



MENANG CORPORATION (M) BERHAD

Registration No. : 196401000240 (5383-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2021

	Unaudited 30 JUNE 2021 RM'000	Audited 30 JUNE 2020 RM'000 (Restated)
	<u> </u>	<u> </u>
ASSETS		
Non-current assets		
Plant and equipment	336	207
Investment properties	53,303	53,466
Inventories	161,762	161,762
Operating financial assets	708,722	749,124
Investment in an associate	-	230
Total non-current assets	924,123	964,789
Current assets		
Inventories	28,795	28,795
Operating financial assets	40,402	40,178
Trade and other receivables	34,675	41,722
Tax assets	417	247
Deposits, cash and bank balances	57,236	77,461
Total current assets	161,525	188,403
TOTAL ASSETS	<u>1,085,648</u>	<u>1,153,192</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2021 (continued)

	Unaudited 30 JUNE 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	89,136	82,211
	329,536	322,611
Non-controlling interests	89,930	82,184
Total equity	419,466	404,795
LIABILITIES		
Non current liabilities		
Deferred tax liabilities	79,968	76,954
Loan and borrowings	409,484	513,262
Other payables	1,006	-
Total non-current liabilities	490,458	590,216
Current liabilities		
Trade and other payables	47,584	69,334
Contract liability	20,058	17,414
Tax liabilities	461	596
Loan and borrowings	107,621	70,837
Total current liabilities	175,724	158,181
Total liabilities	666,182	748,397
TOTAL EQUITY AND LIABILITIES	1,085,648	1,153,192
Net assets per share (RM)	0.69	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 FOURTH QUARTER ENDED 30 JUNE 2021

	Current Quarter Ended 30 JUNE 2021 RM'000	Corresponding Quarter Ended 30 JUNE 2020 RM'000 (Restated)	Current Year-to-Date 30 JUNE 2021 RM'000	Corresponding Year-to-Date 30 JUNE 2020 RM'000 (Restated)
Revenue	22,002	22,278	88,283	89,781
Operating expenses	(6,870)	(10,518)	(32,493)	(35,058)
Impairment losses	(111)	(138)	(111)	(138)
Reversal of impairment losses	767	22	841	22
Other operating income	110	(33)	352	14
Operating profit	15,898	11,611	56,872	54,621
Finance income	99	202	481	607
Investing results	(225)	(1)	(227)	(3)
Profit before interest and tax	15,772	11,812	57,126	55,225
Finance costs	(8,168)	(9,237)	(33,764)	(40,016)
Profit before tax	7,604	2,575	23,362	15,209
Taxation	(3,248)	62	(8,691)	(6,373)
Profit for the quarter/year / Total comprehensive income	4,356	2,637	14,671	8,836
<i>Profit / Total comprehensive income attributable to:</i>				
Owners of the Company	2,578	1,083	6,925	2,786
Non-controlling interests	1,778	1,554	7,746	6,050
	4,356	2,637	14,671	8,836
Basic earnings per share (sen)	0.54	0.23	1.44	0.58

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 FOURTH QUARTER ENDED 30 JUNE 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 year, representing total comprehensive income	-	6,925	6,925	7,746	14,671
As at 30 June 2021	240,400	89,136	329,536	89,930	419,466

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 FOURTH QUARTER ENDED 30 JUNE 2021

	Unaudited 30 JUNE 2021 RM'000	Audited 30 JUNE 2020 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	23,362	15,209
Adjustments for:		
Depreciation of investment properties	162	162
Depreciation of plant and equipment	94	57
Gain on disposal of plant and equipment	-	(8)
Impairment losses on trade and other receivables	111	128
Impairment losses on deposits	-	22
Interest expense	33,764	40,015
Interest income	(481)	(607)
Interest income on operating financial assets	(31,870)	(33,488)
Reversal of impairment losses on trade and other receivables	(841)	(22)
Share of results of an associate, net of tax	230	3
Write off of trade and other receivables	817	-
Operating profit before working capital changes	25,348	21,471
Changes in working capital:		
Right-of-use asset	(44)	-
Inventories	-	(1,306)
Operating financial assets	72,048	72,045
Trade and other receivables	6,960	111
Trade and other payables	(20,791)	(10,375)
Lease liability	36	-
Contract liability	2,644	2,698
Cash from operations	86,201	84,644
Interest paid	(180)	(318)
Interest received	-	291
Tax paid	(5,978)	(5,118)
Net cash from operating activities	80,043	79,499

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2021 (continued)

	Unaudited 30 JUNE 2021 RM'000	Audited 30 JUNE 2020 RM'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances from an associate	-	(13)
Interest received	481	316
Proceed from disposal of plant and equipment	-	8
Purchase of plant and equipment	(182)	(46)
Placement of time deposits	(3,354)	(283)
Net cash used in investing activities	(3,055)	(18)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	-	40,000
Interest paid	(32,229)	(39,697)
Payment of lease liability	(6)	(7)
Proceed from issuance of shares	-	2
Advances from consortium parties	-	494
Advances from/(Repayment to) directors	28	(155)
Repayment of term loans	(59,360)	(77,448)
Net cash used in financing activities	(91,567)	(76,811)
Net (decrease)/increase in cash and cash equivalents	(14,579)	2,670
Cash and cash equivalents at beginning of financial year	58,967	56,297
Cash and cash equivalents at the end of financial year as reported in statements of cash flows	44,388	58,967
Add: Deposits pledged	12,848	9,478
Add: Bank overdraft	-	9,016
Deposits, cash and bank balances at the end of financial year as reported in statements of financial position	57,236	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 previous and current quarters 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 30 June 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	18,855	252,777	813,905	111	-	1,085,648
Total liabilities	43,084	40,492	582,597	9	-	666,182

	3 months ended 30 June 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	-	21,978	-	-	22,002
Inter-segment revenue	-	-	-	-	-	-
Total revenue	24	-	21,978	-	-	22,002
Segment results	(975)	813	16,052	8	-	15,898
Finance cost	(998)	-	(6,787)	-	(383)	(8,168)
Finance income	-	(337)	53	-	383	99
Investing results	(225)	-	-	-	-	(225)
(Loss)/Profit before tax	(2,198)	476	9,318	8	-	7,604
Taxation	-	37	(3,285)	-	-	(3,248)
(Loss)/Profit for the financial year	(2,198)	513	6,033	8	-	4,356

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

A8. Segmental Reporting (continued)

Business Segments	12 months ended 30 June 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	96	-	88,187	-	-	88,283
Inter-segment revenue	1,710	-	-	-	(1,710)	-
Total revenue	1,806	-	88,187	-	(1,710)	88,283
Segment results	(3,015)	(7,895)	67,786	(4)	-	56,872
Finance cost	(4,005)	(2)	(31,823)	-	2,066	(33,764)
Finance income	22	2,278	247	-	(2,066)	481
Investing results	(227)	-	-	-	-	(227)
(Loss)/Profit before tax	(7,225)	(5,619)	36,210	(4)	-	23,362
Taxation	(5)	-	(8,686)	-	-	(8,691)
(Loss)/Profit for the financial year	(7,230)	(5,619)	27,524	(4)	-	14,671

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

- i. On 9 April 2021, the Company announced a proposed private placement of up to 10% of its ordinary shares to repay its borrowings. On 14 September 2021, the Company announced that after due and careful consideration, the Board has decided to raise the requisite funding to repay its borrowings through other means and abort the proposed private placement.
- ii. On 19 July 2021, the Group received the balance compensation sum amounting to RM20,060,531.91 from the Ministry of Works in relation to the Joint Development of Klang Lands under Consortium Agreement.

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 30 June 2021	Audited 30 June 2020
Financial assets:		
- measured at amortised cost		
• Operating financial assets	749,124	789,302
• Deposits, cash and bank balances	57,236	77,461
• Trade and other receivables, net of prepayments	34,214	40,595
	<u>840,574</u>	<u>907,358</u>
Financial liabilities:		
- measured at amortised cost		
• Loans and borrowings	517,105	584,100
• Trade and other payables, net of GST payable	46,578	66,928
	<u>563,683</u>	<u>651,028</u>

b) Fair value measurements

	Unaudited 30 June 2021	Audited 30 June 2020
Financial assets:		
- Operating financial assets		
Carrying amount	749,124	789,302
Level 2	<u>749,124</u>	<u>789,302</u>
Total	<u>749,124</u>	<u>789,302</u>
Financial liabilities:		
- Loans and borrowings (fixed rate)		
Carrying amount	40,366	40,000
Level 2	<u>40,366</u>	<u>40,000</u>
Total	<u>40,366</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 30 June 2021 RM'000	Financial Year Ended 30 June 2021 RM'000
Management fees	24	96
Interest income on operating financial assets	7,812	31,870
Maintenance income	6,109	24,092
Fair value of supplementary services	8,057	32,225
	22,002	88,283

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*

There were no material litigations 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*

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 A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A15. Material Litigation

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;
- 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-Overs 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	22,002	22,278	(276)	(1.24)
Operating profit	15,898	11,611	4,287	36.92
Profit before interest and tax	15,772	11,812	3,960	33.53
Profit before tax	7,604	2,575	5,029	195.30
Profit after tax	4,356	2,637	1,719	65.19
Profit attributable to ordinary equity holders of the parent	2,578	1,083	1,495	138.04

The Group recorded higher operating profit and profit before interest and tax in the current quarter compared to the preceding year's corresponding quarter by RM4.29 million and RM3.96 million respectively due to lower expenses incurred in current quarter. The preceding year's corresponding quarter included non-recurring GST expenses (RM2.40 million), payments to authorities (RM0.88 million) and legal and professional fees (RM0.72 million). Together with lower interest expenses (RM1.07 million) due to scheduled repayments made and lower overall interest rates, this resulted in the profit before tax increased by RM5.03 million. The higher profit before tax of RM5.03 million was reduced by a higher tax expense amounting to RM3.30 million resulting in the higher profit after tax of RM1.72million. The higher tax expense of RM3.30 million was mainly due to deferred tax adjustments. The current quarter higher profit attributable to ordinary equity holders of the parent was due to cost savings attributable to the Group instead of the non-controlling interests.

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

	Current year RM'000	Preceding year RM'000	Change Amount RM'000	Change Percentage %
Revenue	88,283	89,781	(1,498)	(1.67)
Operating profit	56,872	54,621	2,251	4.12
Profit before interest and tax	57,126	55,225	1,901	3.44
Profit before tax	23,362	15,209	8,153	53.61
Profit after tax	14,671	8,836	5,835	66.04
Profit attributable to ordinary equity holders of the parent	6,925	2,786	4,139	148.56

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 Year Compared to Preceding Year (continued)

The Group recorded higher profit before tax in the current year compared to the preceding year by RM8.15 million mainly due to lower expenses incurred in current year. The preceding year included non-recurring GST expenses (RM2.80 million) and lower interest expenses in current year (RM6.25 million) due to scheduled repayments made and lower overall interest rates. The profit after tax increased by RM5.84 million mainly due to deferred tax adjustments. The current year profit attributable to ordinary equity holders of the parent was higher due to cost savings attributable to the Group instead of the non-controlling interests.

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	22,002	21,994	8	0.04
Operating profit	15,898	13,165	2,733	20.76
Profit before interest and tax	15,772	13,303	2,469	18.56
Profit before tax	7,604	5,228	2,376	45.45
Profit after tax	4,356	3,130	1,226	39.17
Profit attributable to ordinary equity holders of the parent	2,578	1,577	1,001	63.47

The Group recorded higher operating profit, profit before interest and tax and profit before tax comparing current quarter and preceding quarter amounting to RM2.73 million, RM2.47 million and RM2.38 million respectively. This was mainly due to current quarter impact of reversal of quit rent and assessment (RM1.68 million) and lower repair and maintenance expenses (RM0.93 million). The current quarter profit after tax increased by RM1.23 million due to RM1.15 million deferred tax adjustments. The current quarter higher profit attributable to ordinary equity holders of the parent was higher as most cost savings were attributable to the Group instead of the non-controlling interests.

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 and potential 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 30 June 2021 RM'000	Financial Year Ended 30 June 2021 RM'000
Income tax	(538)	(5,677)
Deferred tax	(2,710)	(3,014)
Total	<u>(3,248)</u>	<u>(8,691)</u>

B6. Status of Corporate Proposals

There were no new corporate proposals during the quarter under review, other than that disclosed in note A9(i).

B7. Borrowings and debt securities

	As at 30 June 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	-	409,484	-	107,621	-	517,105
Unsecured	-	-	-	-	-	-
Total	-	409,484	-	107,621	-	517,105
	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	-	70,837	-	584,099
Unsecured	-	-	-	-	-	-
Total	-	513,262	-	70,837	-	584,099

(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 year ended 30 June 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 5.95%. 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 30 June 2021 RM'000	Financial Year Ended 30 June 2021 RM'000
Auditors' remuneration	49	195
Depreciation of investment properties	41	163
Depreciation of plant and equipment	45	94
Employee benefits expense	1,009	5,226
Expenses relating on short term leases	(3)	294
Fair value of supplementary services	(8,057)	(32,225)
Finance costs	8,168	33,764
Interest income	(99)	(481)
Interest income on operating financial assets	(7,812)	(31,870)
Reversal of impairment losses	(767)	(841)
Share of results of associate	225	227
Write off of trade and other receivables	817	817

B12. Disclosure of COVID-19 related impacts

COVID-19 has no material impact toward the Group's operations. Hence, there is no major impact on the Group's cash flows, liquidity, financial position and financial performance. The pandemic, however, do impact the way Group deal with various authorities and third party stakeholders, it also affect safety and health of the Group's staff. The management of the Group has taken steps to mitigate such risks, mainly by work-from-home policy, office sanitisation, and full utilisation of IT.

B13. Disclosure of COVID-19 related investments

Past material investments entered are not materially impacted by COVID-19. Depends on the latest status of COVID-19, the Group will revise all future agreements entered whether to include terms related to COVID-19. The Group also invested, in immaterial amount, on hand sanitisers, face masks, COVID-19 test, office sanitation, thermometer, etc. since the beginning of the pandemic.

By Order of the Board

MENANG CORPORATION (M) BERHAD

Chin Wai Yi
COMPANY SECRETARY

27 September 2021