



Menang Corporation (M) Berhad

Registration No. : 196401000240 (5383-K)

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

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

	Unaudited 31 DECEMBER 2020 RM'000	Audited 30 JUNE 2020 RM'000
ASSETS		
Non-current assets		
Plant and equipment	179	207
Investment properties	53,384	53,466
Inventories	161,762	161,762
Operating financial assets	415,686	426,198
Investment in an associate	228	230
Total non-current assets	631,239	641,863
Current assets		
Inventories	28,795	28,795
Operating financial assets	21,232	21,232
Trade and other receivables	29,434	36,538
Tax assets	247	247
Deposits, cash and bank balances	39,148	49,092
	118,856	135,904
Assets of a disposal group classified as held for sale	370,755	375,426
Total current assets	489,611	511,330
TOTAL ASSETS	1,120,850	1,153,193

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

	Unaudited 31 DECEMBER 2020 RM'000	Audited 30 JUNE 2020 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	240,400	240,400
Retained earnings	84,981	82,211
	325,381	322,611
Non-controlling interests	86,599	82,184
Total equity	411,980	404,795
LIABILITIES		
Non current liabilities		
Deferred tax liabilities	31,156	30,938
Loan and borrowings	284,113	339,315
Total non-current liabilities	315,269	370,253
Current liabilities		
Trade and other payables	53,178	67,627
Tax liabilities	99	-
Loan and borrowings	80,859	40,860
	134,136	108,487
Liabilities of a disposal group classified as held for sale	259,465	269,658
Total current liabilities	393,601	378,145
Total liabilities	708,870	748,398
TOTAL EQUITY AND LIABILITIES	1,120,850	1,153,193
Net assets per share (RM)	0.68	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 2020.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020**

	Current Quarter Ended 31 DEC 2020 RM'000	Corresponding Quarter Ended 31 DEC 2019 RM'000	Current Year-to-Date 31 DEC 2020 RM'000	Corresponding Year-to-Date 31 DEC 2019 RM'000
Continuing operations (Note A4)				
Revenue	11,928	12,151	23,899	24,325
Operating expenses	(5,442)	(5,499)	(11,145)	(13,159)
Reversal of impairment losses	9	-	59	-
Other operating income	172	17	213	37
Operating profit	6,667	6,669	13,026	11,203
Finance income	81	95	244	251
Investing results	(1)	(1)	(2)	(2)
Profit before interest and tax	6,747	6,763	13,268	11,452
Finance costs	(6,112)	(7,013)	(12,582)	(14,155)
Profit/(Loss) before tax	635	(250)	686	(2,703)
Taxation	124	1,037	(463)	1,775
Profit/(Loss) from continuing operations	759	787	223	(928)
Discontinued operation				
Results from discontinued operation, net of tax (Note A4)	3,503	3,392	6,962	6,737
Profit for the year / Total comprehensive income	4,262	4,179	7,185	5,809
(Loss)/Profit / Total comprehensive (loss)/income attributable to:				
Owners of the Company				
- continuing operations	(870)	(868)	(2,434)	(3,877)
- discontinued operation	2,617	2,539	5,204	5,045
	1,747	1,671	2,770	1,168
Non-controlling interests	2,515	2,508	4,415	4,641
	4,262	4,179	7,185	5,809
Basic (loses)/earnings per share (sen)				
- continuing operations	(0.18)	(0.18)	(0.51)	(0.81)
- discontinued operation	0.54	0.53	1.08	1.05
	0.36	0.35	0.57	0.24

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 2020.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

	<Attributable to Owners of the Company>			Non - controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained earnings RM'000	Sub total RM'000		
As at 1 July 2020	240,400	82,211	322,611	82,184	404,795
Total comprehensive income for the financial year					
Profit for the financial period, representing total comprehensive income	-	2,770	2,770	4,415	7,185
As at 31 December 2020	240,400	84,981	325,381	86,599	411,980

For the financial year ended 30 June 2020

	<Attributable to Owners of the Company>			Non - controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained earnings RM'000	Sub total RM'000		
As at 1 July 2019	240,398	79,425	319,823	76,134	395,957
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income	-	2,786	2,786	6,050	8,836
Transactions with owners					
Issuance of ordinary shares pursuant to warrant exercised, representing total transaction with owners	2	-	2	-	2
As at 30 June 2020	240,400	82,211	322,611	82,184	404,795

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 2020.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

	Unaudited 31 DECEMBER 2020 RM'000	Audited 30 JUNE 2020 RM'000
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax		
- continuing operations	686	(3,648)
- discontinued operations	9,844	18,857
	<u>10,530</u>	<u>15,209</u>
Adjustments for:		
Depreciation of investment properties	81	162
Depreciation of plant and equipment	27	57
Gain on disposal of plant and equipment	-	(8)
Impairment losses on trade receivables	-	128
Impairment losses on deposits		22
Interest expense	17,521	40,015
Interest income	(244)	(607)
Interest income on operating financial assets	(16,141)	(33,488)
Reversal of impairment losses on trade receivables	(49)	(22)
Reversal of impairment losses on other receivables	(10)	-
Share of results of an associate, net of tax	2	3
	<u>11,717</u>	<u>21,471</u>
Operating profit before working capital changes	11,717	21,471
Changes in working capital:		
Inventories	-	(1,306)
Operating financial assets	36,023	72,045
Trade and other receivables	6,031	111
Trade and other payables	(14,397)	(10,375)
Contract liability	1,295	2,698
	<u>40,669</u>	<u>84,644</u>
Cash from operations	40,669	84,644
Interest paid	-	(318)
Interest received	-	291
Tax paid	(2,792)	(5,118)
	<u>37,877</u>	<u>79,499</u>
Net cash from operating activities	37,877	79,499

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

	Unaudited 31 DECEMBER 2020 RM'000	Audited 30 JUNE 2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances from an associate	-	(13)
Interest received	244	316
Proceed from disposal of plant and equipment	-	8
Purchase of plant and equipment	-	(46)
Placement of time deposits	-	(283)
Net cash from investing activities	244	(18)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	-	40,000
Interest paid	(17,571)	(39,697)
Payment of lease liability	(1)	(7)
Proceed from issuance of shares	-	2
Advances from consortium parties	-	494
Repayment to directors	(60)	(155)
Repayment of term loans	(26,866)	(77,448)
Net cash used in financing activities	(44,498)	(76,811)
Net (decrease)/increase in cash and cash equivalents	(6,377)	2,670
Cash and cash equivalents at beginning of financial year	58,967	56,297
Cash and cash equivalents at the end of financial period/ year as reported in statements of cash flows	52,590	58,967
Add: Deposits pledged	9,480	9,478
Add: Bank overdraft	9,014	9,016
Less: Cash and cash equivalents of disposal group classified as held for sale (Note A4)	(31,936)	(28,369)
Deposits, cash and bank balances at the end of financial period/year as reported in statements of financial position	39,148	49,092

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 2020.

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 2020. 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 2020.

- (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 2020 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 2019.

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 2020 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 27 November 2019, the Board of Directors announced that the Group entered into a Heads of Agreement ("HOA") with Widad Group Berhad and a minority shareholder ("the parties") for the disposal of its entire 71% equity interests in a subsidiary, namely Inovatif Mewah Sdn Bhd ("IMSB") for a total sales consideration of RM122,000,000. On 24 June 2020, the parties have entered into a Share Sale Agreement ("SSA"). The assets and liabilities related to IMSB (part of the concession arrangements segment) have been presented as held for sale.

On 22 December 2020, all members of the SSA have mutually agreed to extend the cut-off date for three (3) months from 23 December 2020 to 23 March 2021.

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 December 2020

	Before MFRS 5 Adjustments RM'000	Reclass- ification RM'000	After MFRS 5 Adjustments RM'000
ASSETS			
Non-current assets			
Plant and equipments	179	-	179
Investment properties	53,384	-	53,384
Inventories	161,762	-	161,762
Operating financial asset	729,242	(313,556)	415,686
Investment in an associate	228	-	228
	944,795	(313,556)	631,239
Current assets			
Inventories	28,795	-	28,795
Operating financial asset	40,178	(18,946)	21,232
Receivables	35,751	(6,317)	29,434
Tax assets	247	-	247
Cash and cash equivalents	71,084	(31,936)	39,148
	176,055	(57,199)	118,856
Assets classified as held for sale	-	370,755	370,755
TOTAL ASSETS	<u>1,120,850</u>	<u>-</u>	<u>1,120,850</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	240,400	-	240,400
Retained earnings	84,981	-	84,981
	325,381	-	325,381
Non-controlling interests	<u>86,599</u>	<u>-</u>	<u>86,599</u>
Total equity	411,980	-	411,980
Non current liabilities			
Deferred tax liabilities	77,162	(46,006)	31,156
Borrowings	446,342	(162,229)	284,113
	523,504	(208,235)	315,269
Current liabilities			
Payables	54,881	(1,703)	53,178
Contract liability	18,709	(18,709)	-
Tax payables	940	(841)	99
Borrowings	110,836	(29,977)	80,859
	185,366	(51,230)	134,136
Liabilities classified as held for sale	-	259,465	259,465
Total liabilities	<u>708,870</u>	<u>-</u>	<u>708,870</u>
TOTAL EQUITY AND LIABILITIES	<u>1,120,850</u>	<u>-</u>	<u>1,120,850</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 CSOCI for the Financial Period Ended 31 December 2020

	Before MFRS 5 Adjustments RM'000	Reclass- ification RM'000	After MFRS 5 Adjustments RM'000
Continuing operations			
Revenue	44,287	(20,388)	23,899
Operating expenses	(16,750)	5,605	(11,145)
Impairment losses	-	-	-
Reversal of impairment losses	59	-	59
Other operating income	213	-	213
Operating profit	27,809	(14,783)	13,026
Finance income	244	-	244
Investing results	(2)	-	(2)
Profit before interest and tax	28,051	(14,783)	13,268
Finance costs	(17,521)	4,939	(12,582)
Profit/(Loss) before tax	10,530	(9,844)	686
Taxation	(3,345)	2,882	(463)
Profit/(Loss) from continuing operations	7,185	(6,962)	223
Discontinued operation			
Result from discontinued operation, net of tax	-	6,962	6,962
Profit for the period / Total comprehensive income	7,185	-	7,185
Profit/(Loss) / Total comprehensive income/(loss) attributable to :			
Owners of the Company			
- continuing operations	2,770	(5,204)	(2,434)
- discontinued operation	-	5,204	5,204
	2,770	-	2,770
Non-controlling interests	4,415	-	4,415
	7,185	-	7,185

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 December 2020					
	Investment Holdings 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	24	-	11,904	-	-	11,928
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	594	-	11,904	-	(570)	11,928
Segment results	(911)	(1,862)	9,446	(6)	-	6,667
Finance cost	(1,008)	-	(5,423)	-	319	(6,112)
Finance income	-	334	66	-	(319)	81
Investing results	(1)	-	-	-	-	(1)
(Loss)/Profit before tax	(1,920)	(1,528)	4,089	(6)	-	635
Taxation	(1)	(9)	134	-	-	124
(Loss)/Profit after tax	(1,921)	(1,537)	4,223	(6)	-	759
Result from discontinued operation, net of tax	-	-	3,503	-	-	3,503
(Loss)/Profit for the financial year	(1,921)	(1,537)	7,726	(6)	-	4,262

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

A8. Segmental Reporting (continued)

Business Segments	6 months ended 31 December 2020					
	Investment Holdings 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	48	-	23,851	-	-	23,899
Inter-segment revenue	1,140	-	-	-	(1,140)	-
Total revenue	1,188	-	23,851	-	(1,140)	23,899
Segment results	(1,325)	(4,158)	18,518	(9)	-	13,026
Finance cost	(2,016)	(1)	(11,104)	-	539	(12,582)
Finance income	22	623	138	-	(539)	244
Investing results	(2)	-	-	-	-	(2)
(Loss)/Profit before tax	(3,321)	(3,536)	7,552	(9)	-	686
Taxation	(2)	(19)	(442)	-	-	(463)
(Loss)/Profit after tax	(3,323)	(3,555)	7,110	(9)	-	223
Result from discontinued operation, net of tax	-	-	6,962	-	-	6,962
(Loss)/Profit for the financial year	(3,323)	(3,555)	14,072	(9)	-	7,185

Business Segments	As at 31 December 2020					
	Investment Holdings 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	18,880	267,745	463,359	111	-	750,095
Total liabilities	44,514	45,034	359,844	13	-	449,405
Discontinued operation						
Total assets	-	-	370,755	-	-	370,755
Total liabilities	-	-	259,465	-	-	259,465

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

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

- i. On 29 January 2021, the changes in the Board of Directors of the Company are announced are summarised as follows:

No.	Name	Designation	Remarks
1.	Y.A.M. Raja Shahrudin Rashid	Group Executive Chairman	Resigned with effect from 29 January 2021.
2.	Mr. Too Kok Leng	Group Vice Chairman	No change
3.	Mr. Chiam Tau Meng	Independent Non-Executive Director	No change
4.	Dr. Christopher Shun Kong Leng, CFP®, RFP™	Non-Independent Non-Executive Director	Resigned with effect from 29 January 2021.
5.	Mr. Wong Koon Wai	Independent Non-Executive Director	Resigned with effect from 29 January 2021.
6.	Mr. N. Sivagurunathan V Narayanasamy	Independent Non-Executive Director	Resigned with effect from 29 January 2021.
7.	Dato' Shun Leong Kwong	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
8.	Ms. Marianna Binti Aly Shun	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
9.	Mr. Toh May Fook	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
10.	Ms. Liew Sook Pin	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
11.	Mr. Lee Min Huat	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
12.	Mr. Chee Wai Hong	Independent Non-Executive Director	Appointed with effect from 29 January 2021.
13.	Mr. Yee Chun Lin	Independent Non-Executive Director	Appointed with effect from 29 January 2021.

- ii. On 2 February 2021, the Group announced changes in the Board members designation and Board Committees composition of the Company and is summarised as follow:

Board of Directors:

No.	Name	Designation	Remarks
1.	Mr. Toh May Fook	Group Managing Director	Redesignation from Non-Independent Non-Executive Director with effect from 1 February 2021
2.	Ms. Liew Sook Pin	Executive Director	Redesignation from Non-Independent Non-Executive Director with effect from 1 February 2021
3.	Mr. Lee Min Huat	Executive Director	Redesignation from Non-Independent Non-Executive Director with effect from 1 February 2021
4.	Mr. Chee Wai Hong	Independent Non-Executive Director	No Change

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

A9. Material Events Subsequent to the End of the Period Reported (continued)

Board of Directors:

No.	Name	Designation	Remarks
5.	Mr. Yee Chun Lin	Independent Non-Executive Director	No Change
6.	Mr. Chiam Tau Meng	Independent Non-Executive Director	No Change
7.	Mr. Too Kok Leng	Non-Independent Non-Executive Director	Redesignation from Group Vice Chairman with effect from 1 February 2021
8.	Dato' Shun Leong Kwong	Non-Independent Non-Executive Director	No Change
9.	Ms. Marianna Binti Aly Shun	Non-Independent Non-Executive Director	No Change

Audit and Risk Committee:

No.	Name	Position	Designation	Remark
1.	Mr. Chee Wai Hong	Chairman	Independent Non-Executive Director	Appointed with effect from 1 February 2021
2.	Mr. Yee Chun Lin	Member	Independent Non-Executive Director	Appointed with effect from 1 February 2021
3.	Mr. Chiam Tau Meng	Member	Independent Non-Executive Director	No Change

Nomination Committee:

No.	Name	Position	Designation	Remark
1.	Mr. Yee Chun Lin	Chairman	Independent Non-Executive Director	Appointed with effect from 1 February 2021
2.	Mr. Chee Wai Hong	Member	Independent Non-Executive Director	Appointed with effect from 1 February 2021
3.	Mr. Chiam Tau Meng	Member	Independent Non-Executive Director	Appointed with effect from 1 February 2021

Remuneration Committee:

No.	Name	Position	Designation	Remark
1.	Mr. Chee Wai Hong	Chairman	Independent Non-Executive Director	Appointed with effect from 1 February 2021
2.	Mr. Yee Chun Lin	Member	Independent Non-Executive Director	Appointed with effect from 1 February 2021
3.	Mr. Chiam Tau Meng	Member	Independent Non-Executive Director	Appointed with effect from 1 February 2021

- iii. On 15 February 2021, the Board of Directors resolved to suspend Dato' Shun Leong Kwong and Ms. Marianna Binti Aly Shun, both Non-Independent & Non-Executive Directors, from exercising their duties and functions as Directors of the Company with immediate effect until the conclusion of findings of the Independent Investigative Committee.

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

A9. Material Events Subsequent to the End of the Period Reported (continued)

The rationale for the suspension of the Directors are as follows:

No.	Name	Reason
1.	Dato' Shun Leong Kwong	To investigate his managing and handling of some land transactions in Seremban 3 and the Company's subsidiaries.
2.	Ms. Marianna Binti Aly Shun	To investigate her conduct in the planning and the organising of the last AGM of the Company held on the 30th of December 2020.

The Board has appointed an Independent Investigative Committee consisting of the following independent Board members together with an external independent advisor to examine and/or investigate the above matters:

1. Yee Chun Lin, Independent Director
2. Chee Wai Hong, Independent Director
3. Loo Hee Guan, Advocate and Solicitor, Independent External Advisor.

The suspension of the abovementioned Directors will have no financial or operational impact on the Company.

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

a) Category of financial instruments

	Unaudited 31 December 2020	Audited 30 June 2020
Financial assets:		
- measured at amortised cost		
• Operating financial assets	436,918	447,430
• Deposits, cash and bank balances	39,148	49,092
• Trade and other receivables, net of prepayments	29,383	35,410
	<u>505,449</u>	<u>531,932</u>
Financial liabilities:		
- measured at amortised cost		
• Loans and borrowings	364,972	380,175
• Trade and other payables, net of GST payable	50,663	65,222
	<u>415,635</u>	<u>445,397</u>

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

A11. Disclosure on Financial Instruments (continued)

b) Fair value measurements

	Unaudited 31 December 2020	Audited 30 June 2020
Financial assets:		
- Operating financial assets		
Carrying amount	436,918	447,430
Level 2	436,918	447,430
Total	436,918	447,430
Financial liabilities:		
- Loans and borrowings (fixed rate)		
Carrying amount	40,000	40,000
Level 2	40,000	40,000
Total	40,000	40,000

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:

	Quarter Ended 31 December 2020 RM'000	Financial Period Ended 31 December 2020 RM'000
Continuing operations		
Management fees	24	48
Interest income on operating financial assets	4,337	8,727
Maintenance income	3,302	6,595
Fair value of supplementary services	4,265	8,529
	11,928	23,899

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.

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

A14. Material Events and Transactions (continued)

- (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.

- (f) *Litigation settlements*

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.

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

A14. Material Events and Transactions (continued)

(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.

A15. Material Litigation

i. KUALA LUMPUR HIGH COURT ORIGINATING SUMMONS NO. WA-24NCC-9-01/2021 - TOH MAY FOOK & LIEW SOOK PIN (COLLECTIVELY REFERRED TO AS "PLAINTIFFS") VS Y.A.M. RAJA SHAHRUDDIN RASHID IBNI ALMARHUM SULTAN IDRIS ISKANDAR SHAH ("1ST DEFENDANT") & MENANG CORPORATION (M) BERHAD ("2ND DEFENDANT" OR "MENANG" OR "THE COMPANY") (COLLECTIVELY REFERRED TO AS "DEFENDANTS")

On 18 and 19 January 2021, the Board of Directors of the Company was served with the sealed Originating Summons and Affidavit in Support affirmed by the Plaintiffs on 12 January 2021, by the Plaintiffs through its solicitors, Messrs Mah-Kamariyah & Philip Koh.

The Plaintiffs are seeking from Court the following declarations and orders :

- a) that the withdrawal of the Ordinary Resolutions 7, 8 and 9 ("the Withdrawn Resolutions") by the 1st Defendant during the 56th Annual General Meeting of 2nd Defendant held on 30 December 2020 ("AGM") is wrongful, illegal, in breach of the 1st Defendants' duties and in abuse of 1st Defendant's power conferred by law, the Companies Act 2016 ("the Act") and Constitution of the 2nd Defendant;
- b) that the 1st Defendant has conducted the AGM of the 2nd Defendant in a manner oppressive, prejudicial and in disregard of the interest of the Plaintiffs as the members of the 2nd Defendant;

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

A15. Material Litigation (continued)

- c) that the Withdrawn Resolutions as set out below have been validly and properly passed during the AGM and shall be binding upon the 2nd Defendant;

Ordinary Resolution 7 – Appointment of Ms. Liew Sook Pin as Director

“THAT Ms. Liew Sook Pin having consented to act as a Director and having declared that she is not disqualified from being appointed or holding office as director of a company under the Companies Act 2016, be and is hereby appointed as a Director of the Company with immediate effect.”

Ordinary Resolution 8 – Appointment of Mr. Toh May Fook as Director

“THAT Mr. Toh May Fook having consented to act a Director and having declared that the is not disqualified from being appointed or holding office as a director of a company under the Companies Act 2016, be and is hereby appointed as a Director of the Company with immediate effect.”

Ordinary Resolution 9 – Removal of Director

“That Dr. Christopher Shun Kong Leng, CFP, RFP be removed as a Director of the Company with immediate effect.”

- d) An injunction directing the directors/employees/officers/agents of the 2nd Defendant to make such necessary announcement, lodge such necessary forms with relevant authorities, make such necessary records, and take such other necessary step to give effect to the Withdrawn Resolutions and the order made in pursuant to prayer (c) above as they were properly and duly passed in the AGM;
- e) An injunction preventing the 1st Defendant and the directors/employees/officers/agents of the 2nd Defendant to do such act or take such steps or make such statements which have the effect to frustrate, hinder or affect the effectiveness of the Withdrawn Resolutions;
- f) In alternative to and without prejudice to the items (c), (d) and (e) above, a mandatory injunction to instruct the 2nd Defendant to forthwith convene and hold a general meeting for deliberation and decision on the Withdrawn Resolutions, with such directions as this Honourable Court deems fit;
- g) Damages, including punitive and exemplary damages.
- ii. The Group’s announcements at Bursa Malaysia’s website on 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, 6 Mar 2020 and 25 February 2021 are referred. The terms herein shall bear the same meaning as defined in said announcements.

On 26 January 2021, the Group filed a Notice of Application and Affidavit to the Shah Alam High Court to recover the balance compensation sum amounting to RM20,060,531.19, plus interest. The hearing was fixed on 24 February 2021.

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

A15. Material Litigation (continued)

On 24 February 2021, the Shah Alam High Court awarded judgement in favour of the Company. The Lembaga Lebuhraya Malaysia is to file an affidavit stating the full settlement plan with three (3) weeks, including costs.

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	11,928	12,151	(223)	(1.84)
Operating profit	6,667	6,669	(2)	(0.03)
Profit before interest and tax	6,747	6,763	(16)	(0.24)
Profit/(Loss) before tax	635	(250)	885	(354.00)
Profit after tax	759	787	(28)	(3.56)
Discontinued Operation				
Results for the quarter, net of tax	3,503	3,392	111	3.27
(Loss)/Profit attributable to ordinary equity holders of the parent				
Continuing operations	(870)	(868)	(2)	0.23
Discontinued operation	2,617	2,539	78	3.07

The preceding year's corresponding quarter's loss of RM0.25 million improved to RM0.635 million mainly due to lower interest expense on borrowings incurred by the PFIs RM0.9 million arising from repayments and lower interest rates.

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 (continued)

(b) Financial Review for Current Period Compared to Preceding Year's Corresponding Period

	Current period RM'000	Preceding year's corresponding period RM'000	Change Amount RM'000	Change Percentage %
Continuing Operations				
Revenue	23,899	24,325	(426)	(1.75)
Operating profit	13,026	11,203	1,823	16.27
Profit before interest and tax	13,268	11,452	1,816	15.86
Profit/(Loss) before tax	686	(2,703)	3,389	(125.38)
Profit/(Loss) after tax	223	(928)	1,151	(124.03)
Discontinued Operation				
Results for the period, net of tax	6,962	6,737	225	3.34
(Loss)/Profit attributable to ordinary equity holders of the parent				
Continuing operations	(2,434)	(3,877)	1,443	(37.22)
Discontinued operation	5,204	5,045	159	3.15

The continuing operations' operating profit and profit before interest and tax increased by approximate RM1.8 million, mainly due to one-off expenses on land clearing and earthworks incurred in the preceding year's corresponding period. Further thereto, the profit/(loss) before tax improved by approximately RM3.4 million due to lower interest expenses RM1.6 million.

The profit/(loss) after tax improved by approximately RM1.2 million, mainly due to adjustment of deferred tax and increase of income tax recognition of approximately RM2.1 million.

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	11,928	11,971	(43)	(0.36)
Operating profit	6,667	6,359	308	4.84
Profit before interest and tax	6,747	6,521	226	3.47
Profit before tax	635	51	584	1,145.10
Profit/(Loss) after tax	759	(536)	1,295	(241.60)
Discontinued Operation				
Results for the period, net of tax	3,503	3,459	44	1.27
(Loss)/Profit attributable to ordinary equity holders of the parent				
Continuing operations	(870)	(1,564)	694	(44.37)
Discontinued operation	2,617	2,587	30	1.16

The continuing operations' profit before tax increased by approximately RM0.6 million, mainly due to lower interest expenses of RM0.4 million. The profit/(loss) after tax improved by approximately RM1.3 million, mainly due to adjustment of deferred tax of approximately RM0.9 million.

B3. Group's Prospects

The current pandemic has not affected our core business of managing the three (3) Private Finance Initiative ("PFI") concessions, at UiTM Seremban 3, UiTM Puncak Alam and UiTM Nilai. The Board is of the view these PFI concessions will continue to contribute positively to the earnings and cashflows of the Group for the financial year.

The Board will focus on implementing measures to reduce its costs by rationalising its operating structure and reducing its loans and financing costs by way of a proposed sukuk issuance and/or corporate equity exercise.

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 December 2020 compared to the financial year ended 30 June 2020 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 5.94%. The Group's borrowings are subjected to fixed and floating interest rates at ratio of 7 : 93.

(d) Borrowings that denominated in foreign currencies

There are no borrowings denominated in foreign currencies.

B8. Changes in Material Litigation

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 2020

The audit report from the Group's Annual Report 2020 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 December 2020 RM'000	Financial Period Ended 31 December 2020 RM'000
Continuing Operations		
Auditors' remuneration	18	63
Depreciation of investment properties	40	81
Depreciation of plant and equipment	13	27
Employee benefits expense	1,374	2,693
Expenses relating on short term leases	100	200
Fair value of supplementary services	(4,265)	(8,529)
Finance costs	6,112	12,582
Interest income	(81)	(244)
Interest income on operating financial assets	(4,337)	(8,727)
Reversal of impairment losses	(9)	(59)
Share of results of associate	1	2

By Order of the Board

MENANG CORPORATION (M) BERHAD

Jason Cheng
COMPANY SECRETARY

26 February 2021