

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	As at 30/6/2015 RM'000	Audited as at 31/12/2014 RM'000 (Restated)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	48,675	49,821
Investment properties	115,976	115,976
Land held for property development	51,005	51,135
Trade receivables	109	131
Other receivables	3,664	2,981
	219,429	220,044
CURRENT ASSETS		
Property development costs	79,700	85,112
Inventories	10,156	10,600
Trade receivables	43,956	46,975
Other receivables, deposits and prepayments	10,156	11,376
Deposits placed with licensed banks	137	136
Cash and bank balances	6,752	5,627
	150,857	159,826
TOTAL ASSETS	370,286	379,869
EQUITY AND LIABILITIES		
Share capital	246,277	246,277
Share premium	12,881	12,881
Treasury shares	(6,592)	(6,518)
Warrants reserve	8,889	8,889
Revaluation reserve	5,984	6,010
Accumulated losses	(62,810)	(54,718)
TOTAL EQUITY	204,629	212,821
NON-CURRENT LIABILITIES		
Borrowings (interest bearing)	47,399	48,395
Deferred tax liabilities	4,877	4,877
	52,276	53,272
CURRENT LIABILITIES		
Trade payables	34,316	40,964
Other payables, accruals and deposits	47,223	43,213
Borrowings (interest bearing)	20,924	19,578
Tax payables	10,917	10,021
	113,381	113,776
TOTAL LIABILITIES	165,657	167,048
TOTAL EQUITY AND LIABILITIES	370,286	379,869
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		
	0.42	0.44

The unaudited Condensed Consolidated Statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

MEDA INC. BERHAD (507785 – P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER 30 JUNE 2015

	Individual Quarter 3 months ended (Restated)		Cumulative Quarter 6 months ended (Restated)	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Revenue	29,448	32,604	70,121	65,288
Cost of sales	(17,905)	(23,824)	(46,529)	(43,198)
Gross profit	11,543	8,780	23,592	22,090
Other income	121	290	743	1,253
Selling and distribution expenses	(531)	(389)	(2,346)	(779)
Administrative expenses	(15,098)	(7,650)	(26,131)	(15,787)
Operating profit/(loss)	(3,965)	1,031	(4,142)	6,777
Finance cost	(926)	(352)	(1,688)	(699)
Profit/(Loss) before taxation	(4,891)	679	(5,830)	6,078
Taxation	(1,026)	89	(2,288)	(1,194)
Net profit/(loss) for the period	(5,918)	768	(8,119)	4,884
Net profit/(loss) attributable to:				
Equity holders of the Company	(5,918)	768	(8,119)	4,884
Non-controlling interests	-	-	-	-
	(5,918)	768	(8,119)	4,884
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	(1.22)	0.16	(1.68)	1.03
Diluted EPS	(1.23)	0.15	(1.69)	0.94
Net profit/(loss) for the financial period	(5,918)	768	(8,119)	4,884
Other comprehensive income				
Amortisation of revaluation reserve	27	14	27	27
Total comprehensive income/(loss) for the period	(5,891)	782	(8,092)	4,911
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the Company	(5,891)	782	(8,092)	4,911
Non-controlling interests	-	-	-	-
	(5,891)	782	(8,092)	4,911

The unaudited Condensed Consolidated Statement of profit and loss and comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER 30 JUNE 2015

← *Attributable to equity holders of the Company* →

	Share Capital RM1000	Share Premium RM1000	Warrant Reserve RM1000	Revaluation Reserve RM1000	Accumulated Losses RM1000	Treasury Shares RM1000	Total Equity RM1000
At 1 January 2014							
- as previously stated	237,695	11,115	9,007	6,064	(29,460)	(3,417)	231,004
Exercise of Warrants	8,568	1,761	(113)	-	-	-	10,216
Arising from shares buy-back	-	-	-	-	-	(2,390)	(2,390)
Amortisation of revaluation reserve	-	-	-	(27)	-	-	(27)
Total comprehensive income for the period	-	-	-	-	4,910	-	4,910
Dividends paid	-	-	-	-	-	-	-
At 30 June 2014	246,263	12,877	8,894	6,036	(24,550)	(5,807)	243,713
At 1 January 2015	246,277	12,881	8,889	6,010	(54,718)	(6,518)	212,822
Exercise of Warrants	-	-	-	-	-	-	-
Arising from shares buy-back	-	-	-	-	-	(74)	(74)
Amortisation of revaluation reserve	-	-	-	(27)	-	-	(27)
Total comprehensive income for the period	-	-	-	-	(8,092)	-	(8,092)
Dividends paid	-	-	-	-	-	-	-
At 30 June 2015	246,277	12,881	8,889	5,984	(62,810)	(6,592)	204,629

The unaudited Condensed Consolidated Statement of profit and loss and comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER 30 JUNE 2015

	Cumulative quarter ended 30 June	
	2015 RM'000	(Restated) 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before taxation	(5,830)	6,078
Adjustments for:		
Depreciation	1,779	1,019
(Gain)/loss on disposal of		
- property, plant and equipment	(131)	-
Interest expense	1,688	699
Interest income	(296)	(288)
Operating cash flows before working capital changes	(2,790)	7,507
Changes in working capital:		
Property development costs	5,541	(17,589)
Receivables	3,578	7,589
Inventories	444	899
Payables	(2,567)	(1,660)
	4,206	(3,254)
Interest paid	(44)	(46)
Interest received	296	288
Tax refund	-	3,657
Tax paid	(1,394)	(4,009)
Net Operating Cash Flows	3,064	(3,364)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,300)	(1,729)
Addition in investment properties	-	(107)
Proceeds from disposal of		
- property, plant and equipment	800	-
(Placement) / Withdrawal of deposit held as security	(2,490)	(1,203)
Net Investing Cash Flows	(2,990)	(3,039)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment to		
- bank loans	(946)	(2,827)
- hire purchase	(203)	(192)
Hire purchase obtained	-	130
Bank loans drawdown	1,500	493
Proceeds from issuance of shares via exercise of warrants	-	10,215
Purchase of treasury shares	(73)	(2,390)
Interest paid	(1,644)	(653)
Net Financing Cash Flows	(1,366)	4,776

MEDA INC. BERHAD (507785 – P)
PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD
(“FRS”) 134, INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2015

	Cumulative quarter ended 30 June	
	2015	(Restated) 2014
	RM'000	RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,292)	(1,627)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(9,148)	(10,642)
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u><u>(10,441)</u></u>	<u><u>(12,270)</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	6,752	4,457
Deposits placed with licensed banks	137	132
Bank overdrafts - secured	(14,376)	(14,447)
	<u><u>(7,487)</u></u>	<u><u>(9,858)</u></u>
Less: Deposits held as security value	(137)	(132)
Less: Housing Development Accounts held as security value	(2,817)	(2,280)
	<u><u>(10,441)</u></u>	<u><u>(12,270)</u></u>

MEDA INC. BERHAD (507785 – P)
PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD
(“FRS”) 134, INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2015

1. Basis of Preparation

The interim financial report has been prepared in accordance with Financial Reporting Standard 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2014 except for the adoption of the following new/revised FRS and Amendments to FRS:-

(Effective for annual periods beginning on or after 1 January 2016)

- | | |
|------------------------|--------------------------------------------------------------|
| • Amendment to FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| • Amendment to FRS 7 | Financial Instruments: Disclosures |
| • Amendment to FRS 10 | Consolidated Financial Statements |
| • Amendment to FRS 11 | Joint Arrangements |
| • Amendment to FRS 12 | Disclosures of Interests Other Entities |
| • Amendment to FRS 101 | Presentation of Financial Statements |
| • Amendment to FRS 116 | Property, Plant and Equipment |
| • Amendment to FRS 119 | Employee Benefits |
| • Amendment to FRS 127 | Separate Financial Statements |
| • Amendment to FRS 128 | Investment in Associates and Joint Ventures |
| • Amendment to FRS 138 | Intangible Assets |

The adoption of the above revised FRS and Amendment to FRS did not have any material impact on the financial statements of the Group.

2. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any significant seasonal or cyclical factors.

3. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items materially affecting the assets, liabilities, equity, net income or cash flow of the Group during the interim financial period.

4. Material Changes In Estimates

There were no material changes in estimates that have had any material effect results of the financial period under review.

5. Changes in Debt and Equity Securities

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review ended 30 June 2015, except for the following:-

a) Treasury shares

The Company had purchased a total of 124,000 of its own shares at an average price of RM0.59 per share totalling RM73,751 for the period ended 30 June 2015. All the purchased transactions were financed by internally generated funds.

As at 30 June 2015, a total of 9.432 million of shares purchased back were held as treasury shares with a total cost of RM6.593 million. None of the treasury shares held were resold or cancelled during the quarter under review and up to the date of this report.

6. Valuation of Property, Plant and Equipment

The valuation of land and buildings has been brought forward, without amendment from the financial statements as at 31 December 2014.

7. Segment Reporting

Segmental information for the interim financial period is presented in respect of the Group's business segment.

	Cumulative quarter ended 30 June			
	2015		(Restated) 2014	
	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Revenue RM'000	Profit/(Loss) Before Tax RM'000
Property development	54,032	7,515	38,754	1,582
Property investment	1,430	(211)	1,503	19
Hotel operations	9,909	(1,067)	14,912	(511)
Others	4,750	(8,602)	10,120	8,169
	70,121	(2,365)	65,288	9,259
Unallocated expenses		(1,779)		(2,485)
Finance costs		(1,688)		(699)
	70,121	(5,830)	65,288	6,078

8. Material Events Subsequent to Reporting Date

Disposal of 100% Equity Interest in ZKP Development Sdn Bhd (“ZKP”)

As announced on 24 July 2015, MEDA Group had entered into a conditional share sale agreement for the proposed disposal of 100% equity interest in ZKP comprising 8,750,000 ordinary shares of RM1.00 each in ZKP to Casa Andaman Sdn Bhd (“CASB”) for a cash consideration of RM 10,294,871. In addition to the disposal consideration, CASB has also undertaken to settle all net inter-company debt owed by ZKP to its holding company and its related companies on the Completion Date.

9. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current reporting quarter.

10. Changes in Contingent Liabilities and Contingent Assets

There is no significant changes in contingent liabilities since the last annual balance sheet date as at 31 December 2014 as follows:-

Contingent liabilities

	As at 30/6/2015 RM '000	As at 31/12/2014 RM '000
Guarantees given to financial institutions for credit facilities granted to subsidiaries	66,585	66,031

11. Capital Commitments

	As at 30/6/2015 RM '000	As at 30/06/2014 RM '000
Commitments to purchase development land - Contracted	204,921	73,696

1. Review of Performance

For the current quarter under review, the Group recorded revenue of RM 29.45 million compared to the corresponding quarter preceding year at RM 32.60 million whereas the cost of sales is RM 17.91 million for current quarter compared to RM 23.82 million to the corresponding quarter preceding year. The higher gross profit mainly due to the progress of Scott Tower Project which up to 77% completion with 90% of sales.

Overall, the Group had recorded a loss before tax at RM5.83 million as results of Guarantee Rental Return (“GRR”) scheme for the Arc@Cyberjaya project which recorded a loss of RM 7.84 million up to current quarter. The loss mainly due to additional GRR due for payment in Block C and D. The Group will still continue to improve the occupancy rate in order to reduce the loss from the Guarantee Rental Return (“GRR”) scheme units for the Arc@Cyberjaya project.

2. Material Changes in Loss Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The Group recorded a loss before tax of RM 4.89 million in the current quarter as compared to a loss of RM 939,000 in the immediate preceding quarter. The loss was mainly due to the loss from Guarantee Rental Return (“GRR”) scheme under the Arc@Cyberjaya project.

3. Prospects

The property market in Malaysia is expected to remain challenging in 2015. The group will rely on its on-going projects and explore more opportunities in expanding its property development segment, which will generate long term and sustainable earnings to the Group. Meanwhile, the Group is actively looking for potential land bank at Klang Valley which would generate higher profit margin to the Group.

4. Profit Forecast

Not applicable as no profit forecast was published.

5. Operating Profit/(Loss)

	Cumulative Quarter ended 30 June	
	2015	2014
	RM'000	RM'000
Interest income	296	288
Interest expense	(1,688)	(699)
Depreciation	(1,779)	(1,019)
	<u> </u>	<u> </u>

6. Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30/06/2015 RM '000	30/06/2014 RM '000	30/06/2015 RM '000	30/06/2014 RM '000
Current quarter/period:				
- Income tax	1,026	(89)	2,288	1,121
- Deferred tax	-	-	-	73
	<u>1,026</u>	<u>(89)</u>	<u>2,288</u>	<u>1,194</u>
Under/(Over) accrual of tax in prior year:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,026</u>	<u>(89)</u>	<u>2,288</u>	<u>1,194</u>

Included in the other payables, accruals and deposits of the attached Condensed Consolidated Statements of Financial Position is an amount of RM4.03 million representing the outstanding tax penalties. As of the date of submission of this report, negotiation for a settlement plan on the reduction of tax penalties with the tax authority is still ongoing.

7. Status of Corporate Proposal

i) Acquisition of land in Tempat Sungai Sekamat, Mukim Cheras, State of Selangor

As announced on 20 October 2014, MEDA Group and Global Jubilee Sdn Bhd ("GJSB") had jointly entered into sale and purchase agreement with Natwest Trading Sdn Bhd ("NTSB") for a proposed purchase a freehold land held under GM 342, Lot 1022, Tempat Sungai Sekamat, Mukim Cheras, Daerah Hulu Langat, Negeri Selangor measuring approximately 42,491.925 square meters (10.5 acres) for a total purchase consideration of RM 34,303,500.

Further to the announcement made by the Company on 20 October 2014 and 18 June 2015 in relation to Proposed Acquisition, the Board of Directors had on 8 July 2015 informed that the Company had decided not to proceed with the Proposed Acquisition and the SPA was terminated.

ii) Acquisition of 100% Equity Interest in BCM Holding Sdn Bhd ("BCM")

As announced on 25 June 2015, the Company had entered into a conditional share sale agreement for the proposed acquisition of 100% equity interest in BCM Holding Sdn Bhd ("BCM") comprising 2,000,000 ordinary shares of RM1.00 each in BCM and 4,000,000 redeemable convertible preference shares of RM1.00 each in BCM from Tan You Tiong and Yeoh Siok Choo for an aggregate purchase consideration of RM180 million.

8. Group Borrowings and Debt Securities

The borrowings of the Group were as follows:-

	As at 30/6/2015 RM '000	As at 31/12/2014 RM '000
Short Term – Secured	20,924	19,578
Long Term – Secured	47,399	48,395
	<u>68,323</u>	<u>67,973</u>

None of the Group borrowings is denominated in foreign currency.

9. Off Balance Sheet Financial Instruments

During the financial period under review, the Group did not enter into any contracts involving off balance sheet financial instruments.

10. Changes in Material Litigation

There were no material litigations as at the end of the current reporting quarter.

11. Dividend

No dividend has been recommended or declared for this current quarter and for this interim financial period under review.

12. Earnings Per Share

The basic and diluted earnings/(loss) per share have been calculated based on the consolidated net profit attributable to equity holders of the parent for the interim for financial period and the weighted average number of ordinary shares outstanding during the period as follows:-

i. Basic earnings per share

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30/06/2015 RM '000	(Restated) 30/06/2014 RM '000	30/06/2015 RM '000	(Restated) 30/06/2014 RM '000
Profit/(Loss) attributable to equity holders of the Company	(5,918)	768	(8,119)	4,884
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	483,247	470,318	483,247	470,318
Effect of shares issued during the period	(67)	1,599	(80)	1,599
	483,180	471,917	483,167	471,917
Basic earnings per share (sen)	(1.22)	0.16	(1.68)	1.03

ii. Diluted earnings per share

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30/06/2015 RM '000	(Restated) 30/06/2014 RM '000	30/06/2015 RM '000	(Restated) 30/06/2014 RM '000
Profit/(Loss) attributable to equity holders of the Company	(5,918)	768	(8,119)	4,884
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	483,247	470,318	483,247	470,318
Effect of shares issued during the period	(67)	1,599	(80)	1,599
	483,180	471,917	483,167	471,917
Effect on dilution of share warrants	(1,855)	45,236	(1,855)	45,236
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	481,325	454,252	481,312	517,153
Diluted earnings per share (sen)	(1.23)	0.17	(1.69)	0.94

13. Disclosure of realised and unrealised profits/(losses)

The amounts of realized and unrealized profits or losses included in the retained profits/(losses) of the Group as at 31 December 2014 are as follows:-

	As at 30/06/2015 RM' 000	As at 31/12/2014 RM' 000
Total retained losses of the Company and its subsidiaries		
Realised	(43,998)	(31,940)
Unrealised	(18,812)	(22,778)
	<u>(62,810)</u>	<u>(54,718)</u>

14. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2014 was not qualified.

15. Authorization for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 19 August 2015.

ON BEHALF OF THE BOARD

DATO' TEOH SENG KIAN
Managing Director
Selangor Darul Ehsan
19 August 2015