

MEDA INC. BERHAD  
 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (unaudited)

	30/06/2012 (Unaudited) RM'000	31/12/2011 (Audited) RM'000
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	23,102	23,032
Investments in associates	2,526	2,579
Investment properties	108,803	111,770
Land held for property development	16,099	19,935
Goodwill on consolidation	5,977	5,977
	<u>156,507</u>	<u>163,293</u>
Current assets		
Property development costs	73,140	66,143
Inventories	9,033	8,846
Amount due from customers for contract works	-	3
Trade receivables	38,554	37,925
Other receivables, deposits and prepayments	26,864	26,978
Amount due from an associate	417	-
Tax recoverable	113	111
Deposits placed with licensed banks	125	121
Cash and bank balances	3,875	7,112
	<u>152,121</u>	<u>147,239</u>
Assets classified as held for sale	19,840	18,000
<b>TOTAL ASSETS</b>	<u><b>328,468</b></u>	<u><b>328,532</b></u>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the Parents		
Share capital	228,425	223,470
Share premium	8,020	6,325
Treasury shares	(508)	(366)
Warrants reserve	11,993	13,688
Revaluation reserve	6,112	6,170
Accumulated losses	(79,103)	(82,394)
<b>Total equity</b>	<u><b>174,939</b></u>	<u><b>166,893</b></u>
Non-current liabilities		
Borrowings (interest bearing)	8,599	13,461
Deferred tax liabilities	13,454	13,459
	<u>22,053</u>	<u>26,920</u>
Current liabilities		
Trade payables	25,672	18,713
Other payables, accruals and deposits	46,695	48,920
Borrowings (interest bearing)	37,358	46,529
Tax payables	21,751	20,557
	<u>131,476</u>	<u>134,719</u>
<b>Total liabilities</b>	<u><b>153,529</b></u>	<u><b>161,639</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>328,468</b></u>	<u><b>328,532</b></u>
Net assets per share attributable to owners of the Company (in RM)	0.38	0.37

*The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.*

MEDA INC. BERHAD  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (unaudited)

	Quarter ended		Cumulative Quarter ended	
	30/06/2012 RM'000	30/06/2011 RM'000	30/06/2012 RM'000	30/06/2011 RM'000
<b>CONTINUING OPERATIONS</b>				
Revenue	37,024	13,888	60,941	26,926
Cost of sales	(23,426)	(7,330)	(39,204)	(14,141)
Gross Profit	13,598	6,558	21,737	12,785
Other income	598	636	1,200	1,611
Selling and distribution expenses	(3,464)	(116)	(5,045)	(298)
Administrative expenses	(6,481)	(5,768)	(12,159)	(11,301)
Operating profit / (loss)	4,251	1,310	5,733	2,797
Finance cost	(694)	(967)	(1,439)	(1,967)
Share of results of associates	(21)	(41)	(53)	(59)
Profit / (loss) before taxation	3,536	302	4,241	771
Taxation	(1,008)	-	(1,008)	-
Net profit / (loss) for the period from continuing operation	2,528	302	3,233	771
Discontinued Operation				
Net profit / (loss) for the period from discontinued operation	-	(5)	-	(5)
Net profit / (loss) for the period	2,528	297	3,233	766
Other comprehensive income				
Amortisation of revaluation reserve	29	-	58	-
Total comprehensive income for the period	2,557	297	3,291	766
Attributable to:				
Equity holders of the parent company	2,557	297	3,291	766
Minority interest	-	-	-	-
	2,557	297	3,291	766
Earnings per share (EPS) attributable to equity holders of the parent company (Sen):				
Basic EPS per ordinary share	0.56	0.07	0.71	0.18
Fully Diluted EPS / (LPS) per ordinary shares	0.56	0.07	0.67	0.18

*The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.*

MEDA INC. BERHAD  
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (unaudited)

*Attributable to Equity Holders of the Company*

	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Balance as at 1 January 2011	213,470	20,013	-	-	41,027	(124,087)	150,423
Total comprehensive income	-	-	-	-	-	766	766
<b>Balance as at 30 June 2011</b>	<b>213,470</b>	<b>20,013</b>	<b>-</b>	<b>-</b>	<b>41,027</b>	<b>(123,321)</b>	<b>151,189</b>
Balance as at 1 January 2012	223,470	6,325	13,688	(366)	6,170	(82,394)	166,893
Exercise of warrants	4,955	1,695	(1,695)	-	-	-	4,955
Arising from shares buy back	-	-	-	(142)	-	-	(142)
Amortisation of revaluation reserve	-	-	-	-	(58)	-	(58)
Total comprehensive income	-	-	-	-	-	3,291	3,291
<b>Balance as at 30 June 2012</b>	<b>228,425</b>	<b>8,020</b>	<b>11,993</b>	<b>(508)</b>	<b>6,112</b>	<b>(79,103)</b>	<b>174,939</b>

*The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.*

MEDA INC. BERHAD  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (unaudited)

	Two quarters ended 30 June	
	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(loss) before taxation :		
- continuing operations	4,241	771
- discontinued operations	-	(5)
Adjustments for:		
Depreciation :		
- continuing operations	602	594
Write-off of :		
- receivables	135	-
(Gain)/loss on disposal of :		
- investment properties	(133)	-
Interest expense :		
- continuing operations	1,439	1,967
Interest income :		
- continuing operations	(32)	(16)
Share of loss in an associate	53	59
Operating cash flows before working capital changes	<u>6,305</u>	<u>3,370</u>
Changes in working capital:		
Property development costs	(3,167)	(1,872)
Balances with customers for contract works	3	(4,350)
Receivables	(1,067)	9,921
Inventories	(187)	(17)
Payables	4,921	2,401
	<u>6,808</u>	<u>9,453</u>
Interest paid	(1,421)	-
Interest received		
- continuing operations	32	16
Tax paid		
- continuing operations	(2)	(20)
Net Operating Cash Flows	<u>5,417</u>	<u>9,449</u>

*The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.*

MEDA INC. BERHAD  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (unaudited) – *cont'd*

	Two quarters ended 30 June	
	2012 RM'000	2011 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(672)	(127)
Purchase of investment properties	(240)	
Changes on land held for property development	-	16
Proceeds from disposal of :	-	-
- property, plant and equipment	-	-
- investment properties	1,500	-
<b>Net Investing Cash Flows</b>	<u>588</u>	<u>(111)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment to:		
- bank loans	(12,548)	(6,807)
- hire purchase liabilities	(82)	(190)
Issuance of new authorised shares	4,955	-
Purchase of treasury shares	(142)	
Interest paid :		
- continuing operations	(1,421)	(1,415)
<b>Net Financing Cash Flows</b>	<u>(9,238)</u>	<u>(8,412)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,233)</b>	<b>926</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>(7,767)</b>	<b>(11,938)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u><b>(11,000)</b></u>	<u><b>(11,012)</b></u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>		
Cash and bank balances	3,875	3,768
Deposits placed with licensed banks	125	220
Bank overdrafts - secured	(15,000)	(15,000)
	<u>(11,000)</u>	<u>(11,012)</u>

*The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.*

MEDA INC. BERHAD  
 PART A - EXPLANATORY NOTES PURSUANT TO FRS 134  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2011. At the date of authorization of issue of this interim financial statement, the following Revised Financial Reporting Standards ("FRSs") Amendments/Improvements to FRS, IC Int and Amendments to IC Int that are issued, but not yet effective and had not been adopted early:

		Effective for financial periods beginning on or after
<u>New FRS</u>		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
<u>Revised FRS</u>		
FRS 119	Employee Benefits	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013

MEDA INC. BERHAD  
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 – *cont'd*

2. Significant Accounting Policies (*Cont'd*)

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to FRS</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2012
FRS 7	Financial Instruments: Disclosures	1 January 2012 and 1 January 2013
FRS 101	Presentation of Financial Statements	1 July 2012
FRS 112	Income Taxes	1 January 2012
FRS 132	Financial Instruments: Presentation	1 January 2014
 <u>New IC Int</u>		
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
 <u>Amendments to IC Int</u>		
IC Int 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011
IC Int 15	Agreements for the Construction of Real Estate	30 August 2010

The application of the above revised FRSs, amendments/improvements to FRSs, IC Int and amendments to IC Int did not have any material impact on the results and the financial position of the Group, except for those discussed below:-

*FRS 10 Consolidated Financial Statements and FRS 127 Consolidated and Separate Financial Statements (Revised)*

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS127 will deal only with accounting for investment in subsidiaries, joint

FRS 10 Consolidated Financial Statements and FRS 127 Consolidated and Separate Financial Statements (Revised) (Cont'd)

ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and SIC-12, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

IC Interpretation 15 Agreements for the Construction of Real Estate

IC Int 15 establishes the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised.

Currently, the Group adopts the percentage of completion method in revenue recognition. The deliberations on the implementation of IC Interpretation 15 are currently ongoing. Pending the conclusion of the deliberations, the Group is not in a position to disclose the effect of the adoption of IC Interpretation 15 on its financial statements.

3. **Auditors' Report on Preceding Annual Financial Statements**  
The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2011 was not qualified.
4. **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.
5. **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.
6. **Material Changes In Estimates**  
There were no material changes in estimates that have had any material effect results of the financial period under review.
7. **Issuances and Repayment of Debt and Equity**  
There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review ended 30 June 2012, except for the following:



MEDA INC. BERHAD  
 PART A - EXPLANATORY NOTES PURSUANT TO FRS 134  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012 – *cont'd*

7. Issuances and Repayment of Debt and Equity (*Cont'd*)

a) Share capital

9.909 million ordinary shares of RM0.50 each were issued pursuant to conversion of 9.909 million Warrants 2011/2021 of RM0.50 nominal value each.

b) Treasury shares

214,900 ordinary shares of RM0.50 each were bought back and held as treasury shares with none of these shares being cancelled or sold.

The details of the shares buy back during the quarter period ended 30 June 2012 are as follows:

Date	Number of shares	Price per share (RM)	Total consideration (RM)	Shares balance
Opening 1.1.2012			365,821	763,200
26/04/2012	5,000	0.79	3,925	768,200
05/06/2012	89,900	0.67	60,026	858,100
06/06/2012	60,000	0.66	39,600	918,100
07/06/2012	60,000	0.65	38,700	978,100
Closing 30.6.2012	214,900		508,072	978,100

8. Dividend Paid

There were no dividends paid during the interim financial period.

MEDA INC. BERHAD  
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 – *cont'd*

9. Segment Reporting

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

	Two quarters ended 30 June			
	2012		2011	
	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Revenue RM'000	Profit/(Loss) Before Tax RM'000
Property development	44,007	7,332	7,229	1,707
Property investment	1,259	(311)	3,030	1,699
Hotel operations	14,537	(248)	15,016	940
Others	1,138	247	1,651	586
	<u>60,941</u>	<u>7,020</u>	<u>26,926</u>	<u>4,932</u>
Unallocated corporate expenses		(1,420)		(1,563)
Share of associated company loss		(53)		(59)
Gain on disposal of investment properties		133		
Allowance for short fall in GRR				(572)
Finance cost		(1,439)		(1,967)
	<u>60,941</u>	<u>4,241</u>	<u>26,926</u>	<u>771</u>

Property Development

Revenue as at end of June 2012 has increased by RM28.0 million to RM44.0 million compared to RM16.0 million reported in preceding quarter and profit before tax has improved by 212% or RM4.9 million to RM7.3 million. The increase mainly due to the progress billing generated from current on-going project The Arc in Cyberjaya. During the quarter under review, the project has achieved 91% of sales. The profit before tax increased by RM5.6 million compared to corresponding period last financial year, which recorded RM1.7 million.

Property Investment

Property investment revenue has increased by 97% or RM0.6 million to RM1.2 million compared to preceding quarter revenue recorded at RM0.6 million. However, comparing the profit before tax in the preceding quarter, this segment is remained unprofitable with RM0.3 million loss compared to RM0.13 million loss in preceding quarter and RM1.7 million profit in corresponding period last financial year. The loss compared to corresponding period last financial year mainly due to loss of anchor tenant, The Store, in end of financial year 2011. Currently, the Group is actively seeking for replacement of the anchor tenant.

Hotel Operations

Hotel operations has improved by revenue and profit in current quarter compared to preceding quarter. During the current quarter under review, the hospitality segment generated RM14.5 million revenue to the Group, an increase of 116% compared to first quarter, which recorded revenue of RM6.7 million.

9. Segment Reporting (*cont'd*)

Others

Revenue generated from this segment mainly coming from oil palm plantation. This segment contributed marginal profit to the Group with revenue RM1.13 million and RM0.24 million of profit. These results have improved compared to preceding quarter which revenue and profit before tax recorded at RM0.46 million and RM0.15 million respectively.

10. 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 2011.

11. Subsequent Material Events

There were no material events subsequent to the end of the current reporting quarter other than as disclosed under Note 12 of Part B to this current reporting quarter under the heading of Changes in Material Litigation.

12. Changes in the Composition of the Group

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

13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in the contingent liability and contingent assets since the last annual balance sheet date as at 31 December 2011 as follows:

<u>Contingent Liability</u>	As at 30 June 2012 RM '000	As at 31 December 2011 RM '000
Guarantees given to financial institutions for credit facilities granted to an associate	18,000	18,000

## MEDA INC. BERHAD

### PART B - EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### 1. Review of Performance

For the current quarter under review, the Group recorded a profit before tax of RM3.53 million and total revenue of RM37.02 million as compared to profit before tax of RM0.30 million and total revenue of RM13.88 million for the same quarter of preceding year. The improvement of revenue and profit before tax compared to the same quarter of preceding year was mainly due to improved performance from property development division contributed by The Arc@Cyberjaya project.

#### 2. Variation of Results against Immediate Preceding Quarter (Quarter 2, 2012 vs. Quarter 1, 2012)

The Group has recorded a profit before tax of RM3.53 million in the current quarter compared to a profit before tax of RM0.70 million in the immediate preceding quarter. The profit recorded in the current quarter higher compared to the immediate preceding quarter mainly due to the profit recognized based on percentage of completion method from the development project The Arc@Cyberjaya has experienced 5% increment as opposed to first quarter recognition.

#### 3. Prospects

The year 2012 will remain challenging for the Group. The Group is confident that it will maintain the current level of performance in the various business segments.

#### 4. Profit Forecast

Not applicable as no profit forecast was published.

#### 5. Operating Profit

	Two quarters ended 30-Jun	
	2012	2011
Interest income	32	16
Depreciation	(602)	(594)
Write-off of receivables	(135)	-
Gain/(loss) on disposal of - properties	133	-

6. Taxation

	Quarter ended		Cumulative Quarter ended	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM '000	RM '000	RM '000	RM '000
Current quarter/period:				
- Income tax	1,008	-	1,008	-
- Deferred tax	-	-	-	-
	<u>1,008</u>	<u>-</u>	<u>1,008</u>	<u>-</u>
(Under)/Over accrual of tax in prior year:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,008</u>	<u>-</u>	<u>1,008</u>	<u>-</u>

Included in the Trade and Other Payable 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 with the tax authority is still ongoing.

7. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at 21 August 2012, being a date not earlier than 7 days from the date of issue of the quarterly report.

8. Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investment and properties outside the ordinary course of the Group's business during the current quarter and the interim financial period, except for sale of a retail lot in The Summit, Bukit Mertajam, for a total disposal price of RM1.5 million to Lotus Five Star Properties Sdn. Bhd and acquisition of a shop lot in The Summit, Bukit Mertajam for purchase consideration of RM240,000.

9. Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and for the interim financial period.

10. Group Borrowings and Debt Securities

The Group borrowings as at 30 June 2012 were as follows:

	RM '000
Short Term – Secured	37,358
Long Term – Secured	8,599
	<u>45,957</u>

None of the Group borrowings is denominated in foreign currency.

11. 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.

12. Changes in Material Litigation

i. Lembaga Hasil Dalam Negeri ("LHDN") vs. ZKP Development Sdn. Bhd. ("ZKP")

A Writ of Summon was initiated by LHDN against ZKP to claim the sum of RM9,603,548/- in respect of outstanding tax assessments and tax penalties for the Years of Assessment from 1998 to 2001 on 2 November 2006. ZKP attempted to strike out the writ and Statement of claim at the hearing on 17 May 2010.

Subsequently ZKP filed its Statement of Defence for two other matters amounting to RM391,733/- on 14 February 2007, LHDN applied for Summary Judgment. One of which was brought up for hearing on 9 June 2010 whilst ZKP requested to strike out Writ and Summons on the latter.

The High Court has granted summary judgment against ZKP on 28 January 2011 and ZKP has filed in the Notice of Appeal to the Court of Appeal against the High Court's decision on 22 February 2011.

The Court had granted the Plaintiff a summary judgment against ZKP and dismissed ZKP's application to strike out the Plaintiff's claim with costs. The above matter fixed for hearing of appeal at Court of Appeal on 23 February 2012, has been rescheduled to 4 May 2012.

ii. Lembaga Hasil Dalam Negeri ("LHDN") vs. Sri Lingga Sdn. Bhd. ("SL")

Writs of Summons were initiated by LHDN against SL to claim the sum of RM7,316,513/- in respect of outstanding tax assessments and tax penalties for Years of Assessment 2000, 2002, 2007 and 2008.

SL appointed its Solicitors to defend the Claim. Solicitors have entered appearances and filed Statements of Defence on behalf of SL.

LHDN filed a Summary Judgment against SL on 10 December 2010 and the High Court had granted the Summary Judgment on 4th April 2011. SL had filed in the Notice of Appeal to the Court of Appeal against the High Court's decision. The Court has fixed 14 May 2012 for decision of the above matter.

iii. Lembaga Hasil Dalam Negeri ("LHDN") vs. Cemerlang Land Sdn. Bhd. ("CL")

A writ of Summon was initiated by LHDN against CL to claim the sum of RM3,651,978/- respect of outstanding tax assessments and tax penalties for the Year of Assessment 2002 and 2003.

CL appointed Solicitors to rebut. Case was fixed for case management on 25 November 2010 pending extraction of LHDN's sealed application for summary judgment from the Court. The Court then fixed the matter for further case management on 20 May 2011.

CL is in the process of filing application to amend the Statement of Defence and to file further affidavit to oppose the Plaintiff's application for summary judgment. The Court has directed both parties to file their written submission on the 20th October 2011 before giving its decision of the applications. Further Case Management fixed for 19th November 2011 to prepare for trial on 22nd and 23rd November 2011.

12. Changes in Material Litigation (Cont'd)

iii. Lembaga Hasil Dalam Negeri ("LHDN") vs. Cemerlang Land Sdn. Bhd. ("CL") (Cont'd)

The High Court had granted a summary judgment against CL on 29th November 2011 and CL had filed in the Notice of Appeal to the Court of Appeal against the High Court's decision and waiting for the Court of Appeal to fix hearing date.

13. Dividend

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

14. Earnings/(Loss) Per Share

The basic and diluted earnings/(loss) per share have been calculated based on the consolidated net profit / (loss) 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/(loss) per share

	Quarter ended		Cumulative Quarter ended	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM '000	RM '000	RM '000	RM '000
Profit attributable to equity holders of the Parent Company	2,528	297	3,233	766
Weighted average number of ordinary shares (000's)				
Issued ordinary shares at beginning of period	446,940	426,940	446,940	426,940
Effect of shares issued during the period	3,528	-	5,709	-
Weighted average number of ordinary shares (000's)	450,468	426,940	452,649	426,940
Basic earnings/(loss) per share (sen)	0.56	0.07	0.71	0.18

MEDA INC. BERHAD  
PART B - EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – *cont'd*

14. Earnings/(Loss) Per Share (Cont'd)

ii. Diluted earnings/(loss) per share

	Quarter ended		Cumulative Quarter ended	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM '000	RM '000	RM '000	RM '000
Profit attributable to equity holders of the Parent Company	2,528	297	3,233	766
Weighted average number of ordinary shares ('000's)				
Issued ordinary shares at beginning of period	446,940	426,940	446,940	426,940
Effect of shares issued during the period	3,528	-	5,709	-
Weighted average number of ordinary shares ('000's)	450,468	426,940	452,649	426,940
Effect on dilution of share warrants ('000)	4,969	-	31,035	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	455,437	426,940	483,684	426,940
Diluted earnings/(loss) per share (sen)	0.56	0.07	0.67	0.18

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

The amounts of realized and unrealized profits or losses included in the retained profits of the Group as at 30 June 2012 are as follows:-

Profits / (Losses)

	As at	As at
	30/06/2012	31/12/2011
	RM'000	RM'000
Realised	(89,083)	(92,545)
Unrealised	9,980	10,151
Total	<u>(79,103)</u>	<u>(82,394)</u>



16. 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 28 August 2012.

ON BEHALF OF THE BOARD

TEOH SENG KIAN  
Managing Director  
Selangor Darul Ehsan  
28 August 2012