



MENANG CORPORATION (M) BERHAD

Registration No. : 196401000240 (5383-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

	Unaudited 30 SEPTEMBER 2022 RM'000	Audited 30 JUNE 2022 RM'000
ASSETS		
Non-current assets		
Plant and equipment	1,219	1,245
Investment properties	51,440	51,481
Inventories	160,368	160,368
Operating financial assets	652,452	663,639
Investment in an associate	-	-
Total non-current assets	865,479	876,733
Current assets		
Inventories	32,154	32,154
Operating financial assets	44,071	43,621
Trade and other receivables	41,214	19,129
Tax assets	2,093	1,798
Deposits, cash and bank balances	36,340	47,339
Total current assets	155,872	144,041
TOTAL ASSETS	1,021,351	1,020,774

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022 (continued)

	Unaudited 30 SEPTEMBER 2022 RM'000	Audited 30 JUNE 2022 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	253,127	253,127
Retained earnings	109,992	106,578
	363,119	359,705
Non-controlling interests	97,810	95,306
Total equity	460,929	455,011
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	84,347	83,572
Loan and borrowings	330,072	345,905
Total non-current liabilities	414,419	429,477
Current liabilities		
Trade and other payables	43,342	41,233
Contract liability	23,185	22,479
Loan and borrowings	79,476	72,574
Total current liabilities	146,003	136,286
Total liabilities	560,422	565,763
TOTAL EQUITY AND LIABILITIES	1,021,351	1,020,774
Net assets per share (RM)	0.72	0.71

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 2022.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

	Current Quarter Ended 30 SEPT 2022 RM'000	Corresponding Quarter Ended 30 SEPT 2021 RM'000	Current Year-to-Date 30 SEPT 2022 RM'000	Corresponding Year-to-Date 30 SEPT 2021 RM'000
Revenue	21,606	21,841	21,606	21,841
Cost of Sales	(5,671)	(5,528)	(5,671)	(5,528)
Gross Profit	15,935	16,313	15,935	16,313
Other income	93	119	93	119
Administrative expenses	(1,792)	(1,266)	(1,792)	(1,266)
Net gain on impairment of financial assets	51	-	51	-
Profit from operations	14,287	15,166	14,287	15,166
Finance costs	(6,219)	(7,680)	(6,219)	(7,680)
Profit before tax	8,068	7,486	8,068	7,486
Taxation	(2,150)	(2,106)	(2,150)	(2,106)
Profit for the quarter / period / Total comprehensive income	5,918	5,380	5,918	5,380
<i>Profit / Total comprehensive income attributable to:</i>				
Owners of the Company	3,414	3,229	3,414	3,229
Non-controlling interests	2,504	2,151	2,504	2,151
	5,918	5,380	5,918	5,380
Basic earnings per share (sen)	0.67	0.67	0.67	0.67

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Company for the year ended 30 June 2022.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

	<Attributable to Owners of the Company>				
	Share capital RM'000	Retained earnings RM'000	Sub total RM'000	Non - controlling interests RM'000	Total equity RM'000
As at 1 July 2022	253,127	106,578	359,705	95,306	455,011
Total comprehensive income for the financial period					
Profit for the financial period, representing total comprehensive income	-	3,414	3,414	2,504	5,918
As at 30 September 2022	253,127	109,992	363,119	97,810	460,929

	<Attributable to Owners of the Company>				
	Share capital RM'000	Retained earnings RM'000	Sub total RM'000	Non - controlling interests RM'000	Total equity RM'000
As at 1 July 2021	240,400	94,473	334,873	84,824	419,697
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income for the financial year	-	12,105	12,105	10,482	22,587
Transactions with owners					
Issuance of ordinary shares pursuant to warrant exercised	12,727	-	12,727	-	12,727
As at 30 June 2022	253,127	106,578	359,705	95,306	455,011

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 2022.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

	Unaudited	Audited
	30 SEPTEMBER 2022	30 JUNE 2022
	RM'000	RM'000
	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,068	30,484
Adjustments for:		
Depreciation of investment properties	41	162
Depreciation of plant and equipment	75	175
Interest expense	6,219	27,778
Interest income	(90)	(1,953)
Interest income on operating financial assets	(7,274)	(30,183)
Reversal of impairment losses on trade and other receivables	(51)	(46)
	<hr/>	<hr/>
Operating profit before working capital changes	6,988	26,417
Changes in working capital:		
Operating financial assets	18,011	72,047
Inventories	-	415
Trade and other receivables	(22,034)	15,592
Trade and other payables	2,091	(8,175)
Contract liability	706	2,421
	<hr/>	<hr/>
Cash from operations	5,762	108,717
Interest paid	-	(11)
Interest received	14	1,558
Tax paid	(1,670)	(6,186)
Tax refunded	-	51
	<hr/>	<hr/>
Net cash from operating activities	4,106	104,129

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022 (continued)

	Unaudited 30 SEPTEMBER 2022 RM'000	Audited 30 JUNE 2022 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	76	395
Purchase of plant and equipment	(49)	(1,084)
Withdrawal/(Placement) of time deposits	4,241	(247)
Net cash from/(used in) investing activities	4,268	(936)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loans	-	13,000
Interest paid	(4,102)	(27,767)
Payment of lease liability:		
- office rental	(6)	(22)
- finance lease	-	(80)
Proceeds from issuance of share capital from exercise of warrants	-	12,727
Repayment of term loans	(11,183)	(112,975)
Net cash used in financing activities	(15,291)	(115,117)
Net decrease in cash and cash equivalents	(6,917)	(11,924)
Cash and cash equivalents at beginning of financial period/year	32,543	44,467
Cash and cash equivalents at the end of financial period/ year as reported in consolidated statement of cash flows	25,626	32,543
Add: Deposits pledged	8,775	13,016
Add: Bank overdraft	1,939	1,780
Deposits, cash and bank balances at the end of financial period/ year as reported in consolidated statement of financial position	36,340	47,339

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 2022.

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 2022. 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 2022.

- (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 2022.

A2. Audit Report for the Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2022 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 2022						
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	335,083	335,218	786,983	882	(436,815)	1,021,351
Total liabilities	77,170	93,435	525,728	4,233	(140,144)	560,422

3 months ended 30 September 2022						
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	-	21,582	-	-	21,606
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	594	-	21,582	-	(570)	21,606
Segment results	(467)	(1,199)	16,018	(5)	(60)	14,287
Finance cost	-	(193)	(6,086)	-	60	(6,219)
(Loss)/Profit before tax	(467)	(1,392)	9,932	(5)	-	8,068
Taxation	-	-	(2,150)	-	-	(2,150)
(Loss)/Profit for the financial period	(467)	(1,392)	7,782	(5)	-	5,918

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

There is no material event subsequent to the end of period reported.

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

Category of financial instruments

	Unaudited	Audited
	30 SEPTEMBER 2022	30 JUNE 2022
	RM'000	RM'000
Financial assets:		
- measured at amortised cost		
• Operating financial assets	696,523	707,260
• Deposits, cash and bank balances	36,340	47,339
• Trade and other receivables, net of prepayments	40,918	18,827
	<u>773,781</u>	<u>773,426</u>
Financial liabilities:		
- measured at amortised cost		
• Loans and borrowings	409,548	418,479
• Trade and other payables, net of GST payable	42,467	40,227
	<u>452,015</u>	<u>458,706</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.

A13. Disaggregation of Revenue

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

	Quarter Ended	Financial Period Ended
	30 SEPTEMBER 2022	30 SEPTEMBER 2022
	RM'000	RM'000
Management fees	24	24
Interest income on operating financial assets	7,274	7,274
Maintenance income	6,252	6,252
Fair value of supplementary services	8,056	8,056
	<u>21,606</u>	<u>21,606</u>

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

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.

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

1. **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 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 to appeal against the decision made by the High Court.

On 23 February 2022, the Court of Appeal fixed the hearing date to be on 26 September 2022.

On 26 September 2022, the Plaintiff’s solicitors withdrawn the appeal filed by the Plaintiff against the decision made by the High Court, with no order as to costs.

Further to the withdrawal of the appeal, the suit is now considered closed and no longer material to the Company.

The material facts of the suit as disclosed in the previous Group’s Quarterly Results are set out below:

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;

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

A15. Material Litigation (continued)

1. 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") (continued)

- 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.

2. KUALA LUMPUR SESSIONS COURT WRIT OF SUMMONS NO. WA-B52NCvC-439-11/2021: MOORE ADVENT TAX CONSULTANTS SDN BHD V MENANG DEVELOPMENT (M) SDN BHD (IN THE ORIGINAL ACTION); MENANG DEVELOPMENT (M) SDN BHD V SHUN LEONG KWONG, ONG CHONG CHEE AND MOORE ADVENT TAX CONSULTANTS SDN BHD (IN THE COUNTER CLAIM)

On 5 November 2021, Menang Development Sdn. Bhd. ("MDSB"), a wholly owned subsidiary of the Company, had been served with a Writ of Summons No. WA-B52NCvC-439-11/2021 ("Writ") filed by Moore Advent Tax Consultants Sdn. Bhd. ("MATC"), for the following orders:

- a) the outstanding sum of RM533,600;
- b) general damages for breach of contract;
- c) pre-judgement interest pursuant to the Civil Law Act 1956 at the rate of 5% per annum from 6 August 2018, or such other date as the Court deems fit and proper, until the date of judgement;
- d) post-judgement interest pursuant to the Civil Law Act 1956 at the rate of 5% per annum from the date of judgement until the date of full payment of the judgement sum;
- e) costs; and
- f) such further and/or other relief that the Court deems fit and appropriate.

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

A15. Material Litigation (continued)

2. KUALA LUMPUR SESSIONS COURT WRIT OF SUMMONS NO. WA-B52NCvC-439-11/2021: MOORE ADVENT TAX CONSULTANTS SDN BHD V MENANG DEVELOPMENT (M) SDN BHD (IN THE ORIGINAL ACTION); MENANG DEVELOPMENT (M) SDN BHD V SHUN LEONG KWONG, ONG CHONG CHEE AND MOORE ADVENT TAX CONSULTANTS SDN BHD (IN THE COUNTER CLAIM) (continued)

The Board of Directors of the Group has deemed the Writ to be immaterial as the proceedings are not expected to have any material impact on the earnings, net assets or gearing of the Company. Hence, no announcement was made to the Bursa Malaysia Securities Berhad at that point of time.

Subsequently, MDSB had on 17 December 2021 filed a Counter Claim against MATC, Shun Leong Kwong (“Shun”) and Ong Chong Chee (“Ong”) (“Counter Claim”), seeking for the following orders:

- a) a declaration that the engagement letter dated 26 January 2016 is invalid, null and void and of no effect;
- b) further or in the alternative to the above a declaration that the engagement letter dated 26 January 2016 is not binding on MDSB;
- c) a declaration that the alleged revised professional engagement between MDSB and MATC dated 21 September 2016 is invalid, null and void and of no effect;
- d) further or in the alternative to the above, a declaration that the alleged revised professional engagement is not binding on MDSB;
- e) a declaration that MDSB’s invoice no. INV06950 dated 5 October 2016 issued to MATC in the sum of RM849,272 is invalid, null and void and of no effect;
- f) a declaration that MDSB’s invoice no. INV07636 dated 3 July 2017 issued to MATC in the sum of RM255,566 is invalid, null and void and of no effect;
- g) a declaration that the invoices no. INV09120 dated 6 August 2018 issued by MATC to MDSB in the in the sum of RM593,600 is invalid, null and void and of no effect;
- h) a declaration that MDSB does not owe any sums to MATC;
- i) a declaration that Shun has acted in breach of his fiduciary duties owed towards MDSB;
- j) a declaration that Ong and MATC have dishonestly assisted Shun in breach of his fiduciary duties owed to MDSB;

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

A15. Material Litigation (continued)

2. KUALA LUMPUR SESSIONS COURT WRIT OF SUMMONS NO. WA-B52NCvC-439-11/2021: MOORE ADVENT TAX CONSULTANTS SDN BHD V MENANG DEVELOPMENT (M) SDN BHD (IN THE ORIGINAL ACTION); MENANG DEVELOPMENT (M) SDN BHD V SHUN LEONG KWONG, ONG CHONG CHEE AND MOORE ADVENT TAX CONSULTANTS SDN BHD (IN THE COUNTER CLAIM) (continued)

- k) a declaration that MATC knowingly received the sum of RM1,164,838 which was paid out of MDSB or on behalf of MDSB when such sum was paid out in breach of Shun's fiduciary duties owed to MDSB;
- l) a declaration that MATC is holding the sum of RM1,164,838 as a constructive trustee for MDSB;
- m) a declaration that Shun, Ong and MATC have conspired to injure MDSB;
- n) judgement against Shun, Ong and MATC in the sum of RM1,164,838 on a joint and several basis;
- o) interest on the sum of RM1,164,838 at the rate of 5% p.a. from the date of judgement until full and final settlement;
- p) general damages to be assessed;
- q) aggravated and/or punitive damages to be assessed;
- r) costs; and
- s) any other order and/or relief which the Court deems first and necessary.

On 4 January 2022, both Ong and Shun entered their respective appearance in the Counter Claim.

On 10 January 2022, our solicitors filed an originating summons to transfer all proceedings filed by MATC at the Kuala Lumpur Sessions Court to the Kuala Lumpur High Court. On 9 February 2022, an order was granted for the transfer application.

On 23 May 2022, MATC filed for Summary Judgement application against MDSB in the Writ and MATC, Ong and Shun filed for Striking Out application against MDSB's Counter Claim. Hearing has been fixed by the High Court to be on 5 September 2022 and subsequently postponed to 22 November 2022.

The Writ and the Counter Claim are not expected to have any material impact on the earnings, net assets or gearing of the Group for the financial year ending 30 June 2023.

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	21,606	21,841	(235)	(1.08)
Profit from operations	14,287	15,166	(879)	(5.80)
Profit before tax	8,068	7,486	582	7.77
Profit after tax	5,918	5,380	538	10.00
Profit attributable to ordinary equity holders of the parent	3,414	3,229	185	5.73

The Group recorded lower profit from operations in the current quarter/period compared to the preceding year's corresponding quarter/period by RM0.88 million mainly due to the lower interest income on operating financial assets recognised in the current quarter/period and the reversal of over-recognition of quit rent and assessment (RM0.48 million) in preceding year's corresponding quarter/period.

Despite the decrease in profit from operations, the profit before tax and profit after tax increased by RM0.58 million and RM0.54 million respectively resulted by the lower interest expenses (RM1.46 million) due to loan repayments made.

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	21,606	22,733	(1,127)	(4.96)
Profit from operations	14,287	13,474	813	6.03
Profit before tax	8,068	7,363	705	9.57
Profit after tax	5,918	5,208	710	13.63
Profit attributable to ordinary equity holders of the parent	3,414	2,648	766	28.93

Despite the decrease in revenue by RM1.13 million, the Group recorded higher profit from operations, profit before tax and profit after tax as compared to the preceding quarter by RM 0.81 million, RM0.71 million and RM 0.71 million respectively.

This was mainly due to the proactive measures undertaken by the management to reduce the overall operating costs in the current quarter and the impact from one-off repair and maintenance costs (RM0.74 million) incurred in the preceding quarter.

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)

B3. Group’s Prospects

The Group remains steadfast in the management of its PFI concession businesses and continues its resilient results. The Board and management are committed to its strategic priorities to improve the financial performance and financial position by exploring viable opportunities to develop the existing landbank, alongside further improve the operational costs efficiency and productivity.

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 2022 RM’000	Financial Period Ended 30 SEPTEMBER 2022 RM’000
Income tax	(1,375)	(1,375)
Deferred tax	(775)	(775)
Total	<u>(2,150)</u>	<u>(2,150)</u>

B6. Status of Corporate Proposals and Utilisation of Proceeds

Proposed Bonus Issue of Warrants on the basis of one (1) warrant for every two (2) ordinary shares in the Company has been completed following the listing and quotation for 240,399,627 Warrants on the Main Market of Bursa Securities on 23 December 2021.

Status of the utilisation of proceeds as at 30 September 2022 are as below:

	RM’000
Proceeds Received	12,727
Amount Utilised	
(1) Property development business	-
(2) Working capital	
(2)(a) Payment to trade and other payables (including scheduled repayment of interest and/or principal amount to financial institutions)	(10,428)
(2)(b) Staff related costs	(910)
(2)(c) General administrative/ operating expenses	(1,348)
Total Utilisation	(12,686)
Balance Unutilised	41

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

	As at 30 September 2022					
	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	-	330,072	-	79,476	-	409,548
	As at 30 June 2022					
	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	-	345,905	-	72,574	-	418,479

- (a) **Detailed explanation on the material changes in borrowings**
There were no new material borrowings obtained 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 2022 compared to the financial year ended 30 June 2022 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 6.11%. The Group's borrowings are subjected to floating interest rates.
- (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.

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)

B10. Audit Report from the Group’s Annual Report 2022

The audit report from the Group’s Annual Report 2022 was unqualified.

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

	Quarter Ended 30 SEPTEMBER 2022 RM’000	Financial Period Ended 30 SEPTEMBER 2022 RM’000
Auditors' remuneration	33	33
Depreciation of investment properties	41	41
Depreciation of plant and equipment	75	75
Employee benefits expense	406	406
Fair value of supplementary services	(8,056)	(8,056)
Finance costs	6,219	6,219
Interest income	(90)	(90)
Interest income on operating financial assets	(7,274)	(7,274)
Reversal of impairment losses on trade and other receivables	51	51

By Order of the Board

MENANG CORPORATION (M) BERHAD

Chin Wai Yi
COMPANY SECRETARY
29 November 2022