

Notes to the Accounts

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2014. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes to the financial position and performance of the Group since the financial year ended 30 June 2014.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the financial statements for the financial year ended 30 June 2014 except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for year beginning on or after 1 July 2014.

The adoption of the new FRSs, amendments/improvements to FRSs and IC Int does not have any material impact on the financial position and results of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called Transitioning Entities")

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the definition of "Transitioning Entities" and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2017.

2. Audit report for the preceding annual financial statements

The audit report on the audited financial statements for the year ended 30 June, 2014 was an unqualified opinion.

3. Seasonal or Cyclical Factors

The Group's business operations were not significantly affected by any seasonal and cyclical factors.

4. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of nature, size or incidence

There are no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the quarter under review.

5. Changes in estimates

There are no material changes in estimates for the period under review.

6. Issuances, Repayment and Cancellations of Debt and Equity Securities

450 warrants were converted into 450 ordinary shares of RM0.50 each during the period under review.

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7. **Dividends**

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

8. **Segmental Reporting**

	6 months ended 31 December 2014					
	Project Management and Other investment	Property Development	Concession Arrangements	Other Operating Segments	Eliminations	Consolidation
Business Segments	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	47	3,250	96,964	-	-	100,261
Inter-segment revenue	1,140	-	-	-	(1,140)	-
Total Revenue	1,187	3,250	96,964	-	(1,140)	100,261
Segment Results	(889)	29,685	28,428	(27)	-	57,197
Finance Cost	-	(281)	(16,659)	-	-	(16,940)
Finance Income	3	137	55	-	-	195
Investing Results	-	(463)	-	-	-	(463)
Profit before tax						39,989
Tax						(4,123)
Net Profit						35,866

9. **Valuation of property, plant and equipment**

The carrying value of land and buildings have been brought forward without amendment from the previous financial statements.

10. **Capital Commitments**

The Group does not have any significant capital commitments as at the date of this announcement.

11. **Material Events Subsequent To The End Of The Period Reported**

There are no material events subsequent to the end of the period reported on that have not been reflected in the financial statements for the said period.

12. **Changes in the Composition of the Group**

There were no changes in the composition of the Group for the period under review.

13. **Contingent Liabilities or Contingent Assets**

There are no material changes in contingent liabilities since the end of the previous financial year.

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. **Review of Performance**

For the 6 months period ended 31 December 2014, the Group recorded a revenue of RM100.261 million and a profit after tax of RM35.866 million. The turnover was mainly attributed to the ongoing Private Finance Initiative (PFI) projects. The improvement in profit after tax was contributed by the property development segment.

2. Variation of Results of the Preceding Quarter

	Current quarter RM'000	Preceding quarter RM'000	Change %
Profit before taxation	29,160	10,831	>100.0

The material change in the current quarter results compared to that of the preceding quarter was due to savings from a lump sum settlement of a term loan outstanding.

3. Current Year Prospects

With the ongoing economic situation, the current year prospect is expected to be challenging.

4. Profit forecast or profit guarantee

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

5. Tax Expense

	Quarter Ended 31 December, 2014 RM'000	2nd Quarter Ended 31 December, 2014 RM'000
Current Year	0	0
Deferred Tax Liability	(744)	4,123
Total	(744)	4,123

6. Status of Corporate Proposals

There were no corporate proposals announced at the date of this report.

7. Borrowings and debt securities

As at 31 December, 2014

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Secured	39,976	507,123
Unsecured	-	-

8. Financial Instruments with Off Balance Sheet Risk

There were no financial instruments contracts with material off balance sheet risk at the date of this report.

9. Changes in Material Litigation

As at the date of this report, there were no material litigation (reported in the audited financial statements for the year ended 30 June 2014) since the last annual balance sheet date.

10. Dividends

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

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11. **Earnings Per Share**

		Quarter Ended 31 December, 2014	2nd Quarter Ended 31 December, 2014
(a)	Basic Earnings		
	Profit attributable to shareholders (RM'000)	29,620	31,321
	Number of ordinary shares issued ('000)	267,107	267,107
	Basic Profit per ordinary share (sen)	11.09	11.73
(b)	Diluted Earnings Per Share	0.00	0.00

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

	Quarter Ended 31 December, 2014 RM'000	2nd Quarter Ended 31 December, 2014 RM'000
Finance Income	141	195
Interest income on Operating Financial Asset	14,907	28,361
Other Income including Investment Income	31,355	31,375
Finance Costs	(9,123)	(16,940)
Depreciation of property, plant and equipment	(72)	(143)

13. **Realised and Unrealised Profit or (Losses)**

Total retained earnings of the Group comprise the following:-

	As at end of 30.12.2014 RM'000	As at end of 30.09.2014 RM'000
- Realised	(164,569)	(179,723)
- Unrealised	117,824	103,076
Consolidation Adjustment	65,237	65,521
Total	18,492	(11,126)

By Order of the Board
MENANG CORPORATION (M) BERHAD

Ng Ah Wah (MIA No. 10366)
 Secretary
 Kuala Lumpur
 26 February 2015