



MENANG CORPORATION (M) BERHAD

Registration No. : 196401000240 (5383-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Condensed Consolidated Statements of Financial Position	1
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Part A – Explanatory Notes Pursuant to MFRS 134	7
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)	16

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2021

	Unaudited 31 MARCH 2021 RM'000	Audited 30 JUNE 2020 RM'000 (Restated)
ASSETS		
Non-current assets		
Plant and equipment	320	207
Investment properties	53,344	53,466
Inventories	161,762	161,762
Operating financial assets	719,147	749,124
Investment in an associate	227	230
Total non-current assets	934,800	964,789
Current assets		
Inventories	28,795	28,795
Operating financial assets	40,178	40,178
Trade and other receivables	34,696	41,723
Tax assets	247	247
Deposits, cash and bank balances	53,342	77,461
Total current assets	157,258	188,404
TOTAL ASSETS	1,092,058	1,153,193

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2021 (continued)

	Unaudited 31 MARCH 2021 RM'000	Audited 30 JUNE 2020 RM'000 (Restated)
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	240,400	240,400
Retained earnings	86,558	82,211
	326,958	322,611
Non-controlling interests	88,152	82,184
Total equity	415,110	404,795
LIABILITIES		
Non current liabilities		
Deferred tax liabilities	77,258	76,955
Loan and borrowings	467,652	513,262
Total non-current liabilities	544,910	590,217
Current liabilities		
Trade and other payables	50,374	69,334
Contract liability	19,383	17,414
Tax liabilities	459	596
Loan and borrowings	61,822	70,837
Total current liabilities	132,038	158,181
Total liabilities	676,948	748,398
TOTAL EQUITY AND LIABILITIES	1,092,058	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 THIRD QUARTER ENDED 31 MARCH 2021

	Current Quarter Ended 31 MAR 2021 RM'000	Corresponding Quarter Ended 31 MAR 2020 RM'000 (Restated)	Current Year-to-Date 31 MAR 2021 RM'000	Corresponding Year-to-Date 31 MAR 2020 RM'000 (Restated)
Revenue	21,994	22,387	66,281	67,503
Operating expenses	(8,873)	(6,198)	(25,623)	(24,540)
Impairment losses	-	-	-	-
Reversal of impairment losses	15	-	74	-
Other operating income	29	(12)	242	47
Operating profit	13,165	16,177	40,974	43,010
Finance income	138	154	382	405
Investing results	-	-	(2)	(2)
Profit before interest and tax	13,303	16,331	41,354	43,413
Finance costs	(8,075)	(9,915)	(25,596)	(30,779)
Profit before tax	5,228	6,416	15,758	12,634
Taxation	(2,098)	(6,026)	(5,443)	(6,435)
Profit for the year / Total comprehensive income	3,130	390	10,315	6,199
<i>Profit/(Loss) / Total comprehensive income/(loss) attributable to:</i>				
Owners of the Company	1,577	535	4,347	1,703
Non-controlling interests	1,553	(145)	5,968	4,496
	3,130	390	10,315	6,199
Basic earnings per share (sen)	0.33	0.11	0.90	0.35

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 THIRD QUARTER ENDED 31 MARCH 2021

	<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	-	4,347	4,347	5,968	10,315
As at 31 March 2021	240,400	86,558	326,958	88,152	415,110

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 THIRD QUARTER ENDED 31 MARCH 2021

	Unaudited 31 MARCH 2021 RM'000	Audited 30 JUNE 2020 RM'000 (Restated)
	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,758	15,209
Adjustments for:		
Depreciation of investment properties	122	162
Depreciation of plant and equipment	49	57
Gain on disposal of plant and equipment	-	(8)
Impairment losses on trade receivables	-	128
Impairment losses on deposits	-	22
Interest expense	25,596	40,015
Interest income	(382)	(607)
Interest income on operating financial assets	(24,058)	(33,488)
Reversal of impairment losses on trade receivables	(64)	(22)
Reversal of impairment losses on other receivables	(10)	-
Share of results of an associate, net of tax	2	3
	<hr/>	<hr/>
Operating profit before working capital changes	17,013	21,471
Changes in working capital:		
Inventories	-	(1,306)
Operating financial assets	54,035	72,045
Trade and other receivables	7,101	111
Trade and other payables	(19,059)	(10,375)
Contract liability	1,969	2,698
	<hr/>	<hr/>
Cash from operations	61,059	84,644
Interest paid	(180)	(318)
Interest received	-	291
Tax paid	(5,277)	(5,118)
	<hr/>	<hr/>
Net cash from operating activities	55,602	79,499

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2021 (continued)

	Unaudited 31 MARCH 2021 RM'000	Audited 30 JUNE 2020 RM'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances from an associate	-	(13)
Interest received	382	316
Proceed from disposal of plant and equipment	-	8
Purchase of plant and equipment	(162)	(46)
Placement of time deposits	-	(283)
Net cash from/(used in) investing activities	220	(18)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	-	40,000
Interest paid	(24,865)	(39,697)
Payment of lease liability	(4)	(7)
Proceed from issuance of shares	-	2
Advances from consortium parties	-	494
Repayment to directors	(60)	(155)
Repayment of term loans	(45,996)	(77,448)
Net cash used in financing activities	(70,925)	(76,811)
Net (decrease)/increase in cash and cash equivalents	(15,103)	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	43,864	58,967
Add: Deposits pledged	9,478	9,478
Add: Bank overdraft	-	9,016
Deposits, cash and bank balances at the end of financial period/year as reported in statements of financial position	53,342	77,461

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 19 March 2021, the Group announced that the Menang Vendors, together with Tentu Selesa Sdn Bhd, accepted a letter of termination of the SSA issued by Innovative City Holding Sdn Bhd. As such, the disposal group classified as held for sale in the audited financial statements for the financial year ended 30 June 2020 are no longer applicable in accordance with the criteria stated in MFRS 5. Disclosures in the current financial statements and comparative figures have been adjusted accordingly.

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

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

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

As at 31 March 2021						
Business Segments	Investment Holdings RM'000	Property Development RM'000	Concession Arrangements RM'000	Other Operating Segments RM'000	Eliminations RM'000	Consolidation RM'000
Total assets	19,377	253,683	818,887	111	-	1,092,058
Total liabilities	43,409	41,989	591,543	7	-	676,948

3 months ended 31 March 2021						
Business Segments	Investment Holdings 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	24	-	21,970	-	-	21,994
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	594	-	21,970	-	(570)	21,994
Segment results	(715)	(4,550)	18,433	(3)	-	13,165
Finance cost	(991)	(1)	(8,993)	-	1,910	(8,075)
Finance income	-	1,992	56	-	(1,910)	138
Investing results	-	-	-	-	-	-
(Loss)/Profit before tax	(1,706)	(2,559)	9,496	(3)	-	5,228
Taxation	(3)	(18)	(2,077)	-	-	(2,098)
(Loss)/Profit for the financial year	(1,709)	(2,577)	7,419	(3)	-	3,130

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

A8. Segmental Reporting (continued)

Business Segments	9 months ended 31 March 2021					
	Investment Holdings 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	-	66,209	-	-	66,281
Inter-segment revenue	1,710	-	-	-	(1,710)	-
Total revenue	1,782	-	66,209	-	(1,710)	66,281
Segment results	(2,040)	(8,708)	51,734	(12)	-	40,974
Finance cost	(3,007)	(2)	(25,036)	-	2,449	(25,596)
Finance income	22	2,615	194	-	(2,449)	382
Investing results	(2)	-	-	-	-	(2)
(Loss)/Profit before tax	(5,027)	(6,095)	26,892	(12)	-	15,758
Taxation	(5)	(37)	(5,401)	-	-	(5,443)
(Loss)/Profit for the financial year	(5,032)	(6,132)	21,491	(12)	-	10,315

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

On 9 April 2021, the Group announced a proposal to undertake a private placement of up to 10% of the issued ordinary shares of MCB at an issue price to be determined later. The objective of the proposed private placement exercise is to pay off part of borrowing of the Company, which carry interest rate of 10% per annum.

A10. Changes in the Composition of the Group

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

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

A11. Disclosure on Financial Instruments

a) Category of financial instruments

	Unaudited 31 March 2021	Audited 30 June 2020
Financial assets:		
- measured at amortised cost		
• Operating financial assets	759,325	789,302
• Deposits, cash and bank balances	53,342	77,461
• Trade and other receivables, net of prepayments	34,252	40,595
	<u>846,919</u>	<u>907,358</u>
Financial liabilities:		
- measured at amortised cost		
• Loans and borrowings	529,474	584,100
• Trade and other payables, net of GST payable	50,374	66,928
	<u>579,848</u>	<u>651,028</u>

b) Fair value measurements

	Unaudited 31 March 2021	Audited 30 June 2020
Financial assets:		
- Operating financial assets		
Carrying amount	759,325	447,430
Level 2	<u>759,325</u>	<u>447,430</u>
Total	<u>759,325</u>	<u>447,430</u>
Financial liabilities:		
- Loans and borrowings (fixed rate)		
Carrying amount	40,344	40,000
Level 2	<u>40,344</u>	<u>40,000</u>
Total	<u>40,344</u>	<u>40,000</u>

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.

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

A13. Disaggregation of Revenue

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

	Quarter Ended 31 March 2021 RM'000	Financial Period Ended 31 March 2021 RM'000
Management fees	24	72
Interest income on operating financial assets	7,917	24,058
Maintenance income	6,021	18,007
Fair value of supplementary services	8,056	24,168
	22,018	66,305

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.

- (f) *Litigation settlements*

Except stated in Note A15, there were no other litigation settled during the quarter.

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

A14. Material Events and Transactions (continued)

(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*

During the quarter, the Group incurred rental expenses that payable to an Executive Director of the Group. The amount is insignificant.

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

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 suit has been withdrawn by the Plaintiffs with no legal costs to Menang.

- ii. **SHAH ALAM HIGH COURT CIVIL SUIT NO. BA-15-210-11/2016 – MENANG DEVELOPMENT (M) SDN BHD ("APPELLANT") V PENTADBIRAN TANAH, DAERAH KLANG & KETUA SETIAUSAHA, KEMENTERIAN KERJA RAYA MALAYSIA ("RESPONDENTS")**

On 13 April 2021, the respondents filed an affidavit seeking nine months to propose a repayment solution for the balance compensation sum and was subsequently agreed by the appellant.

- iii. **KUALA LUMPUR HIGH COURT WRIT OF SUMMONS NO. WA-22NCC-155-04/2021 DATED 3 APRIL 2021 -DATO' SHUN LEONG KWONG ("THE PLAINTIFF") V TOH MAY FOOK ("1ST DEFENDANT"), LIEW SOOK PIN ("2ND DEFENDANT"), DATO LEE CHIN HWA ("3RD DEFENDANT"), LEE MIN HUAT ("4TH DEFENDANT"), NICHOLAS PUN CHEE CHEANG ("5TH DEFENDANT"), SIOW PEI TEE ("6TH DEFENDANT"), SOON BAN HIN ORIENTAL (M) SDN. BHD. ("7TH DEFENDANT") AND MENANG ("8TH DEFENDANT")**

On 8 April 2021, the Board of Directors of the Group served with a Writ of Summons by the Plaintiff, through its solicitors, Messrs. Bahari & Bahari, to seek for the following orders:

- a) that the 1st Defendant to 7th Defendant to make an application to the Securities Commission to seek direction to undertake a mandatory general offer ("MGO") at the higher of the price paid by 1st Defendant to 7th Defendant being persons acting in concert ("PAC") and any other PAC with 1st Defendant to 7th Defendant in the six months prior to the triggering of the MGO; or the pre-determined acquisition price for certain members of the PAC to be paid by the PAC leader upon obtaining Board Control of the Company;

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

A15. Material Litigation (continued)

- b) that 1st Defendant to 7th Defendant jointly and severally pay to the Plaintiff special damages as pleaded and damages to be assessed including exemplary or aggravated damages in respect of the matters as stated in a Statement of Claim;
- c) until further orders, 1st Defendant to 7th Defendant or any one or more of them and the PAC be restrained from taking any steps including exercising their voting rights or however; or if steps have been taken to restrain from proceeding with such steps the effect of which is to dilute the shareholding position of the Plaintiff in the Company;
- d) until further orders, Menang (the 8th Defendant) whether by itself or its agents or servants and/or directors or howsoever be restrained from in any way affecting any application to Bursa Malaysia and/or the Securities Commission for the issuance and/or listing of new shares in the Company howsoever arising including but not limited to the placement of shares, employee share issuance schemes and any related or non-related party transactions;
- e) that 1st Defendant to 7th Defendant comply with all provisions of the Capital Markets and Services Act 2007, the Malaysian Code on Take-Over and Mergers 2016, Companies Act 2016 and Bursa Malaysia Main Market Listing Requirements;
- f) costs; and
- g) any further and/or reliefs or order as the Honourable Court deems just and proper.

As at the date of this announcement, there is no material financial and operational impact arising from the suit against Menang, a nominal defendant. Menang has sought legal advice and is taking the necessary steps to address the suit.

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 %
Revenue	21,994	22,387	(393)	(1.76)
Operating profit	13,165	16,177	(3,012)	(18.62)
Profit before interest and tax	13,303	16,331	(3,028)	(18.54)
Profit before tax	5,228	6,416	(1,188)	(18.52)
Profit after tax	3,130	390	2,740	702.56
Profit attributable to ordinary equity holders of the parent	1,577	4,347	(2,770)	(63.72)

The Group's operating profit and profit before interest and tax decreased by RM3.01 million from preceding year's corresponding quarter due to timing differences of maintenance costs recognised of RM1.39 million and reversal of general provision made in preceding year's corresponding quarter of RM2.00 million. Profit after tax increased by RM2.74 million from preceding year's corresponding quarter due to deferred tax adjustment of PFI companies of RM4.85 million.

(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 %
Revenue	66,281	67,503	(1,222)	(1.81)
Operating profit	40,974	43,010	(2,036)	(4.73)
Profit before interest and tax	41,354	43,413	(2,059)	(4.74)
Profit before tax	15,758	12,634	3,124	24.73
Profit after tax	10,315	6,199	4,116	66.40
Profit attributable to ordinary equity holders of the parent	4,347	1,703	2,644	155.26

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 (continued)

The Group profit before tax increased by RM3.12 million due to lower finance costs by RM5.14 million compared to prior year’s corresponding period. The profit after tax increased by RM4.12 million due to adjustment of deferred tax of PFI companies amounting to RM2.88 million.

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 %
Revenue	21,994	22,106	(112)	(0.51)
Operating profit	13,165	14,213	(1,048)	(7.37)
Profit before interest and tax	13,303	14,293	(990)	(6.93)
Profit before tax	5,228	5,847	(619)	(10.59)
Profit after tax	3,130	4,262	(1,132)	(26.56)
Profit attributable to ordinary equity holders of the parent	1,577	1,747	(170)	(9.73)

The Group operating profit decreased by RM1.05 million from preceding quarter mainly due to quit rent and assessment of RM0.87 million and adjustments of GST expenses of RM0.38 million. In addition thereto, lower interest cost savings of RM0.36 million caused the profit before tax to decrease by RM0.62 million. The profit after tax decreased by RM1.13 million due to additional deferred tax of RM0.44 million.

B3. Group’s Prospects

The PFI businesses of the group stood resilient amid the challenging business and operating landscape due to the Covid-19 pandemic. The Board remains focused on implementing measures to reduce its costs by rationalising its operating structure, implementing cost optimisation strategies, and reducing its loans and financing costs by way of a proposed sukuk issuance and/or corporate equity exercise.

Looking ahead, the Group will continue to identify viable opportunities for its landbanks including affordable housing development and joint ventures with suitable partners.

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)

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 2021 RM'000	Financial Period Ended 31 March 2021 RM'000
Income tax	(2,002)	(5,139)
Deferred tax	(96)	(304)
Total	<u>(2,098)</u>	<u>(5,443)</u>

B6. Status of Corporate Proposals

The proposed private placement stated in A9 pending the strike off injunction by a former director set out in note A15(iii)(d).

B7. Borrowings and debt securities

	As at 31 March 2021					
	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	-	467,652	-	61,822	-	529,474
Unsecured	-	-	-	-	-	-
Total	-	467,652	-	61,822	-	529,474
	As at 30 June 2020					
	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	-	513,262	-	70,838	-	584,100
Unsecured	-	-	-	-	-	-
Total	-	513,262	-	70,838	-	584,100

(a) Detailed explanation on the material changes in borrowings

There were no new borrowings by the Group 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) (continued)

B7. Borrowings and debt securities (continued)

(b) Details of significant increase or reduction in borrowings

The decrease in total borrowings for financial period ended 31 March 2021 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

The weighted average interest rate of borrowings is 5.99%. The Group's borrowings are subjected to fixed and floating interest rates at ratio of 8 : 92.

(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, except those disclosed in Note A15.

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 March 2021 RM'000	Financial Period Ended 31 March 2021 RM'000
Auditors' remuneration	75	146
Depreciation of investment properties	41	122
Depreciation of plant and equipment	22	49
Employee benefits expense	1,524	4,217
Expenses relating on short term leases	97	297
Fair value of supplementary services	(8,056)	(24,168)
Finance costs	8,075	25,596
Interest income	(138)	(382)
Interest income on operating financial assets	(7,917)	(24,058)
Reversal of impairment losses	(15)	(74)
Share of results of associate	-	2

By Order of the Board

MENANG CORPORATION (M) BERHAD

Chin Wai Yi
COMPANY SECRETARY

21 May 2021