

**MEDA INC. BERHAD (507785 – P)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2014**

	<b>As at 31/03/2014 RM'000</b>	<b>Audited as at 31/12/2013 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	42,790	42,190
Investment properties	115,995	115,904
Land held for property development	41,599	41,599
Goodwill on consolidation	5,977	5,977
Trade receivables	132	132
Other receivables	1,270	1,270
	<b>207,763</b>	<b>207,072</b>
<b>CURRENT ASSETS</b>		
Property development costs	94,470	89,775
Inventories	11,374	11,627
Trade receivables	47,416	56,591
Other receivables, deposits and prepayments	21,332	19,190
Tax recoverable	1,770	1,442
Deposits placed with licensed banks	132	131
Cash and bank balances	5,549	4,883
	<b>182,043</b>	<b>183,639</b>
<b>TOTAL ASSETS</b>	<b>389,806</b>	<b>390,711</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	238,767	237,695
Share premium	11,364	11,115
Treasury shares	(3,667)	(3,417)
Warrants reserve	8,923	9,007
Revaluation reserve	6,051	6,064
Accumulated losses	(25,331)	(29,460)
<b>TOTAL EQUITY</b>	<b>236,107</b>	<b>231,004</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings (interest bearing)	9,744	10,140
Deferred tax liabilities	14,126	14,054
	<b>23,870</b>	<b>24,194</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	63,742	66,467
Other payables, accruals and deposits	34,563	35,425
Borrowings (interest bearing)	21,048	22,124
Tax payables	10,476	11,497
	<b>129,829</b>	<b>135,513</b>
<b>TOTAL LIABILITIES</b>	<b>153,699</b>	<b>159,707</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>389,806</b>	<b>390,711</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)</b>		
	0.50	0.49

*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 2013.*

**MEDA INC. BERHAD (507785 – P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2014 RM'000	(Restated) 31/03/2013 RM'000	31/03/2014 RM'000	(Restated) 31/03/2013 RM'000
Revenue	32,684	64,715	32,684	64,715
Cost of sales	(19,374)	(47,067)	(19,374)	(47,067)
<b>Gross profit</b>	<b>13,310</b>	<b>17,648</b>	<b>13,310</b>	<b>17,648</b>
Other income	963	348	963	348
Selling and distribution expenses	(390)	(2,238)	(390)	(2,238)
Administrative expenses	(8,137)	(8,472)	(8,137)	(8,472)
<b>Operating profit</b>	<b>5,746</b>	<b>7,286</b>	<b>5,746</b>	<b>7,286</b>
Finance cost	(347)	(655)	(347)	(655)
<b>Profit before taxation</b>	<b>5,399</b>	<b>6,631</b>	<b>5,399</b>	<b>6,631</b>
Taxation	(1,283)	(1,495)	(1,283)	(1,495)
<b>Net profit for the period</b>	<b>4,116</b>	<b>5,136</b>	<b>4,116</b>	<b>5,136</b>
<b>Net profit / (loss) attributable to:</b>				
Equity holders of the Company	4,116	5,136	4,116	5,136
Non-controlling interests	-	-	-	-
	<b>4,116</b>	<b>5,136</b>	<b>4,116</b>	<b>5,136</b>
<b>Earnings per share ("EPS") attributable to equity holders of the Company (Sen):</b>				
Basic EPS	0.87	1.13	0.87	1.13
Diluted EPS	0.80	1.05	0.80	1.05
<b>Net profit for the financial period</b>	<b>4,116</b>	<b>5,136</b>	<b>4,116</b>	<b>5,136</b>
<b>Other comprehensive income</b>				
Amortisation of revaluation reserve	13	13	13	13
<b>Total comprehensive income for the period</b>	<b>4,129</b>	<b>5,149</b>	<b>4,129</b>	<b>5,149</b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>				
Equity holders of the Company	4,129	5,149	4,129	5,149
Non-controlling interests	-	-	-	-
	<b>4,129</b>	<b>5,149</b>	<b>4,129</b>	<b>5,149</b>

*The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013.*

**MEDA INC. BERHAD (507785 – P)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

←————— *Attributable to equity holders of the Company* —————→

	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Warrant Reserve RM'000</b>	<b>Revaluation Reserve RM'000</b>	<b>Accumulated Losses RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Total Equity RM'000</b>
<b>At 1 January 2013</b>							
- as previously stated	228,425	8,020	11,993	6,117	(54,322)	(1,964)	198,269
- Effect of adoption of FRS 10	-	-	-	-	15,663	-	15,663
<b>At 1 January 2013, as restated</b>	<b>228,425</b>	<b>8,020</b>	<b>11,993</b>	<b>6,117</b>	<b>(38,659)</b>	<b>(1,964)</b>	<b>213,932</b>
Exercise of Warrants	-	-	-	-	-	-	-
Arising from shares buy-back	-	-	-	-	-	(601)	(601)
Amortisation of revaluation reserve	-	-	-	(13)	-	-	(13)
Total comprehensive income for the period	-	-	-	-	5,149	-	5,149
<b>At 31 March 2013</b>	<b>228,425</b>	<b>8,020</b>	<b>11,993</b>	<b>6,104</b>	<b>(33,510)</b>	<b>(2,565)</b>	<b>218,467</b>
<b>At 1 January 2014</b>	<b>237,695</b>	<b>11,115</b>	<b>9,007</b>	<b>6,064</b>	<b>(29,460)</b>	<b>(3,417)</b>	<b>231,004</b>
Exercise of Warrants	1,072	249	(84)	-	-	-	1,237
Arising from shares buy-back	-	-	-	-	-	(250)	(250)
Amortisation of revaluation reserve	-	-	-	(13)	-	-	(13)
Total comprehensive income for the period	-	-	-	-	4,129	-	4,129
<b>At 31 March 2014</b>	<b>238,767</b>	<b>11,364</b>	<b>8,923</b>	<b>6,051</b>	<b>(25,331)</b>	<b>(3,667)</b>	<b>236,107</b>

*The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013.*

**MEDA INC. BERHAD (507785 – P)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>(Restated)</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	5,399	6,631
Adjustments for:		
Depreciation	496	434
Interest expense	347	655
Interest income	(321)	(171)
<b>Operating cash flows before working capital changes</b>	<b>5,921</b>	<b>7,549</b>
Changes in working capital:		
Property development costs	(4,693)	19,492
Receivables	7,033	(23,800)
Inventories	253	1
Payables	(3,587)	(2,240)
	<b>4,927</b>	<b>1,002</b>
Interest paid	(23)	(19)
Interest received	321	171
Tax refund	-	-
Tax paid	(2,560)	(5,716)
<b>Net Operating Cash Flows</b>	<b>2,665</b>	<b>(4,562)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(1,097)	(534)
Addition in investment properties	(92)	(226)
(Placement) / Withdrawal of deposit held as security	(1,000)	2,853
<b>Net Investing Cash Flows</b>	<b>(2,189)</b>	<b>2,093</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment to		
- bank loans	(1,869)	(1,934)
- hire purchase	(96)	(92)
Loan drawdown	493	3,045
Proceeds from issuance of shares via exercise of warrants	1,237	-
Purchase of treasury shares	(250)	(601)
Interest paid	(324)	(636)
<b>Net Financing Cash Flows</b>	<b>(809)</b>	<b>(218)</b>

**MEDA INC. BERHAD (507785 – P)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014** (Continued)

	<b>3 months ended</b>	
	<b>(Restated)</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(333)	(2,687)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	(10,642)	(11,116)
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<u><b>(10,975)</b></u>	<u><b>(13,803)</b></u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>		
Cash and bank balances	5,549	1,598
Deposits placed with licensed banks	132	126
Bank overdrafts - secured	(14,447)	(14,447)
	<u><b>(8,766)</b></u>	<u><b>(12,723)</b></u>
Less: Deposits held as security value	(132)	(126)
Less: Housing Development Accounts held as security value	(2,077)	(954)
	<u><b>(10,975)</b></u>	<u><b>(13,803)</b></u>

*The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013.*

**MEDA INC. BERHAD (507785 – P)**  
**PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD**  
**(“FRS”) 134, INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED**  
**31 MARCH 2014**

**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 2013.

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 2013 except for the adoption of the following new/revised FRS and Amendments to FRS:-

*(Effective for annual periods beginning on or after 1 January 2014)*

- |                        |  |
|------------------------|--|
| • Amendment to FRS 10  | Consolidated Financial Statements                  |
| • Amendment to FRS 12  | Disclosures of Interests in Other Entities         |
| • Amendment to FRS 127 | Separate Financial Statements                      |
| • Amendment to FRS 136 | Impairment of Assets                               |
| • Amendment to FRS 139 | Financial Instruments: Recognition and measurement |
| • Amendment to FRS 132 | Financial Instruments: Presentation                |

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

In the preceding financial year end, an associate company which was previously accounted for in the consolidated financial statements by the equity method of accounting was reclassified as a subsidiary. The Group had re-examined the shareholders agreement and taken into consideration the substance and economic reality of the relationship between the group vis-à-vis the other shareholder of the company. Following such re-examination, it was determined that this company met the control definition stipulated in FRS 10 and should be considered as a subsidiary and to be consolidated using acquisition method of accounting. The reclassification has been effected with retrospective effect, and the comparative figures have been restated. The restatement had no material effect on the net results and retained earnings for the previous financial quarter.

**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 31 March 2014, except for the following:-

a) Share capital

2,144,050 ordinary shares of RM0.50 each were issued pursuant to conversion of 491,300 Warrants 2011/2021 of RM0.50 nominal value each and 1,652,750 Warrants 2012/2022 of RM0.60 nominal value each for the quarter ended 31 March 2014.

As at 31 March 2014, a total of 30.593 million ordinary shares of RM0.50 each were issued pursuant to conversion of 27.851 million Warrants 2011/2021 and 2.742 million Warrants 2012/2022.

b) Treasury shares

The Company had purchased a total of 316,000 of its own shares at an average price of RM0.79 per share totalling RM249,624 for the quarter ended 31 March 2014. All the purchased transactions were financed by internally generated funds.

As at 31 March 2014, a total of 5.388 million of shares purchased back were held as treasury shares with a total cost of RM3.666 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. Dividends Paid**

There were no dividends paid during the interim financial period.

#### **7. 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 2013.

## 8. Segment Reporting

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

	3 months ended 31 March			
	2014		2013	
	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Revenue RM'000	Profit/(Loss) Before Tax RM'000
Property development	24,917	8,185	56,420	9,288
Property investment	728	7	606	(151)
Hotel operations	6,713	(736)	7,407	(352)
Others	326	(200)	282	(71)
	<b>32,684</b>	<b>7,256</b>	<b>64,715</b>	<b>8,714</b>
Unallocated corporate expenses		(1,510)		(1,428)
Finance costs		(347)		(655)
	<b>32,684</b>	<b>5,399</b>	<b>64,715</b>	<b>6,631</b>

## 9. Material Events Subsequent to Reporting Date

There were no material events subsequent to the end of the current reporting quarter.

## 10. Changes in the Composition of the Group

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

## 11. 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 2013 as follows:-

<u>Contingent Liability</u>	As at 31/03/2014 RM '000	As at 31/12/2013 RM '000
Guarantees given to financial institutions for credit facilities granted to subsidiaries	28,837	30,213



**MEDA INC. BERHAD (507785 – P)**  
**PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD**  
**(“FRS”) 134, INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER ENDED**  
**31 MARCH 2014 (Continued)**

**12. Capital Commitments**

	<b>As at</b> <b>31/03/2014</b> <b>RM'000</b>
Commitments to purchase development land	
- Contracted	73,696

**1. Review of Performance**

The Group's revenue for the current quarter at RM32.7 million is 49% lower than the corresponding quarter preceding year and the cost of sales is 59% lower mainly due to the construction works for The Arc@Cyberjaya project is reaching near completion in the current quarter, which resulted to lower revenue and cost of sales to be recognised.

The Group's profit before tax for the current quarter at RM5.4 million is 19% lower than the corresponding quarter preceding year.

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

The Group recorded a profit before tax of RM5.4 million in the current quarter, compared to RM2.8 million in the immediate preceding quarter. Net profit for the current quarter is higher by RM1.2 million compared to the immediate preceding quarter is mainly due to various impairments recorded in the immediate preceding quarter.

**3. Prospects**

Incoming quarters of 2014, the Group will continue to focus its efforts to deliver more affordable and quality properties to the domestic property market. The Group also will explore more opportunities in expanding its property development segment, 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**

	<b>Cumulative Quarter 3 months ended 31 March</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	321	171
Investment income	-	-
Interest expense	(347)	(655)
Depreciation	(496)	(434)

## 6. Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2014 RM '000	31/03/2013 RM '000	31/03/2014 RM '000	31/03/2013 RM '000
<b>Current quarter/period:</b>				
- Income tax	1,210	2,842	1,210	2,842
- Deferred tax	73	(1,347)	73	(1,347)
	<b>1,283</b>	<b>1,495</b>	<b>1,283</b>	<b>1,495</b>
<b>Under/(Over) accrual of tax in prior year:</b>				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	<b>1,283</b>	<b>1,495</b>	<b>1,283</b>	<b>1,495</b>

The effective tax rate for the financial year-to-date is lower than the statutory tax rate mainly due to utilisation of previously unrecognised tax losses and capital allowances by certain subsidiaries.

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

### A) Acquisition of land in Pekan Baru Sungai Buloh, District of Petaling, State of Selangor

As announced on 15 July 2013, Purple Heights Sdn Bhd (“PHSB”) a wholly owned subsidiary company of Meda Inc. Berhad (“MEDA”) had entered into a conditional sale and purchase agreement (“SPA”) with Signature Cabinet Sdn Bhd (“SCSB”) for a proposed acquisition of two pieces of land located in Pekan Baru Sungai Buloh, District of Petaling State of Selangor measuring 13,506 square meters and 16,222 square meters for an aggregate consideration of RM75, 200,000.

PHSB and SCSB have signed the SPA on 15 July 2013 and the earnest deposit amounted to RM1.504 million has been paid. The State Authority have consented to the transfer of the property from SCSB to PHSB vide their letter dated 4 September 2013. The land acquisition received approval from its shareholders through a special resolution passed in an Extraordinary General Meeting held on 2 December 2013.

**7. Status of Corporate Proposal** (Continued)

B) Proposed free warrants issue of up to 64,096,256 free warrants (“Warrants C”)

The Directors have proposed Warrants C in MEDA on the basis of one warrant for every ten existing ordinary shares of MEDA. An Extraordinary General Meeting (“EGM”) will be held on 26 June 2014 at 10.30a.m to obtain MEDA shareholders’ approvals on the proposal.

Other than the above, there were no other corporate proposals announced but not completed as at 12 May 2014.

**8. Group Borrowings and Debt Securities**

The Group borrowings as at 31 March 2014 were as follows:-

	<b>RM ‘000</b>
Short Term – Secured	21,048
Long Term – Secured	9,744
	<u>30,792</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**

A final single-tier dividend for the current financial year ended 31 December 2013 has been recommended by the Directors for approval by shareholders. The recommended final dividend, if approved will amount to 1 sen per ordinary share of RM0.50 each. The date of payment of the recommended final dividend is on 19 September 2014 to depositors whose names appear in the Record of Depositors at the close of business on 25 August 2014.

**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**

	<b>Individual Quarter (Restated)</b>		<b>Cumulative Quarter (Restated)</b>	
	<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Profit attributable to equity holders of the Company</b>	4,116	5,136	4,116	5,136
<b>Weighted average number of ordinary shares ('000)</b>				
Issued ordinary shares at beginning of period	470,318	453,743	470,318	453,743
Effect of shares issued during the period	1,599	(810)	1,599	(810)
	<b>471,917</b>	<b>452,933</b>	<b>471,917</b>	<b>452,933</b>
<b>Basic earnings per share (sen)</b>	<b>0.87</b>	<b>1.13</b>	<b>0.87</b>	<b>1.13</b>

**ii. Diluted earnings per share**

	<b>Individual Quarter (Restated)</b>		<b>Cumulative Quarter (Restated)</b>	
	<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Profit attributable to equity holders of the Company</b>	4,116	5,136	4,116	5,136
<b>Weighted average number of ordinary shares ('000)</b>				
Issued ordinary shares at beginning of period	470,318	453,743	470,318	453,743
Effect of shares issued during the period	1,599	(810)	1,599	(810)
	<b>471,917</b>	<b>452,933</b>	<b>471,917</b>	<b>452,933</b>
Effect on dilution of share warrants	45,236	36,587	45,236	36,587
<b>Adjusted weighted average number of ordinary shares in issue and issuable ('000)</b>	<b>517,153</b>	<b>489,520</b>	<b>517,153</b>	<b>489,520</b>
<b>Diluted earnings per share (sen)</b>	<b>0.80</b>	<b>1.05</b>	<b>0.80</b>	<b>1.05</b>

**13. 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 March 2014 are as follows:-

	As at 31/03/2014
	RM'000
Total retained profits of the Company and its subsidiaries	
Realised	(8,646)
Unrealised	(16,685)
	<u>(25,331)</u>

**14. Auditors' Report on Preceding Annual Financial Statements**

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2013 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 May 2014.

**ON BEHALF OF THE BOARD**

TEOH SENG KIAN  
 Managing Director  
 Selangor Darul Ehsan  
 19 May 2014