



# **MENANG CORPORATION (M) BERHAD**

Registration No. : 196401000240 (5383-K)

## **QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

	Unaudited 30 SEPTEMBER 2021 RM'000	Audited 30 JUNE 2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	310	336
Investment properties	51,603	51,643
Inventories	163,727	163,727
Operating financial assets	698,417	708,722
Investment in an associate	-	-
<b>Total non-current assets</b>	<b>914,057</b>	<b>924,428</b>
<b>Current assets</b>		
Inventories	29,210	29,210
Operating financial assets	40,402	40,402
Trade and other receivables	14,857	34,675
Tax assets	263	417
Deposits, cash and bank balances	56,414	57,236
<b>Total current assets</b>	<b>141,146</b>	<b>161,940</b>
<b>TOTAL ASSETS</b>	<b>1,055,203</b>	<b>1,086,368</b>

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021 (continued)**

	Unaudited 30 SEPTEMBER 2021 RM'000	Audited 30 JUNE 2021 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	240,400	240,400
Retained earnings	92,596	89,367
	<b>332,996</b>	329,767
<b>Non-controlling interests</b>	<b>92,081</b>	89,930
<b>Total equity</b>	<b>425,077</b>	419,697
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Deferred tax liabilities	80,302	79,968
Loan and borrowings	386,505	409,490
Other payables	755	1,006
<b>Total non-current liabilities</b>	<b>467,562</b>	490,464
<b>Current liabilities</b>		
Trade and other payables	38,320	48,073
Contract liability	20,641	20,058
Tax liabilities	783	461
Loan and borrowings	102,820	107,615
<b>Total current liabilities</b>	<b>162,564</b>	176,207
<b>Total liabilities</b>	<b>630,126</b>	666,671
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,055,203</b>	1,086,368
<b>Net assets per share (RM)</b>	<b>0.69</b>	0.69

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 2021.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

	Current Quarter Ended 30 SEP 2021 RM'000	Corresponding Quarter Ended 30 SEP 2020 RM'000	Current Year-to-Date 30 SEP 2021 RM'000	Corresponding Year-to-Date 30 SEP 2020 RM'000
Revenue	21,841	22,181	21,841	22,181
Operating expenses	(6,794)	(8,676)	(6,794)	(8,676)
Impairment losses	-	-	-	-
Reversal of impairment losses	-	50	-	50
Other operating income	-	41	-	41
Operating profit	15,047	13,596	15,047	13,596
Finance income	119	163	119	163
Investing results	-	(1)	-	(1)
Profit before interest and tax	15,166	13,758	15,166	13,758
Finance costs	(7,680)	(9,075)	(7,680)	(9,075)
Profit before tax	7,486	4,683	7,486	4,683
Taxation	(2,106)	(1,760)	(2,106)	(1,760)
<b>Profit for the quarter / period / Total comprehensive income</b>	<b>5,380</b>	<b>2,923</b>	<b>5,380</b>	<b>2,923</b>
<b><i>Profit / Total comprehensive income attributable to:</i></b>				
Owners of the Company	3,229	1,023	3,229	1,023
Non-controlling interests	2,151	1,900	2,151	1,900
	<b>5,380</b>	<b>2,923</b>	<b>5,380</b>	<b>2,923</b>
<b>Basic earnings per share (sen)</b>	<b>0.67</b>	<b>0.21</b>	<b>0.67</b>	<b>0.21</b>

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 2021.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 2021	240,400	89,367	329,767	89,930	419,697
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year, representing total comprehensive income	-	3,229	3,229	2,151	5,380
<b>As at 30 September 2021</b>	<b>240,400</b>	<b>92,596</b>	<b>332,996</b>	<b>92,081</b>	<b>425,077</b>

	<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
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year, representing total comprehensive income	-	7,156	7,156	7,746	14,902
<b>As at 30 June 2021</b>	<b>240,400</b>	<b>89,367</b>	<b>329,767</b>	<b>89,930</b>	<b>419,697</b>

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 2021.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

	<b>Unaudited</b> <b>30 SEPTEMBER 2021</b> <b>RM'000</b>	<b>Audited</b> <b>30 JUNE 2021</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	7,486	23,593
Adjustments for:		
Depreciation of investment properties	41	163
Depreciation of plant and equipment	26	94
Deposits written off	-	53
Impairment losses on trade receivables	-	77
Impairment losses on other receivables	-	34
Impairment losses on investment property	-	1,660
Interest expense	7,680	33,764
Interest income	(119)	(481)
Interest income on operating financial assets	(7,707)	(31,870)
Reversal of impairment losses on trade and other receivables	-	(61)
Reversal of inventory written down to NRV	-	(2,380)
Share of results of an associate, net of tax	-	230
<b>Operating profit before working capital changes</b>	<b>7,407</b>	<b>24,876</b>
Changes in working capital:		
Operating financial assets	18,012	72,048
Trade and other receivables	19,818	6,938
Trade and other payables	(10,144)	(20,282)
Contract liability	583	2,644
Cash from operations	35,676	86,224
Interest paid	-	(20)
Interest received	-	148
Tax paid	(1,297)	(6,130)
Net cash from operating activities	34,379	80,222

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021 (continued)**

	<b>Unaudited</b> <b>30 SEPTEMBER 2021</b> <b>RM'000</b>	<b>Audited</b> <b>30 JUNE 2021</b> <b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances from an associate	-	(12)
Interest received	119	481
Purchase of plant and equipment	-	(180)
Placement of time deposits	(15)	(3,275)
Net cash from/(used in) investing activities	104	(2,986)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(9,684)	(32,392)
Payment of lease liability:		
- office rental	(6)	(6)
- finance lease	(3)	(6)
Advances from directors	140	28
Repayment of term loans	(25,767)	(59,360)
Net cash used in financing activities	(35,320)	(91,736)
Net decrease in cash and cash equivalents	(837)	(14,500)
Cash and cash equivalents at beginning of financial period/year	44,467	58,967
<b>Cash and cash equivalents at the end of financial period/year as reported in statements of cash flows</b>	<b>43,630</b>	<b>44,467</b>
Add: Deposits pledged	12,784	12,769
<b>Deposits, cash and bank balances at the end of financial period/year as reported in statements of financial position</b>	<b>56,414</b>	<b>57,236</b>

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 2021.

**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 2021. 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 2021.

- (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 2021.

**A2. Audit Report for the Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 30 June 2021 was not qualified.

**A3. Seasonal or Cyclical Factors**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter under review.

**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.



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

**A7. Dividends**

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

**A8. Segmental Reporting**

As at 30 September 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	17,199	239,558	798,335	111	-	1,055,203
Total liabilities	37,820	31,386	560,909	11	-	630,126

3 months ended 30 September 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	-	21,817	-	-	21,841
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	594	-	21,817	-	(570)	21,841
Segment results	(543)	(1,270)	16,863	(3)	-	15,047
Finance cost	(968)	(1)	(7,307)	-	596	(7,680)
Finance income	-	658	57	-	(596)	119
Investing results	-	-	-	-	-	-
(Loss)/Profit before tax	(1,511)	(613)	9,613	(3)	-	7,486
Taxation	-	(15)	(2,091)	-	-	(2,106)
(Loss)/Profit for the financial period	(1,511)	(628)	7,522	(3)	-	5,380

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

On 15 October 2021, the Company announced that a proposed bonus issue of up to 240,399,720 free warrants on the basis of one (1) warrant for every two (2) ordinary shares in the Company, whose names appear in the Record of Depositors of the Company at the close of business on the entitlement date to be determined and announced later by the Board.

On 29 October 2021, the Company received the approval from Bursa Securities for the proposed bonus issue.

On 29 November 2021, the shareholders at the extraordinary general meeting approved the proposed bonus issue.

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

**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

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 SEPTEMBER 2021</b>	<b>30 JUNE 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Financial assets:		
- measured at amortised cost		
• Operating financial assets	738,819	749,124
• Deposits, cash and bank balances	56,414	57,236
• Trade and other receivables, net of prepayments	14,806	34,213
	<u>810,039</u>	<u>840,573</u>
Financial liabilities:		
- measured at amortised cost		
• Loans and borrowings	489,325	517,105
• Trade and other payables, net of GST payable	38,320	47,067
	<u>527,645</u>	<u>564,172</u>

b) Fair value measurements

	<b>Fair Value of financial instruments</b>	
	<b>not carried at fair value</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>30 SEPTEMBER 2021</b>	<b>30 JUNE 2021</b>
Financial assets:		
- Operating financial assets		
Carrying amount	738,819	749,124
Level 2	<u>738,819</u>	<u>749,124</u>
Total	<u>738,819</u>	<u>749,124</u>
Financial liabilities:		
- Loans and borrowings (fixed rate)		
Carrying amount	35,320	40,329
Level 2	<u>35,320</u>	<u>40,329</u>
Total	<u>35,320</u>	<u>40,329</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 SEPTEMBER 2021 RM'000	Financial Period Ended 30 SEPTEMBER 2021 RM'000
Management fees	24	24
Interest income on operating financial assets	7,707	7,707
Maintenance income	6,054	6,054
Fair value of supplementary services	8,056	8,056
	21,841	21,841

**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 8<sup>th</sup> 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.

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

**A15. Material Litigation (continued)**

On 14 October 2021, the High Court struck out the Plaintiff's order against the Company with a cost of RM18,000.

On 21 October 2021, the Company received a copy of the sealed notice of appeal dated 18 October 2021 from the Plaintiff's solicitors in respect of the appeal filed by the Plaintiff against the decision made by the High Court.

**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  
 (b) Current Period Compared to Preceding Year's Corresponding Period's Results

	Current quarter/period RM'000	Preceding year's corresponding quarter/period RM'000	Change Amount RM'000	Change Percentage %
Revenue	21,841	22,181	(340)	(1.53)
Operating profit	15,047	13,596	1,451	10.67
Profit before interest and tax	15,166	13,758	1,408	10.23
Profit before tax	7,486	4,683	2,803	59.85
Profit after tax	5,380	2,923	2,457	84.06
Profit attributable to ordinary equity holders of the parent	3,229	1,023	2,206	215.64

The Group recorded higher operating profit and profit before interest and tax in the current quarter/period compared to the preceding year's corresponding quarter/period by RM1.45 million and RM1.41 million respectively due to the proactive measures undertaken by management to reduce the overall operating costs in current quarter/period.

Together with lower interest expenses (RM1.40 million) due to scheduled repayments made, this resulted in the profit before tax increased by RM2.80 million.

The higher profit before tax of RM2.80 million was reduced by a higher tax expense of RM0.34 million and resulting in the higher profit after tax of RM2.46 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 %
Revenue	21,841	22,002	(161)	(0.73)
Operating profit	15,047	16,129	(1,082)	(6.71)
Profit before interest and tax	15,166	16,003	(837)	(5.23)
Profit before tax	7,486	7,835	(349)	(4.45)
Profit after tax	5,380	4,587	793	17.29
Profit attributable to ordinary equity holders of the parent	3,229	2,809	420	14.95

The Group recorded lower operating profit, profit before interest and tax and profit before tax comparing current quarter and preceding quarter amounting to RM1.08 million, RM0.84 million and RM0.35 million respectively.

This was mainly due to the reversal of impairment losses of RM0.72 million in the preceding quarter. The current quarter profit after tax increased by RM0.79 million due to RM1.14 million deferred tax adjustments in preceding quarter.

**B3. Group's Prospects**

The resilient PFI businesses of the group continued to contribute to the profits of the group while the country shows signs of recovery the COVID-19 pandemic. The Board remains focused on improving its costs and financial position and at the same time identify viable business for tis landbanks.

**B4. Profit forecast or profit guarantee**

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

**B5. Taxation**

	Quarter Ended 30 SEPTEMBER 2021 RM'000	Financial Period Ended 30 SEPTEMBER 2021 RM'000
Income tax	(1,772)	(1,772)
Deferred tax	(334)	(334)
Total	<u>(2,106)</u>	<u>(2,106)</u>

**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)**

**B6. Status of Corporate Proposals**

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

**B7. Borrowings and debt securities**

	As at 30 September 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	-	386,505	-	102,820	-	489,325
Unsecured	-	-	-	-	-	-
Total	-	386,505	-	102,820	-	489,325
	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	-	409,490	-	107,615	-	517,105
Unsecured	-	-	-	-	-	-
Total	-	409,490	-	107,615	-	517,105

**(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 30 September 2021 compared to the financial year ended 30 June 2021 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 5.93%. 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.



**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)**

**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 2021**

The audit report from the Group’s Annual Report 2021 was unqualified.

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

	Quarter Ended 30 SEPTEMBER 2021 RM’000	Financial Period Ended 30 SEPTEMBER 2021 RM’000
Auditors' remuneration	49	49
Depreciation of investment properties	42	42
Depreciation of plant and equipment	26	26
Employee benefits expense	1,130	1,130
Fair value of supplementary services	(8,056)	(8,056)
Finance costs	7,680	7,680
Interest income	(119)	(119)
Interest income on operating financial assets	(7,707)	(7,707)

**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.

**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)**

**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

29 September 2021