because of Nature, Size or Incidence (continued)

On 27 November 2019, the Group announced the proposed disposal of its 71% equity interests in Inovatif Mewah Sdn Bhd (“IMS B”). The proposed disposal falls within the scope of MFRS 5, hence the same accounting treatment as stated above will be applied.

Summary of impact from the reclassifications are as follows:

Impact on unaudited CSOFP as at 31 March 2020

	Before MFRS 5 Adjustments RM'000	Reclass- ification RM'000	After MFRS 5 Adjustments RM'000
ASSETS			
Non-current assets			
Plant and equipments	218	-	218
Investment properties	53,506	-	53,506
Inventories	76,654	-	76,654
Operating financial asset	760,532	(760,532)	-
Investment in an associate	230	-	230
	891,140	(760,532)	130,608
Current assets			
Inventories	112,597	-	112,597
Operating financial asset	38,559	(38,559)	-
Receivables	43,764	(19,854)	23,910
Tax assets	193	-	193
Cash and cash equivalents	56,192	(42,540)	13,652
	251,305	(100,953)	150,352
Assets classified as held for sale	-	861,485	861,485
TOTAL ASSETS	<u>1,142,445</u>	<u>-</u>	<u>1,142,445</u>

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A4. Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows That Are Unusual Because of Nature, Size or Incidence (continued)

Impact on unaudited CSOFP as at 31 March 2020 (continued)

	Before MFRS 5 Adjustments RM'000	Reclass- ification RM'000	After MFRS 5 Adjustments RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	240,400	-	240,400
Retained earnings	81,128	-	81,128
	321,528	-	321,528
Non-controlling interests	80,631	-	80,631
Total equity	402,159	-	402,159
Non current liabilities			
Deferred tax liabilities	78,481	(78,314)	167
Borrowings	492,193	(492,114)	79
	570,674	(570,428)	246
Current liabilities			
Payables	69,413	(22,273)	47,140
Contract liability	16,739	(16,739)	-
Tax payables	359	(353)	6
Borrowings	83,101	(62,933)	20,168
	169,612	(102,298)	67,314
Liabilities classified as held for sale	-	672,726	672,726
Total liabilities	740,286	-	740,286
TOTAL EQUITY AND LIABILITIES	1,142,445	-	1,142,445

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A4. Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows That Are Unusual Because of Nature, Size or Incidence (continued)

Impact on unaudited CSOCI for the Financial Period Ended 31 March 2020

	Before MFRS 5 Adjustments RM'000	Reclass- ification RM'000	After MFRS 5 Adjustments RM'000
Continuing operations			
Revenue	67,503	(67,411)	92
Operating expenses	(25,281)	16,180	(9,101)
Other operating income	789	(762)	27
Operating profit/(loss)	43,011	(51,993)	(8,982)
Finance income	405	(247)	158
Investing results	(2)	-	(2)
Profit/(Loss) before interest and tax	43,414	(52,240)	(8,826)
Finance costs	(30,779)	29,384	(1,395)
Profit/(Loss) before tax	12,635	(22,856)	(10,221)
Taxation	(6,435)	6,377	(58)
Profit/(Loss) from continuing operations	6,200	(16,479)	(10,279)
Discontinued operations			
Result from discontinued operations, net of tax	-	16,479	16,479
Profit for the period / Total comprehensive income	6,200	-	6,200
Profit/(Loss) / Total comprehensive income/(loss) attributable to :			
Owners of the Company			
- continuing operations	1,703	(11,982)	(10,279)
- discontinued operations	-	11,982	11,982
	1,703	-	1,703
Non-controlling interests	4,497	-	4,497
	6,200	-	6,200

A5. Changes in Estimates

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

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

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 quarter under review.

A7. Dividends

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

A8. Segmental Reporting

Business Segments	3 months ended 31 March 2020					
	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
Continuing operations						
Revenue from external customers	10	-	-	-	-	10
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	580	-	-	-	(570)	10
Segment results	(1,225)	(548)	-	(20)	-	(1,793)
Finance cost	(461)	(1)	-	-	-	(462)
Finance income	3	72	-	-	-	75
Investing results	-	-	-	-	-	-
Loss before tax	(1,683)	(477)	-	(20)	-	(2,180)
Taxation	3	(18)	-	-	-	(15)
Loss after tax	(1,680)	(495)	-	(20)	-	(2,195)
Result from discontinued operations, net of tax	-	-	2,586	-	-	2,586
(Loss)/Profit for the financial period	(1,680)	(495)	2,586	(20)	-	391

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A8. Segmental Reporting (continued)

Business Segments	9 months ended 31 March 2020					
	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
Continuing operations						
Revenue from external customers	92	-	-	-	-	92
Inter-segment revenue	1,710	-	-	-	(1,710)	-
Total revenue	1,802	-	-	-	(1,710)	92
Segment results	(2,161)	(6,792)	-	(29)	-	(8,982)
Finance cost	(1,394)	(1)	-	-	-	(1,395)
Finance income	14	144	-	-	-	158
Investing results	(2)	-	-	-	-	(2)
Loss before tax	(3,543)	(6,649)	-	(29)	-	(10,221)
Taxation	(7)	(51)	-	-	-	(58)
Loss after tax	(3,550)	(6,700)	-	(29)	-	(10,279)
Result from discontinued operations, net of tax	-	-	16,479	-	-	16,479
(Loss)/Profit for the financial period	(3,550)	(6,700)	16,479	(29)	-	6,200

Business Segments	As at 31 March 2020					
	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
Continuing operations						
Total assets	19,078	261,743	-	139	-	280,960
Total liabilities	21,545	46,000	-	15	-	67,560
Discontinued operations						
Total assets	-	-	861,485	-	-	861,485
Total liabilities	-	-	672,726	-	-	672,726

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A9. Material Events Subsequent to the End of the Period Reported

- i. For the appeal on compensation sum for the compulsory acquisition of Klang Lands, we refer to the announcements dated 22 June 2017, 25 July 2017, 16 August 2017, 27 September 2017, 13 October 2017, 23 February 2018, 17 April 2018, 28 May 2018, 28 August 2018, 24 October 2018, 29 November 2018, 10 January 2019, 21 February 2019, 13 March 2019, 30 April 2019, 20 June 2019, 22 July 2019 and 6 March 2020. The terms herein shall bear the same meaning as defined in the said announcements.

The Company wishes to announce that the Case nos: B-01(A)-411-07/2018, B-01(A)-412-07/2018, and B-01(A)-413-07/2018 have been withdrawn by the parties without cost. The compensation awarded by the High Court on 17 May 2018 is maintained.

- ii. On 25 June 2020, Affin Hwang Investment Bank Berhad on behalf of the Board announced that on 24 June 2020, the Group entered into a conditional share sale agreement with Innovative City Holdings Sdn Bhd (“ICHSB”) for the disposal of its 71% equity interest in IMSB to ICHSB for a cash consideration of RM86,620,000. ICHSB is a wholly owned subsidiary of Widad Concession Sdn Bhd, which in turn is a wholly owned subsidiary of Widad Group Berhad.

A10. Changes in the Composition of the Group

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

A11. Disclosure on Financial Instruments

	Unaudited 31 March 2020	Audited 30 June 2019
Financial assets:		
- measured at amortised cost		
● Level 2		
○ Operating financial assets	-	360,010
● Level 3		
○ Deposits, cash and bank balances	13,652	41,323
○ Trade and other receivables, excluding prepayments and GST refundable	23,749	28,484
	<u>37,401</u>	<u>429,817</u>
Financial liabilities:		
- measured at amortised cost		
● Level 3		
○ Loans and borrowings	20,247	254,672
○ Trade and other payables	47,140	50,586
	<u>67,387</u>	<u>305,258</u>

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A12. Entities Becoming, or Ceasing to be, Investment Entities

No entity is becoming or ceasing to be an Investment Entity during the quarter under review.

A13. Disaggregation of Revenue

Revenue of the Group can be disaggregated and categorised as follows:

A13. Disaggregation of Revenue

	Quarter Ended 31 March 2020 RM'000	Financial Period Ended 31 March 2020 RM'000
Continuing operations		
Management fees	10	92
	10	92
	10	92

A14. Material Events and Transactions

(a) *Write-down of inventories to net realisable value and the reversal of such a write-down*

There were no material inventories written down or reversed during the quarter under review.

(b) *Recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, assets arising from contracts with customers, or other assets, and the reversal of such an impairment loss*

There were no material impairments or reversal of impairments charged or credited during the quarter under review.

(c) *Reversal of any provisions for the costs of restructuring*

There were no material restructuring costs incurred during the quarter under review.

(d) *Acquisitions and disposals of items of property, plant and equipment*

There were no material acquisitions and disposals of property, plant and equipment during the quarter under review.

(e) *Commitments for the purchase of property, plant and equipment*

There were no material commitments to purchase any property, plant and equipment during the quarter under review.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A14. Material Events and Transactions (continued)

(f) *Litigation settlements*

With except to Note A9 mentioned above, there were no material litigations settled during the quarter under review.

(g) *Corrections of prior period errors*

There were no material corrections of prior period error during the quarter under review.

(h) *Changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognised at fair value or amortised cost*

There were no material changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities during the quarter under review.

(i) *Loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period*

There were no material loan default or breach of a loan agreement during the quarter under review.

(j) *Related party transactions*

There were no material related party transactions during the quarter under review.

(k) *Transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments*

There were no material financial instrument transferred between levels of the fair value hierarchy during the quarter under review.

(l) *Changes in the classification of financial assets as a result of a change in the purpose or use of those assets*

There were no material change in the classification of financial assets during the quarter under review.

(m) *Changes in contingent liabilities or contingent assets*

There were no material contingent liability or contingent asset during 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's Results

	Current quarter RM'000	Preceding year's corresponding quarter RM'000	Change Amount RM'000	Change Percentage %
Continuing Operations				
Revenue	10	27	(17)	(62.96)
Operating loss	(1,793)	(2,016)	223	(11.06)
Loss before interest and tax	(1,718)	(1,930)	212	(10.98)
Loss before tax	(2,180)	(2,386)	206	(8.63)
Loss after tax	(2,195)	(2,405)	210	(8.73)
Discontinued Operations				
Results for the quarter, net of tax	2,586	2,903	(317)	(10.92)
(Loss)/Profit attributable to ordinary equity holders of the parent				
Continuing operations	(2,195)	(2,405)	210	(8.73)
Discontinued operations	2,730	2,123	607	28.59

The Group's continuing operations' operating loss, loss before interest and tax, loss before tax and loss after tax reduced by approximate RM0.2 million from preceding year's corresponding quarter to current quarter due to less activities in current quarters.

The Group's discontinued operations' profit reduced by approximate RM0.3 million from preceding year's corresponding quarter to current quarter due to deferred tax adjustments and lower finance income.

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) (continued)

B1. Review of Performance (continued)

(b) Financial Review for Current Period Compared to Preceding Period

	Current period RM'000	Preceding year's corresponding period RM'000	Change Amount RM'000	Change Percentage %
Continuing Operations				
Revenue	92	75	17	22.67
Operating loss	(8,982)	(8,097)	(885)	10.93
Loss before interest and tax	(8,826)	(7,756)	(1,070)	13.80
Loss before tax	(10,221)	(9,145)	(1,076)	11.77
Loss after tax	(10,279)	(9,208)	(1,071)	11.63
Discontinued Operations				
Results for the period, net of tax	16,479	13,530	2,949	21.80
(Loss)/Profit attributable to ordinary equity holders of the parent				
Continuing operations	(10,279)	(9,208)	(1,071)	11.63
Discontinued operations	11,982	9,379	2,603	27.75

The Group's continuing operations' operating loss, loss before interest and tax, loss before tax and loss after tax increased by approximate RM1.0 million from preceding year's corresponding period to current period higher operating expenses.

The Group's discontinued operations' profit increased by approximate RM2.9 mil from preceding year's corresponding period to current period due to deferred tax adjustments and lower interest expenses.

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) (continued)

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

	Current quarter RM'000	Preceding quarter RM'000	Change Amount RM'000	Change Percentage %
Continuing Operations				
Revenue	10	60	(50)	(83.33)
Operating loss	(1,793)	(2,680)	887	(33.10)
Loss before interest and tax	(1,718)	(2,670)	952	(35.66)
Loss before tax	(2,180)	(3,137)	957	(30.51)
Loss after tax	(2,195)	(3,160)	965	(30.54)
Discontinued Operations				
Results for the period, net of tax	2,586	7,339	(4,753)	(64.76)
(Loss)/Profit attributable to ordinary equity holders of the parent				
Continuing operations	(2,195)	(3,160)	965	(30.54)
Discontinued operations	2,730	4,831	(2,101)	(43.49)

The Group's continuing operations' operating loss, loss before interest and tax, loss before tax and loss after tax decreased by approximate RM0.9 million from preceding quarter to current quarter due to less activities in current quarters.

The Group's discontinued operations' result decreased by approximate RM5.3 million from preceding quarter to current quarter due to deferred tax adjustments.

B3. Group's Prospects

The pandemic caused by the COVID-19 and the Movement Control Order ("MCO") have posed various challenges to the Group. The property market weakened further, and the Group is of the opinion planned new development projects must be delayed. The Group will continue to assess the market for new viable and prudent business opportunities.

B4. Profit forecast or profit guarantee

Not applicable as no profit forecast or profit guarantee was published or provided.

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) (continued)

B7. Borrowings and debt securities (continued)

(a) Detailed explanation on the material changes in borrowings

There were no new borrowings by the Group 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 2020 compared to the financial year ended 30 June 2019 was due to scheduled 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

Combined both continuing and discontinued operations, the weighted average interest rate of borrowings is 6.84%. The Group's borrowings are subjected to fixed and floating interest rates at ratio of 0.05 : 0.95.

(d) Borrowings that denominated in foreign currencies

There are no borrowings denominated in foreign currencies.

B8. Changes in Material Litigation

Other than as disclosed in Note A9, there were 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.

B10. Audit Report from the Group's Annual Report 2019

The audit report from the Group's Annual Report 2019 was unqualified.

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) (continued)

B11. Profit before tax is arrived at after (charging) / crediting:

	Quarter Ended 31 March 2020 RM'000	Financial Period Ended 31 March 2020 RM'000
Continuing Operations		
Auditors' remuneration	(35)	(105)
Interest income	75	158
Gain on disposal of plant and equipment	-	19
Investment results	-	(2)
Finance costs	(462)	(1,395)
Depreciation of investment properties	(41)	(122)
Depreciation of plant and equipment	(13)	(38)
Employee benefits expense	(1,091)	(3,512)
Rental of premises	(100)	(300)

By Order of the Board
MENANG CORPORATION (M) BERHAD

WONG YOUN KIM
COMPANY SECRETARY

29 June 2020