Menang Corporation (M) Berhad

Company No : 5383-K

Annual Report

2016

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Corporate Information

BOARD OF DIRECTORS

CHAIRMAN
YBhg Dato' Abdul Mokhtar Ahmad

GROUP MANAGING DIRECTOR/
GROUP CHIEF EXECUTIVE OFFICER
YBhg Dato' Shun Leong Kwong

NON-EXECUTIVE GROUP DEPUTY CHAIRMAN
YBhg Datin Mariam Eusoff

NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR
Dr. Christopher Shun Kong Leng, CFP®, RFP™
Mr Toh May Fook
Y.A.M. Raja Shahruddin Rashid

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr Chiam Tau Meng
Mr Too Kok Leng
Mr Yoong Nim Chee

SECRETARY

Ms Tai Yit Chan
(MAICSA 7009143)

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 7720 1188
Fax : (603) 7720 1111

BUSINESS ADDRESS

8th Storey, South Block
Wisma Selangor Dredging
142-A, Jalan Ampang
50450 Kuala Lumpur
Tel : (603) 2161 3366
Fax : (603) 2161 3393

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : (603) 2783 9299
Fax : (603) 2783 9222

AUDITORS

Baker Tilly Monteiro Heng
Chartered Accountants
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

PRINCIPAL BANKERS

Malaysia Building Society Berhad
Bank Pembangunan Malaysia Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Bhd

SOLICITORS

Cheah Teh & Su
L-3-1, No. 2
Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur

Rahman Too & Co
5, Jalan Wolff
70000 Seremban
Negeri Sembilan Darul Khusus

Kamarudin & Partners
Advocates & Solicitors
Suites 12A-06 & 12A-07, Level 12A
Heritage House
No. 33, Jalan Yap Ah Shak
50300 Kuala Lumpur

Ranjit Singh & Yeoh
Advocates & Solicitors
D3-U5-12, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur

Shahrizat Rashid & Lee
Advocates & Solicitors
Level 12, Menara Milenium
8, Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur

Mohanadass Partnership
Advocates & Solicitors
B-21-8, The Vertical
Avenue 3, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Ranjit Ooi & Robert Low
No. 53 Jalan Maarof
Bangsar
59000 Kuala Lumpur

Cheow Wee & Mai
Advocates & Solicitors
B-02-3A (Corporate Suites)
Gateway Kiaramas
No. 1, Jalan Desa Kiara
Mont' Kiara
50480 Kuala Lumpur

STOCK EXCHANGE LISTING

Main Market of the
Bursa Malaysia Securities Berhad

DATO' ABDUL MOKHTAR AHMAD
Chairman, Malaysian, Aged 77, Male

Dato' Abdul Mokhtar Ahmad, a Bumiputra entrepreneur, was appointed to the Board of Menang since 23 May 1989.

Dato' Abdul Mokhtar Ahmad has been the Group Executive Chairman of Menang Corporation (M) Berhad for the last 20 years. As a pioneer Bumiputra contractor with such illustrious track record and iconic developments under his belt, he has been an industry veteran and the driving force behind the Group's property construction projects todate. Responding to the changing landscape of property development in Malaysia, he has been a strong advocate of the Government's current push for Private Public Partnership (PPP) as the engine of growth. In this regard, he has been actively involved in identifying and ultimately securing 3 PPP projects for the Group. This has culminated in three (3) Private Finance Initiatives (PFI) projects for the Group (with a combined Total Construction Cost of RM650 million). It is hoped that these 3 PFI projects will set a benchmark for future PPP opportunities and serve to add values to the Group's future revenues and profitability.

Dato' Abdul Mokhtar Ahmad was redesignated as Non-Independent Non-Executive Chairman on 3 May 2016.

DATO' SHUN LEONG KWONG
Group Managing Director/
Group Chief Executive Officer, Malaysian, Aged 77, Male

Dato' Shun Leong Kwong, was appointed to the Board of Menang on 29 June 1989 after an outstanding career in senior positions in the banking industry (both international and local).

He holds a B.A. Econs. (Hons) from the University of Malaya.

Dato' Shun is and has been the Group Managing Director/Group Chief Executive Officer of Menang Group of Companies (Non-Independent Director) since 1989. With his vast experience and varied exposure, Dato' Shun has managed to navigate the Group through the various recessions without suffering major setbacks. The improving position of the Group has now allowed Dato' Shun to focus his attention and time on the Group's various landed assets to unlock value. He is the father and father-in-law of Non-Executive Director, Dr. Christopher Shun Kong Leng, CFP®, RFP™ and Y.A.M. Raja Shahruddin Rashid respectively.

DATIN MARIAM EUSOFF
Non-Independent, Non-Executive
Group Deputy Chairman, Malaysian, Aged 71, Female

Datin Mariam Eusoff, started her career as a lecturer at the Institut Teknologi Mara in 1969 before she joined Citibank NA, Malaysia in 1973 where she was Manager in the Public Sector Lending Division. In 1977, she was recruited by Bank Bumiputra Malaysia Berhad to head the International Banking Department covering foreign currency lending, overseas branch operations as well as correspondent banking. She was appointed on 1 July 1989 as Managing Director of Maztri Padu Sdn Bhd, the privatised developer for Kelana Jaya Urban Centre. She holds a B.A. (Hons) from the University of Malaya and a Master degree in Mass Communications from the University of Washington, U.S.A.

Datin Mariam was appointed to the Board of Menang on 25 February 1991 and was subsequently appointed as Group Executive Director of Menang on 1 January 1992 (Non-Independent Director) and later became the Non-Executive Group Deputy Chairman on 1 July 2005. She was the alternate chairperson of the Group Management Committee in the absence of the Group Executive Chairman. As Non-Executive Group Deputy Chairman, she supervises legal, corporate and public communications of the Group. One of her principal responsibilities is in strategic planning and implementation of new property projects besides providing general administration of Group operations.

MR CHIAM TAU MENG
Senior Independent Non-Executive Director, Malaysian, Aged 63, Male

Mr Chiam Tau Meng, graduated with a Bachelor of Commerce Degree majoring in Accountancy from University of Otago, Dunedin, New Zealand in 1976. He is an Associate Chartered Accountant of the Chartered Accountants Australia and New Zealand. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

He started his career in 1976 as Finance Manager of Tolley Industries Ltd (New Zealand) and in 1979, he joined Malaysian Containers (1974) Berhad as Finance Manager cum Company Secretary. In 1984, he joined Menang Corporation (M) Berhad as General Manager of Corporate Services.

In 1989, he joined Bee Hin Holdings Sdn Bhd as General Manager-Corporate Finance in charge of the reconstruction scheme under Section 176 of the Companies Act, 1965 of Kuala Lumpur Industries Berhad.

In 1992, he joined the management consultancy practice of an international accounting organisation and in 1994, he set up his own consulting practice namely CTM Consulting.

He was appointed as an Independent Non-Executive Director of Menang on 21 October 2005. He is the Chairman of the Audit Committee and the Nominating Committee and a Member of the Remuneration Committee of Menang. He also sits on the Board of the following companies listed on the Bursa Malaysia Securities Berhad:-

Hovid Berhad
(Independent & Non-Executive)

SC Estate Builder Berhad
(Independent & Non-Executive)

MR TOO KOK LENG
Independent Non-Executive Director, Malaysian, Aged 57, Male

Mr Too Kok Leng, holds a B.A (Hons) in Law and was admitted to the Malaysian Bar in 1983. He started his own practice in 1988 and was practising under the name and style of Rahman, Too & Co. in Seremban and Kuala Lumpur. He specialised in the corporate and banking fields rendering legal advice to several banks and public listed companies. He has since ventured into his own private business in property and other related activities.

Mr Too was appointed as an Independent Non-Executive Director of Menang on 1 August 1995. He is also the Chairman of the Remuneration Committee and member of the Audit Committee and Nomination Committee of the Company.

He also sits on the Board of TH Heavy Engineering Berhad listed on the Bursa Malaysia Securities Berhad as an Independent Non-Executive Director.

Y.A.M. RAJA SHAHRUDDIN RASHID
Non-Independent Non-Executive Director, Malaysian, Aged 49, Male

Y.A.M. Raja Shahruddin Rashid Ibni Almarhum Sultan Idris Iskandar Shah, holds a Bachelor of Arts in Business and Management. Y.A.M. Raja Shahruddin Rashid has extensive experience in the corporate sector, having worked for various banks and corporations where he specialized in Marketing and Processing and Corporate Loans for 5 years. He was engaged as Officer in the Marketing and Processing, Corporate Banking Department for Kewangan Usaha Bersatu Berhad (KUBB) from 1993 to 1995, Officer in the Corporate Loans and Marketing Department for Arab-Malaysian Finance Berhad from 1995 to 1997. He was appointed as General Manager in Property Development and Management for Maymerge (M) Sdn Bhd from 1997 to 2004. He was appointed as Executive Director in Property Development, Construction and Property Management for Menang Development (M) Sdn Bhd, a wholly owned subsidiary of Menang Corporation (M) Berhad from January 2005 to December 2007. Currently, he is Managing Director, Property Investment of Luminous Circle Sdn Bhd since 2008.

Y.A.M. Raja Shahruddin Rashid was appointed as Company Director of Menang on 20 September 2016.

Y.A.M. Raja Shahruddin Rashid is the son-in-law of Dato' Shun Leong Kwong and brother-in-law of Dr. Christopher Shun Kong Leng.

DR. CHRISTOPHER SHUN KONG LENG, CFP®, RFP™
Non-Independent Non-Executive Director, Malaysian, Aged 51, Male

Dr. Christopher Shun Kong Leng, graduated from Boston University with a Bachelor of Science in Business Administration with Summa Cum Laude and Bachelor of Arts in Economics with Magna Cum Laude in May 1987. He pursued a Merchant Banking career with Hill Samuel Bank, London from 1987 to 1989. In 1991, he obtained his Master of Science in Management from the MIT Sloan School of Management, U.S.A. He subsequently joined Bankers Trust London as a Merger and Acquisition Associate. He completed his Doctor of Business Administration (D.B.A) from Henley Management College, Brunel University, United Kingdom in 2004. He taught Property Securitization to Undergraduate Property Honours students at the Royal Melbourne Institute of Technology (RMIT) in 2015. He also taught Property Risk Management to Master of Property students at University of Melbourne in 2016.

Dr. Christopher Shun was previously Senior Vice President, Economic Intelligence Division, Iskandar Regional Development Authority (IRDA) from 2012-2013. He was formerly the Risk Management Advisor to Perbadanan Putrajaya (PPJ) from 2008-2011. Dr. Christopher Shun was appointed in 2007 onto the National Property Research Economic Council (NAPREC) think tank under the oversight of the Ministry of Finance (MOF) advising the Government of Malaysia (GOM) on all matters pertaining to Real Estate policies and Macroeconomic impacts on the Malaysian economy.

Dr. Christopher Shun was appointed to the Board of Menang on 25 February 1991 and was made Executive Director on 1 April 1991 (Non-Independent Director). Subsequently, he was appointed as Group Executive Director on 1 January 1992 and he was promoted to Deputy Group Managing Director on 1 July 2005. On 31 December 2007, Dr. Christopher Shun was re-designated as Non-Executive Director. He is also a member of the Remuneration Committee of the Company. Dr. Christopher Shun is the son of Dato' Shun Leong Kwong, and brother-in-law of Y.A.M. Raja Shahruddin Rashid.

MR YOONG NIM CHEE
Independent Non-Executive Director, Malaysian, Aged 56, Male

Mr Yoong Nim Chee, holds a Bachelor of Economics (Business Management) from University Malaya. Mr Yoong Nim Chee has extensive experience in the corporate sector, having worked for various banks in Malaysia and Singapore where he specialized in raising equity and debt capital, mergers and acquisitions as well as restructuring companies. Since Year 2007, he had also served in the senior management and Boards of several Malaysian public listed companies, as well as advising some private companies on corporate strategies.

Mr Yoong Nim Chee was appointed as an Independent Non-Executive Director of Menang on 22 April 2016. He is also a member of the Audit Committee and Nomination Committee of the Company.

MR TOH MAY FOOK
Non-Independent Non-Executive Director, Malaysian, Aged 58, Male

Mr Toh, a graduate from Universiti Malaya, qualified as Chartered Accountant. with top management experience in various conglomerates in Malaysia, Indonesia and China, including:-

1. Group Financial Controller of Roxy Electric Industries (M) Berhad.
2. Deputy Managing Director of Sharp Roxy Group of companies in Malaysia.
3. Group Financial Controller of Menang Corporation (M) Berhad.
4. Group Financial/Corporate Controller of Kalbe Group in Indonesia.
5. Group Managing Director of Campbell Soup Company's subsidiaries in China.

Mr Toh May Fook is active in management services with interests in strategic investments in marketing and distribution of fast moving consumer products.

Mr Toh May Fook was appointed as Executive Director of Menang on 22 April 2016 of the Company and redesignated to Deputy Managing Director on 26 April 2016. He was subsequently redesignated to Non-Independent Non-Executive Director on 19 July 2016.

Note:

1. **Family relationship with Director and/or major shareholder**

   Save as hereinabove disclosed, none of the Directors has any family relationship with the other directors and/or major shareholders of Menang Corporation (M) Berhad.

2. **Conflict of Interest**

   None of the Directors has any conflict of interest in the Company except for those transactions disclosed in Note 29 to the financial statements.

3. **Conviction for Offence**

   None of the Directors has been convicted of any offence within the past five (5) years.

4. **Other Directorship of Public Companies**

   None of the Directors hold any directorship in any other public listed company, save as disclosed above.

5. **Securities Holdings in the Company**

   Details of the Directors' securities holdings in the Company, and its subsidiaries are set out on pages 103 to 107 of the Annual Report.

On behalf of the Board of Directors, I have pleasure in presenting the annual report and financial statement of Menang Corporation (M) Berhad and the Group for the financial year ended 30 June 2016.

PERFORMANCE REVIEW

2016 was a difficult year for the Group as predicted in the Group's Annual Report for the preceding year.

During the financial year ended 30 June 2016, the property industry went through tough and uncertain times. High prices, the cautious lending approach by banks, high household indebtedness, roller coaster world crude oil prices, all made the property market extremely challenging to navigate. Many high end launches proposed by big developers were deferred to some future dates. The industry as a whole encountered a slowdown. Prudently we did not launch any project thus avoiding potential poor sales and liquidity pressures. We did however continued to improve our infrastructure layout, spending minimal funds and preparing for the return of a robust market.

Our 3 PFI projects continued to track satisfactorily. All 3 are completed and are providing 20-year cash flows, by way of availability Charges and Maintenance fees from each of the completed PFI project.

Arising from the completing PFI's and overall property industry slowdown, for the financial year under review, the Group recorded a lower revenue and profit after taxation. Revenue decreased from RM276.6 million to RM178.9 million and profit from RM66.6 million to RM38.9 million. I would like to clarify the borrowings of the Group. These borrowings totaling RM693.0 million are essentially for the 3 PFI's and these are more than covered by total financial assets of RM924.0 million.

While the property sector had been inactive, the government acquisition of part of the Klang Land for the West Coast Expressway yielded a gain of RM22.5 million for the Group.

PROSPECT AND OUTLOOK

The property market will continue to be very challenging over the next 2 years. Our focus will be prudent and cautious, focusing on improving infrastructure works, nurturing and managing the 20-year cash flows of our 3 completed PFI's and looking for more opportunities in this area.

APPRECIATION

On behalf of the Board, I would like to express a note of great gratitude and deep appreciation to Datin Mariam Eusoff for her long years of service with our Group as she would be retiring at this AGM. My thanks to management and staff for their dedicated commitment and contribution to the Group, as well as to our business partners, advisors and lawyers, valuable customers and suppliers, bankers, government agencies and regulatory authorities for their continuing support. Lastly, a note of thanks to my fellow Board members for their invaluable contributions and guidance.

Thank you.

Dato' Abdul Mokhtar Ahmad
Chairman

24 October 2016
Kuala Lumpur

Audit Committee Report

COMPOSITION

Chairman : **Mr Chiam Tau Meng**
(Senior Independent Non-Executive Director)

Members : **Mr Too Kok Leng**
(Independent Non-Executive Director)

Mr Yoong Nim Chee
(Independent Non-Executive Director)

TERMS OF REFERENCE

The Terms of Reference of Audit Committee is available on the Company's website: www.menangcorporation.com.

MEETINGS AND DETAILS OF ATTENDANCE

During the financial year ended 30 June 2016, five (5) Audit Committee meetings were held and the attendance record is tabulated as follows:-

Audit Committee Members	**Date of Meetings Held/Attended**					**Total Meetings Attended**
	20.08.2015	**8.10.2015**	**27.11.2015**	**17.02.2016**	**18.05.2016**	
Mr Chiam Tau Meng	√	√	√	√	√	5/5
Mr Too Kok Leng	√	√	√	√	√	5/5
Datin Mariam Eusoff#	√	√	√	√	√	5/5
Mr Yoong Nim Chee*	N/A	N/A	N/A	N/A	N/A	N/A

Notes:-

Datin Mariam Eusoff resigned as a member of the Audit Committee on 19 May 2016.
* Mr Yoong Nim Chee was appointed as a member of the Audit Committee on 19 May 2016. There was no AC meeting held since his appointment as a member of the Audit Committee.

During the financial year ended 30 June 2016, the external auditors, at the invitation of the Audit Committee, have attended three (3) Audit Committee meetings.

AUTHORITY

The Audit Committee is given the authority by the Board to investigate any matter of the Company and its subsidiaries within its terms of reference, the resources which are required to perform its duties, the authority to have full and unrestricted access to any information of the Company and the authority to have direct communication channels with the external auditors and person(s) carrying out the internal audit function. The Committee shall obtain independent/ external professional advice and to be able to convene meetings with the external auditors, internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

ACTIVITIES

During the financial year under review, a summary of the activities undertaken by the Audit Committee in discharging their duties and responsibilities were as follows:

(i) Reviewed the external auditors' scope of work and their audit plan for the financial year ended 30 June 2016;

(ii) Reviewed with the external auditors the results of their audit, the audit report, the management letter, including management's response and internal control recommendations in respect of control weaknesses noted in the course of their audit;

(iii) Reviewed the audited financial statements before recommending it for Board's approval;

(iv) Reviewed and recommended the audit fees payable to the external auditors for the Board's approval;

(v) Reviewed the Company's compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad, applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB") and other relevant legal and regulatory requirements;

(vi) Reviewed the quarterly unaudited financial results, announcements and audited financial statements of the Company prior to submission for the Board's consideration and approval to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by the MASB;

(vii) Reviewed the internal audit function and risk management needs, programme and plan for the financial year under review and annual assessment of the internal audit function and risk management performance;

(viii) Reviewed the audit reports presented by internal audit function and risk management on findings and recommendations with regard to system and controls weaknesses noted in the course of their audit and management's responses thereto and ensuring material findings are adequately addressed by Management;

(ix) Reviewed the Company's status of compliance with the best practices set out under the Malaysian Code on Corporate Governance 2012 for the purpose of preparing the Corporate Governance Statement pursuant to the requirement of paragraph 15.25 of the Bursa Malaysia Securities Berhad Listing Requirements before recommending them to the Board action plans and the prescribed corporate governance principles and recommendations under the Code; and

(x) Reviewed the Audit Committee Report, Corporate Governance Statement and Statement on Risk Management and Internal Control and its recommendation to the Board for inclusion in the Annual Report; and

(xi) Reviewed related party transactions if any that may arise within the Group.

INTERNAL AUDIT FUNCTION

The Company had outsourced the internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). The principal role of CGRM is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continued to operate satisfactorily and effectively. It is the responsibility of CGRM to provide the Audit Committee with independent and objective reports on the extent of compliance of the various operating units within the Group's established policies and procedures as well as relevant statutory requirements.

CGRM has conducted the following audit during the financial year:
- Review on sales and marketing functions; and
- Review on billing and collection cycle for UiTM Seremban 3 Campus Project.

The total costs incurred for internal audit function of the Group in respect of the financial year ended 30 June 2016 amounted to RM26,122.74.

Further details of the activities of Internal Audit Function are set out in the Statement on Risk Management and Internal Control on page 18 to 19 of the Annual Report.

Statement on Corporate Governance

Introduction

The Board of Directors ("the Board") of Menang Corporation (M) Berhad ("Menang" or "the Company") fully subscribes to the principles and recommendations embodied in the Malaysian Code on Corporate Governance 2012 ("the Code") and appreciates the importance of adopting high standards of corporate governance within the Group. Hence, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is thus fully committed to maintain a high standard of corporate governance by ensuring full application of all the principles and recommendations as set out in the Code.

The Board is pleased to report that various affirmation steps and the outlines of how the Group has applied the principles laid down in the Code. Except of matters specifically identified, the Board has complied with the best practices set out in the Code throughout the financial year ended 30 June 2016.

A. DIRECTORS

A1. The Board

Board Responsibilities / Principle Duties

The Board takes full responsibility for the overall performance of the Company and the Menang Group by setting the vision and objectives, establishing goals for management and monitoring its achievement, directing the policies, strategic action plans and ultimately the enhancement of long term shareholders value.

The Board has established a Board Charter to ensure that all Board members are aware of their fiduciary duties and responsibilities, legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, customers and other stakeholders. The Board Charter serves as a reference point for Board activities and promotes good standards of corporate governance, and is available on the Company's website: www.menangcorporation.com. The Board reviews its Board Charter periodically and updates the Board Charter in line with the changes in regulations and best practices of the Group that may impact the Board in the discharge of its responsibilities.

Among others, the Board focuses mainly on the following major specific areas:

- The strategic action plans for the Group
- Evaluation of Company's business performance
- Identifying and management of principal risks
- Succession planning for senior management
- Developing and implementing an investor relations programme and shareholder communications policy
- Reviewing adequacy and integrity of Company's internal control systems and management information systems

Code of Conduct

The Board is committed in maintaining a corporate culture which ensures ethical standards, proper conduct and its compliance through the internal control and policies within the Group. Ethical standards are formalised through the Code of Ethics for Company Directors and the Company's Staff Policy which governs the ethics and conduct of the Directors, Management and employees of the Group. The Board members are required to observe the Code of Ethics for Company Directors includes compliance at all times with this Code of Ehtics and the Board Charter as well as to observe high standards of corporate governance at all times. The Board members are required to declare any personal, professional or business interest that may conflict with directors' responsibilities.

Whistle Blowing Policy

As part of the Company's continuous effort to ensure that good corporate governance practices are being adopted, the Company has established a Whistle Blowing Policy, which has been incorporated into the Board Charter, to provide a clear line of communication and reporting of genuine concerns for employees and other stakeholders.

Corporate Disclosure Policy

The Board is committed to provide accurate, clear, timely and complete disclosure of material information pertaining to the Group's performance and operations to shareholders, stakeholders and public generally. The Corporate Disclosure Policy is in place to raise awareness and provide guidance to the Board, Management, officers and employees on the Company's disclosure requirements and practices.

Composition of the Board

The Board is made up of nine (9) members, comprising the Group Chairman, the Group Managing Director/Group Chief Executive Officer, Non-Executive Group Deputy Chairman, three (3) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors.

Board Committee

The Board of Directors delegates certain responsibilities to the Board Committees in order to enhance business and operational efficiency. Currently, the Company has three (3) committees namely Audit, Nomination and Remuneration Committees to assist the Board in the execution of its duties. These three (3) committees consist of members from the Board. All the committees have their own written terms of reference. They report directly to the Board, the outcome of the Committee meetings as well as their recommendations.

Meeting

The Board meets at least four (4) times a year at quarterly intervals with additional meetings for particular matter convened as and when necessary. Five (5) Board meetings were held during the financial year to deliberate upon and considered a variety of matters including Group's financial results, issues of strategy, performance and resources, strategic decisions, business plan and direction of the Group.

The attendance record of each Director is as follows:

	No. of Meetings Attended/Held
Dato' Abdul Mokhtar Ahmad	3/5
Dato' Shun Leong Kwong	5/5
Datin Mariam Eusoff	5/5
Dr. Christopher Shun Kong Leng, CFP®, RFP™	5/5
Mr Chiam Tau Meng	5/5
Mr Too Kok Leng	5/5
Mr Toh May Fook (appointed on 22 April 2016)	2/2
Mr Yoong Nim Chee (appointed on 22 April 2016)	2/2
Y.A.M. Raja Shahruddin Rashid (appointed on 20 September 2016 subsequent to the financial year end)	–

A2. Board Balance

For the financial year 2016, the Board composition of two (2) Executive Directors, three (3) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors complies with Para 15.02 of the Bursa Malaysia Securities Berhad Listing Requirements which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are independent directors.

The Directors, with their different backgrounds and specialisations, equipped with a wide range of knowledge and experience and with the support of the management team is responsible for implementing the policies and decisions of the Board, overseeing the operations and managing the Group's business and resources.

There is a balance in the Board membership with the presence of the Independent Non-Executive Directors who are credible individuals with vast and varied experience. Both the Independent Non-Executive Directors are independent of management and free of any relationship, which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company.

The Independent Non-Executive Directors are actively involved in various Board committees. They bring to bear objective and independent assessment and opinion to the decision making of the Board and provide a capable check and balance to the executive directors. Together with the executive directors who have intimate knowledge of the business, they provide an effective blend of entrepreneurship, business and professional expertise in general management and areas of the industries the Group is involved in.

During the financial year 2016, the role of the Group Chairman and the Group Managing Director/ Group Chief Executive Officer are separate and each has a clearly accepted division of responsibilities to ensure that there is a balance of power and authority. The Board has identified Mr Chiam Tau Meng as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed. The specific areas of responsibilities of each director is shown in the Directors' profile on pages 3 to 6 of the Annual Report.

The Board is satisfied that the current composition fairly reflects the investment of minority shareholders in the Company through the representation of the three (3) Independent Non-Executive Directors.

A3. Supply of Information

All the Board members (except for a Director who has been suspended) have full and timely access to all information within the Group. Board papers are distributed prior to the Board Meeting to enable the Directors to obtain relevant information and have sufficient time to deliberate on the issues to be raised at the meeting so as to discharge their duties diligently.

The Board papers which include the agenda and reports cover amongst others, areas of strategic, financial, operational and regulatory compliance matters that require the Board's approval.

Detailed periodic briefings on industry outlook, company performance and previews are also conducted for the Directors to ensure that the Board is well informed on the latest market and industry trends and development.

The Directors (except for a Director who has been suspended) have access to the advice and services of the Company Secretary who ensure effective functioning of the Board and compliance of applicable rules and regulations. It is the Board's responsibility to retain the services of a competent Company Secretary to advise and support the Board in carrying out its roles and responsibilities. The Company Secretary is qualified by virtue of Section 139A of the Companies Act, 1965 and information of the Company Secretary's qualification can be found in Corporate Information of the Annual Report.

A4. Appointment to the Board

The Nomination Committee of the Company consists of three (3) Independent Non-Executive Directors as below:-

Name	Directorship
Mr Chiam Tau Meng (Chairman)	- Senior Independent Non-Executive Director
Mr Too Kok Leng	- Independent Non-Executive Director
Mr Yoong Nim Chee	- Independent Non-Executive Director

The authorities, functions and responsibilities of the Nomination Committee are set out in its terms of reference, which is available on the Company's website: www.menangcorporation.com.

The main objectives of the Nomination Committee are to review, recommend and consider candidates for appointment to the Board based on skills and experience, to assess the effectiveness and continually seek ways to upgrade the effectiveness of the Board as a whole and the Committees of the Board. It also assesses the contribution of each Director, executive or independent non-executive. In evaluating candidates for directorship, the Nomination Committee will consider the following criteria:-

- Mix of skills, experience and diversity;
- Character, integrity, knowledge and expertise;
- In the case of independent directors, their abilities to discharge their responsibilities and functions

The Board does not specify any gender policies in its evaluation of candidacy as the focus is on skills, experience, character, knowledge, time commitment and integrity. However, the evaluation will be reviewed and revised from time to time to meet the needs of the Company.

The Nomination Committee met to review the performance of all the Board members, individually and collectively as a Board based on the following key aspects:-

- Size, composition, independence, mix of skills and experience within the Board and Board Committees
- Functions of the Board and Board Committees
- Discharge of responsibilities of the Board and Board Committees

The Nomination Committee is satisfied that the Board, Board Committees and each Director have fulfilled their duties and responsibilities and are suitably qualified in their respective positions.

A5. Re-election

In accordance with the Company's Articles of Association, all the Directors who are appointed by the Board are subject to retirement and are eligible for re-election by the shareholders at the next Annual General Meeting ("AGM") held following their appointments. Mr Toh May Fook, Mr Yoong Nim Chee and Y.A.M. Raja Shahrudin Rashid were appointed during the year and are subject to re-election by the shareholders at the forthcoming AGM of the Company.

The Articles of Association also provide that at least one-third (1/3) of the Directors shall retire from the office at each AGM and shall be eligible to offer themselves for re-election provided always that all Directors including the Managing Director shall retire from office and stand for re-election at least once every three (3) years.

The Board wishes to highlight that although Mr Too Kok Leng and Mr Chiam Tau Meng have served as Independent Non-Executive Directors for more than nine years, the Board, as recommended by the Nominating Committee, is fully satisfied that they demonstrate independence in character and judgement both in their designated role and as Board members. The Board is of the opinion that they continue to bring independent views of the Company's affairs to the Board notwithstanding their length of service. The Board believes that their in-depth knowledge of the Group's business and their extensive and expertise continue to provide invaluable contribution to the Board. As such, the Board recommends them to be retained as Independent Non-Executive Directors and would be seeking shareholders' approval for the same at the forthcoming Annual General Meeting.

A6. Director's Training

All the Directors (save for Y.A.M. Raja Shahruddin Rashid who was appointed on 20 September 2016) have successfully completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors will continue to undergo relevant courses and seminars accredited by Bursa Securities under the Continuing Education Programme for directors of public listed companies to keep abreast with industry, regulatory and compliance issues, trends and best practices.

For the financial year ended 30 June 2016, the Directors have attended the following:-

Name of Directors	Course	Date
Dato' Abdul Mokhtar Ahmad	Continuing Professional Development Series – Covering the areas of: • Technical Brief on MFRS 15 Revenue From Contracts With Customers • Salient Features Of The New Auditors' Report • Changes On Corporate Governance Requirements • New Companies Bill 2015: Snapshot Of Changes	18 May 2016
Dato' Shun Leong Kwong	Continuing Professional Development Series – Covering the areas of: • Technical Brief on MFRS 15 Revenue From Contracts With Customers • Salient Features Of The New Auditors' Report • Changes On Corporate Governance Requirements • New Companies Bill 2015: Snapshot Of Changes	18 May 2016
Datin Mariam Eusoff	Continuing Professional Development Series – Covering the areas of: • Technical Brief on MFRS 15 Revenue From Contracts With Customers • Salient Features Of The New Auditors' Report • Changes On Corporate Governance Requirements • New Companies Bill 2015: Snapshot Of Changes	18 May 2016
Dr. Christopher Shun Kong Leng, CFP ®, RFP™	Continuing Professional Development Series – Covering the areas of: • Technical Brief on MFRS 15 Revenue From Contracts With Customers • Salient Features Of The New Auditors' Report • Changes On Corporate Governance Requirements • New Companies Bill 2015: Snapshot Of Changes18 May 2016	
Mr Chiam Tau Meng	The Interplay between CG, Non-Financial Information (NFI) and Investment Decision Continuing Professional Development Series – Covering the areas of: • Technical Brief on MFRS 15 Revenue From Contracts With Customers • Salient Features Of The New Auditors' Report • Changes On Corporate Governance Requirements • New Companies Bill 2015: Snapshot Of Changes	9 May 2016 18 May 2016
Mr Too Kok Leng	Continuing Professional Development Series – Covering the areas of: • Technical Brief on MFRS 15 Revenue From Contracts With Customers • Salient Features Of The New Auditors' Report • Changes On Corporate Governance Requirements • New Companies Bill 2015: Snapshot Of Changes	18 May 2016

Name of Directors	Course	Date
Mr Yoong Nim Chee	Continuing Professional Development Series – Covering the areas of: • Technical Brief on MFRS 15 Revenue From Contracts With Customers • Salient Features Of The New Auditors' Report • Changes On Corporate Governance Requirements • New Companies Bill 2015: Snapshot Of Changes	18 May 2015
Mr Toh May Fook	Continuing Professional Development Series – Covering the areas of: • Technical Brief on MFRS 15 Revenue From Contracts With Customers • Salient Features Of The New Auditors' Report • Changes On Corporate Governance Requirements • New Companies Bill 2015: Snapshot Of Changes	18 May 2016
	Mandatory Accreditation Programme for Directors of Public Listed Company	3 & 4 August 2016

B. DIRECTORS' REMUNERATION

The Remuneration Committee of the Company comprises the following Directors:-

Name	Directorship
Mr Too Kok Leng (Chairman)	- Independent Non-Executive Director
Mr Chiam Tau Meng	- Senior Independent Non-Executive Director
Dr. Christopher Shun Kong Leng, CFP®, RFP™	- Non Independent Non-Executive Director

The Remuneration Committee is responsible for recommending the remuneration packages of the Executive Directors in accordance with the Company's policy to the full Board for consideration and approval. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by them. The Board as a whole determines the remuneration of the Non-Executive Directors with the individual director affected abstaining from discussion and determination of his/her own remuneration package.

The remuneration package is necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

The details of the Directors' remuneration of the Company comprising remuneration received / receivable from the Company and subsidiary companies for the financial year 2016 are as follows:-

(a) Aggregate remuneration of Directors categorised into appropriate components:-

<u>Company</u>

	Fees RM	Salaries RM	Emoluments RM	Benefits -in-Kind RM	Total RM
Executive Directors	10,959	26,300	–	–	37,259
Non-Executive Directors	20,959	–	263,500	1,260	285,719

Group

	Fees RM	Salaries RM	Emoluments RM	Benefits -in-Kind RM	Total RM
Executive Directors	10,959	447,100	296,680	94,906	849,645
Non-Executive Directors	20,959	–	432,340	5,260	458,559

(b) The number of Directors whose total remuneration falls within the following band are as follows:-

Range of remuneration (RM)	Number of Directors Executive	Non-Executive
Not more than 50,000	–	1
50,001 to 100,000	1	4
350,001 to 400,000	2	–

For security and confidential reasons, detailed remuneration of individual Directors is not shown. The Board is of the opinion that the transparency and accountability aspects of corporate governance as applicable to Directors' remuneration are appropriately served by the disclosure made above.

C. SHAREHOLDERS

The Company recognises the importance of accountability to its shareholders through an effective and constructive communication policy that enables both the board and management to communicate effectively with its shareholders, stakeholders and the public generally about performance, corporate governance and other matters affecting shareholders' interest. The Company reaches out to its shareholders through its distribution of the annual reports and other explanatory circulars. Timely announcement are made to the public with regards to the Company's corporate proposal, financial results and other required announcements.

All shareholders are encouraged to attend the Company's Annual General Meeting and to participate in the proceedings. The shareholders are given every opportunity to enquire, raise questions and seek clarification on the business and performance of the Group. The Main Market Listing Requirements of Bursa Securities requires all resolutions in general meetings held on or after 1 July 2016 to be voted by poll. The Board will ensure compliance to such requirement in the forthcoming Annual General Meeting of the Company.

D. ACCOUNTABILITY AND AUDIT

D1. Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's financial positions and prospects in all their reports to the shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement and the Statement by Directors to enhance shareholders' understanding of the business operations of the Group.

The quarterly results announcements on these results also reflect the Board's commitment to give regular updated assessments on the Group's performances.

D2. Internal Control

The information on the Group's internal control is presented in the Statement on Risk Management and Internal Control on pages 18 to 19 of the Annual Report.

D3. Relationship with the Auditors

The Board through its Audit Committee maintains a formal and transparent arrangement with the Company's external auditors. A summary of activities of the Audit Committee during the financial year are included in the Audit Committee Report as detailed on pages 9 and 10 of the Annual Report.

Statement on Risk Management and Internal Control

Introduction

This Statement on Risk Management and Internal control is made pursuant to paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board of Directors ("the Board") is pleased to provide this statement which has been prepared in accordance with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Companies". It outlines the key elements of the risk management and internal control systems within the Group for the current financial year.

Board of Director's Responsibility

The Board acknowledges its responsibility for the Group's systems of risk management and internal control and the need to review its adequacy and integrity regularly. However, such a system is designed to manage rather than eliminate the risk of failure to achieve the Group's objectives and the system by its nature can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

Risk Management Framework

During the current financial year, the Board and Management maintained the existing risk management framework that was adopted previously. The risk management framework comprised a risk management committee and process to systematically identify, assess and report the significant risk areas of the Group. This process also provides the Group's risk tolerance parameters for assessing risks.

It formed part of the Management and Board agenda so that there is periodic review of the identified risks surrounding the Group and the quality of the corresponding action plans on a continuous basis.

Internal Audit

The Group has outsourced its internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). CGRM is an independent professional firm supports the Audit Committee, and by extension, the Board, by providing an independent assurance on the effectiveness of the Group's systems of internal control.

During the financial year under review, CGRM assessed the adequacy and effectiveness of the Group's key business areas in terms of governance, risk assessment and system of internal control. CGRM reports to the Audit Committee who in turn reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by the management to rectify highlighted issues.

In the planning and throughout the course of their audit work, CGRM made reference to the guidelines of The International Professional Practices Framework; International Standards for the Professional Practice of Internal Auditing and Code of Ethics as well as the Group's policies.

Key Elements of Internal Control

In order to achieve a sound control environment, the key elements in the framework of the Group's internal control systems are identified as follows:-

1. The Group has a defined organisation structure with clear lines of reporting responsibility which are aligned to the Group business and operational requirements.
2. Senior Management, comprising the Chairman, Group MD cum Group CEO and Operations Director, assumed an active management and decision making role in the day-to-day operations of the Group.
3. The Group's financial results were compared against the Board approved budget and reviewed during the quarterly Audit Committee and Board meetings.
4. The Group maintained documented internal policies, objectives and operational procedures as part of the internal controls of the Group.
5. The Group maintained an effective reporting system to ensure timely generation and aggregation of financial and operations information as required for Senior Management review.
6. The Group maintained an open communication channel between the Board, Senior Management, Accountants and the auditors (both internal and external) to ensure timely conveyance of information for internal control disclosures and financial reporting.
7. Adequate insurance coverage of major assets to ensure that assets of the Group are sufficiently covered against mishap that may result in losses to the Group.

Conclusion

Several internal control improvements and risk areas were identified by internal auditors during the financial year ended 30 June 2016. These were reviewed by the Audit Committee and Board and closely monitored by Management to ensure the integrity of internal controls and minimisation of risks. The Management will continue to take adequate measures to strengthen the control environment in which the Group operates.

The Board is committed to an effective internal control system and is of the view that there is a continuous process in evaluating and managing significant risks faced by the Group and the underlying controls to mitigate these risks. The Board will take cognizance of the continuous process for identifying, evaluating and managing the significant risks face by the Company.

In addition to the above, the Board had received letters of assurance dated 5 October 2016 from the Group Managing Director and Accountant with regards to the adequacy and effectiveness of the Group risk management and system of internal control in place for the financial year.

Based on the foregoing, the Board is of the opinion that the system of internal control and risk management processes are adequate to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interest. There was no major internal control weaknesses identified that may result in any material loss or uncertainties for the financial year 30 June 2016 that would require disclosure in this annual report.

Review by External Auditors

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this annual report for the year ended 30 June 2016.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 24 October 2016.

Additional Compliance Information

1. **UTILISATION OF PROCEEDS**

   There were no proceeds raised from any proposal during the financial year.

2. **SHARE BUY-BACKS**

   There were no Share Buy-Backs during the financial year.

3. **OPTIONS OR CONVERTIBLE SECURITIES**

   There were no warrants exercised during the financial year.

4. **DEPOSITORY RECEIPT PROGRAMME**

   There were no depository receipt programmes sponsored by the Company during the financial year.

5. **SANCTIONS AND/OR PENALTIES**

   There were no sanctions or material penalties imposed by any of the regulatory bodies on the Company and its subsidiaries, directors or management.

6. **NON-AUDIT FEES**

   During the financial year, the total non-audit fees payable to the external auditors for services rendered were RM9,000.

7. **VARIATION IN RESULTS**

   There were no material variance between the results of the financial year and the unaudited results previously announced.

8. **PROFIT GUARANTEE**

   There was no profit guarantee given by the Company during the financial year.

9. **MATERIAL CONTRACTS**

   There were no material contracts entered into by the Company and its subsidiaries which involved directors' and major shareholders' interest either still subsisting at the end of the financial year ended 30 June 2016 or entered into since the end of the previous financial period.

10. **REVALUATION POLICY ON LANDED PROPERTIES**

    The Company revalues its landed properties at the Directors' discretion as and when it is required.

11. **RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE**

    There were no recurrent related party transactions of a revenue nature during the financial year.

12. **CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

    The Group did not undertake any corporate social responsibility activities during the financial year ended 30 June 2016.

***Statement of** Directors' Responsibilities in Respect of the Audited Financial Statements*

The Directors are required to ensure that financial statements for each financial year or period are properly drawn up in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs and results of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and then apply them consistently;
- made judgements and estimates that are prudent and reasonable in the circumstances; and
- ensured all applicable accounting standards have been followed.

The Directors are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have a general responsibility for taking such reasonable steps as are reasonably open to them: -

(a) to safeguard the assets of the Group and the Company; and

(b) to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 24 October 2016.

FINANCIAL STATEMENTS

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	38,909	439
Profit attributable to:		
Owners of the Company	32,824	439
Non–controlling interests	6,085	–
	38,909	439

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

Except for as disclosed in the financial statements, in the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no items, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES OR DEBENTURES

During the financial year, no new issue of shares or debentures was made by the Company.

DIRECTORS

The directors in office since the date of the last report are:

Y. Bhg. Dato' Abdul Mokhtar Ahmad	
Y. Bhg. Dato' Shun Leong Kwong	
Y. Bhg. Datin Mariam Eusoff	
Dr. Christopher Shun Kong Leng, CFP®, RFP™	
Chiam Tau Meng	
Too Kok Leng	
Toh May Fook	(Appointed on 22 April 2016)
Yoong Nim Chee	(Appointed on 22 April 2016)
Y.A.M. Raja Shahruddin Rashid	(Appointed on 20 September 2016)

DIRECTORS' INTERESTS

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and warrants of the Company and of its related corporations during the financial year ended 30 June 2016 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia are as follows:

	Number of Ordinary Shares of RM0.50 Each			
	As at 1.7.2015/ Date of appointment	Addition	Sold	As at 30.6.2016
The Company - Menang Corporation (M) Berhad				
Direct interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad	7,920,000	–	(7,886,400)	33,600
Y. Bhg. Dato' Shun Leong Kwong	9,400	–	–	9,400
Y. Bhg. Datin Mariam Eusoff	26,730,000	–	–	26,730,000
Dr. Christopher Shun Kong Leng, CFP®, RFP™	26,740,000	–	–	26,740,000
Toh May Fook	23,753,500	9,635,000	–	33,388,500
Yoong Nim Chee	51,000	–	–	51,000
Indirect interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad*	30,145,130	–	–	30,145,130
Y. Bhg. Dato' Shun Leong Kwong*	30,145,130	–	–	30,145,130
Y. Bhg. Datin Mariam Eusoff*	30,145,130	–	–	30,145,130

	Number of Warrants 2015/2020			
	Alloted on 1.7.2015/ Date of Appointment	Addition	Exercised/ Sold	As at 30.6.2016
The Company - Menang Corporation (M) Berhad				
Direct interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad	4,500,000	–	–	4,500,000
Y. Bhg. Dato' Shun Leong Kwong	4,700	–	–	4,700
Y. Bhg. Datin Mariam Eusoff	11,502,100	–	–	11,502,100
Dr. Christopher Shun Kong Leng, CFP®, RFP™	13,380,000	–	–	13,380,000
Toh May Fook	1,000,000	–	–	1,000,000
Yoong Nim Chee	336,500	–	–	336,500
Indirect interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad*	15,072,565	–	–	15,072,565
Y. Bhg. Dato' Shun Leong Kwong*	15,072,565	–	–	15,072,565
Y. Bhg. Datin Mariam Eusoff*	15,072,565	–	–	15,072,565

* held through Maymerge (M) Sdn. Bhd. and Titian Hartanah (M) Sdn. Bhd. by virtue of Section 6A(4)(c) of the Companies Act, 1965

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 6A of the Companies Act, 1965 in Malaysia, Y. Bhg. Dato' Shun Leong Kwong, Y. Bhg. Datin Mariam Eusoff and Dr. Christopher Shun Kong Leng, CFP®, RFP™ are also deemed to be interested in the ordinary shares of all the subsidiaries during the financial year to the extent the Company has an interest.

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company or of its related corporations during the financial year.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 33 to the financial stetements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of the emoluments received or due and receivable by the directors as disclosed in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors:

Y. BHG. DATO' ABDUL MOKHTAR AHMAD
Director

Y. BHG. DATO' SHUN LEONG KWONG
Director

Date: 24 October 2016

Consolidated Statement of Financial Position

AS AT 30 JUNE 2016

	Note	30.6.2016 RM'000	30.6.2015 RM'000 (Restated)	1.7.2014 RM'000 (Restated)
ASSETS				
Non-current assets				
Plant and equipment	5	266	360	383
Investment properties	6	50,287	50,450	50,612
Land held for property development	7	66,945	66,945	66,945
Operating financial assets	8	833,225	782,500	605,994
Investment in an associate	10	176	178	180
Other investments	11	6	9	8
		950,905	900,442	724,122
Current assets				
Inventories	12	101,641	102,048	108,220
Operating financial assets	8	91,140	62,717	64,175
Receivables	13	44,795	10,242	17,663
Tax assets	14	43	12	2
Cash and bank balances	15	64,496	24,937	20,204
		302,115	199,956	210,264
TOTAL ASSETS		1,253,020	1,100,398	934,386

	Note	30.6.2016 RM'000	30.6.2015 RM'000 (Restated)	1.7.2014 RM'000 (Restated)
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	16	133,553	133,553	133,553
Reserves	17	159,332	126,511	71,401
		292,885	260,064	204,954
Non-controlling interests		72,637	66,552	55,109
TOTAL EQUITY		365,522	326,616	260,063
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	18	57,121	47,064	41,697
Payables	19	–	1,897	3,604
Borrowings	20	646,593	563,096	417,809
		703,714	612,057	463,110
Current liabilities				
Payables	19	137,356	112,918	99,041
Tax payables		26	45	–
Borrowings	20	46,402	48,762	112,172
		183,784	161,725	211,213
TOTAL LIABILITIES		887,498	773,782	674,323
TOTAL EQUITY AND LIABILITIES		1,253,020	1,100,398	934,386

The accompanying notes form an integral part of the financial statements.

Statement of Financial Position

AS AT 30 JUNE 2016

	Note	2016 RM'000	2015 RM'000
ASSETS			
Non-current assets			
Plant and equipment	5	5	6
Investment properties	6	10,735	10,898
Investments in subsidiaries	9	195,100	195,107
		205,840	206,011
Current assets			
Receivables	13	25,475	23,777
Cash and bank balances	15	949	462
		26,424	24,239
TOTAL ASSETS		232,264	230,250
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	16	133,553	133,553
Reserves	17	82,002	81,563
TOTAL EQUITY		215,555	215,116
LIABILITIES			
Current liabilities			
Payables	19	16,709	15,134
TOTAL LIABILITIES		16,709	15,134
TOTAL EQUITY AND LIABILITIES		232,264	230,250

The accompanying notes form an integral part of the financial statements.

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		Group		Company	
	Note	2016 RM'000	2015 RM'000 (Restated)	2016 RM'000	2015 RM'000
Revenue	21	178,924	276,622	2,280	2,280
Cost of sales	22	(88,976)	(187,899)	–	–
Gross profit		89,948	88,723	2,280	2,280
Other income		27,664	35,323	–	–
Administrative expenses		(17,689)	(12,985)	(1,660)	(1,466)
Other expenses		(2,099)	(1,593)	(181)	(221)
		(19,788)	(14,578)	(1,841)	(1,687)
Operating profit		97,824	109,468	439	593
Finance costs	23	(48,766)	(37,428)	–	–
Share of results of an associate, net of tax		(2)	(2)	–	–
Profit before tax	24	49,056	72,038	439	593
Tax expense	25	(10,147)	(5,486)	–	–
Profit for the financial year		38,909	66,552	439	593
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Fair value adjustment of available–for–sale financial assets		(3)	1	–	–
Total comprehensive income for the financial year		38,906	66,553	439	593
Profit attributable to:					
Owners of the Company		32,824	55,109	439	593
Non–controlling interests		6,085	11,443	–	–
		38,909	66,552	439	593

	Note	Group 2016 RM'000	Group 2015 RM'000 (Restated)	Company 2016 RM'000	Company 2015 RM'000
Total comprehensive income attributable to:					
Owners of the Company		32,821	55,110	439	593
Non-controlling interests		6,085	11,443	–	–
		38,906	66,553	439	593
Earnings per ordinary share attributable to owners of the Company:					
Basic earnings per share (sen)	26	12.29	20.63		
Diluted earnings per share (sen)	26	12.29	20.63		

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	← Attributable to Owners of the Company →						
		← Non-distributable →					
	Share capital RM'000	Capital reduction reserve RM'000	Available-for-sale reserve RM'000	(Accumulated losses)/ Distributable retained earnings RM'000	Sub total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
At 1 July 2014	133,553	84,044	6	(12,829)	204,774	55,109	259,883
Retrospective adjustment	–	–	–	180	180	–	180
Restated balance at 1 July 2014	133,553	84,044	6	(12,649)	204,954	55,109	260,063
Total comprehensive income for the financial year							
Profit for the financial year	–	–	–	55,109	55,109	11,443	66,552
Other comprehensive income for the financial year	–	–	1	–	1	–	1
Total comprehensive income	–	–	1	55,109	55,110	11,443	66,553
At 30 June 2015	133,553	84,044	7	42,460	260,064	66,552	326,616
Total comprehensive income for the financial year							
Profit for the financial year	–	–	–	32,824	32,824	6,085	38,909
Other comprehensive income for the financial year	–	–	(3)	–	(3)	–	(3)
Total comprehensive income	–	–	(3)	32,824	32,821	6,085	38,906
At 30 June 2016	133,553	84,044	4	75,284	292,885	72,637	365,522

	Share capital RM'000	Non-distributable capital reduction reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
At 1 July 2014	133,553	84,044	(3,074)	214,523
Total comprehensive income for the financial year				
Profit for the financial year	–	–	593	593
Total comprehensive income	–	–	593	593
At 30 June 2015	133,553	84,044	(2,481)	215,116
Total comprehensive income for the financial year				
Profit for the financial year	–	–	439	439
Total comprehensive income	–	–	439	439
At 30 June 2016	133,553	84,044	(2,042)	215,555

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	Group 2016 RM'000	Group 2015 RM'000 (Restated)	Company 2016 RM'000	Company 2015 RM'000
Cash flows from operating activities					
Profit before tax		49,056	72,038	439	593
Adjustments for:					
Bad debts recovered		(18)	(6)	–	–
Bad debts written off		–	454	–	–
Depreciation of investment properties		163	162	163	162
Depreciation of plant and equipment		100	133	1	1
Gain on disposal of plan and equipment		(33)	–	–	–
Gain on retention sum measured at amortised cost		(723)	(3,669)	–	–
Impairment losses on:					
- amount owing by an associate		–	717	–	–
- amount owing by subsidiaries		–	–	10	51
- investments in subsidiaries		–	–	7	6
- other receivable		750	–	–	–
- trade receivable		500	–	–	–
Interest expense		48,766	37,428	–	–
Interest income		(237)	(263)	–	–
Interest income on operating financial asset		(65,526)	(58,611)	–	–
Inventories written back		(2,982)	–	–	–
Share of results of an associate, net of tax		2	2	–	–
Gain from the compulsary acquisition by the Malaysian Government of the Klang Lands (Note 33)		(22,530)	–	–	–
Waiver of term loan		–	(31,326)	–	–
Operating profit before changes in working capital		7,288	17,059	620	813
Changes in working capital:					
Inventories		3,389	6,172	–	–
Operating financial asset		(13,622)	(116,437)	–	–
Trade and other receivables		(34,611)	6,256	(1,664)	(2,809)
Trade and other payables		70,496	15,954	1,576	1,893
Net cash flows generated from/(used in) operations		32,940	(70,996)	532	(103)
Tax paid		(140)	(84)	–	–
Interest received		100	8	–	–
Net cash from/(used in) operating activities		32,900	(71,072)	532	(103)

	Note	Group 2016 RM'000	Group 2015 RM'000 (Restated)	Company 2016 RM'000	Company 2015 RM'000
Cash flows from investing activities					
Advances made to an associate		(452)	–	–	–
Proceeds from disposal of plant and equipment		33	–	–	–
Purchase of property, plant and equipment		(6)	(110)	–	(1)
Interest received		137	255	–	–
Withdrawal/(Placement) of bank deposits pledged		993	(1,456)	–	–
Net cash from/(used in) investing activities		705	(1,311)	–	(1)
Cash flows from financing activities					
Repayment to consortium parties		(28,568)	–	–	–
Repayment to corporate shareholders		(8)	(582)	–	–
Repayment to subsidiaries		–	–	(45)	(45)
Drawdown of term loans		93,372	452,400	–	–
Repayment of term loans		(23,929)	(305,630)	–	–
Interest paid		(33,904)	(70,512)	–	–
Payment of finance lease payable		(16)	(16)	–	–
Net cash from/(used in) financing activities		6,947	75,660	(45)	(45)
Net increase/(decrease) in cash and cash equivalents		40,552	3,277	487	(149)
Cash and cash equivalents at the beginning of the financial year		22,605	19,328	462	611
Cash and cash equivalents at the end of the financial year	15	63,157	22,605	949	462

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia.

The principal place of business of the Company is located at 8th Storey, South Block, Wisma Selangor Dredging, 142-A, Jalan Ampang, 50450 Kuala Lumpur.

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 9. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 October 2016.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new FRSs and amendments/improvements to FRSs that have been issued by Malaysian Accounting Standards Board as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

		Effective for financial periods beginning on or after
<u>New FRS</u>		
FRS 9	Financial Instruments	1 January 2018
<u>Amendments/Improvements to FRSs</u>		
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 10	Consolidated Financial Statements	Deferred/ 1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interest in Other Entities	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017
FRS 116	Property, Plant and Equipment	1 January 2016
FRS 119	Employee Benefits	1 January 2016
FRS 127	Separate Financial Statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2016
FRS 138	Intangible Assets	1 January 2016

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (Continued)

A brief discussion on the above significant new FRS and amendments/improvements to FRSs are summarised below. Due to the complexity of these new FRS and amendments/improvements to FRSs, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

Key requirements of FRS 9:

- FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

- FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

- FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of FRS 7.

The amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7) to condensed interim financial statements.

Amendments to FRS 11 Joint Arrangements

Amendments to FRS 11 clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3 Business Combinations, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (Continued)

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improve the effectiveness of disclosures. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to FRS 107 Statement of Cash Flows

Amendments to FRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Amendments to FRS 112 Income Taxes

Amendments to FRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Amendments to FRS 116 Property, Plant and Equipment

Amendments to FRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (Continued)

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosures of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures

These amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:

- Exemption from presenting consolidated financial statements: the amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

- Consolidation of intermediate investment entities: the amendments clarify that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

- Policy choice for equity accounting for investments in associates and joint ventures: the amendments allow a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 31 December 2018. The main effects arising from the transition to the MFRSs Framework are discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (Continued)

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract;
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises.

The Group does not expect any impact on the financial statements from the adoption of this standard.

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (Continued)

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

The Group does not expect any impact on the financial statements from the adoption of this standard.

2.3 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

2.5 Use of estimates and judgement

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and the expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

This areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associates, and joint ventures used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus

- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus

- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less

- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, an available-for-sale financial asset or a held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(c) Associates (Continued)

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of an available-for-sale financial asset or a held for trading financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangemenr gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangemenr is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group sccounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its shares of any liabilities incurred jointly, its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

- A joint arrangement is classified as "joint venture" when the Group has rights to th net assets of the arrangemens. The Group accounts for its interest in the joint venture using the equity method in accordance with FRS 128 Investment in Associates and Joint Venture.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries, joint ventures and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.11(b).

3.3 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

Financial instruments are recognised initially at fair value, except for financial instruments not measured at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

<u>Loans and receivables</u>

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a). Gains and losses are recognised in profit or loss through the amortisation process.

<u>Available-for-sale financial assets</u>

Available-for-sale financial assets comprise investment in equity and debt securities that are designated as available for sale or are not classified in any of the three preceding categories.

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair values hedges which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows: (Continued)

(i) Financial assets (Continued)

Unquoted equity instruments carried at cost

Investments in equity that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a).

(ii) Financial liabilities

Other financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

(b) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company themselves purchase or sell an asset). Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.4 Plant and equipment

(a) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.15.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as a separate items of plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of plant and equipment, is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Plant and equipment (Continued)

(c) Depreciation

Plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives. The principal depreciation rates are as follows:

Plant and machinery	10% - 25%
Motor vehicles	20%
Furniture, fittings and equipment	10% - 25%
Site office and signboards	20%
Renovation	10% - 20%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) Lessee accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as plant and equipment or investment property.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (Continued)

(b) Lessor accounting

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3.6 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. The Group and the Company use the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

For building, depreciation is charged to the profit or loss on a straight line basis over the estimated useful lives of 50 years. Freehold land is not depreciated.

An investment property is derecognised on their disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

3.7 Property development activities

(a) Land held for property development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current assets and is stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Land held for property development will be reclassified to property development costs when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Property development activities (Continued)

(b) Property development costs

Property development costs consist of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the percentage of completion method. The stage of completion is determined by the proportion of property development costs incurred for the work performed up to the reporting date over the estimated total property development costs to completion. Under this method, profits are recognised as the property development activity progresses.

Where the financial outcome of a development activity cannot be reliably estimated, property development costs incurred is probable, and the property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any foreseeable loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately in profit or loss. Property development costs not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net reliasable value. Upon the completion of the development, the unsold completed development properties are transferred to inventories.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billiongs and the excess of billings to purchasers over revenue recognised in profit or loss is classified as advance billings.

3.8 Inventories

Land and completed properties

Land and completed properties held for sale are stated at the lower of cost and net realisable value.

The cost of land and completed properties held for sale comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

3.9 Operating financial assets

The Group constructs or upgrades infrastructure (construction or upgrade services) and operates and maintains that infrastructure (operation services) for a specific period of time under a single contract or arrangement. Under these concession arrangements, the grantor controls significant residual interest in the infrastructure at the end of the concession period.

The Group accounts for its service concession arrangements under the financial asset model as the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The consideration received and receivable is allocated by reference to the relative fair values of the various services delivered, when the amounts are separately identified. The allocation is performed by reference to the fair values of the services provided even if the contract stipulate individual prices for certain services. This is because, the amounts specified in the contracts may not necessarily be representative of the fair values of the services provided or the price that would be charged if the services were sold on a standalone basis. The Group estimates the relative fair values of the services by reference to the costs of providing each service plus a reasonable profit margin.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Operating financial assets (Continued)

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method.

Any asset carried under concession arrangements is derecognised when the contractual rights to the financial asset expire.

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances, deposits and other short-term highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include deposits pledged that form an integral part of the Group's cash management.

3.11 Impairment of assets

(a) Impairment and uncollectibility of financial assets

At each reporting date, all financial assets (except for investment in subsidiaries, associates and joint ventures) are assessed whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

<u>Loans and receivables</u>

The Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is no objective evidence for impairment exists for an individually assessed financial asset, whether significant or not, the Group and the Company include the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases due to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

Loan together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If a write-off is later recovered, the recovery is credited to the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Impairment of assets (Continued)

(a) Impairment and uncollectibility of financial assets (Continued)

Available-for-sale financial assets

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. The Group and the Company use their judgement to determine what is considered as significant or prolonged decline, evaluating past volatility experiences and current market conditions.

Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified from equity to profit or loss shall be the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss.

Impairment losses on available-for-sale equity investments are not reversed through profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss, is recognised in other comprehensive income.

For available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to a loss event occurring after the recognition of the impairment loss in profit or loss.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Impairment of assets (Continued)

(b) Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.12 Share capital

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.14 Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Property development

Revenue from sale of properties is accounted for by the stage of completion method in respect of the property units sold. The stage of completion method is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Any expected loss on development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue and other income (Continued)

(b) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method. The stage of completion method is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

(c) Maintenance income

Maintenance income is recognised as and when services are rendered.

(d) Sale of properties

Revenue from sale of properties is recognised upon signing of the sale and purchase agreement, and completion of the agreement.

(e) Interest income

Interest income is recognised using the effective interest method. The notional interest income resulting from the accretion of discount on operating financial assets using the effective interest rate method is recognised in the profit or loss.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Management fee

Management fee is recognised on an accrual basis.

(h) Rental income

Rental income is recognised on a straight line basis over the lease term of an ongoing lease.

3.15 Borrowings costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employee Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.19 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(a) Classification between investment properties and property, plant and equipment

Certain property comprises a portion that is held to earn rental income or capital appreciation, or for both, whilst the remaining portion is held for use in the production or supply of goods and services or for administrative purposes. If the portion held for rental and/or capital appreciation could be sold separately (or leased out separately as a finance lease), the Group and the Company account for that portion as an investment property. If the portion held for rental and/or capital appreciation could not be sold or leased out separately, it is classified as an investment property only if an insignificant portion of the property is held for use in the production or supply of goods and services or for administrative purposes. Management uses judgement to determine whether any ancillary services are of such significance that a property does not qualify as an investment property.

(b) Classification of operating financial assets

As discussed in Note 8, the Group entered into certain concession agreements with Universiti Teknologi Mara ("UiTM") and the Government of Malaysia as represented by the Ministry of Higher Education Malaysia under a private finance initiative for the right and authority to undertake the planning, design, development, construction, landscaping, equipping, installations, completion, testing and commissioning of the facilities and infrastructure of UiTM campuses and to carry out the maintenance works in relation to the maintenance of the facilities and infrastructure.

Under these arrangements, UiTM will pay the Group throughout the concession period the availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreements. These amounts receivable are accounted for using the financial asset model.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(c) Depreciation and useful lives of plant and equipment

As disclosed in Note 3.4, the Group and the Company review the residual values, depreciation rates and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Group's and the Company's plant and equipment are disclosed in Note 5.

(d) Impairment of financial assets

The Group and the Company recognise impairment losses for loans and receivables using the incurred loss model. At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that loans and receivables is impaired. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Group's and the Company's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the impairment made and this may affect the Group's and the Company's financial position and results.

For quoted available –for-sale equity investments, the Group recognises an impairment loss when there has been a significant or prolonged decline in the market proce of a quoted equity investment. The Group uses its judgement to decide when an impairment loss shall be recognised using past experience of similar investments, historical volatility of the share prices and current market conditions. The actual eventual losses may be different from the impairment made and this may affect the Group's financial position and results.

The carrying amounts of the Group and of the Company's financial asset are disclosed in Note 30(a).

(e) Construction contracts

Significant judgement is used in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the works that are recoverable from the customers. In making judgements, the Group evaluates based on past experience and work of specialists.

(f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be measured based on quoted prices in active markets, their fair value are measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The information on the fair value measurements of financial assets and liabilities are disclosed in Note 30(b).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(g) Impairment of non-financial assets

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use.

(h) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unabsorbed capital allowances based on the projected future profits of the subsidiaries to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future performance of the subsidiaries.

(i) Revenue recognition in relation to Concession Agreement

Interest income resulting from the accretion of discount on operating financial assets using the effective interest rate method is described in Note 3.14.

Significant judgement is required in determining the profit margin used in estimating the relative fair values of various services provided in concession arrangements. In making the judgement, the Group evaluates by making reference to the current condition and operating environment of companies in the similar industry in Malaysia.

(j) Measurement of income taxes

Significant judgement is required in determining the Group's and the Company's estimation for current and deferred taxes because the ultimate tax liability for the Group as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the taxes payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group and the Company will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise. The income tax expense of the Group and the Company are disclosed in Note 25.

(k) Arrangments with consortium parties

Significants judgement is required in determining the recognition of the transactions pursuant to the arrangement entered into by the Group as disclosed in Note 33 and the computation of the Group's cost of the portion of the lands in Klang that are subject to compulsory acquisition by the Malaysian Government for the intended West Coast Expressway development.

5. PLANT AND EQUIPMENT

	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Site office and signboards RM'000	Renovation RM'000	Total RM'000
Group						
2016						
Cost						
At 1 July 2015	1,825	978	2,534	326	198	5,861
Additions	–	–	6	–	–	6
Disposals	(343)	–	–	–	–	(343)
At 30 June 2016	1,482	978	2,540	326	198	5,524
Accumulated depreciation						
At 1 July 2015	1,624	874	2,479	326	198	5,501
Charge for the financial year	47	39	14	–	–	100
Disposals	(343)	–	–	–	–	(343)
At 30 June 2016	1,328	913	2,493	326	198	5,258
Net carrying amount						
At 30 June 2016	154	65	47	–	–	266
2015						
Cost						
At 1 July 2014	1,785	941	2,501	326	198	5,751
Additions	40	37	33	–	–	110
At 30 June 2015	1,825	978	2,534	326	198	5,861
Accumulated depreciation						
At 1 July 2014	1,564	823	2,457	326	198	5,368
Charge for the financial year	60	51	22	–	–	133
At 30 June 2015	1,624	874	2,479	326	198	5,501
Net carrying amount						
At 30 June 2015	201	104	55	–	–	360

5. PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Total RM'000
Company				
2016				
Cost				
At 1 July 2015	70	1,038	27	1,135
Additions #	–	–	–	–
At 30 June 2016	70	1,038	27	1,135
Accumulated depreciation				
At 1 July 2015	70	1,032	27	1,129
Charge for the financial year	–	1	–	1
At 30 June 2016	70	1,033	27	1,130
Net carrying amount				
At 30 June 2016	–	5	–	5
2015				
Cost				
At 1 July 2014	70	1,037	27	1,134
Additions	–	1	–	1
At 30 June 2015	70	1,038	27	1,135
Accumulated depreciation				
At 1 July 2014	70	1,031	27	1,128
Charge for the financial year	–	1	–	1
At 30 June 2015	70	1,032	27	1,129
Net carrying amount				
At 30 June 2015	–	6	–	6

This represent addition for furniture, fittings and equipment amounting to RM249 during the financial year.

Net carrying amount of property, plant and equipment of the Group held under finance lease arrangement as at the end of the financial year is as follows:

	Group 2016 RM'000	Group 2015 RM'000
Motor vehicles	20	40

Details of the terms and conditions of the finance lease arrangement are disclosed in Note 20(b).

6. INVESTMENT PROPERTIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Freehold land, at cost				
At 1 July 2015/2014 and 30 June	59,879	59,879	4,325	4,325
Building, at cost				
At 1 July 2015/2014 and 30 June	8,114	8,114	8,114	8,114
Less: Accumulated depreciation				
At 1 July 2015/2014	(1,541)	(1,379)	(1,541)	(1,379)
Depreciation charge for the financial year	(163)	(162)	(163)	(162)
At 30 June	(1,704)	(1,541)	(1,704)	(1,541)
Development expenditure				
At 1 July 2015/2014 and 30 June	5,842	5,842	–	–
Less: Accumulated impairment loss				
At 1 July 2015/2014 and 30 June	(21,844)	(21,844)	–	–
	50,287	50,450	10,735	10,898

Fair value information

The fair value of investment properties of the Group and the Company are categorised as follows:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2016				
Freehold land	–	–	105,124	105,124
Buildings	–	–	8,513	8,513
	–	–	113,637	113,637
2015				
Freehold land	–	–	101,538	101,538
Buildings	–	–	8,325	8,325
	–	–	109,863	109,863

6. INVESTMENT PROPERTIES (CONTINUED)

Fair value information (Continued)

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
2016				
Freehold land	–	–	5,829	5,829
Buildings	–	–	8,513	8,513
	–	–	14,342	14,342
2015				
Freehold land	–	–	4,438	4,438
Buildings	–	–	8,325	8,325
	–	–	12,763	12,763

There are no Level 1 investment properties or transfers between Level 1 and Level 2 during the financial year ended 30 June 2016 and 30 June 2015.

Investment properties of the Group and of the Company at Level 3 fair value with carrying amount of RM50,287,000 (2015: RM50,450,000) and RM10,735,000 (2015: RM10,898,000) respectively were determined by directors' estimation based on the indicative market price of similar properties in the vicinity.

Direct operating expenses arising from the above investment properties not generating rental income during the current financial year are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Repair and maintenance	1,134	830	13	13
Quit rent and assessment	101	101	20	20

7. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2016 RM'000	2015 RM'000
Freehold land, at cost		
At 1 July 2015/2014 and 30 June	80,574	80,574
Development expenditure		
At 1 July 2015/2014 and 30 June	4,061	4,061
Less: Accumulated impairment losses		
At 1 July 2015/2014 and 30 June	(17,690)	(17,690)
	66,945	66,945

8. OPERATING FINANCIAL ASSETS

The Group entered into certain concession agreements with UiTM and the Government of Malaysia ("the Government") as represented by the Ministry of Higher Education Malaysia under a private finance initiative for the right and authority to undertake the planning, design, development, construction, landscaping, equipping, installations, completion, testing and commissioning of the facilities and infrastructure of UiTM campuses and to carry out the maintenance works in relation to the maintenance of the facilities and infrastructure.

Each concession agreement is for a period of 23 years comprising 3 years of construction works and 20 years of maintenance works ("Maintenance Period"). The maintenance works will commence upon the issuance of Certificate of Acceptance by UiTM and expiring on the last date of the Maintenance Period. Upon expiry of the Maintenance Period, the Group is required to handover the facilities and infrastructure at no cost to UiTM in a well-maintained and operational condition.

UiTM will pay the Group throughout the Maintenance Period concession charges which comprise availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreements. The Group and UiTM may make request in writing for the review of the maintenance charges at the interval of every five years after the maintenance commencement date, subject to the Government's approval.

The amount, being the financial assets arising from the above concession agreements represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. They carry interest at rates ranging from 6.84% to 7.93% (2015: 6.67% to 7.70%) per annum and repayable in the form of availability charges upon fulfilment of the terms and conditions in the concession agreements.

All rights, interest and title limited to the availability charges, any amount payable by the Government of Malaysia, and reimbursement of costs by UiTM are assigned to a financial institution to secure a term loan facility granted to the Group as disclosed in Note 20(a).

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016 RM'000	**2015 RM'000**
Unquoted shares, at cost	332,034	332,034
Less: Impairment losses		
At 1 July 2015/2014	(136,927)	(136,921)
Impairment during the financial year	(7)	(6)
At 30 June	(136,934)	(136,927)
	195,100	195,107

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries, all of which have principal place of business and are incorporated in Malaysia, are as follows:

Name of the Company	Effective interest in equity held by the Group 2016 %	2015 %	Principal activities
Subsidiaries			
Menang Development (M) Sdn. Bhd.	100.00	100.00	Property development
Menang Leasing and Credit (M) Sdn. Bhd.	100.00	100.00	Leasing and hire purchase
Menang Management Services (M) Sdn. Bhd.	100.00	100.00	Management services
Menang Properties (M) Sdn. Bhd.	100.00	100.00	Property investment
Menang Aquatics Sdn. Bhd.	100.00	100.00	Investment holding and undertaking of landscaping projects
Menang Construction (M) Sdn. Bhd.	100.00	100.00	Property construction
Equitiplus Sdn. Bhd.	100.00	100.00	Investment holding
Hitung Panjang Sdn. Bhd. *	100.00	100.00	Investment holding
Temeris Holdings Sdn. Bhd.	100.00	100.00	Investment holding
Menang Industries (M) Sdn. Bhd.	100.00	100.00	Investment holding
Menang Plantations (M) Sdn. Bhd.	100.00	100.00	Dormant
Seremban 3 Paradise Valley Golf Resort Sdn. Bhd.	100.00	100.00	Dormant
Subsidiary of Hitung Panjang Sdn. Bhd.			
Maztri Padu Sdn. Bhd. *	100.00	100.00	Management services and property development
Subsidiary of Menang Leasing and Credit (M) Sdn. Bhd.			
Menang Finservices (M) Sdn. Bhd.	100.00	100.00	Licensed money-lender
Subsidiary of Menang Land (M) Sdn. Bhd.			
Menang Saujana Sdn. Bhd.	100.00	100.00	Property development
Subsidiary of Menang Aquatics Sdn. Bhd.			
Menang Greens Sdn. Bhd.	100.00	100.00	Landscaping and turf farming
Subsidiaries of Equitiplus Sdn. Bhd.			
Harapan Akuarium (M) Sdn. Bhd.	100.00	100.00	Investment holding
Menang Equities (M) Sdn. Bhd.	100.00	100.00	Investment holding
Subsidiary of Temeris Holdings Sdn. Bhd.			
Temeris Resorts Development Sdn. Bhd.	100.00	100.00	Property development
Subsidiaries of Menang Development (M) Sdn. Bhd.			
Menang Land (M) Sdn. Bhd.	100.00	100.00	Investment holding
Twin Version Sdn. Bhd. *	100.00	100.00	Investment holding
Charisma Cheer Sdn. Bhd. *	100.00	100.00	Investment holding
Inovatif Mewah Sdn. Bhd.	71.00	71.00	Concession arrangements
Rumpun Positif Sdn. Bhd.	51.00	51.00	Concession arrangements
Protokol Elegan Sdn. Bhd.	51.00	51.00	Concession arrangements

* Audited by auditors other than Baker Tilly Monteiro Heng.

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	Inovatif Mewah Sdn. Bhd. RM'000	**Rumpun Positif Sdn. Bhd. RM'000**	**Protokol Elegan Sdn. Bhd. RM'000**	**Total RM'000**
2016				
NCI percentage of ownership interest and voting interest	29%	49%	49%	
Carrying amount of NCI	27,340	31,221	14,076	72,637
Profit/(Loss) allocated to NCI	3,351	(692)	3,426	6,085
2015				
NCI percentage of ownership interest and voting interest	29%	49%	49%	
Carrying amount of NCI	23,989	31,913	10,650	66,552
(Loss)/Profit allocated to NCI	(3,485)	11,446	3,482	11,443

(b) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	Inovatif Mewah Sdn. Bhd. RM'000	**Rumpun Positif Sdn. Bhd. RM'000**	**Protokol Elegan Sdn. Bhd. RM'000**	**Total RM'000**
2016				
Assets and liabilities				
Non-current assets	369,210	329,679	134,336	833,225
Current assets	93,798	63,089	10,663	167,550
Non-current liabilities	(316,270)	(290,928)	(96,345)	(703,543)
Current liabilities	(52,464)	(43,329)	(25,142)	(120,935)
Net assets	94,274	58,511	23,512	176,297
Results				
Revenue	47,542	67,332	62,276	177,150
Profit/(Loss) for the financial year	11,555	(1,412)	6,992	17,135
Total comprehensive income/(loss)	11,555	(1,412)	6,992	17,135

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows: (Continued)

	Inovatif Mewah Sdn. Bhd. RM'000	Rumpun Positif Sdn. Bhd. RM'000	Protokol Elegan Sdn. Bhd. RM'000	Total RM'000
2016 (Continued)				
Cash flows from/(used in) operating activities	50,111	(30,267)	(35,723)	(15,879)
Cash flows used in investing activities	(9,588)	(808)	(811)	(11,207)
Cash flows (used in)/from financing activities	(41,507)	38,880	41,762	39,135
	(984)	7,805	5,228	12,049
Dividend paid to NCI	–	–	–	–
2015				
Assets and liabilities				
Non-current assets	381,194	329,246	72,059	782,499
Current assets	87,974	9,365	6,031	103,370
Non-current liabilities	(333,507)	(225,403)	(51,063)	(609,973)
Current liabilities	(52,941)	(53,285)	(10,508)	(116,734)
Net assets	82,720	59,923	16,519	159,162
Results				
Revenue	47,856	145,678	46,878	240,412
(Loss)/Profit for the financial year	(12,017)	23,360	7,106	18,449
Total comprehensive (loss)/income	(12,017)	23,360	7,106	18,449
Cash flows from/(used in) operating activities	22,507	(84,599)	(25,273)	(87,365)
Cash flows (used in)/from investing activities	(23,435)	57	–	(23,378)
Cash flows from financing activities	12,259	84,542	25,273	122,074
	11,331	–	–	11,331
Dividend paid to NCI	–	–	–	–

10. INVESTMENT IN AN ASSOCIATE

	Group 30.6.2016 RM'000	30.6.2015 RM'000 (Restated)	1.7.2014 RM'000 (Restated)
Unquoted shares, at cost #	–	–	–
Share of results of associates			
At beginning of the financial year	178	180	182
Current year share of results	(2)	(2)	(2)
	176	178	180
	176	178	180

\# This represents investment in an associate with a carrying amount of RM30 (2015: RM30; 2014: RM30).

The details of the associate which is incorporated in Malaysia are as follows:

Name of Associate	Ownership interest/ voting interest 2016 %	2015 %	2014 %	Nature of relationship
Pacific Bright Sdn. Bhd.*	30	30	30	To act as manager for a consortium

* Audited by auditors other than Baker Tilly Monteiro Heng.

(a) The summarised financial information of the associate, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	Group 30.6.2016 RM'000	30.6.2015 RM'000 (Restated)	1.7.2014 RM'000 (Restated)
Assets and Liabilities			
Non-current assets	–	–	–
Current assets	5,802	4,888	2,857
Non-current liabilities	–	–	–
Current liabilities	(5,216)	(4,295)	(2,258)
Net liabilities	586	593	599
Results:			
Revenue	–	–	–
Loss for the financial year	(6)	(6)	(6)
Total comprehensive loss	(6)	(6)	(6)
Cash flows from/(used in) operating activities/ Net increase/(decrease) in cash and cash equivalents	15	1	(101)

11. OTHER INVESTMENTS

	Group	
	2016	**2015**
	RM'000	**RM'000**
Available-for-sale financial assets		
- Shares quoted in Malaysia	6	9

Information on the fair value hierarchy of the investments is disclosed in Note 30(b).

12. INVENTORIES

		Group	
	30.6.2016	**30.6.2015**	**1.7.2014**
	RM'000	**RM'000**	**RM'000**
		(Restated)	**(Restated)**
At cost			
Land and completed properties	79,773	76,958	83,130
At net realisable value			
Land and completed properties	21,868	25,090	25,090
	101,641	102,048	108,220

During the financial year, inventories of the Group recognised as cost of sales amounted to RM543,000 (2015: RM12,378,000).

The Group reversed RM2,982,000 (2015: RM Nil) in respect of inventories previously written down.

Included in land and completed properties is a freehold land in Seremban with carrying amount of RM2,813,000 (2015: RM2,813,000) held by a subsidiary whereby an agreement had been entered into with a third party developer to develop the land.

Included in inventories are lands with carrying amount of RM21,358,729 (2015: RM24,580,040) which the Group has entered into Consortium Agreement, Deed of Trusts, Shareholders Agreements and Memorandum of Re-iteration and Confirmation as disclosed in Note 33.

13. RECEIVABLES

	Note	Group 30.6.2016 RM'000	30.6.2015 RM'000 (Restated)	1.7.2014 RM'000 (Restated)
Trade receivables				
Third parties	(a)	20,891	9,374	15,987
Non-trade receivables				
Amount owing from an associate	(b)	1,169	717	783
Other receivables	(c)	20,498	519	536
GST refundable		3,804	6	–
Deposits		265	210	207
Prepayments		135	133	157
		25,871	1,585	1,683
Less: Impairment losses				
- trade receivable		(750)	–	–
- amount owing from an associate		(717)	(717)	–
- other receivable		(500)	–	(7)
		(1,967)	(717)	(7)
		44,795	10,242	17,663

	Note	Company 2016 RM'000	2015 RM'000
Non-trade receivables			
Amounts owing from subsidiaries	(b)	72,740	73,100
GST refundable		2,058	6
Deposits		17	17
Prepayments		50	34
		74,865	73,157
Less: Impairment losses			
- amounts owing from subsidiaries		(49,390)	(49,380)
		25,475	23,777

(a) The normal trade credit terms granted by the Group ranging from 30 to 60 (2015: 30 to 60) days from date of invoice.

(b) The amounts owing from subsidiaries and an associate represent advances and payments made on behalf, which are unsecured, interest-free and repayable upon demand in cash.

(c) Included in other receivables is an amount of RM19,976,712 (2015: RM Nil) retained by High Court arising from the compulsory acquisition by the Malaysian Government of the Klang Lands (Note 33) pending appeal against the quantum of compensation paid.

13. RECEIVABLES (CONTINUED)

(d) Ageing analysis of trade receivables

The Group maintains an ageing analysis in respect of trade receivables only. The ageing analysis of the Group's trade receivables are as follows:

	Group		
	30.6.2016 RM'000	30.6.2015 RM'000 (Restated)	1.7.2014 RM'000 (Restated)
Neither past due nor impaired	10,145	6,254	5,397
1 to 30 days past due but not impaired	448	1,439	8,455
31 to 60 days past due but not impaired	1,649	315	231
61 to 90 days past due but not impaired	6,504	3	557
91 to 120 days past due but not impaired	6	3	6
More than 121 days past due but not impaired	1,389	1,360	1,341
	9,996	3,120	10,590
Impaired - individually	750	–	–
	20,891	9,374	15,987

Receivables that are impaired

The Group's and the Company's receivables that are impaired at the reporting date and the reconciliation of movement in the impairment loss is as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 July 2015/2014	717	–	49,380	49,329
Charge for the financial year	1,250	717	10	51
At 30 June	1,967	717	49,390	49,380

14. TAX ASSETS

This amount is in respect of tax paid in advance to the tax authorities.

15. CASH AND BANK BALANCES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash at bank	51,012	18,487	949	462
Cash in hand	10	10	–	–
Fixed deposits with licensed banks	13,474	6,440	–	–
	64,496	24,937	949	462

15. CASH AND BANK BALANCES (CONTINUED)

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fixed deposits with licensed banks	13,474	6,440	–	–
Less: Deposits pledged	(1,339)	(2,332)	–	–
	12,135	4,108	–	–
Cash and bank	51,012	18,487	949	462
Cash in hand	10	10	–	–
	63,157	22,605	949	462

Fixed deposits with licensed banks are placement made for a period of three month or less, depending on the immediate cash requirements of the Group and bear interest at rates ranging from 2.90% to 3.30% (2015: 3.15% to 3.30%) per annum.

Included in fixed deposits with licensed banks is an amount of RM1,339,000 (2015: RM2,332,000) pledged to a licensed bank as a security favouring a third party for providing and installing all the necessary materials in the substation building leased by a subsidiary of the Company. This amount is not freely available for general use.

16. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2016 Unit'000	2015 Unit'000	2016 Unit'000	2015 Unit'000
Authorised:				
Ordinary shares of RM0.50 each				
At the beginning/end of the financial year	2,000,000	2,000,000	1,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each				
At the beginning/end of the financial year	267,107	267,107	133,553	133,553

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

17. RESERVES

		Group		
		30.6.2016 RM'000	30.6.2015 RM'000 (Restated)	1.7.2014 RM'000 (Restated)
Retained earnings/(Accumulated losses)		75,284	42,460	(12,649)
Non-distributable				
Capital reduction reserve	(a)	84,044	84,044	84,044
Available-for-sale reserve	(b)	4	7	6
		84,048	84,051	84,050
		159,332	126,511	71,401

	Note	Company	
		2016 RM'000	2015 RM'000
Accumulated losses		(2,042)	(2,481)
Non-distributable			
Capital reduction reserve	(a)	84,044	84,044
		82,002	81,563

(a) The capital reduction reserve arose from the capital reduction exercise done on 28 January 2011, pursuant to the requirements of Section 64 of the Companies Act, 1965 in Malaysia.

(b) The available-for-sale reserve represents fair value changes, net of tax arising from financial assets classified as available-for-sale.

18. DEFERRED TAX LIABILITIES

(a) The movement of deferred tax liabilities during the financial year are as follows:

	Group	
	2016 RM'000	2015 RM'000
At 1 July 2015/2014	47,064	41,697
Recognised in profit or loss (Note 25)	10,057	5,367
At 30 June	57,121	47,064

Presented after appropriate offsetting as follows:

	Group	
	2016 RM'000	2015 RM'000
Deferred tax assets	(75,002)	(81,728)
Deferred tax liabilities	132,123	128,792
	57,121	47,064

18. DEFERRED TAX LIABILITIES (CONTINUED)

(b) This is in respect of estimated deferred tax (assets)/liabilities arising from temporary differences as follows:

	Group	
	2016 RM'000	2015 RM'000
Deferred tax assets		
Difference between the carrying amount of property, plant and equipment and their tax base	(56,753)	(62,226)
Unutilised tax losses	(10,914)	(9,908)
Unabsorbed industrial building allowances	(7,155)	(9,594)
Allowance for doubtful debts	(180)	–
	(75,002)	(81,728)
Deferred tax liabilities		
Operating financial assets	131,956	128,625
Inventories	167	167
	132,123	128,792

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Difference between the carrying amounts of property, plant and equipment and their tax base	–	12	–	–
Unutilised tax losses	72,545	95,776	22,044	22,874
Unabsorbed capital allowances	1,966	1,984	–	–
Allowance for doubtful debts	500	–	–	–
	75,011	97,772	22,044	22,874

The deductible temporary differences do not expire under the current tax legislation.

19. PAYABLES

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current					
Other payables	(a)	–	1,897	–	–
Current					
Trade payables					
Trade payables	(b)	24,443	22,136	–	–
Retention sums	(c)	32,246	39,417	–	–
		56,689	61,553	–	–
Other payables and accruals					
Amounts owing to subsidiaries	(d)	–	–	16,127	14,635
Amounts owing to corporate shareholders	(d)	–	8	–	–
Amounts owing to directors	(d)	5,628	4,976	459	377
Amount owing to a joint operation project	(e)	3,969	3,542	–	–
Other payables	(a), (f), (g)	53,967	31,129	–	8
GST payables		3	781	3	–
Accruals	(h)	17,083	10,908	120	114
Deposits		17	21	–	–
		80,667	51,365	16,709	15,134
		137,356	112,918	16,709	15,134

(a) Included in other payables is an amount owing to a third party arising from debt settlement for compensation of loss of profit of totalling of RM1,861,000 (2015: RM3,604,000); of which the current and non-current amounts are RM1,861,000 (2015: RM1,707,000) and RM Nil (2015: RM1,897,000) respectively.

(b) The normal trade credit terms granted to the Group ranging from 30 to 40 (2015: 30 to 40) days.

(c) This is in respect of retention sums payable to the contractors of the Group pursuant to the letter of award entered into with the contractors.

The retention sums repayable in 18 months from date of completion in relation to each concession agreement are measured at amortised cost at imputed interest rates ranging from 7.50% to 8.20% (2015: 7.50% to 8.20%) per annum.

(d) Amounts owing to subsidiaries, corporate shareholders, and directors represent advances and payments made on behalf which are unsecured, interest-free and repayable upon demand in cash.

(e) Amount owing to a joint operation project represents the share of results for the joint operation project, which is unsecured, interest-free and repayable upon completion of the joint operation project.

19. PAYABLES (CONTINUED)

(f) As at 30 June 2016, included in other payables is an amount of RM51,509,379 distributable to the other consortium parties arising from the compulsory acquisition by the Malaysian Government of the Klang Lands (Note 33).

As at 30 June 2015, included in other payables is an amount of RM28,568,497 owing to the consortium party arising from the settlement of a bank facility pursuant to the Consortium Agreement on 26 March 2010. This amount was repaid to the consortium party from the proceeds received from the compulsory acquisition by the Malaysian Government of the Klang Lands (Note 33) during the financial year ended 30 June 2016.

(g) As at 30 June 2015, included in other payables of the Group is an advance from a third party amounting to RM1,000,000 for working capital purposes. It is unsecured, bears an interest at a rate of 8% per annum and repayable on 23 June 2016. During the financial year, the advance had been fully repaid.

(h) Included in accruals are the following:

	Group	
	2016 RM'000	**2015 RM'000**
Conversion premium to convert Seremban 3 land from agriculture land to residential land and commercial land	5,527	5,527

The conversion premium will be payable when the vacant land is due for development.

20. BORROWINGS

		Group	
	Note	**2016 RM'000**	**2015 RM'000**
Current - secured			
Term loan I	(a)	21,802	22,051
Term loan II	(a)	22,021	26,695
Term loan III	(a)	2,563	–
Finance lease payable	(b)	16	16
		46,402	48,762
Non-current - secured			
Term loan I	(a)	284,279	306,461
Term loan II	(a)	271,541	208,953
Term loan III	(a)	90,769	47,662
Finance lease payable	(b)	4	20
		646,593	563,096
Total borrowings		692,995	611,858

20. BORROWINGS (CONTINUED)

(a) Terms loans

Term loans I, II and III are secured over the following:

(i) all agreements in relation to the concession agreements (Note 8);

(ii) debenture creating a first fixed and floating charge over all present and future assets of a subsidiary;

(iii) assignment over designated accounts; and

(iv) corporate guarantee from a subsidiary and corporate shareholders of subsidiaries.

Term loans I, II and III is repayable commencing on September 2014, December 2015 and January 2017 respectively.

The term loans bear interest at rates ranging from 5.82% to 8.20% (2015: 6.30% to 7.70%) per annum.

A significant covenant for the Term loan III is that the maximum Total Indebtedness to Equity ratio of 84.3:15.7 must not be exceeded at all times.

(b) Finance lease payable

	Group	
	2016 RM'000	**2015 RM'000**
Future minimum lease payments	22	41
Less: Future finance charges	(2)	(5)
Total present value of minimum lease payments	20	36
Payable within one year		
Future minimum lease payments	18	18
Less: Future finance charges	(2)	(2)
Present value of minimum lease payments	16	16
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	4	23
Less: Future finance charges	–	(3)
Present value of minimum lease payments	4	20
Total present value of minimum lease payments	20	36

The finance lease payable of the Group bears an interest at a rate of 2.55% (2015: 2.55%) per annum.

21. REVENUE

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Sale of properties	1,679	36,117	–	–
Management fees	94	94	2,280	2,280
Construction revenue	86,135	163,792	–	–
Interest income on operating financial assets	65,526	58,611	–	–
Maintenance income	25,489	18,008	–	–
Dividend income	1	–	–	–
	178,924	276,622	2,280	2,280

22. COST OF SALES

	Group 2016 RM'000	Group 2015 RM'000
Properties sold	543	12,378
Construction contracts	73,913	165,342
Maintenance costs	14,520	10,179
	88,976	187,899

23. FINANCE COSTS

	Group 2016 RM'000	Group 2015 RM'000
Interest expense on:		
- term loans	45,612	36,959
- finance lease payable	2	2
- others	469	467
- unwinding of discounts on retention sum	2,683	–
	48,766	37,428

24. PROFIT BEFORE TAX

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

	Group		Company	
	2016 **RM'000**	**2015** **RM'000**	**2016** **RM'000**	**2015** **RM'000**
Auditors' remuneration:				
- auditors of the Company				
- statutory audit	136	128	30	28
- other services	9	8	9	8
- component auditors of the Group				
- statutory audit	10	10	–	–
- under provision in prior financial year	–	1	–	–
Bad debts recovered	(18)	(6)	–	–
Bad debts written off	–	454	–	–
Depreciation of investment properties	163	162	163	162
Depreciation of property, plant and equipment	100	133	1	1
Directors' remuneration:				
- fees	32	30	32	30
- emoluments other than fees [Note (b)]	1,162	926	276	262
Employee benefits expense [Note (a)]	2,107	2,357	730	662
Gain on disposal of plant and equipment	(33)	–	–	–
Gain on retention sum measured at amortised cost	(723)	(3,669)	–	–
Impairment loss on:				
- amount owing by an associate	–	717	–	–
- amount owing by subsidiaries	–	–	10	51
- investments in subsidiaries	–	–	7	6
- trade receivables	750	–	–	–
- other receivables	500	–	–	–
Interest expense on:				
- term loans	45,612	36,959	–	–
- finance lease payable	2	2	–	–
- others	469	467	–	–
- unwinding of discounts on retention sum	2,683	–	–	–
Interest income from:				
- fixed deposits	(235)	(255)	–	–
- others	(2)	(8)	–	–
Inventories written back	(2,982)	–	–	–
Management fees	–	–	(2,280)	(2,280)
Rental of premises	383	363	–	–
Rental income on premises	(6)	(29)	–	–
Gains from the compulsory acquisition by the Malaysian Government of the Klang Lands (Note 33)	(22,530)	–	–	–
Waiver of term loan	–	(31,326)	–	–

24. PROFIT BEFORE TAX (CONTINUED)

(a) Employee Benefits Expense

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Salaries and wages	1,763	1,857	619	583
Defined contribution plan	221	246	69	67
Social security contribution	19	20	4	4
Other employee benefits	104	234	38	8
	2,107	2,357	730	662

(b) Included in directors' emoluments other than fees of the Group and of the Company are the executive directors' emoluments amounting to RM744,000 (2015: RM674,000) and RM26,000 (2015: RM24,000) respectively.

(c) The estimated monetary value of benefit-in-kind received by the executive directors otherwise than in cash from the Group amounted to RM100,000 (2015: RM96,000).

25. TAX EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax				
Based on profit for the financial year	49	70	–	–
(Over)/Under provision in prior financial years	(2)	49	–	–
Under provision of real property gain tax in prior year	43	–	–	–
	90	119	–	–
Deferred tax (Note 18)				
Origination of temporary differences	9,187	6,142	–	–
Under/(Over) provision in prior financial year	870	(775)	–	–
	10,057	5,367	–	–
Tax expense	10,147	5,486	–	–

25. TAX EXPENSE (CONTINUED)

The numerical reconciliation from the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000 (Restated)	2016 RM'000	2015 RM'000
Profit before tax	49,056	72,038	439	593
Tax at Malaysian statutory income tax rate of 24% (2015: 25%)	11,773	18,010	105	148
Effect of changes in tax rate	–	(456)	–	(10)
Tax effect on non-deductible expenses	3,039	3,306	94	105
Tax effect on non-taxable income	(113)	(10,180)	–	–
Utilisation of previously unrecognised deferred tax assets	(5,463)	(4,468)	(199)	(243)
(Over)/Under provision in prior financial years				
- Current tax	(2)	49	–	–
- Deferred tax	870	(775)	–	–
- Real property gain tax	43	–	–	–
Tax expense	10,147	5,486	–	–

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year.

The Group has an estimated unutilised tax losses, unabsorbed capital allowances and unabsorbed industrial building allowances of RM118,020,000 (2015: RM137,059,000), RM1,966,000 (2015: RM1,984,000) and RM29,812,000 (2015: RM39,975,000) respectively, available for set off against future profits.

The Company has an estimated unutilised tax losses of RM22,044,000 (2015: RM22,874,000) available for set off against future profits.

26. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2016 RM'000	**2015 RM'000 (Restated)**
Profit for the financial year attributable to the owners of the Company (RM'000)	32,824	55,109
Weighted average number of ordinary shares in issue during the financial year ('000)	267,107	267,107
Basic earnings per ordinary share (sen)	12.29	20.63

(b) Diluted

The diluted earnings per ordinary share of the Group for the financial years 2015 and 2016 is same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

27. OPERATING SEGMENTS

The Group is principally engaged in property development, concession arrangements, project management and investment holding.

The Group has arrived at four reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Property development	:	Development of residential and commercial properties.
Project management and investment holding	:	Investment holding, letting out of properties and provision of management services.
Concession arrangements	:	Construction and maintenance of facilities and infrastructure.
Others	:	Landscaping, turf farming and licensed money lending.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax but not including non-recurring losses.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

27. OPERATING SEGMENTS (CONTINUED)

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax assets.

Segment liabilities are measured based on all liabilities of the segment, excluding deferred tax liabilities and tax liabilities.

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

	Project management and investment holding RM'000	Property development RM'000	Concession arrangements RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2016						
Business segments						
Revenue from external customer	95	1,679	177,150	–	–	178,924
Inter-segment revenue	2,280	–	–	–	(2,280)	–
Total revenue	2,375	1,679	177,150	–	(2,280)	178,924
Segment results	(1,878)	20,444	79,014	7	–	97,587
Finance cost	–	(471)	(48,295)	–	–	(48,766)
Interest income	2	33	202	–	–	237
Share of results of an associate, net of tax	–	(2)	–	–	–	(2)
Profit before tax						49,056
Tax expense						(10,147)
Profit for the financial year						38,909
Segment assets	18,842	256,218	977,775	142	–	1,252,977
Segment liabilities	880	69,244	760,218	9	–	830,351

27. OPERATING SEGMENTS (CONTINUED)

	Project management and investment holding RM'000	Property development RM'000	Concession arrangements RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2016						
Capital expenditure	–	6	–	–	–	6
Depreciation of property, plant and equipment, and investment properties	166	84	–	13	–	263
Other material items of (income)/expense included in the Group's profit or loss:						
- Gain on disposal of property, plant and equipment	–	–	–	(33)	–	(33)
- Gain on retention sum measured at amortised cost	–	–	(723)	–	–	(723)
- Impairment loss on trade receivables						
- Impairment loss on other receivables	–	500	–	–	–	500
- Gain from the compulsory acquisition by the Malaysian Government of the Kland Lands (Note 33)	–	(22,530)	–	–	–	(22,530)

27. OPERATING SEGMENTS (CONTINUED)

	Project management and investment holding RM'000	Property development RM'000	Concession arrangements RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2015						
Business segments						
Revenue from external customer	94	36,117	240,411	–	–	276,622
Inter-segment revenue	2,280	–	–	–	(2,280)	–
Total revenue	2,374	36,117	240,411	–	(2,280)	276,622
Segment results	(1,696)	48,201	62,748	(48)	–	109,205
Finance cost	–	(468)	(36,960)	–	–	(37,428)
Interest income	4	85	174	–	–	263
Share of results of an associate, net of tax	–	(2)	–	–	–	(2)
Profit before tax						72,038
Tax expense						(5,486)
Profit for the financial year						66,552
Segment assets	16,382	208,798	875,099	107	–	1,100,386
Segment liabilities	824	49,759	676,081	9	–	726,673
Capital expenditure	2	108	–	–	–	110
Depreciation of property, plant and equipment, and investment properties	164	81	13	37	–	295
Other material items of (income)/expense included in the Group's profit or loss:						
- Bad debts written off	–	454	–	–	–	454
- Gain on retention sum measured at amortised cost	–	–	(3,669)	–	–	(3,669)
- Impairment loss on amount owing by associate	–	717	–	–	–	717
- Waiver of term loan	–	(31,326)	–	–	–	(31,326)

27. OPERATING SEGMENTS (CONTINUED)

(a) Reconciliation of reportable segment assets and liabilities to the Group's corresponding amounts are as follows:

	Group	
	2016 RM'000	**2015 RM'000 (Restated)**
Assets		
Segment assets	1,252,977	1,100,386
Tax assets	43	12
Total assets	1,253,020	1,100,398
Liabilities		
Segment liabilities	830,351	726,673
Deferred tax liabilities	57,121	47,064
Tax payables	26	45
Total liabilities	887,498	773,782

(b) Information about major customers

Revenue from transactions with a major customer who individually accounted for 10% or more of the Group's revenue is as follows:

	2016 RM'000	**2015 RM'000**	**Segment**
Customer A	177,150	240,411	Concession arrangements

28. FINANCIAL GUARANTEES

	Group	
	2016 RM'000	**2015 RM'000**
Unsecured:		
Corporate guarantee given to licensed banks for facilities granted to subsidiaries	692,975	611,822

29. RELATED PARTY DISCLOSURES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Company's holding company;
(ii) Subsidiaries;
(iii) Associate;
(iv) Joint venture;
(v) Entities in which directors have substantial financial interests; and
(vi) Key management personnel of the Group's and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company have the following transactions with related parties during the financial year:

	Company	
	2016 RM'000	**2015 RM'000**
Subsidiaries		
Management fees receivable from:		
- Menang Development (M) Sdn. Bhd.	480	480
- Inovatif Mewah Sdn. Bhd.	1,800	1,800

(c) Compensation of key management personnel

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Executive directors' remuneration:				
- fees	11	10	11	10
- emoluments other than fees	744	674	26	24
	755	684	37	34

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group		Company	
	2016 RM'000	2015 RM'000 (Restated)	2016 RM'000	2015 RM'000
Group				
Financial assets				
Loans and receivables				
Operating financial assets	924,365	845,217	–	–
Receivables, net of prepayments and GST refundable	40,856	10,103	23,367	23,737
Cash and bank balances	64,496	24,937	949	462
Available-for-sale				
Other investments	6	9	–	–
	1,029,723	880,266	24,316	24,199
Other financial liabilities				
Borrowings	692,995	611,858	–	–
Payables	137,353	114,034	16,706	15,134
	830,348	725,892	16,706	15,134

(b) Fair value management

The carrying amounts of cash and cash equivalents, short-term receivbles and payable and short-term borrowings reasonably approximate to their fair value due to relatively short-term nature of these financial instruments.

There have been no transfers between the levels during the current and previous financial years.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (Continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2016									
Group									
Financial assets									
Loan and receivables									
- Operating financial assets	924,365	–	–	–	–	–	–	924,365	924,365
Available-for-sale financial assets									
- Quoted shares in Malaysia	6	6	–	–	6	–	–	–	–
	924,371	6	–	–	6	–	–	924,365	924,365
Financial liabilities									
Borrowings	692,975	–	–	–	–	–	–	692,975	692,975
Finance lease payables	20	–	–	–	–	–	–	20	20
	692,995	–	–	–	–	–	–	692,995	692,995

		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2015									
Group									
Financial assets									
Loan and receivables									
- Operating financial assets	845,217	–	–	–	–	–	–	845,217	845,217
Available-for-sale financial assets									
- Quoted shares in Malaysia	9	9	–	–	9	–	–	–	–
	845,226	9	–	–	9	–	–	845,217	845,217
Financial liabilities									
Payables	1,897	–	–	–	–	–	–	1,897	1,897
Borrowings	611,822	–	–	–	–	–	–	611,822	611,822
Finance lease payables	36	–	–	–	–	–	–	36	36
	613,755	–	–	–	–	–	–	613,755	613,755

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of payables, borrowings and finance lease payables are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies. The Group is exposed mainly to liquidity risk, credit risk, interest rate risk and market price risk. Information on the management of the related exposures is detailed below.

(i) Liquidity risk

The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure that all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments and to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group maintains sufficient credit facilities to meet its operational needs and to enable the Group to continue as a going concern.

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

		← Contractual cash flows			→
	Carrying amount RM'000	**On demand or within one year RM'000**	**Two to five years RM'000**	**Over five years RM'000**	**Total RM'000**
2016					
Group					
Financial liabilities:					
Borrowings	692,995	80,596	357,756	525,899	964,251
Payables	137,353	139,063	–	–	139,063
	830,348	219,659	357,756	525,899	1,103,314
Company					
Financial liabilities:					
Payables	16,706	16,706	–	–	16,706

		← Contractual cash flows			→
	Carrying amount RM'000	**On demand or within one year RM'000**	**Two to five years RM'000**	**Over five years RM'000**	**Total RM'000**
2015					
Group					
Financial liabilities:					
Borrowings	611,858	66,689	363,250	511,475	941,414
Payables	114,034	118,020	–	–	118,020
	725,892	184,709	363,250	511,475	1,059,434
Company					
Financial liabilities:					
Payables	15,134	15,134	–	–	15,134

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Credit risk

Cash deposits and trade and other receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Credit risk refers to the risk that counterparty will default on their contractual obligations resulting in financial loss to the Group. The Group seeks to invest cash assets safely and profitably. The Group considers the risk of material loss arising in the event of non-performance by a financial counterparty to be unlikely, except when management deems recoverability of specific debtors as doubtful.

The Group's primary exposure to credit risk arises through its trade receivables. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

In respect of cash and bank balances placed with major financial institutions in Malaysia, the directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

The Company is also exposed to credit risk arising from financial guarantees provided in respect of banking facilities granted to a subsidiary.

At the end of financial year, the maximum exposure to credit risk for the Group and for the Company are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary.

The Company monitors on an ongoing basis the repayments made by the subsidiary and its financial performance.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary's borrowings in view of the security pledged by the subsidiary and it is unlikely that the subsidiary will default within the guarantee provided.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Credit risk (Continued)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the segments profits of its trade receivables on an ongoing basis.

As at 30 June 2016, the Group and the Company have no significant concentration of credit risk except for the following:

(a) an amount owing from a single customer in respect of its concession arrangement activities constituting 96.59% (2015: 99.74%) of total receivables of the Group; and

(b) the amounts owing from subsidiaries of the Company constituting 91.66% (2015: 99.76%) of total receivables of the Company.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group has interest bearing financial assets, comprising the deposits that are short term in nature and are not held for speculative purposes but to earn a better yield than cash at banks.

The Group and the Company have interest bearing financial liabilities, comprising secured term loans, finance lease payables, amount owing to a third party, corporate shareholders and amounts owing to directors as disclosed in Notes 19 and 20.

Interest rates on amounts owing to directors, advances from corporate shareholders, amount owing to a third party and finance lease payables are fixed. Interest rates for other term loans and deposits vary with reference to the base lending rates of the financial institutions.

Sensitivity analysis for interest rate risk

As at the end of the financial year, if the interest rates had been 50 basis points higher or lower and all other variables held constant, the Group's profit net of tax would decrease or increase by approximately RM2,633,000 (2015: RM2,294,000), arising mainly as a result of exposure to floating rate loans and borrowings.

(iv) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from quoted investments held by the Group. Quoted equity instruments in Malaysia are listed on the Bursa Securities. These instruments are classified as available-for-sale financial assets.

There has been no change to the Group's exposure to market price risk or the manner in which this risk is managed and measured.

Sensitivity analysis for market price risk

The Group has considered the sensitivity of the financial instruments to market price risk and is of the view that its impact is insignificant.

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged since financial year ended 30 June 2015.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To remain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2016 and 30 June 2015.

The Group is not subject to any externally imposed capital requirements except as disclosed in Note 20.

The Group monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, payables, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2016 RM'000	**2015 RM'000 (Restated)**	**2016 RM'000**	**2015 RM'000**
Borrowings	692,995	611,858	–	–
Payables	137,353	114,034	16,706	15,134
	830,348	725,892	16,706	15,134
Less: Cash and bank balances	(64,496)	(24,937)	(949)	(462)
Net debts	765,852	700,955	15,757	14,672
Total capital	292,885	260,064	215,555	215,116
Net debts	765,852	700,955	15,757	14,672
Total capital plus net debts	1,058,737	961,019	231,312	229,788
Gearing ratio	72%	73%	7%	6%

Included in the borrowings of the Group is an amount of RM692,975,000 (2015: RM611,822,000) relates to the project for concession agreements, UiTM throughout the Maintenance Period will pay the Group concession charges which comprise availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreements, as disclosed in Note 8 to the financial statements.

33. SIGNIFICANT EVENTS

Pursuant to a Consortium Agreement dated 26 March 2010 ("Consortium Agreement"), Prosper Commodity Group Sdn Bhd ("PCGSB"), the Company and Runding Waja Sdn Bhd ("RWSB") (deemed as an original party to the Consortium Agreement by way of a Novation Agreement dated 3 June 2010) (collectively "the Consortium Parties") agreed to enter into a joint venture to commercially exploit the land for the development of Private Financial Initiative ("PFI") project in the usual course of land development business ("the Joint Venture Business") regarding the following 7 pieces of land:-

(i) Geran 27917 Lot No. 48, Mukim Kapar, Daerah Kelang, Negeri Selangor;
(ii) HS(D) 97332 PT 25008, Mukim Kapar, Daerah Klang, Negeri Selangor;
(iii) HS(D) 97333 PT 50718, Mukim Kapar, Daerah Klang, Negeri Selangor;
(iv) Geran 27973 Lot No. 2596, Mukim Kapar, Daerah Kelang, Negeri Selangor;
(v) Geran 27974 Lot No. 2597, Mukim Kapar, Daerah Kelang, Negeri Selangor;
(vi) Geran 27975 Lot No. 2615, Mukim Kapar, Daerah Kelang, Negeri Selangor; and
(vii) Geran 27976 Lot No. 2616, Mukim Kapar, Daerah Kelang, Negeri Selangor

(collectively "the Said Lands").

The Said Lands are registered in the sole name of Menang Development (M) Sdn Bhd., a wholly-owned subsidiary of the Company ("the Landowner").

As stipulated in the Consortium Agreement, the Consortium Parties agreed to incorporate a Special Purpose Vehicle ("SPV") to undertake the PFI project in the event the PFI project being awarded and to jointly share in the project, the equity and the construction profits from the proposed PFI project in the following proportion:

PCGSB	51%
The Company	30%
RWSB	19%

The SPV was subsequently incorporated on 27 April 2010 named as Pacific Bright Sdn Bhd ("PBSB") and all relevant documents have been executed to effect the formalisation of the consortium arrangement:

- Deed of Trust entered between Menang Development Sdn Bhd ("MDSB") and the Consortium Parties ("DOT");
- Deed of Novations dated 3 June 2010 entered between the consortium parties and the designated third party;
- Deed of Trust dated 7 June 2010 entered between MDSB and PBSB; and
- Shareholders Agreement dated 5 April 2011 entered between the consortium parties and PBSB.

The DOT, Deed of Trust dated 7 June 2010 and the Shareholders Agreement dated 5 April 2011 act as security for PCGSB's and RWSB's respective entitlements to the proceeds arising from any dealings with the Said Lands and to carry out the Joint Venture Business pursuant to the Consortium Agreement (Note 12).

On 6 May 2011, the Consortium Parties consented to the disposal of the following 4 pieces of lands to PCGSB (Note 34) for the purpose of settlement of quit rents and assessments and other outgoings of the Said Lands:-

(i) Geran 27973 Lot No. 2596, Mukim Kapar, Daerah Kelang, Negeri Selangor;
(ii) Geran 27974 Lot No. 2597, Mukim Kapar, Daerah Kelang, Negeri Selangor;
(iii) Geran 27975 Lot No. 2615, Mukim Kapar, Daerah Kelang, Negeri Selangor; and
(iv) Geran 27976 Lot No. 2616, Mukim Kapar, Daerah Kelang, Negeri Selangor.

On 6 December 2011, the Consortium Parties were informed that the PFI project would be relocated away from the Said Lands by reason of a proposed acquisition of part of the Said Lands by the Malaysian Government for the intended West Coast Expressway development.

By way of the notice dated 13 April 2016, pursuant to the Land Acquisition Act 1960, part of the Said Lands namely portion of Geran 27917 Lot No. 48, Mukim Kapar, Daerah Kelang, Negeri Selangor, HS(D) 97332 PT 25008, Mukim Kapar, Daerah Klang, Negeri Selangor and HS(D) 97333 PT 50718, Mukim Kapar, Daerah Klang, Negeri Selangor ("the Klang Lands") have been subject to a compulsory acquisition with a total amount of RM80,242,128 due to the Landowner as compensation ("the Compensation Monies"). Out of the Compensation Monies, RM19,976,712 is retained by the High Court pending appeal against the quantum of compensation paid (Note 13(c)).

33. SIGNIFICANT EVENTS (CONTINUED)

The gain arising from the compulsory acquisition, net of the related land cost of RM6,203,242 and the distribution to the other consortium parties of RM51,509,379 (Note 19(f)) pursuant to the Consortium Agreement is RM22,529,507.

The Consortium Parties had on 23 August 2016, entered into a Memorandum of Re-iteration and Confirmation (“MRC”) stipulated the consensus between the Consortium Parties in acknowledgement of the structural development for the past year, recognition of the return derived from the Compensation Monies as well as the intention between the Consortium Parties to continue its joint development planning for the remaining land.

34. RETROSPECTIVE ADJUSTMENTS

During the financial year, the directors noted that there is an omission relating to the disposal of 4 pieces of lands to a consortium party (Note 33) via an associate in year 2011 and the consequential share of results from the associate.

Accordingly, the financial statements of the Group for the financial year ended 30 June 2015 and the opening statement of financial position at 1 July 2014 have been restated to correct the errors. The following retrospective adjustments have been made.

	Group		
	As previously reported RM’000	Adjustments RM’000	As restated RM’000
30.6.2015			
Statement of Financial Position			
Non-current assets			
Investment in an associate	–	178	178
Current assets			
Inventories	103,229	(1,181)	102,048
Receivables	9,061	1,181	10,242
	112,290	178	112,468
Equity			
Reserves	126,333	178	126,511
1.7.2014			
Statement of Financial Position			
Non-current assets			
Investment in an associate	–	180	180
Current assets			
Inventories	109,401	(1,181)	108,220
Receivables	16,482	1,181	17,663
	125,883	180	126,063
Equity			
Reserves	71,221	180	71,401

34. RETROSPECTIVE ADJUSTMENTS (CONTINUED)

	Group		
30.6.2015	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Statement of Comprehensive Income			
Share of results of an associate, net of tax	–	(2)	(2)
Profit attributable to:			
Owners of the Company	55,111	(2)	55,109
Non-controlling interests	11,443	–	11,443
Total comprehensive income attributable to:			
Owners of the Company	55,112	(2)	55,110
Non-controlling interests	11,443	–	11,443
Earnings per ordinary share attributable to owners of the Company			
Basic earnings per share (sen)	20.63	–	20.63
Diluted earnings per share (sen)	20.63	–	20.63
Statement of Cash Flows			
Operating activities			
Share of results of an associate, net of tax	–	2	2

SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained profits or losses of the Group and of the Company as at 30 June 2016 and 30 June 2015 is presented in accordance with the directive issued by Bursa Securities dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2016 RM'000	**2015 RM'000 (Restated)**	**2016 RM'000**	**2015 RM'000**
Total retained profits/(accumulated losses) of the Company and its subsidiaries:				
- Realised	79,423	37,228	109,580	107,668
- Unrealised	(56,949)	(46,890)	(111,622)	(110,149)
Less: Consolidation adjustments	52,810	52,122	–	–
Total Group/Company retained profits/(accumulated losses) as per financial statements	75,284	42,460	(2,042)	(2,481)

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not applied for any other purpose.

Statement by *Directors*

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, the undersigned, being two of the directors of **MENANG CORPORATION (M) BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements as set out on pages 27 to 96 are drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 97 has been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

Y. BHG. DATO' ABDUL MOKHTAR AHMAD
Director

Y. BHG. DATO' SHUN LEONG KWONG
Director

Kuala Lumpur
Date: 24 October 2016

Statutory *Declaration*

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **TAN FOOK WENG**, being the officer primarily responsible for the financial management of **MENANG CORPORATION (M) BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements as set out on pages 27 to 96 and the supplementary information set out on page 97 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN FOOK WENG

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 24 October 2016.

Before me,

LAI DIN (NO. W 668)
PESURUHANJAYA SUMPAH MALAYSIA
B-3A-4, Megan Avenue 2
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

Independent Auditors' Report

TO THE MEMBERS OF MENANG CORPORATION (M) BERHAD

Report on the Financial Statements

We have audited the financial statements of Menang Corporation (M) Berhad, which comprise the statements of financial position as at 30 June 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 27 to 96.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the matters as disclosed in Note 33 to the financial statements, as we have considered the importance of these matters which is fundamentals to the understanding of the financial statements.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 9 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 97 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng	Dato' Lock Peng Kuan
No. AF 0117	No. 2819/10/18(J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur
Date: 24 October 2016

List of Properties Held
AS AT 30 JUNE 2016

Location	Note	Tenue	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition / Revaluation
Geran No. 27917 Lot No. 48 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	1	Freehold Land	59.32 acres	Vacant Industrial Land for Future Development	N/A	14,497	1998
HSD 97332 PT 25008 Mukim of Klang Daerah Klang Selangor Darul Ehsan	1	Leasehold 99 Years Expiry date - 2103	39.70 acres	Vacant Industrial Land for Future Development	N/A	4,040	1998
HSD 97333 PT 50718 Mukim of Klang Daerah Klang Selangor Darul Ehsan	1	Leasehold 99 Years Expiry date - 2103	27.72 acres	Vacant Industrial Land for Future Development	N/A	2,821	1998
Geran No. 21944 Lot No. 20 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan		Freehold Land	46.50 acres	Vacant Industrial Land for Future Development	N/A	4,858	1998
Lot No. 663, GM 3689 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan		Freehold Land	10.38 acres	Vacant Industrial Land for Future Development	N/A	1,084	1998
Lot No. 889, GM 3690 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan		Freehold Land	10.12 acres	Vacant Industrial Land for Future Development	N/A	1,058	1998
Lot 237, GM 583 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus		Freehold Land	4.20 acres	Vacant Service Apartments Land for Future Development	N/A	5,000	1998
Lot 1279, CT 6441 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus		Freehold Land	3.93 acres	Vacant Hotel Resort Land for Future Development	N/A	4,673	1998
Rasah Jaya Various subdivided lots Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus		Freehold Land	3.52 acres	On Going Mixed Development Land	N/A	2,440	1998
Lot 6738, HS(D) 125734 Mukim of Rantau, Seremban Negeri Sembilan Darul Khusus		Freehold Land	5.36 acres	Office Lot and Maintenance of Golf Course	10.5 years	10,736	1999
Seremban 3 Various subdivided lots Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus		Freehold Land	449.53 acres	On Going Mixed Development Land	N/A	156,375	2001

List Of Properties Held (continued)

Location	Note	Tenue	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition / Revaluation
Lot 1570, Geran 3890 Mukim of Rantau, Seremban Negeri Sembilan Darul Khusus		Freehold Land	64.84 acres	Agricultural Land	N/A	5,102	2004
Lot 661, Geran No 587 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus		Freehold Land	1.01 acres	Agricultural Land	N/A	1,129	2004
Lot 996, Geran No 591 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus		Freehold Land	2.00 acres	Agricultural Land	N/A	2,230	2004

Note 1:

The said Lands as stipulated in Note 33 of the financial statements.

ANALYSIS OF SHAREHOLDINGS AS AT 11 OCTOBER 2016

Authorised Share Capital	:	RM1,000,000,000.00
Issued and Paid-up Share Capital	:	RM133,553,725.00
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Less than 100	198	1.69	2,465	0.00
100 to 1,000	7,031	60.08	3,473,468	1.30
1,001 to 10,000	3,680	31.44	11,984,787	4.49
10,001 to 100,000	645	5.51	21,018,800	7.87
100,001 to 13,355,371 (*)	145	1.24	113,625,500	42.54
13,355,372 and above (**)	4	0.04	117,002,430	43.80
TOTAL	11,703	100.00	267,107,450	100.00

Remarks: * - Less than 5% of issued shares
** - 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect Interest	
Name	No. of Shares Held	%	No. of Shares Held	%
Dato' Abdul Mokhtar Ahmad	33,600	0.01	30,145,130 (1)	11.29
Dato' Shun Leong Kwong	9,400	0.00	30,145,130 (1)	11.29
Datin Mariam Eusoff	26,730,000	10.01	30,145,130 (1)	11.29
Dr Christopher Shun Kong Leng CFP ®, RFP ™	26,740,000	10.01	–	–
Maymerge (M) Sdn Bhd	1,200	0.00	30,143,930 (2)	11.29
Titian Hartanah (M) Sdn Bhd	30,143,930	11.29	–	–
Mr Toh May Fook	33,388,500	12.50	–	–

Notes:-

1. Deemed interest through Maymerge (M) Sdn Bhd and Titian Hartanah (M) Sdn Bhd by virtue of Section 6A of the Companies Act, 1965 ("the Act").

2. Deemed interest through Titian Hartanah (M) Sdn Bhd by virtue of Section 6A of the Act.

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Dato' Abdul Mokhtar Ahmad	33,600	0.01	30,145,130 [(1)]	11.29
Dato' Shun Leong Kwong	9,400	0.00	30,145,130 [(1)]	11.29
Datin Mariam Eusoff	26,730,000	10.01	30,145,130 [(1)]	11.29
Dr Christopher Shun Kong Leng CFP ®, RFP ™	26,740,000	10.01	–	–
Mr Chiam Tau Meng	–	–	–	–
Mr Too Kong Leng	–	–	–	–
Mr Toh May Fook	33,388,500	12.50	–	–
Mr Yoong Nim Chee	51,000	0.02	–	–
Y.A.M. Raja Shahruddin Rashid [(2)]	–	–	–	–

Notes:-

1. Deemed interest through Maymerge (M) Sdn Bhd and Titian Hartanah (M) Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.

2. Appointed on 20 September 2016.

List of Top 30 Shareholders as at 11 October 2016

	Name of Shareholders	Holdings No. of Shares	% of Issued Capital
1.	Toh May Fook	33,388,500	12.50
2.	RHB Nominees (Tempatan) Sdn Bhd (OSK Capital Sdn Bhd for Titian Hartanah (M) Sdn Bhd)	30,143,930	11.29
3.	Christopher Shun Kong Leng	26,740,000	10.01
4.	RHB Nominees (Tempatan) Sdn Bhd (OSK Capital Sdn Bhd for Mariam Binti Mohamed Eusoff)	26,730,000	10.01
5.	Lee Chin Hwa	11,308,200	4.23
6.	Tan Yok Chu	8,686,300	3.25
7.	Soong Ik Lin	6,978,000	2.61
8.	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB Bank for Tay Hock Soon)	6,849,700	2.56
9.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mary Tan @ Tan Hui Ngoh)	6,580,000	2.46
10.	Robyn Lim Kit Yoong	5,455,000	2.04
11.	Malacca Equity Nominees (Tempatan) Sdn Bhd (Exempt AN for Phillip Capital Management Sdn Bhd)	5,203,300	1.95
12.	Gan Ai Meng	3,840,300	1.44
13.	Dato' Dr. Khor Ah Eng	3,316,900	1.24
14.	Fong Lai Wah	2,618,000	0.98
15.	Kwong Siew Kien	2,400,000	0.90
16.	Lai Ming Chun @ Lai Poh Lin	2,289,400	0.86
17.	Lai Yet Chung	2,000,000	0.75
18.	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB Bank for Lim Bee Kua)	1,600,000	0.60
19.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Gian Ming	1,387,900	0.52

List of Top 30 Shareholders as at 11 October 2016 (Continued)

	Name of Shareholders	Holdings No. of Shares	Holdings % of Issued Capital
20.	Khoo Chiow Ling	1,386,400	0.52
21.	Tee Chee Chong	1,302,000	0.49
22.	Lam Sau Choo	1,236,000	0.46
23.	Chin Leong Thye Sdn Bhd	1,180,000	0.44
24.	Kwong Siew Kien	1,011,700	0.38
25.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Beh Kim Ling	1,000,000	0.37
26.	Goh Teck Hoe	851,000	0.32
27.	Teh Soon Seng	840,000	0.31
28.	Eugene Goh Zhao Tzen	808,000	0.30
29.	Woo Yew Kheong	771,000	0.29
30.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tea Su Ling	767,500	0.29
TOTAL		**198,669,030**	**74.37**

Analysis of Warrant Holdings

ANALYSIS OF WARRANT HOLDINGS AS AT 11 OCTOBER 2016

WARRANTS

No. of Warrants Issued	:	133,553,050
Exercise Rights	:	Each Warrant entitles the holder to subscribe for one (1) new ordinary share of RM0.50 each in the Company
Exercise Price of Warrants	:	RM1.00 per Warrant
Expiry Date of Warrants	:	9 July 2019
Exercise of Warrants	:	Nil
Voting Rights	:	Nil

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Holders	% of Holders	Number of Warrants held	% of Warrant Holdings
Less than 100	307	2.63	6,747	0.00
100 to 1,000	8,796	75.24	3,018,805	2.26
1,001 to 10,000	1,910	16.34	6,010,733	4.50
10,001 to 100,000	527	4.51	20,723,650	15.52
100,001 to 6,677,651(*)	147	1.26	63,839,050	47.80
6,677,651 and above(**)	3	0.02	39,954,065	29.92
TOTAL	11,690	100.00	133,553,050	100.00

Remarks: * - Less than 5% of issued warrants
** - 5% and above of issued warrants

DIRECTORS' WARRANT HOLDINGS

	Direct Interest		Indirect Interest	
Name	No. of Warrants Held	%	No. of Warrants Held	%
Dato' Abdul Mokhtar Ahmad	1,580,400	1.18	15,072,565 (1)	11.29
Dato' Shun Leong Kwong	4,700	0.00	15,072,565 (1)	11.29
Datin Mariam Eusoff	11,502,100	8.61	15,072,565 (1)	11.29
Dr Christopher Shun Kong Leng CFP ®, RFP ™	13,380,000	10.02	–	–
Mr Chiam Tau Meng	–	–	–	–
Mr Too Kong Leng	–	–	–	–
Mr Toh May Fook	1,000,000	0.75	–	–
Mr Yoong Nim Chee	336,500	0.25	–	–
Y.A.M. Raja Shahruddin Rashid(2)	–	–	–	–

Notes:-

1. Deemed interest through Maymerge (M) Sdn Bhd and Titian Hartanah (M) Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.

2. Appointed on 20 September 2016.

List of Top 30 Warrants Holders as at 11 October 2016

	Name of Warrants Holders	Holdings No. of Warrants	% of Issued Warrants
1.	Titian Hartanah (M) Sdn Bhd	15,071,965	11.29
2.	Christopher Shun Kong Leng	13,380,000	10.02
3.	Mariam Binti Mohamed Eusoff	11,502,100	8.61
4.	Soong Ik Lin	5,724,400	4.29
5.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeoh Kok Keat	3,440,200	2.58
6.	Gan Ai Meng	2,970,800	2.22
7.	Tay Hock Soon	2,655,800	1.99
8.	Fong Lai Wah	2,500,000	1.87
9.	Dato' Dr. Khor Ah Eng	2,154,600	1.61
10.	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB Bank for Tay Hock Soon)	2,070,700	1.55
11.	Teh Soon Seng	1,970,000	1.48
12.	Lim Ching Neoh	1,091,000	0.82
13.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ser Yu Beng	1,020,000	0.76
14.	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB Bank for Toh May Fook)	1,000,000	0.75
15.	Lian Wah Seng	1,000,000	0.75
16.	Ho Mei Ling	991,500	0.74
17.	Kota Permatamas Sdn Bhd	989,400	0.74
18.	Khoo Chiow Ling	927,200	0.69
19.	Lau Hui Ee	854,100	0.64
20.	Tay Hock Soon	833,400	0.62
21.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeoh Len Huat	816,100	0.61
22.	Lee Eng Hock	800,000	0.60
23.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tiong Ling Ling	758,900	0.57
24.	Liau Lian Seh	700,050	0.52
25.	Ng Poh Lyn	651,600	0.49
26.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Gian Ming	641,900	0.48
27.	Molly Poh	630,000	0.47
28.	Maybank Nominees (Tempatan) Sdn Bhd (Bhopindar Singh Gill)	550,000	0.41
29.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Teong Leong	550,000	0.41
30.	Ng Kim Keong	532,200	0.40
TOTAL		**78,777,915**	**58.98**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifty-Second Annual General Meeting of MENANG CORPORATION (M) BERHAD ("Menang" or "the Company") will be held at the Cornerstone, Level 2, North Block, Wisma Selangor Dredging, 142D Jalan Ampang, 50450 Kuala Lumpur, Malaysia on Tuesday, 29 November 2016 at 10:00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2016 together with the Reports of the Directors and Auditors thereon. ***(Note 8)***

2. To approve the payment of Directors' Fees for the financial year ended 30 June 2016. ***Ordinary Resolution 1***

3. To re-elect Dr Christopher Shun Kong Leng, CFP ®, RFP ™, a Director who retires by rotation in accordance with Article 112 of the Articles of Association of the Company. ***Ordinary Resolution 2***

4. To re-elect Mr Toh May Fook, a Director who retires pursuant to Article 118 of the Articles of Association of the Company. ***Ordinary Resolution 3***

5. To re-elect Mr Yoong Nim Chee, a Director who retires pursuant to Article 118 of the Articles of Association of the Company. ***Ordinary Resolution 4***

6. To re-elect Y.A.M. Raja Shahruddin Rashid, a Director who retires pursuant to Article 118 of the Articles of Association of the Company. ***Ordinary Resolution 5***

7. To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-

   "THAT Dato' Abdul Mokhtar Ahmad, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." ***Ordinary Resolution 6***

8. To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-

   "THAT Dato' Shun Leong Kwong, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." ***Ordinary Resolution 7***

9. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 8***

As Special Business

To consider and if thought fit, to pass the following Resolutions:-

10. **Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares**

    "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issuance." ***Ordinary Resolution 9***

11. **Retention of Independent Directors**

    "THAT the following Directors be retained as Independent Non-Executive Directors of the Company, in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting:-

    (i) Mr Too Kok Leng ***Ordinary Resolution 10***
    (ii) Mr Chiam Tau Meng ***Ordinary Resolution 11***

12. **Election of a Director**

    "THAT Mr Leou Thiam Lai be and is hereby elected as a Director of the Company." ***Ordinary Resolution 12***

13. **Proposed Amendments to the Articles of Association of the Company**

    "THAT the amendments to the Articles of Association of the Company as set out in Appendix A attached with the Annual Report for the financial year ended 30 June 2016 be and are hereby approved." ***Special Resolution 1***

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
Company Secretary

Selangor Darul Ehsan
Date: 31 October 2016

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint any person as proxy to attend and vote in his stead at the same meeting. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. Where a member of the Company appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy shall be signed by the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power of attorney or authority, shall be deposited at the Company's Share Registrar's Office at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at ***21 November 2016*** and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

8. The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.

9. Datin Mariam Eusoff retires pursuant to Section 129 of the Companies Act, 1965 at the Fifty-Second Annual General Meeting ("52nd AGM") of the Company. She has expressed that she does not wish to seek re-appointment at the 52nd AGM and therefore shall retire at the conclusion of the 52nd AGM of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS

10. **Ordinary Resolution 9**
Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares

The Company had obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965 ("the Act") at the Fifty-First Annual General Meeting ("51st AGM") held on 27 November 2015. The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution is a renewal of the general mandate for the issuance of shares by the Company pursuant to Section 132D of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for purpose of funding future investments or working capital of the Group on a timely basis. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

11. **Ordinary Resolutions 10 and 11 on Retention of Independent Directors**

a. **Mr Too Kok Leng**

Mr Too Kok Leng ("Mr Too") was appointed an Independent Non-Executive Director on 1 August 1995. Mr Too has served the Company as an Independent Non-Executive Director for more than nine (9) years as at the date of the notice of the 52nd AGM. The Nomination Committee has assessed the independence of Mr Too and noted that Mr Too meets the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Mr Too to be independent and recommends Mr Too to remain as an Independent Non-Executive Director.

b. **Mr Chiam Tau Meng**

Mr Chiam Tau Meng ("Mr Chiam") was appointed an Independent Non-Executive Director on 21 October 2005 and subsequently has been identified as the Senior Independent Non-Executive Director. Mr Chiam has served the Company as an Independent Non-Executive Director for more than nine (9) years as at the date of the notice of the 52nd AGM. The Nomination Committee has assessed the independence of Mr Chiam and noted that Mr Chiam meets the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Mr Chiam to be independent and recommends Mr Chiam to remain as an Independent Non-Executive Director.

12. **Ordinary Resolution 12**
Election of a Director

This proposed resolution if passed, Mr Leou Thiam Lai, will be elected as an Independent Non-Executive Director of the Company. His details are set out in the Statement Accompanying the Notice of Annual General Meeting on page 117 of this Annual Report.

13. **Special Resolution 1**
Proposed Amendments to the Articles of Association of the Company

The Special Resolution 1, if passed, will render the Articles of Association of the Company to be in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities and to further enhance administrative efficiency of the Company.

Proposed Amendments to the Articles of Association of the Company

The Articles of Association of the Company are proposed to be amended in the following manner:-

Article No.	Existing Provision	Amended Provision
72.	The Chairman may, with the consent of any meeting at which quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen (14) days or more, seven (7) clear days' notice at the least of the adjourned meeting shall be given specifying the place and the time of the meeting as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	The Chairman may, with the consent of any meeting at which quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. ***Any poll duly demanded on the election of a Chairman of a meeting or on a question of adjournment shall be taken forthwith at the meeting and without adjournment. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman of the meeting directs. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.*** When a meeting is adjourned for fourteen (14) days or more, seven (7) clear days' notice at the least of the adjourned meeting shall be given specifying the place and the time of the meeting as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
72A	*(New provision)*	***Without prejudice to any other power which the Chairman may have under the provisions of these Articles or at common law and subject to the Act and the Listing Requirements, the Chairman may take such action as he thinks fit to promote the orderly conduct of the business of all general meetings as specified in the notice of such meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature.***

Article No.	Existing Provision	Amended Provision
73.	At a General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show hands), demanded:- (a) by the Chairman (being a person entitled to vote) of the meeting; or (b) by at least three (3) Members present in person or by proxy and entitled to vote; or (c) by any Member or Members present in person or by proxy, and representing not less than one-tenth (1/10) of the total voting rights of all the Members having the right to vote at the meeting; or (d) by any Member or Members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right.	***Subject to the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting shall be voted by poll. Subject to the Act, a poll may be demanded:-*** (a) by the Chairman of the meeting; or (b) by at least three (3) Members present in person or by proxy and entitled to vote; or (c) by any Member or Members present in person or by proxy and representing not less than one-tenth (1/10) of the total voting rights of all the Members having the right to vote at the meeting; or (d) by any Member or Members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right.
74.	A poll demanded in manner aforesaid shall be taken at such time and place and in such manner as the Chairman shall direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.	A poll shall be taken in such manner as the Chairman ***of the meeting*** directs ***and at least one (1) scrutineer must be appointed to validate the votes cast at the general meeting. The appointed scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process. The Chairman of the meeting may fix a time and place for declaring the result of the poll.*** The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. ***The poll may be conducted manually using voting slips or electronically using various forms of electronic devices. Such votes shall be counted by the poll administrator, and verified by the scrutineer, as may be appointed by the Chairman of the meeting for the purpose of determining the outcome of the resolution(s) to be decided on poll.***

Article No.	Existing Provision	Amended Provision
76.	Subject to the Listing Requirements by Bursa Malaysia Securities Berhad and any special rights or restrictions as to voting for the time being attached to any shares or classes of shares, <u>on a resolution to be decided on a show of hands</u>, a holder of ordinary shares or preference shares who is present in person or by proxy <u>and entitled to vote shall be entitled to one (1) vote</u> and on poll <u>a holder of ordinary shares or preference shares who is present in person or by proxy shall have one (1) vote for every Ringgit Malaysia One (RM1.00) in nominal amount of the shares of which he is the holder.</u>	Subject to the Listing Requirements by Bursa Malaysia Securities Berhad and any special rights or restrictions as to voting for the time being attached to any shares or classes of shares in accordance with these Articles, a holder of ordinary shares or preference shares who is present in person or by proxy **or a member's representative or attorney** and ***if a corporation is present by a duly authorised representative or by proxy or attorney*** entitled to vote shall ***on a show of hands*** be entitled to ***one vote on any question at any general meeting and in the case of a poll every member present in person or by proxy or by attorney or other duly authorised representative*** shall have one (1) vote ***for every share held by him.***
77.	A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or a curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy.	A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other persons in the nature of a committee, receiver, curator bonis or other person appointed by such Court, and such committee, receiver or curator bonis appointed by such Court ***may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office of the Company not less than forty-eight (48) hours before the time for holding meeting or adjourned meeting at which the right to vote is to be exercised. If this is not done, the right to vote shall not be exercisable.***
116.	No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless <u>some Members</u> intending to propose him has at least eleven (11) clear days before the meeting, left at the registered office of the Company a notice in writing duly signed by the nominee, giving consent to the nomination and either signifying his candidature for the office, or signifying the intention of such Member to propose him, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary. Notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.	No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless **a Member** intending to propose him has at least eleven (11) clear days before the meeting, left at the registered office of the Company a notice in writing duly signed by the nominee, giving consent to the nomination and either signifying his candidature for the office, or signifying the intention of such Member to propose him, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary. Notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place. **The cost of serving the notice to propose the election of a Director where the nomination is made by a Member or Members, shall be borne by the Member or Members making the nomination.**

Letter of Nomination of Election and Consent

Date: 24 October 2016

RECEIVED
24 OCT 2016
BOARDROOM CORPORATE SERVICES (KL) SDN BHD

Menang Corporation (M) Berhad
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Dear Sirs

MENANG CORPORATION (M) BERHAD ("the Company")
– NOTICE OF RECOMMENDATION OF PERSON FOR ELECTION AS DIRECTOR AT THE FORTHCOMING FIFTY-SECOND ANNUAL GENERAL MEETING ("52ND AGM") PURSUANT TO ARTICLE 116 OF THE COMPANY'S ARTICLES OF ASSOCIATION

We, the Directors of the Company, hereby give notice of our recommendation of Mr Leou Thiam Lai (NRIC No. 561014-08-6205) of No. 2, SS23/4C, Taman Sea, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia for election to the office of Director at the forthcoming 52nd AGM of the Company pursuant to Article 116 of the Company's Articles of Association.

Please find attached the letter duly signed by the nominee giving his consent to the nomination and signifying his candidature for the office.

Yours faithfully

DATO' ABDUL MOKHTAR AHMAD

DATO' SHUN LEONG KWONG

DATIN MARIAM EUSOFF

DR CHRISTOPHER SHUN KONG LENG

CHIAM TAU MENG

TOO KOK LENG

Y.A.M. RAJA SHAHRUDDIN RASHID

CONSENT TO NOMINATION AS DIRECTOR OF
MENANG CORPORATION (M) BERHAD ("the Company")

I, Leou Thiam Lai (NRIC No. 561014-08-6205), pursuant to Article 116 of the Articles of Association of the Company, do hereby consent to my nomination for election to the office of Director of the Company at the Fifty-Second Annual General Meeting of the Company to be held and signify my candidature for the office of Director of the Company by signing here below.

Signed by:-

LEOU THIAM LAI

Date: 24 OCT 2016

RECEIVED
24 OCT 2016
BOARDROOM CORPORATE SERVICES (KL) SDN BHD

Statement Accompanying
Notice of Annual General Meeting
PURSUANT TO PARAGRAPH 8.27 (2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Details of Mr Leou Thiam Lai, who is nominated for election at the Fifty-Second Annual General Meeting of the Company are as follows:-

Name	:	Leou Thiam Lai
Age	:	60
Gender	:	Male
Nationality	:	Malaysian
Qualification	:	Chartered Accountant of Malaysian Institute of Accountants; Fellow member of the Chartered Association of Certified Accountants (UK) and a Fellow member of the Chartered Tax Institute of Malaysia
Proposed Office	:	Independent Non-Executive Director
Working experience	:	1984 – 1986, Group Accountant, Paper Products Berhad 1986 – 1987, Group Accountant, Kotak Kajang Industries Sdn Bhd 1988 – Present, Partner, Leou Associates 2014 – Present, Partner, Leou Associates PLT
Other directorship in public companies	:	Degem Berhad Sern Kou Resources Bhd Asiamet Education Group Berhad
Any interest in Securities of the Company and its subsidiaries	:	None
Family relationship with any Director or major shareholders of the Company	:	None
Conflict of Interest with the Company	:	None
List of Conviction for Offenses within the Past Five (5) Years other than traffic offences	:	None

2. The Directors who are standing for re-election pursuant to the Article 112 and Article 118 of the Articles of Association at the Fifty Second Annual General Meeting of the Company are as follows:-

   (a) Dr Christopher Shun Kong Leng, CFP®, RFP™;
   (b) Mr Yoong Nim Chee;
   (c) Mr Toh May Fook;
   (d) Y.A.M. Raja Shahruddin Rashid.

3. The Director who is standing for re-appointment pursuant to Section 129 of the Companies Act, 1965 at the Fifty Second Annual General Meeting of the Company are as follows:-

   (a) Dato' Abdul Mokhtar Ahmad; and
   (b) Dato' Shun Leong Kwong.

   The details of the Directors standing for re-election and re-appointment at the forthcoming Fifty Second Annual General Meeting are set out in the Directors' Profile on page 3 to 6 of the Annual Report.

4. The details of attendance of each Director at Board of Directors' Meetings are set out on page 2 of the Annual Report.

5. The Fifty-Second Annual General Meeting of the Company will be convened and held at Cornerstone, Level 2, North Block, Wisma Selangor Dredging, 142D Jalan Ampang, 50450 Kuala Lumpur, Malaysia on Tuesday, 29 November 2016 at 10.00 a.m..

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Menang Corporation (M) Berhad (5383-K)
Incorporated in Malaysia

CDS account no. of authorised nominee

No. of shares held

PROXY FORM

I/We* ....
(name of shareholder as per NRIC, in capital letters)

IC No./ ID No./ Company No...

of ....
(full address)

being a member/members* of MENANG CORPORATION (M) BERHAD, hereby appoint..

.... IC No. ....
(name of proxy as per NRIC, in capital letters)

of ....
(full address)

or failing him/her*, ... IC No. ....
(name of proxy as per NRIC, in capital letters)

of ....
(full address)

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Fifty-Second Annual General Meeting of the Company or at any adjournment thereof to be held at the Cornerstone, Level 2, North Block, Wisma Selangor Dredging, 142D Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 29 November 2016 at 10.00 a.m..

No.	**Resolution**	**For**	**Against**
Ordinary Resolution 1	Approval of payment of Directors' Fees for the financial year ended 30 June 2016.		
Ordinary Resolution 2	Re-election of Dr Christopher Shun Kong Leng, CFP ®, RFP ™ as a Director retiring under Article 112 of the Articles of Association of the Company.		
Ordinary Resolution 3	Re-election of Mr Toh May Fook as a Director retiring under Article 118 of the Articles of Association of the Company.		
Ordinary Resolution 4	Re-election of Mr Yoong Nim Chee as a Director retiring under Article 118 of the Articles of Association of the Company.		
Ordinary Resolution 5	Re-election of Y.A.M. Raja Shahruddin Rashid as a Director retiring under Article 118 of the Articles of Association of the Company.		
Ordinary Resolution 6	Re-appointment of Dato' Abdul Mokhtar Ahmad as a Director in accordance with Section 129 of the Companies Act, 1965.		
Ordinary Resolution 7	Re-appointment of Dato' Shun Leong Kwong as a Director in accordance with Section 129 of the Companies Act, 1965.		
Ordinary Resolution 8	Re-appointment of Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 9	Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares.		
Ordinary Resolution 10	Retention of Mr Too Kok Leng as an Independent Non-Executive Director, in accordance with the Malaysian Code on Corporate Governance 2012.		
Ordinary Resolution 11	Retention of Mr Chiam Tau Meng as an Independent Non-Executive Director, in accordance with the Malaysian Code on Corporate Governance 2012.		
Ordinary Resolution 12	Election of Mr Leou Thiam Lai as a Director.		
Special Resolution 1	Amendments to the Articles of Association of the Company.		

* Strike out whichever is not desired.

[Please indicate with a cross (x) in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy may vote or abstain as he thinks fit.]

....
Signature or Common Seal
of Member/(s)

Dated this .... day of......................2016

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint any person as proxy to attend and vote in his stead at the same meeting. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. Where a member of the Company appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy shall be signed by the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power of attorney or authority, shall be deposited at the Company's Share Registrar's Office at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at ***21 November 2016*** and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

8. The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.

9. Datin Mariam Eusoff retires pursuant to Section 129 of the Companies Act, 1965 at the Fifty-Second Annual General Meeting ("52nd AGM") of the Company. She has expressed that she does not wish to seek re-appointment at the 52nd AGM and therefore shall retire at the conclusion of the 52nd AGM of the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to Personal Data Protection Act, 2010.

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Registrar of Menang Corporation (M) Berhad (5383-K)
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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