

**MEDA INC. BERHAD**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012 (unaudited)**

	<b>31/12/2012</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>31/12/2011</b> <b>(Audited)</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,659	23,032
Investments in associates	2,461	2,579
Investment properties	115,334	111,770
Land held for property development	43,829	19,935
Goodwill on consolidation	5,977	5,977
	<b>191,260</b>	<b>163,293</b>
<b>Current assets</b>		
Property development costs	79,762	66,143
Inventories	9,049	8,846
Amount due from customers for contract works	-	3
Trade receivables	42,071	37,925
Other receivables, deposits and prepayments	20,995	26,978
Amount due from an associate	564	-
Tax recoverable	1	111
Deposits placed with licensed banks	126	121
Cash and bank balances	7,136	7,112
	<b>159,704</b>	<b>147,239</b>
Assets classified as held for sale	-	18,000
<b>TOTAL ASSETS</b>	<b>350,964</b>	<b>328,532</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parents</b>		
Share capital	228,425	223,470
Share premium	8,020	6,325
Treasury shares	(1,963)	(366)
Warrants reserve	11,993	13,688
Revaluation reserve	6,117	6,170
Accumulated losses	(54,324)	(82,394)
<b>Total equity</b>	<b>198,268</b>	<b>166,893</b>
<b>Non-current liabilities</b>		
Borrowings (interest bearing)	13,952	13,461
Deferred tax liabilities	13,860	13,459
	<b>27,812</b>	<b>26,920</b>
<b>Current liabilities</b>		
Trade payables	49,586	18,713
Other payables, accruals and deposits	30,132	48,920
Borrowings (interest bearing)	23,709	46,529
Tax payables	21,457	20,557
	<b>124,884</b>	<b>134,719</b>
<b>Total liabilities</b>	<b>152,696</b>	<b>161,639</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>350,964</b>	<b>328,532</b>
Net assets per share attributable to owners of the Company (in RM)	0.43	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 FOURTH QUARTER ENDED 31 DECEMBER 2012 (unaudited)**

	Quarter ended		Cumulative quarter ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
<b>CONTINUING OPERATIONS</b>				
Revenue	60,529	40,000	169,448	82,319
Cost of sales	(41,483)	(23,774)	(111,035)	(47,619)
<b>Gross profit</b>	<b>19,046</b>	<b>16,226</b>	<b>58,413</b>	<b>34,700</b>
Other income	18,471	34,203	20,111	40,607
Selling and distribution expenses	(958)	(1,891)	(7,508)	(2,356)
Administrative expenses	(12,504)	(42,509)	(32,700)	(59,377)
<b>Operating profit / (loss)</b>	<b>24,055</b>	<b>6,029</b>	<b>38,316</b>	<b>13,574</b>
Finance cost	(623)	(1,042)	(2,766)	(3,483)
Share of results of associates	(35)	(27)	(118)	(117)
<b>Profit / (loss) before taxation</b>	<b>23,397</b>	<b>4,960</b>	<b>35,432</b>	<b>9,974</b>
Taxation	(4,343)	(3,115)	(7,415)	(3,138)
<b>Net profit / (loss) for the period from continuing operation</b>	<b>19,054</b>	<b>1,845</b>	<b>28,017</b>	<b>6,836</b>
<b>Discontinued operation</b>				
Net profit / (loss) for the period from discontinued operation	-	-	-	-
<b>Net profit / (loss) for the period</b>	<b>19,054</b>	<b>1,845</b>	<b>28,017</b>	<b>6,836</b>
<b>Other comprehensive income</b>				
Amortisation of revaluation reserve	(34)	116	53	116
Realisation of revaluation reserves		34,741		34,741
<b>Total comprehensive income for the period</b>	<b>19,020</b>	<b>36,702</b>	<b>28,070</b>	<b>41,693</b>
<b>Attributable to:</b>				
Equity holders of the parent company	19,020	36,702	28,070	41,693
Minority interest	-	-	-	-
	<b>19,020</b>	<b>36,702</b>	<b>28,070</b>	<b>41,693</b>

**Earnings per share (EPS) attributable to equity holders of the parent company (Sen):**

Basic EPS per ordinary share	4.27	0.42	6.18	1.57
Fully Diluted EPS / (LPS) per ordinary shares	4.26	0.42	5.74	1.57

*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 FOURTH QUARTER ENDED 31 DECEMBER 2012 (unaudited)**

*Attributable to Equity Holders of the Company*

	<b>Share Capital</b> RM'000	<b>Share Premium</b> RM'000	<b>Warrant Reserve</b> RM'000	<b>Treasury Shares</b> RM'000	<b>Revaluation Reserve</b> RM'000	<b>Accumulated Losses</b> RM'000	<b>Total Equity</b> RM'000
<b>Balance as at 1 January 2011</b>	213,470	20,013	-	-	41,027	(124,087)	150,423
Private placement with free warrants and issuance of Meda Inc. shares	10,000	(13,688)	13,688	-	-	-	10,000
Share buy-back	-	-	-	(366)	-	-	(366)
Amortisation of revaluation reserve	-	-	-	-	(116)	-	(116)
Realisation of revaluation reserve	-	-	-	-	(34,741)	-	(34,741)
Total comprehensive income	-	-	-	-	-	41,693	41,693
<b>Balance as at 31 December 2011</b>	<b>223,470</b>	<b>6,325</b>	<b>13,688</b>	<b>(366)</b>	<b>6,170</b>	<b>(82,394)</b>	<b>166,893</b>
<b>Balance as at 1 January 2012</b>	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	-	-	-	(1,597)	-	-	(1,597)
Amortisation of revaluation reserve	-	-	-	-	(53)	-	(53)
Total comprehensive income	-	-	-	-	-	28,070	28,070
<b>Balance as at 31 December 2012</b>	<b>228,425</b>	<b>8,020</b>	<b>11,993</b>	<b>(1,963)</b>	<b>6,117</b>	<b>(54,324)</b>	<b>198,268</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 FOURTH QUARTER ENDED 31 DECEMBER 2012 (unaudited)**

	<b>Cumulative quarter ended</b>	
	<b>31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/(loss) before taxation :	35,432	9,974
Adjustments for:		
Allowance for foreseeable losses	-	7,174
Allowance for impairment:		
- trade receivables and other receivables	-	2,057
- amount due from an associate	-	11,868
- amount due from former subsidiaries	-	4,123
- property development costs	-	6,228
Depreciation	1,316	1,165
Write-off of:		
- receivables	187	-
(Gain)/loss on disposal of:		
- property, plant and equipment	(1,058)	-
- investment properties	(133)	-
- investment in a subsidiary	-	(39,370)
Net gain on fair value adjustment on investment properties	-	2,939
Impairment loss of:		
- other receivables	(5,400)	-
- property, plant and equipment	-	429
- land held for development	-	9,101
Interest expense	2,766	3,483
Interest income	(63)	(63)
Property, plant and equipment written off	-	-
Share of loss in an associate	118	117
Property development cost written back	-	-
Waiver of amount due to contractors		
Utilisation of provision for liabilities	-	(504)
Reversal of allowance no longer required :		
- impairment	(15,285)	(590)
- foreseeable losses	-	(1,376)
<b>Operating cash flows before working capital changes</b>	<b>17,880</b>	<b>16,755</b>
Changes in working capital:		
Property development costs	(4,228)	(16,729)

*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 FOURTH QUARTER ENDED 31 DECEMBER 2012 (unaudited) – cont'd**

	<b>Cumulative quarter ended 31 December</b>	
	<b>2012 RM'000</b>	<b>2011 RM'000</b>
Balances with customers for contract works	3	4,059
Receivables	7,238	38,941
Inventories	(204)	380
Payables	12,080	4,144
	<b>32,769</b>	<b>47,550</b>
Interest paid	-	(193)
Interest received	63	63
Tax refund	114	-
Tax paid	(5,975)	(548)
<b>Net Operating Cash Flows</b>	<b>26,971</b>	<b>46,872</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(2,238)	(955)
Purchase of investment properties	(240)	
Development expenditure paid	(4,691)	11
Proceeds from disposal of:		
- property, plant and equipment	1,400	-
- investment properties	1,500	-
Net cash (outflow)/inflow on disposal of:		
- investment in a subsidiary	-	(1,018)
Acquisition of subsidiaries and businesses	(4)	(34,826)
Deposits held as security	(5)	-
Withdrawal of deposit held as security	-	1,873
<b>Net Investing Cash Flows</b>	<b>(4,278)</b>	<b>(34,915)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment to:		
- bank loans	(31,962)	(15,324)
- hire purchase liabilities	(220)	(254)
Loan drawdown	8,704	-
Issuance of new authorised shares	4,955	10,000
Purchase of treasury shares	(1,597)	(366)
Repayment from		
- former subsidiary	-	(20)
- an associate	-	(1,020)
Interest paid	(2,716)	(3,290)
<b>Net Financing Cash Flows</b>	<b>(22,836)</b>	<b>(10,274)</b>

*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 FOURTH QUARTER ENDED 31 DECEMBER 2012 (unaudited) – cont'd**

	<b>Cumulative quarter ended</b>	
	<b>31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(143)	1,683
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	(10,975)	(12,658)
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<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>(11,118)</b>	<b>(10,975)</b>
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<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>		
Cash and bank balances	7,136	7,112
Deposits placed with licensed banks	126	121
Bank overdrafts - secured	(14,447)	(15,000)
	<hr/>	<hr/>
	(7,185)	(7,767)
Less: Deposits held as security value	(126)	(121)
Less: Housing Development Accounts held as security value	(3,807)	(3,087)
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	<b>(11,118)</b>	<b>(10,975)</b>
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*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 FOURTH QUARTER ENDED 31 DECEMBER 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.

On 19 November 2011, MASB issued on 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 period 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, including its parent, significant investor and venture (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for two years and adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amount reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The Group is currently reviewing its accounting policies to assess financial effects of the differences between the current FRSs and accounting standards under the MFRS Framework.

**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:

<u>New FRS</u>		<b>Effective for financial periods beginning on or after</b>
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

**MEDA INC. BERHAD**  
**PART A - EXPLANATORY NOTES PURSUANT TO FRS 134**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012 – cont'd**

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

**Effective for  
financial periods  
beginning on or  
after**

**Revised FRS**

FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013

**Amendments/Improvements to FRS**

FRS 7	Financial Instruments: Disclosures	1 January 2013
FRS 132	Financial Instruments: Presentation	1 January 2014

**New IC Int**

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

**Amendments to IC Int**

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



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

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 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-subsiary 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.

**MEDA INC. BERHAD**  
**PART A - EXPLANATORY NOTES PURSUANT TO FRS 134**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012 – cont'd**

**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 31 December 2012, except for the following:

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 and 250 Warrants 2012/2022 of RM0.60 nominal value each.

b) Treasury shares

2,343,800 ordinary shares of RM0.50 each were bought back and held as treasury shares with none of these shares being cancelled or sold during the quarter period ended 31 December 2012.

The details of the shares buy back are as follows:

<b>Date</b>	<b>Number of shares</b>	<b>Average price per share (RM)</b>	<b>Total consideration (RM)</b>	<b>Shares balance</b>
Opening 1.1.2012	763,200		365,821.00	763,200
26/4/2012	5,000	0.79	3,925.00	768,200
5/6/2012	89,900	0.67	60,026.23	858,100
6/6/2012	60,000	0.66	39,600.00	918,100
7/6/2012	60,000	0.65	38,700.00	978,100
6/7/2012	429,000	0.71	305,845.51	1,407,100
3/9/2012	10,000	0.69	6,950.47	1,417,100
6/9/2012	155,000	0.68	105,100.31	1,572,100
7/9/2012	146,000	0.69	100,446.01	1,718,100
3/10/2012	151,900	0.66	100,185.00	1,870,000
4/10/2012	151,000	0.67	101,060.00	2,021,000
5/10/2012	167,000	0.67	112,225.00	2,188,000
8/10/2012	115,000	0.66	76,370.00	2,303,000
4/12/2012	50,000	0.68	34,000.00	2,353,000
5/12/2012	56,400	0.68	38,429.50	2,409,400
6/12/2012	55,100	0.68	37,443.50	2,464,500
7/12/2012	59,000	0.68	39,830.00	2,523,500
10/12/2012	58,000	0.68	39,175.00	2,581,500
12/12/2012	50,000	0.68	34,200.00	2,631,500
14/12/2012	61,000	0.68	41,190.00	2,692,500
17/12/2012	65,000	0.66	43,210.50	2,757,500
18/12/2012	61,500	0.68	41,832.50	2,819,000
19/12/2012	75,000	0.68	51,090.00	2,894,000
27/12/2012	70,000	0.69	48,450.00	2,964,000
28/12/2012	71,000	0.69	48,995.00	3,035,000
31/12/2012	72,000	0.69	49,320.00	3,107,000
Closing 31.12.2012	3,107,000		1,963,421	3,107,000

**MEDA INC. BERHAD**  
**PART A - EXPLANATORY NOTES PURSUANT TO FRS 134**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012 – cont'd**

**8. Dividend Paid**

There were no dividends paid during the interim financial period.

**9. Segment Reporting**

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

	<b>Cumulative quarter ended 31 December</b>			
	<b>2012</b>		<b>2011</b>	
	<b>Profit/(Loss)</b>		<b>Profit/(Loss)</b>	
	<b>Revenue</b>	<b>Before Tax</b>	<b>Revenue</b>	<b>Before Tax</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property development	135,844	28,937	42,809	14,986
Property investment	2,454	1,220	5,084	2,023
Hotel operations	29,396	341	31,544	3,359
Others	1,754	959	2,882	(5,434)
	<b>169,448</b>	<b>31,457</b>	<b>82,319</b>	<b>14,934</b>
Unallocated corporate expenses		(4,217)		(3,985)
Net gain on disposal of subsidiaries		-		39,370
Share of associated company loss		(118)		(117)
Gain on disposal of investment properties		133		-
Gain on disposal of property, plant and equipment		1,058		
Reversal of impairment on land held for property development		15,285		
Impairment loss		(5,400)		(33,806)
Net gain / (loss) on fair value adjustment on Investment Properties				(2,939)
Finance cost		(2,766)		(3,483)
	<b>169,448</b>	<b>35,432</b>	<b>82,319</b>	<b>9,974</b>

**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.

**MEDA INC. BERHAD**  
**PART A - EXPLANATORY NOTES PURSUANT TO FRS 134**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012 – cont'd**

**13. Changes in Contingent Liabilities and Contingent Assets**

The contingent liability has reduced mainly due to repayment of the loan, since the last annual balance sheet date as at 31 December 2011 as follows:

<u><b>Contingent Liability</b></u>	<b>As at 31 December 2012 RM '000</b>	<b>As at 31 December 2011 RM '000</b>
Guarantees given to financial institutions for credit facilities granted to an associate	1,945	18,000

**1. Review of Performance**

For the current quarter under review, the Group revenue increased by 51% to RM60.5 million as compared to RM40.0 million in the fourth quarter 2011. The Group's 12-months profit before tax result has improved by 257% to RM35.4 million as compared to RM9.9 million in the preceding year, mainly attributed to higher revenue from property development segment and reversal of impairment, which mitigated the impact of lower revenue from property investment and hotel operations.

The property development segment reported revenue of RM135.8 million and the segment profit before tax increased by 62% to RM28.9 million as compared to RM17.9 million in immediate preceding quarter. The segment performance has improved in the current financial year under review compared to financial year 2011 with profit before tax increased by 93% or RM13.9 million, contributed mainly from the progressive billings of The Arc, Cyberjaya and Aman Larkin, Johor Bahru projects.

The property investment segment reported revenue of RM2.4 million and profit before tax of RM1.2 million, contributed mainly by rental income received from The Summit Bukit Mertajam Complex. This segment has made a turnaround in the current quarter with profit before tax increased by RM1.7 million to RM1.2 million as opposed to RM0.5 million loss in the immediate preceding quarter.

The hotel operations segment reported revenue of RM29.3 million and profit before tax RM0.3 million. The segmental result has improved by nearly threefold of preceding quarter, which the profit before tax reported at RM0.1 million. However, the segment performance was behind the profitability achieved in FY 2011 mainly due to lower average occupancy rate in the current financial year

Revenue generated from others segment mainly coming from oil palm plantation. This segment contributed marginal profit to the Group with revenue RM1.7 million and RM0.9 million of profit. The result has improved compared to preceding quarter which revenue and loss before tax recorded at RM1.5 million and RM0.2 million respectively.

**2. Variation of Results against Immediate Preceding Quarter (Quarter 3, 2012 vs. Quarter 2, 2012)**

The current quarter's revenue of RM60.5 million was higher than RM47.9 million achieved in the immediate preceding quarter. In tandem with the growth in revenue, the profit before tax has increased by RM15.7 million or 204% to RM23.4 million as compared to RM7.7 million recorded in preceding quarter. The significant increase in profitability was attributed to higher profit recognition from the Arc, Cyberjaya and reversal of impairment on the land held for property development.

**3. Prospects**

Despite the global economies are still at recovery stage, the Group has stayed resilient and progressed satisfactorily in the financial year 2012. The Group managed to improve its revenue, profitability and net assets per share in the current financial year under review mainly due to stellar performance contributed by the property development segment.

In 2013, the Group continues to focus its efforts to deliver more affordable and quality properties to the domestic property market by launching two-property development projects in Sungai Siput, Perak and Johor Bahru. Moving forward, the Group will explore more opportunities in expanding its property development segment and venturing into businesses, which will generate long term and sustainable earnings to the Group.

**4. Profit Forecast**

Not applicable as no profit forecast was published.

5. Operating Profit

	Cumulative quarter ended 31-Dec	
	2012 RM'000	2011 RM'000
Interest income	63	63
Depreciation	(1,316)	(1,165)
Write-off of receivables	(187)	-
Gain/(loss) on disposal of		
- properties	133	-
- property, plant and equipment	1,058	
- investment in a subsidiary	-	39,370
Reversal of impairment on land held for development	15,285	
Allowance for foreseeable losses		(7,174)
Allowance of impairment losses on		
- land held for property development		(9,101)
- property development costs		(6,228)
- property, plant and equipment		(429)
- amount due from associate		(11,868)
- amount due from former subsidiaries		(4,123)
- other receivables	(5,400)	(2,057)
Net loss on fair value adjustment on investment properties		(2,939)
Reversal of allowance no longer required:		
- impairment		590
- foreseeable losses		1,376

6. Taxation

	Quarter ended		Cumulative quarter ended	
	31/12/2012 RM '000	31/12/2011 RM '000	31/12/2012 RM '000	31/12/2011 RM '000
<b>Current quarter/period:</b>				
- Income tax	4,040	3,023	6,875	3,023
- Deferred tax	303	92	540	92
	<b>4,343</b>	<b>3,115</b>	<b>7,415</b>	<b>3,115</b>
<b>(Under)/Over accrual of tax in prior year:</b>				
- Income tax	-	23	-	23
- Deferred tax	-	-	-	-
	-	<b>23</b>	-	<b>23</b>
	<b>4,343</b>	<b>3,138</b>	<b>7,415</b>	<b>3,138</b>

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 February 2013, 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, acquisition of a shop lot in The Summit, Bukit Mertajam for purchase consideration of RM240,000 and sale of a retail lot in 10 Semantan, Damansara Heights, for a total disposal price of RM1.4 million to Excel Eastern Trading Sdn. Bhd.

**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 31 December 2012 were as follows:

	<b>RM '000</b>
Short Term – Secured	23,709
Long Term – Secured	13,952
	37,661

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")**

Writs of Summons were filed by LHDN against ZKP to claim a total 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 filed an application to strike out the writs and statement of claim at a hearing on 17 May 2010.

Subsequent to ZKP filing its Statement of Defence for two other matters amounting to RM391,733/- on 14 February 2007, LHDN applied for a Summary Judgement. One of which was brought up for hearing on 9 June 2010 whilst on the other matter, ZKP requested to strike out the writs and summons.

The High Court granted a summary judgment against ZKP on 21 October 2010 and ZKP filed in the Notice of Appeal to the Court of Appeal against the High Court's decision. The Court of Appeal fixed 4 May 2012 for hearing of ZKP's appeal. The Court of Appeal allowed our appeal with cost and the matter has since been reverted to Shah Alam High Court to fix the date for case management.

**12. Changes in Material Litigation (*Cont'd*)**

**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 RM7,281,718/- in respect of outstanding tax assessments and tax penalties for Years of Assessment 2002 and 2003.

SL appointed its solicitors to defend the claim and the said solicitors entered appearances and filed Statements of Defence on behalf of SL.

LHDN filed summary judgment against SL on 10 December 2010 and SL was in the process of filing a Notice of Appeal to the Court of Appeal against the High Court's decision.

The High Court granted summary judgment against SL on 4 April 2011 and SL filed in the Notice of Appeal to the Court of Appeal against the High Court's decision. The Court fixed 14 May 2012 for decision of the above matter. On 27 July 2012, the Court of Appeal allowed the Plaintiff's Summary Judgment application and dismissed SL appeal.

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

A Writ of Summons was filed by LHDN against CL to claim the sum of RM3,591,236/- in respect of outstanding tax assessments and tax penalties for the Year of Assessment 2002 and 2003.

The High Court granted summary judgment against CL on 29 November 2011 and CL 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	
	31/12/2012 RM '000	31/12/2011 RM '000	31/12/2012 RM '000	31/12/2011 RM '000
<b>Profit attributable to equity holders of the Parent Company</b>	<b>19,054</b>	<b>1,845</b>	<b>28,017</b>	<b>6,836</b>
<b>Weighted average number of ordinary shares (000's)</b>				
Issued ordinary shares at beginning of period	446,177	426,940	446,177	426,940
Effect of shares issued during the period	345	7,336	7,228	7,336
<b>Weighted average number of ordinary shares (000's)</b>	<b>446,522</b>	<b>434,276</b>	<b>453,405</b>	<b>434,276</b>
<b>Basic earnings/(loss) per share (sen)</b>	<b>4.27</b>	<b>0.42</b>	<b>6.18</b>	<b>1.57</b>

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

ii. Diluted earnings/(loss) per share

	Quarter ended		Cumulative quarter ended	
	31/12/2012 RM '000	31/12/2011 RM '000	31/12/2012 RM '000	31/12/2011 RM '000
<b>Profit attributable to equity holders of the Parent Company</b>	19,054	1,845	28,017	6,836
<b>Weighted average number of ordinary shares (000's)</b>				
Issued ordinary shares at beginning of period	446,177	426,940	446,177	426,940
Effect of shares issued during the period	345	7,336	7,228	7,336
<b>Weighted average number of ordinary shares (000's)</b>	<b>446,522</b>	<b>434,276</b>	<b>453,405</b>	<b>434,276</b>
Effect on dilution of share warrants ('000)	346	-	34,530	-
<b>Adjusted weighted average number of ordinary shares in issue and issuable ('000)</b>	<b>446,868</b>	<b>434,276</b>	<b>487,935</b>	<b>434,276</b>
<b>Diluted earnings/(loss) per share (sen)</b>	<b>4.26</b>	<b>0.42</b>	<b>5.74</b>	<b>1.57</b>

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 31 December 2012 are as follows:-

	As at 31/12/2012 RM'000	As at 31/12/2011 RM'000
Realised	(63,935)	(92,545)
Unrealised	9,611	10,151
<b>Total</b>	<b>(54,324)</b>	<b>(82,394)</b>

**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 February 2013.

**ON BEHALF OF THE BOARD**

**TEOH SENG KIAN  
Managing Director  
Selangor Darul Ehsan  
28 February 2013**