



MENANG CORPORATION (M) BERHAD

[Registration No. : 196401000240 (5383-K)]

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

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**QUARTERLY UNAUDITED RESULTS FOR THE GROUP
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

| | Unaudited 31 DECEMBER 2023 RM'000 | Audited 30 JUNE 2023 RM'000 |
|----------------------------------|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 889 | 1,006 |
| Investment properties | 51,238 | 51,319 |
| Inventories | 161,405 | 159,342 |
| Operating financial assets | 594,749 | 618,186 |
| Total non-current assets | 808,281 | 829,853 |
| Current assets | | |
| Inventories | 32,452 | 32,384 |
| Operating financial assets | 46,397 | 45,453 |
| Trade and other receivables | 15,758 | 19,608 |
| Tax assets | 2,162 | 5,500 |
| Deposits, cash and bank balances | 69,493 | 58,117 |
| Total current assets | 166,262 | 161,062 |
| TOTAL ASSETS | 974,543 | 990,915 |



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023 (continued)

| | Unaudited 31 DECEMBER 2023 RM'000 | Audited 30 JUNE 2023 RM'000 |
|---|---|-----------------------------------|
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 258,576 | 255,663 |
| Retained earnings | 133,477 | 123,855 |
| | 392,053 | 379,518 |
| Non-controlling interests | 111,089 | 106,180 |
| Total equity | 503,142 | 485,698 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Deferred tax liabilities | 87,612 | 86,522 |
| Loan and borrowings | 239,898 | 276,000 |
| Total non-current liabilities | 327,510 | 362,522 |
| Current liabilities | | |
| Trade and other payables | 36,997 | 37,523 |
| Contract liability | 26,758 | 25,243 |
| Tax payable | 42 | - |
| Loan and borrowings | 80,094 | 79,929 |
| Total current liabilities | 143,891 | 142,695 |
| Total liabilities | 471,401 | 505,217 |
| TOTAL EQUITY AND LIABILITIES | 974,543 | 990,915 |
| Net assets per share (RM) | 0.76 | 0.74 |

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 2023.



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023

| | Current Quarter Ended 31 DEC 2023 RM'000 | Corresponding Quarter Ended 31 DEC 2022 RM'000 | Current Year-to-Date 31 DEC 2023 RM'000 | Corresponding Year-to-Date 31 DEC 2022 RM'000 |
|---|---|---|--|--|
| Revenue | 32,323 | 22,177 | 53,223 | 43,783 |
| Cost of Sales | (15,827) | (6,343) | (21,254) | (12,014) |
| Gross Profit | 16,496 | 15,834 | 31,969 | 31,769 |
| Other income | 120 | 29 | 2,206 | 122 |
| Administrative expenses | (1,908) | (1,515) | (3,647) | (3,307) |
| Net reversal on impairment of financial assets | 8 | 27 | 8 | 78 |
| Profit from operations | 14,716 | 14,375 | 30,536 | 28,662 |
| Finance costs | (5,725) | (6,289) | (11,867) | (12,508) |
| Profit before tax | 8,991 | 8,086 | 18,669 | 16,154 |
| Taxation | (2,099) | (2,067) | (4,138) | (4,217) |
| Profit for the quarter / period / Total comprehensive income | 6,892 | 6,019 | 14,531 | 11,937 |
| <i>Profit / Total comprehensive income attributable to:</i> | | | | |
| Owners of the Company | 4,407 | 3,587 | 9,622 | 7,001 |
| Non-controlling interests | 2,485 | 2,432 | 4,909 | 4,936 |
| | 6,892 | 6,019 | 14,531 | 11,937 |
| Basic earnings per share (sen) | 0.85 | 0.71 | 1.86 | 1.38 |

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 2023.



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FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023

| | <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 2023 | 255,663 | 123,855 | 379,518 | 106,180 | 485,698 |
| Total comprehensive income for the financial period | | | | | |
| Profit for the financial period, representing total comprehensive income | - | 9,622 | 9,622 | 4,909 | 14,531 |
| Transaction with owners | | | | | |
| Issuance of ordinary shares pursuant to exercise of warrants | 2,913 | - | 2,913 | - | 2,913 |
| As at 31 December 2023 | 258,576 | 133,477 | 392,053 | 111,089 | 503,142 |

| | <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 year | | | | | |
| Profit for the financial year, representing total comprehensive income for the financial year | - | 17,277 | 17,277 | 10,874 | 28,151 |
| Transactions with owners | | | | | |
| Issuance of ordinary shares pursuant to exercise of warrants | 2,536 | - | 2,536 | - | 2,536 |
| As at 30 June 2023 | 255,663 | 123,855 | 379,518 | 106,180 | 485,698 |

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 2023.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023

| | Unaudited 31 DECEMBER 2023 RM'000 | Audited 30 JUNE 2023 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 18,669 | 32,816 |
| Adjustments for: | | |
| Depreciation of investment properties | 81 | 162 |
| Depreciation of property, plant and equipment | 140 | 296 |
| Interest expense | 11,867 | 24,786 |
| Gain on disposal of a subsidiary | - | (99) |
| Interest income | (213) | (307) |
| Interest income on operating financial assets | (13,531) | (28,426) |
| Reversal of impairment losses on trade and other receivables | (8) | (105) |
| Operating profit before working capital changes | 17,005 | 29,123 |
| Changes in working capital: | | |
| Operating financial assets | 36,024 | 72,047 |
| Inventories | (2,131) | 796 |
| Trade and other receivables | 3,858 | (376) |
| Trade and other payables | (526) | (3,709) |
| Contract liability | 1,515 | 2,764 |
| Cash from operations | 55,745 | 100,645 |
| Interest paid | - | (24) |
| Interest received | 26 | 36 |
| Tax paid | (218) | (5,417) |
| Tax refunded | 550 | - |
| Net cash from operating activities | 56,103 | 95,240 |



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023 (continued)

| | Unaudited 31 DECEMBER 2023 RM'000 | Audited 30 JUNE 2023 RM'000 |
|--|---|-----------------------------------|
| CASH FLOWS FOR INVESTING ACTIVITIES | | |
| Interest received | 187 | 271 |
| Net cash inflow from disposal of a subsidiary | - | 100 |
| Purchase of property, plant and equipment | (23) | (57) |
| Placement of deposits with licensed banks | (88) | (200) |
| Net cash from investing activities | 76 | 114 |
| CASH FLOWS FOR FINANCING ACTIVITIES | | |
| Interest paid | (11,932) | (24,762) |
| Payment of lease liability: - office rental | - | (16) |
| Proceeds from issuance of share capital from exercise of warrants | 2,913 | 2,536 |
| Repayment of term loans | (34,784) | (61,842) |
| Net cash used in financing activities | (43,803) | (84,084) |
| Net increase in cash and cash equivalents | 12,376 | 11,270 |
| Cash and cash equivalents at beginning of financial period/year | 43,813 | 32,543 |
| Cash and cash equivalents at the end of financial period/year | 56,189 | 43,813 |
| Deposits, cash and bank balances at the end of financial period/ year as reported in consolidated statement of financial position | 69,493 | 58,117 |
| Less: Bank overdraft | - | (1,088) |
| | 69,493 | 57,029 |
| Less: Deposits pledged with licensed banks | (13,304) | (13,216) |
| Cash and cash equivalents at the end of financial period/ year as reported in consolidated statement of cash flows | 56,189 | 43,813 |
| Less: Balance held as Maintenance Reserve Fund | (26,308) | (25,018) |
| Less: Balance held under Designated Accounts and pledged as securities for term loans | (15,173) | (15,551) |
| Net balance | 14,708 | 3,244 |

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 2023.



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 2023. 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 2023.

- (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 2023.

A2. Audit Report for the Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2023 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.



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

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 DECEMBER 2023 | | Financial Period Ended 31 DECEMBER 2023 | |
|--|--|--------|--|--------|
| | No. of shares '000 | RM'000 | No. of shares '000 | RM'000 |
| | Issuance of ordinary shares pursuant to exercise of warrants | 2,202 | 1,101 | 5,826 |

A7. Dividends

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

A8. Segmental Reporting

| Business Segments | As at 31 December 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 | 307,163 | 341,044 | 736,416 | - | (410,080) | 974,543 |
| Total liabilities | 71,220 | 100,042 | 438,736 | 4,186 | (142,783) | 471,401 |

| Business Segments | 3 months ended 31 December 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 | 11,113 | 21,186 | - | - | 32,323 |
| Inter-segment revenue | 570 | - | - | - | (570) | - |
| Total revenue | 594 | 11,113 | 21,186 | - | (570) | 32,323 |
| Segment results | (668) | 241 | 14,328 | (2) | 817 | 14,716 |
| Finance cost | - | (156) | (5,578) | - | 9 | (5,725) |
| (Loss)/Profit before tax | (668) | 85 | 8,750 | (2) | 826 | 8,991 |
| Taxation | - | - | (2,099) | - | - | (2,099) |
| (Loss)/Profit for the financial period | (668) | 85 | 6,651 | (2) | 826 | 6,892 |



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

A8. Segmental Reporting (Cont'd)

| Business Segments | 6 months ended 31 December 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 | 48 | 11,113 | 42,062 | - | - | 53,223 |
| Inter-segment revenue | 1,140 | - | - | - | (1,140) | - |
| Total revenue | 1,188 | 11,113 | 42,062 | - | (1,140) | 53,223 |
| Segment results | 1,457 | (610) | 28,893 | (5) | 801 | 30,536 |
| Finance cost | - | (332) | (11,560) | - | 25 | (11,867) |
| Profit/(Loss) before tax | 1,457 | (942) | 17,333 | (5) | 826 | 18,669 |
| Taxation | - | - | (4,138) | - | - | (4,138) |
| Profit/(Loss) for the financial period | 1,457 | (942) | 13,195 | (5) | 826 | 14,531 |

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 for the following:

- (a) On 5 October 2023, the wholly owned subsidiary, Menang Development (M) Sdn. Bhd. has incorporated a new 70% owned subsidiary, namely Menang Capital Sdn. Bhd. with an issued share capital of RM10 divided into 10 ordinary shares.
- (b) The wholly owned subsidiary, Menang Leasing and Credit (M) Sdn. Bhd. has been struck off from the register and dissolved following the publication of the notice of striking off gazetted on 25 October 2023.



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

A11. Disclosure on Financial Instruments

Category of financial instruments

| | Unaudited | Audited |
|---|-------------------------|---------------------|
| | 31 DECEMBER 2023 | 30 JUNE 2023 |
| | RM'000 | RM'000 |
| Financial assets: | | |
| - measured at amortised cost | | |
| • Operating financial assets | 641,146 | 663,639 |
| • Deposits, cash and bank balances | 69,493 | 58,117 |
| • Trade and other receivables, net of prepayments | 15,417 | 19,281 |
| | <u>726,056</u> | <u>741,037</u> |
| Financial liabilities: | | |
| - measured at amortised cost | | |
| • Loans and borrowings | 319,992 | 355,929 |
| • Trade and other payables, net of SST payable | 36,757 | 37,283 |
| | <u>356,749</u> | <u>393,212</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 |
|---|-------------------------|-------------------------------|
| | 31 DECEMBER 2023 | 31 DECEMBER 2023 |
| | RM'000 | RM'000 |
| Management fees | 24 | 48 |
| Sales of properties | 11,113 | 11,113 |
| Interest income on operating financial assets | 6,708 | 13,531 |
| Maintenance income | 6,422 | 12,419 |
| Fair value of supplementary services | 8,056 | 16,112 |
| | <u>32,323</u> | <u>53,223</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.

- (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.



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

A14. Material Events and Transactions (continued)

- (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.

A15. Material Litigation

There were no material litigation 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)

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 | 32,323 | 22,177 | 10,146 | 45.75 |
| Gross Profit | 16,496 | 15,834 | 662 | 4.18 |
| Profit from operations | 14,716 | 14,375 | 341 | 2.37 |
| Profit before tax | 8,991 | 8,086 | 905 | 11.19 |
| Profit after tax | 6,892 | 6,019 | 873 | 14.50 |
| Profit attributable to ordinary equity holders of the parent | 4,407 | 3,587 | 820 | 22.86 |

The Group achieved higher revenue and gross profit by RM10.15 million and RM0.66 million respectively in the current quarter mainly due to the recognition of revenue (RM11.11 million) and gross profit (RM1.12 million) upon completion of the land swap transactions in the current quarter. However, the impact was offset by the following factors:-

- (i) The Group recorded lower revenue (RM0.51 million) and gross profit (RM0.01 million) from maintenance works in the current quarter.
- (ii) The Group recorded a lower interest income of RM0.45 million derived from operating financial assets.

Despite the increase in administrative expenses by RM0.39 million, the Group achieved a higher profit before tax and profit after tax of RM0.91 million and RM0.87 million respectively. This was primarily due to the reduction in finance costs (RM0.56 million) incurred in the current quarter after making scheduled loan repayment for the Group's existing loans.



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

| | Current period RM’000 | Preceding period RM’000 | Change Amount RM’000 | Change Percentage % |
|---|--------------------------------------|--|-------------------------------------|------------------------------------|
| Revenue | 53,223 | 43,783 | 9,440 | 21.56 |
| Gross Profit | 31,969 | 31,769 | 200 | 0.63 |
| Profit from operations | 30,536 | 28,662 | 1,874 | 6.54 |
| Profit before tax | 18,669 | 16,154 | 2,515 | 15.57 |
| Profit after tax | 14,531 | 11,937 | 2,594 | 21.73 |
| Profit attributable to ordinary equity holders of the parent | 9,622 | 7,001 | 2,621 | 37.44 |

The Group achieved higher revenue and gross profit by RM9.44 million and RM0.20 million respectively in the current period mainly due to the recognition of revenue (RM11.11 million) and gross profit (RM1.12 million) upon completion of the land swap transactions in the current period. However, the impact was offset by the following factors:-

- (i) The Group recorded lower revenue (RM0.76 million) and gross profit (RM0.01 million) from maintenance works in the current quarter.
- (ii) The Group recorded a lower interest income of RM0.91 million derived from operating financial assets.

Despite higher administrative expenses by RM0.34 million in the current period, the Group achieved a higher profit from operations by RM1.87 million due to the recognition of an income receivable (RM1.99 million) from Jabatan Kastam Diraja Malaysia (“JKDM”). The amount was overcharged by JKDM during the GST audit in Year 2020 and the Group has received the JKDM’s approval letter in the current period for the Group’s appeal application to claim back the amount.

Additionally, the profit before tax and profit after tax also increased by RM2.52 million and RM2.59 million respectively primarily due to the reduction in finance costs (RM0.64 million) incurred in the current period after making scheduled loan repayment for the Group’s existing loans.



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 | 32,323 | 20,900 | 11,423 | 54.66 |
| Gross Profit | 16,496 | 15,473 | 1,023 | 6.61 |
| Profit from operations | 14,716 | 15,820 | (1,104) | (6.98) |
| Profit before tax | 8,991 | 9,678 | (687) | (7.10) |
| Profit after tax | 6,892 | 7,639 | (747) | (9.78) |
| Profit attributable to ordinary equity holders of the parent | 4,407 | 5,215 | (808) | (15.49) |

The Group achieved higher revenue and gross profit by RM11.42 million and RM1.02 million respectively in the current quarter resulted by following transactions:-

- (i) Recognition of revenue (RM11.11 million) and gross profit (RM1.12 million) upon completion of the land swap transactions in the current quarter.
- (ii) The Group recorded additional revenue (RM0.43 million) and gross profit (RM0.02 million) from maintenance works in current period.

Despite the increase in gross profit, the Group recorded a lower profit from operations (RM1.10 million) in current quarter as compared to preceding quarter. This decrease was resulted from the recognition of an income receivable (RM1.99 million) from JKDM in the preceding quarter. The amount was overcharged by JKDM during the GST audit in Year 2020 and the Group has received the JKDM's approval letter in the preceding quarter to claim back the overcharged amount.

The impact from the income recognised in the preceding quarter was partially offset by the reduction of RM0.42 million in finance costs, resulting in the decrease in profit before tax and profit after tax by RM0.69 million and RM0.75 million respectively.



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

Malaysia’s path to recovery will still be confronted with multitude of challenges and uncertainties, therefore the Board remains vigilant of the complex market landscape and the need to be adaptive in the Group’s business direction.

Looking ahead, the Group will be actively pursuing transformative opportunities while concurrently strengthening its financial position through the expansion of its capital base and the reduction of borrowings. Further, the Group will continue to explore the development opportunities on our existing land bank situated around Seremban 3, Klang, Port Dickson, Rantau, and Ulu Bernam, with the aim of maximizing the potential value to our shareholders.

Finally, the Group will be prepared to navigate known challenges ahead and stand ready to seize any potential opportunities that may arise from time to time. The Group will continue to align its business strategies with sustainable approach to grow its business for the long term.

B4. Profit forecast or profit guarantee

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

B5. Taxation

| | Quarter Ended 31 DECEMBER 2023 RM’000 | Financial Period Ended 31 DECEMBER 2023 RM’000 |
|--------------|--|---|
| Income tax | (1,662) | (3,048) |
| Deferred tax | (437) | (1,090) |
| Total | <u>(2,099)</u> | <u>(4,138)</u> |



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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 December 2023 are as below:

| | RM'000 |
|--|-----------------|
| Proceeds Received | |
| Alloted | 18,176 |
| Pending Allotment | 88 |
| | 18,264 |
| 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 | (4,055) |
| (2)(c) General administrative/ operating expenses | (2,095) |
| Total Utilisation | (16,578) |
| Balance Unutilised | 1,686 |



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 December 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 | - | 239,898 | - | 80,094 | - | 319,992 |
| | As at 30 June 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 | - | 276,000 | - | 79,929 | - | 355,929 |

(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 December 2023 compared to the financial year ended 30 June 2023 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 6.73%. 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.

B9. Dividends

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

B10. Audit Report from the Group's Annual Report 2023

The audit report from the Group's Annual Report 2023 was unqualified.



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

| | Quarter Ended 31 DECEMBER 2023 RM'000 | Financial Period Ended 31 DECEMBER 2023 RM'000 |
|---|---|--|
| Auditors' remuneration | 33 | 63 |
| Depreciation of investment properties | 40 | 81 |
| Depreciation of property, plant and equipment | 70 | 140 |
| Employee benefits expense | 1,109 | 2,103 |
| Fair value of supplementary services | (8,056) | (16,112) |
| Finance costs | 5,813 | 11,867 |
| Interest income | (116) | (213) |
| Interest income on operating financial assets | (6,708) | (13,531) |
| Reversal of impairment losses on trade and other receivables | (8) | (8) |

By Order of the Board

MENANG CORPORATION (M) BERHAD

Chin Wai Yi
COMPANY SECRETARY
5 February 2024