



# **MENANG CORPORATION (M) BERHAD**

Registration No. : 196401000240 (5383-K)

## **QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023**

	Unaudited 31 MARCH 2023 RM'000	Audited 30 JUNE 2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	1,071	1,245
Investment properties	51,359	51,481
Inventories	160,368	160,368
Operating financial assets	629,725	663,639
Investment in an associate	-	-
<b>Total non-current assets</b>	<b>842,523</b>	<b>876,733</b>
<b>Current assets</b>		
Inventories	32,154	32,154
Operating financial assets	44,988	43,621
Trade and other receivables	19,957	19,129
Tax assets	2,305	1,798
Deposits, cash and bank balances	49,232	47,339
<b>Total current assets</b>	<b>148,636</b>	<b>144,041</b>
<b>TOTAL ASSETS</b>	<b>991,159</b>	<b>1,020,774</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023 (continued)**

	Unaudited 31 MARCH 2023 RM'000	Audited 30 JUNE 2022 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	254,727	253,127
Retained earnings	116,858	106,578
	<b>371,585</b>	359,705
<b>Non-controlling interests</b>	<b>102,636</b>	95,306
<b>Total equity</b>	<b>474,221</b>	455,011
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	85,800	83,572
Loan and borrowings	294,222	345,905
<b>Total non-current liabilities</b>	<b>380,022</b>	429,477
<b>Current liabilities</b>		
Trade and other payables	39,292	41,233
Contract liability	24,494	22,479
Loan and borrowings	73,130	72,574
<b>Total current liabilities</b>	<b>136,916</b>	136,286
<b>Total liabilities</b>	<b>516,938</b>	565,763
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>991,159</b>	1,020,774
<b>Net assets per share (RM)</b>	<b>0.73</b>	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 THIRD QUARTER ENDED 31 MARCH 2023**

	Current Quarter Ended 31 MAR 2023 RM'000	Corresponding Quarter Ended 31 MAR 2022 RM'000	Current Year-to-Date 31 MAR 2023 RM'000	Corresponding Year-to-Date 31 MAR 2022 RM'000
Revenue	22,171	21,508	65,954	65,107
Cost of Sales	<b>(6,422)</b>	(5,425)	<b>(18,436)</b>	(16,415)
Gross Profit	15,749	16,083	47,518	48,692
Other income	206	1,751	328	2,045
Administrative expenses	<b>(1,955)</b>	(2,665)	<b>(5,262)</b>	(5,993)
Net (loss)/gain on impairment of financial assets	<b>(29)</b>	44	49	44
Profit from operations	13,971	15,213	42,633	44,788
Finance costs	<b>(6,224)</b>	(6,776)	<b>(18,732)</b>	(21,668)
Profit before tax	7,747	8,437	23,901	23,120
Taxation	<b>(2,074)</b>	(1,056)	<b>(6,291)</b>	(5,742)
<b>Profit for the quarter / period / Total comprehensive income</b>	<b><u>5,673</u></b>	<u>7,381</u>	<b><u>17,610</u></b>	<u>17,378</u>
<b><i>Profit / Total comprehensive income attributable to:</i></b>				
Owners of the Company	3,279	4,540	10,280	9,457
Non-controlling interests	<b>2,394</b>	2,841	<b>7,330</b>	7,921
	<b><u>5,673</u></b>	<u>7,381</u>	<b><u>17,610</u></b>	<u>17,378</u>
<b>Basic earnings per share (sen)</b>	<b><u>0.64</u></b>	<u>0.93</u>	<b><u>2.02</u></b>	<u>1.93</u>

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 THIRD QUARTER ENDED 31 MARCH 2023**

	<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		
<b>As at 1 July 2022</b>	253,127	106,578	359,705	95,306	455,011
<b>Total comprehensive income for the financial period</b>					
Profit for the financial period, representing total comprehensive income	-	10,280	10,280	7,330	17,610
<b>Transaction with owners</b>					
Issuance of ordinary shares pursuant to exercise of warrant	1,600	-	1,600	-	1,600
<b>As at 31 March 2023</b>	<u>254,727</u>	<u>116,858</u>	<u>371,585</u>	<u>102,636</u>	<u>474,221</u>

	<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		
<b>As at 1 July 2021</b>	240,400	94,473	334,873	84,824	419,697
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year, representing total comprehensive income for the financial year	-	12,105	12,105	10,482	22,587
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to exercise of warrant	12,727	-	12,727	-	12,727
<b>As at 30 June 2022</b>	<u>253,127</u>	<u>106,578</u>	<u>359,705</u>	<u>95,306</u>	<u>455,011</u>

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 THIRD QUARTER ENDED 31 MARCH 2023**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31 MARCH 2023</b>	<b>30 JUNE 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	23,901	30,484
Adjustments for:		
Depreciation of investment properties	122	162
Depreciation of plant and equipment	225	175
Interest expense	18,732	27,778
Interest income	(208)	(1,953)
Interest income on operating financial assets	(21,488)	(30,183)
Reversal of impairment losses on trade and other receivables	(49)	(46)
	<u>                    </u>	<u>                    </u>
<b>Operating profit before working capital changes</b>	21,235	26,417
Changes in working capital:		
Operating financial assets	54,035	72,047
Inventories	-	415
Trade and other receivables	(779)	15,592
Trade and other payables	(1,941)	(8,175)
Contract liability	2,015	2,421
	<u>                    </u>	<u>                    </u>
Cash from operations	74,565	108,717
Interest paid	(24)	(11)
Interest received	28	1,558
Tax paid	(4,570)	(6,186)
Tax refunded	-	51
	<u>                    </u>	<u>                    </u>
Net cash from operating activities	69,999	104,129

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023 (continued)**

	<b>Unaudited</b> <b>31 MARCH 2023</b> <b>RM'000</b>	<b>Audited</b> <b>30 JUNE 2022</b> <b>RM'000</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	180	395
Purchase of plant and equipment	(51)	(1,084)
Placement of time deposits	(113)	(247)
Net cash from/(used in) investing activities	16	(936)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Drawdown of term loans	-	13,000
Interest paid	(18,651)	(27,767)
Payment of lease liability:		
- office rental	(16)	(22)
- finance lease	-	(80)
Proceeds from issuance of share capital from exercise of warrants	1,600	12,727
Repayment of term loans	(51,171)	(112,975)
Net cash used in financing activities	(68,238)	(115,117)
Net increase/(decrease) in cash and cash equivalents	1,777	(11,924)
Cash and cash equivalents at beginning of financial period/year	32,543	44,467
<b>Cash and cash equivalents at the end of financial period/ year as reported in consolidated statement of cash flows</b>	<b>34,320</b>	<b>32,543</b>
Add: Deposits pledged	13,129	13,016
Add: Bank overdraft	1,783	1,780
<b>Deposits, cash and bank balances at the end of financial period/ year as reported in consolidated statement of financial position</b>	<b>49,232</b>	<b>47,339</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 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, except for the following:

	Quarter Ended 31 MARCH 2023		Financial Period Ended 31 MARCH 2023	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Issuance of ordinary shares pursuant to exercise of warrants	1,200	600	3,200	1,600

**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**

Business Segments	As at 31 March 2023					
	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	305,777	335,306	758,535	917	(409,376)	991,159
Total liabilities	76,198	93,469	484,340	4,185	(141,254)	516,938

Business Segments	3 months ended 31 March 2023					
	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	-	22,147	-	-	22,171
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	594	-	22,147	-	(570)	22,171
Segment results	(165)	(1,353)	15,438	87	(36)	13,971
Finance cost	(148)	(202)	(5,910)	-	36	(6,224)
(Loss)/Profit before tax	(313)	(1,555)	9,528	87	-	7,747
Taxation	-	-	(2,074)	-	-	(2,074)
(Loss)/Profit for the financial period	(313)	(1,555)	7,454	87	-	5,673

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

**A8. Segmental Reporting (Continued)**

Business Segments	9 months ended 31 March 2023					
	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	-	65,882	-	-	65,954
Inter-segment revenue	1,710	-	-	-	(1,710)	-
Total revenue	1,782	-	65,882	-	(1,710)	65,954
Segment results	(924)	(3,637)	47,266	76	(148)	42,633
Finance cost	(148)	(609)	(18,123)	-	148	(18,732)
(Loss)/Profit before tax	(1,072)	(4,246)	29,143	76	-	23,901
Taxation	-	-	(6,291)	-	-	(6,291)
(Loss)/Profit for the financial period	(1,072)	(4,246)	22,852	76	-	17,610

**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 except that the disposal of Menang Finservices (M) Sdn. Bhd. has been completed on 22 March 2023.

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

**A11. Disclosure on Financial Instruments**

Category of financial instruments

	<b>Unaudited 31 MARCH 2023 RM'000</b>	<b>Audited 30 JUNE 2022 RM'000</b>
Financial assets:		
- measured at amortised cost		
• Operating financial assets	674,713	707,260
• Deposits, cash and bank balances	49,232	47,339
• Trade and other receivables, net of prepayments	19,625	18,827
	<u>743,570</u>	<u>773,426</u>
Financial liabilities:		
- measured at amortised cost		
• Loans and borrowings	367,352	418,479
• Trade and other payables, net of GST payable	38,921	40,227
	<u>406,273</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:

	<b>Quarter Ended 31 MARCH 2023 RM'000</b>	<b>Financial Period Ended 31 MARCH 2023 RM'000</b>
Management fees	24	72
Interest income on operating financial assets	7,051	21,488
Maintenance income	7,040	20,226
Fair value of supplementary services	8,056	24,168
	<u>22,171</u>	<u>65,954</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.

**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**

**APPEAL COURT OF PUTRAJAYA APPEAL NO. W-02(IM)(NCC)-147-01/2023, APPEAL NO. W-02(IM)(NCC)-148-01/2023 AND APPEAL NO. W-02(IM)(NCC)-149-01/2023 APPELLANT: MENANG DEVELOPMENT (M) SDN BHD RESPONDENTS: SHUN LEONG KWONG; MOORE ADVENT TAX CONSULTANTS SDN BHD; MOORE ADVENT TAX CONSULTANTS SDN BHD AND ONG CHONG CHEE**

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.

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;

**A15. Material Litigation (continued)**

**APPEAL COURT OF PUTRAJAYA APPEAL NO. W-02(IM)(NCC)-147-01/2023, APPEAL NO. W-02(IM)(NCC)-148-01/2023 AND APPEAL NO. W-02(IM)(NCC)-149-01/2023 APPELLANT: MENANG DEVELOPMENT (M) SDN BHD RESPONDENTS: SHUN LEONG KWONG; MOORE ADVENT TAX CONSULTANTS SDN BHD; MOORE ADVENT TAX CONSULTANTS SDN BHD AND ONG CHONG CHEE (continued)**

- 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 MATC and Ong have dishonestly assisted Shun in breach of his fiduciary duties owed to MDSB;
- 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, MATC and Ong have conspired to injure MDSB;

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

**A15. Material Litigation (continued)**

**APPEAL COURT OF PUTRAJAYA APPEAL NO. W-02(IM)(NCC)-147-01/2023, APPEAL NO. W-02(IM)(NCC)-148-01/2023 AND APPEAL NO. W-02(IM)(NCC)-149-01/2023 APPELLANT: MENANG DEVELOPMENT (M) SDN BHD RESPONDENTS: SHUN LEONG KWONG; MOORE ADVENT TAX CONSULTANTS SDN BHD; MOORE ADVENT TAX CONSULTANTS SDN BHD AND ONG CHONG CHEE (continued)**

- n) judgement against Shun, MATC and Ong 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, Shun, MATC and Ong entered their respective appearance in the Counter Claim.

On 10 January 2022, MDSB's solicitors filed an originating summons to transfer all proceedings filed by MATC at the Kuala Lumpur Sessions Court to the Kuala Lumpur High Court ("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 Shun, MATC and Ong filed for Striking Out application against MDSB's Counter Claim.

On 18 January 2023, the High Court had delivered its decision as follows:

- (a) The Summary Judgment application by MATC in the Original Action was allowed with cost of RM8,000 to be paid by MDSB to MATC;
- (b) The Striking Out application by Shun of MDSB's Counter Claim is allowed with cost of RM8,000 to be paid by MDSB to Shun; and
- (c) The Striking Out application by MATC and Ong of MDSB's Counter Claim is allowed with cost of RM8,000 to be paid by MDSB to MATC and Ong.

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

**A15. Material Litigation (continued)**

**APPEAL COURT OF PUTRAJAYA APPEAL NO. W-02(IM)(NCC)-147-01/2023, APPEAL NO. W-02(IM)(NCC)-148-01/2023 AND APPEAL NO. W-02(IM)(NCC)-149-01/2023 APPELLANT: MENANG DEVELOPMENT (M) SDN BHD RESPONDENTS: SHUN LEONG KWONG; MOORE ADVENT TAX CONSULTANTS SDN BHD; MOORE ADVENT TAX CONSULTANTS SDN BHD AND ONG CHONG CHEE (continued)**

Subsequently, MDSB had filed a notice of appeal to the Court of Appeal against the High Court's decision in the Court of Appeal with the following registered Appellate Numbers:

- (a) Appeal No. W-02(IM)(NCC)-148-01/2023, which is an appeal against the decision of the High Court in allowing application by MATC to enter a Summary Judgement against MDSB;
- (b) Appeal No. W-02(IM)(NCC)-147-01/2023, which is an appeal against the decision of the High Court in allowing application by Shun to strike out MDSB's counter claim; and
- (c) Appeal No. W-02(IM)(NCC)-149-01/2023, which is an appeal against the decision of the High Court in allowing application by MATC and Ong to strike out MDSB's counter claim.

The Case Management ("CM") for Appeal No. W-02(IM)(NCC)-148-01/2023 which initially fixed on 20 April 2023 has been adjourned to 27 April 2023, while the CM for Appeal No. W-02(IM)(NCC)-147-01/2023 and Appeal No. W-02(IM)(NCC)-149-01/2023 is fixed on 2 May 2023.

On 10 February 2023, MDSB has filed an application in the High Court action for a Stay of Execution of the judgement dated 18 January 2023 granted by the High Court in allowing MATC's application to enter a Summary Judgement against MDSB and allowing Shun, MATC and Ong's applications to strike out MDSB's counter claim, pending the full and final disposal of MDSB's Appeals filed in the Court of Appeal.

Hearing is fixed on 3 August 2023 at 9.00 a.m. before the Judicial Commissioner of the Kuala Lumpur High Court.

The suit is 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**

	Current quarter RM'000	Preceding year's corresponding quarter RM'000	Change Amount RM'000	Change Percentage %
Revenue	22,171	21,508	663	3.08
Gross Profit	15,749	16,083	(334)	(2.08)
Profit from operations	13,971	15,213	(1,242)	(8.16)
Profit before tax	7,747	8,437	(690)	(8.18)
Profit after tax	5,673	7,381	(1,708)	(23.14)
Profit attributable to ordinary equity holders of the parent	3,279	4,540	(1,261)	(27.78)

The Group recorded a higher revenue by RM0.66 million but there was also a corresponding increase in cost of sales by RM1.00 million, resulting in a lower gross profit (RM0.33 million) in current quarter as compared to preceding year's corresponding quarter.

The profit from operation has decreased by RM1.24 million mainly due to the receipt of one-off late payment interest (RM1.54 million) from Lembaga Lebuhraya Malaysia in respect to the compulsory acquisition of Klang Land by government in preceding year's corresponding quarter.

The Group also recorded a lower profit after tax (RM1.71 million) in the current quarter mainly due to the adjustments made for overprovision of prior year income tax (RM0.95 million) in preceding year's corresponding quarter.

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

	Current period RM'000	Preceding period RM'000	Change Amount RM'000	Change Percentage %
Revenue	65,954	65,107	847	1.30
Gross Profit	47,518	48,692	(1,174)	(2.41)
Profit from operations	42,633	44,788	(2,155)	(4.81)
Profit before tax	23,901	23,120	781	3.38
Profit after tax	17,610	17,378	232	1.34
Profit attributable to ordinary equity holders of the parent	10,280	9,457	823	8.70

The Group recorded a higher revenue by RM0.85 million but there was also a corresponding increase in cost of sales by RM2.02 million, resulting in a lower gross profit (RM1.17 million) in current period as compared to preceding period.

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

The profit from operation has decreased by RM2.16 million mainly due to the receipt of one-off late payment interest (RM1.54 million) from Lembaga Lebuhraya Malaysia in respect to the compulsory acquisition of Klang Land by government in preceding period.

Despite the decrease in profit from operations, the Group recorded a higher profit before tax (RM0.78 million) and profit after tax (RM0.23 million) mainly due to lower finance costs (RM2.94 million) incurred in current period after the fully settlement of a term loan and scheduled loan repayment made for other existing loans.

**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	22,171	22,177	(6)	(0.03)
Gross Profit	15,749	15,834	(85)	(0.54)
Profit from operations	13,971	14,375	(404)	(2.81)
Profit before tax	7,747	8,086	(339)	(4.19)
Profit after tax	5,673	6,019	(346)	(5.75)
Profit attributable to ordinary equity holders of the parent	3,279	3,587	(308)	(8.59)

The Group recorded lower profit from operations, profit before tax and profit after tax by RM0.40 million, RM0.34 million and RM0.35 million respectively as compared to the preceding quarter. This was mainly due to additional provision made (RM0.22 million) in current quarter for the judgement sum, interest and cost for enclosure of the legal case of the Group and the recognition of penalty expense (RM0.20 million) from late payment of SST.

**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 improving 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.

**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)**

**B5. Taxation**

	Quarter Ended 31 MARCH 2023 RM'000	Financial Period Ended 31 MARCH 2023 RM'000
Income tax	(1,348)	(4,063)
Deferred tax	(726)	(2,228)
Total	<u>(2,074)</u>	<u>(6,291)</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 31 March 2023 are as below:

	RM'000
<b>Proceeds Received</b>	<b>14,327</b>
<b>Amount Utilised</b>	
(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	(1,752)
(2)(c) General administrative/ operating expenses	(2,099)
<b>Total Utilisation</b>	<b>(14,279)</b>
<b>Balance Unutilised</b>	<b>48</b>

**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 31 March 2023					
	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	-	294,222	-	73,130	-	367,352
	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 31 March 2023 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 6.64%. 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):**

	<b>Quarter Ended 31 MARCH 2023 RM’000</b>	<b>Financial Period Ended 31 MARCH 2023 RM’000</b>
Auditors' remuneration	32	97
Depreciation of investment properties	41	122
Depreciation of plant and equipment	73	225
Employee benefits expense	806	2,732
Fair value of supplementary services	(8,056)	(24,168)
Finance costs	6,224	18,732
Interest income	(93)	(207)
Interest income on operating financial assets	(7,051)	(21,488)
Impairment losses/(Reversal of impairment losses) on trade and other receivables	29	(49)

By Order of the Board

**MENANG CORPORATION (M) BERHAD**

**Chin Wai Yi**  
COMPANY SECRETARY  
15 May 2023