

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	As at 30/09/2014 RM'000	Audited as at 31/12/2013 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	43,108	42,190
Investment properties	115,976	115,904
Land held for property development	41,599	41,599
Goodwill on consolidation	5,977	5,977
Trade receivables	110	132
Other receivables	1,832	1,270
	208,602	207,072
CURRENT ASSETS		
Property development costs	99,498	89,775
Inventories	10,558	11,627
Trade receivables	39,260	56,591
Other receivables, deposits and prepayments	21,861	19,190
Tax recoverable	-	1,442
Deposits placed with licensed banks	133	131
Cash and bank balances	4,609	4,883
	175,919	183,639
TOTAL ASSETS	384,522	390,711
EQUITY AND LIABILITIES		
Share capital	246,262	237,695
Share premium	12,876	11,115
Treasury shares	(6,334)	(3,417)
Warrants reserve	8,894	9,007
Revaluation reserve	6,024	6,064
Accumulated losses	(29,005)	(29,460)
TOTAL EQUITY	238,717	231,004
NON-CURRENT LIABILITIES		
Borrowings (interest bearing)	28,372	10,140
Deferred tax liabilities	13,561	14,054
	41,933	24,194
CURRENT LIABILITIES		
Trade payables	37,963	66,467
Other payables, accruals and deposits	33,827	35,425
Borrowings (interest bearing)	21,167	22,124
Tax payables	10,915	11,497
	103,872	135,513
TOTAL LIABILITIES	145,805	159,707
TOTAL EQUITY AND LIABILITIES	384,522	390,711
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		
	0.49	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 THIRD QUARTER ENDED 30 SEPTEMBER 2014

	Individual Quarter 9 months ended		Cumulative Quarter 9 months ended	
	30/09/2014	(Restated) 30/09/2013	30/09/2014	(Restated) 30/09/2013
	RM'000	RM'000	RM'000	RM'000
Revenue	26,107	25,627	91,395	139,886
Cost of sales	(13,056)	(9,959)	(56,254)	(90,072)
Gross profit	13,051	15,668	35,141	49,814
Other income	828	(153)	2,081	295
Selling and distribution expenses	(831)	(746)	(1,610)	(3,678)
Administrative expenses	(11,091)	(7,183)	(26,878)	(23,600)
Operating profit	1,957	7,586	8,734	22,831
Finance cost	(638)	(532)	(1,337)	(1,706)
Share of results of an associate	-	(39)	-	(82)
Profit before taxation	1,319	7,015	7,397	21,043
Taxation	(944)	(1,688)	(2,138)	(5,035)
Net profit for the period	375	5,327	5,259	16,008
Net profit attributable to:				
Equity holders of the Company	375	5,327	5,259	16,008
Non-controlling interests	-	-	-	-
	375	5,327	5,259	16,008
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	0.08	1.16	1.09	3.48
Diluted EPS	0.07	1.15	1.00	3.18
Net profit for the financial period	375	5,327	5,259	16,008
Other comprehensive income				
Amortisation of revaluation reserve	13	13	40	40
Total comprehensive income for the period	388	5,340	5,299	16,048
Total comprehensive income for the period attributable to:				
Equity holders of the Company	387	5,340	5,298	16,048
Non-controlling interests	-	-	-	-
	387	5,340	5,298	16,048

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 2013.

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

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

	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Treasury Shares RM'000	Total Equity RM'000
At 1 January 2013							
- as previously stated	228,425	8,020	11,993	6,117	(54,322)	(1,964)	198,269
- Effect of adoption of FRS 10	-	-	-	-	-	-	-
At 1 January 2013, as restated	228,425	8,020	11,993	6,117	(54,322)	(1,964)	198,269
Exercise of Warrants	8,851	2,959	(2,862)	-	-	-	8,948
Arising from shares buy-back	-	-	-	-	-	(1,423)	(1,423)
Amortisation of revaluation reserve	-	-	-	(40)	-	-	(40)
Total comprehensive income for the period	-	-	-	-	16,048	-	16,048
Dividends paid	-	-	-	-	(9,380)	-	(9,380)
At 30 September 2013	237,276	10,979	9,131	6,077	(47,654)	(3,387)	212,422
At 1 January 2014							
- as previously stated	237,695	11,115	9,007	6,064	(29,460)	(3,417)	231,004
- effect of change in accounting policies	-	-	-	-	-	-	-
At 1 January 2014	237,695	11,115	9,007	6,064	(29,460)	(3,417)	231,004
Exercise of Warrants	8,567	1,761	(113)	-	-	-	10,215
Arising from shares buy-back	-	-	-	-	-	(2,917)	(2,917)
Amortisation of revaluation reserve	-	-	-	(40)	-	-	(40)
Total comprehensive income for the period	-	-	-	-	5,298	-	5,298
Dividends paid	-	-	-	-	(4,842)	-	(4,842)
At 30 September 2014	246,262	12,876	8,894	6,024	(29,005)	(6,334)	238,717

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 2013.

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014
STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

	Cumulative quarter ended 30 Sept (Restated)	
	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	7,397	21,043
Adjustments for:		
Depreciation	1,586	1,266
Write-off of		
- receivables	-	8
(Gain)/loss on disposal of		
- property, plant and equipment	(4)	(1)
Interest expense	1,337	1,706
Interest income	(552)	(204)
Share of losses in an associate	-	82
Operating cash flows before working capital changes	9,764	23,900
Changes in working capital:		
Property development costs	(9,722)	(8,598)
Receivables	14,119	(8,707)
Inventories	1,069	49
Payables	(30,084)	11,558
	(14,854)	18,202
Interest paid	(70)	(59)
Interest received	552	204
Tax refund	3,657	-
Tax paid	(5,445)	(12,609)
Net Operating Cash Flows	(16,160)	5,738
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(2,505)	(956)
Addition in investment properties	(72)	(490)
Proceeds from disposal of		
- property, plant and equipment	4	-
(Placement) / Withdrawal of deposit held as security	(651)	
Net Investing Cash Flows	(3,224)	(1,446)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment to		
- bank loans	(4,043)	(10,437)
- hire purchase	(287)	(228)
Hire purchase obtained	130	-
Loan drawdown	21,368	7,144
Proceeds from issuance of shares via exercise of warrants	10,214	8,851
Purchase of treasury shares	(2,917)	(1,423)
Dividends paid	(4,842)	(9,380)
Interest paid	(1,267)	(1,647)
Net Financing Cash Flows	18,356	(7,120)

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

	Cumulative quarter ended 30 Sept	
	2014 RM'000	(Restated) 2013 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,028)	(2,828)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(10,642)	(7,185)
	<u>(11,671)</u>	<u>(10,013)</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>(11,671)</u>	<u>(10,013)</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	4,609	4,308
Deposits placed with licensed banks	133	126
Bank overdrafts - secured	(14,553)	(14,447)
	<u>(9,811)</u>	<u>(10,013)</u>
Less: Deposits held as security value	(133)	
Less: Housing Development Accounts held as security value	(1,727)	
	<u>(11,671)</u>	<u>(10,013)</u>

MEDA INC. BERHAD (507785 – P)
PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD
(“FRS”) 134, INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 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 30 September 2014, except for the following:-

a) Share capital

17,135,050 ordinary shares of RM0.50 each were issued pursuant to conversion of 661,000 Warrants 2011/2021 of RM0.50 nominal value each and 16,474,050 Warrants 2012/2022 of RM0.60 nominal value each for the period ended 30 September 2014.

As at 30 September 2014, a total of 45.584 million ordinary shares of RM0.50 each were issued pursuant to conversion of 28.020 million Warrants 2011/2021 and 17.564 million Warrants 2012/2022.

b) Treasury shares

The Company had purchased a total of 3,940,600 of its own shares at an average price of RM0.74 per share totalling RM2,918,306 for the period ended 30 September 2014. All the purchased transactions were financed by internally generated funds.

As at 30 September 2014, a total of 9.012 million of shares purchased back were held as treasury shares with a total cost of RM6.334 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

A final dividend of 1 sen per ordinary share, totaling RM 4, 842, 142.92 in respect of the financial year ended 31 December 2013 was paid on 19 September 2014.

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.

MEDA INC. BERHAD (507785 – P)
PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

8. Segment Reporting

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

	Cumulative quarter ended 30 September			
	2014		(Restated) 2013	
	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Revenue RM'000	Profit/(Loss) Before Tax RM'000
Property development	66,760	15,743	113,401	26,846
Property investment	2,256	79	2,302	48
Hotel operations	21,419	(1,810)	23,404	(518)
Others	960	(1,832)	779	(354)
	91,395	12,180	139,886	26,022
Unallocated corporate expenses		(3,450)		(3,192)
Share of losses in an associate		-		(82)
Gain on disposal of property, plant and equipment		4		1
Finance costs		(1,337)		(1,706)
	91,395	7,397	139,886	21,043

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 increased mainly due to acquisition land in Pekan Tanjong Kling, Daerah Melaka Tengah, Negeri Melaka, since the last annual balance sheet date as at 31 December 2013 as follows:-

	As at 30/09/2014 RM '000	As at 31/12/2013 RM '000
<u>Contingent Liability</u>		
Guarantees given to financial institutions for credit facilities granted to subsidiaries	47,538	30,213

12. Capital Commitments

	As at 30/09/2014 RM '000
Commitments to purchase development land	
- Contracted	16,000

1. Review of Performance

The Group's revenue for the current quarter at RM 26.1 million is 2% slightly higher than the corresponding quarter preceding year and the cost of sales is 31% higher mainly due to completion for The Arc @ Cyberjaya project.

As the result, the group's profit before tax for the current quarter at RM 1.32 million is 81% lower than the corresponding quarter preceding year.

Overall the Group's profit before tax for the current quarter at RM 7 million is 65% lower than the preceding year of RM21 million.

Apart from the group's profit generated by The Arc project, The Scott Tower project had achieved 56% of sales and 20% of completion of work. The project had contributed about 5.37% of overall profit at RM 3.61 million as at to-date.

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

There is no significant changes in profit before taxation for the current quarter as compared with the immediate preceding quarter. The Group recorded a profit before tax of RM 1.32 million in the current quarter, compared to a profit of RM 0.67 million 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

	Cumulative Quarter ended 30 Sept	
	2014	2013
	RM'000	RM'000
Interest income	552	204
Investment income	-	-
Interest expense	(1,337)	(1,706)
Depreciation	(1,586)	(1,266)
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6. Taxation

	Individual Quarter 9 months ended		Cumulative Quarter 9 months ended	
	30/09/2014 RM '000	30/09/2013 RM '000	30/09/2014 RM '000	30/09/2013 RM '000
Current quarter/period:				
- Income tax	944	(3,678)	2,065	2,501
- Deferred tax	-	2,331	73	(501)
	944	(1,347)	2,138	2,000
Under/(Over) accrual of tax in prior year:				
- Income tax	-	3,035	-	3,035
- Deferred tax	-	-	-	-
	-	3,035	-	3,035
	944	1,688	2,138	5,035

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 Tanjong Kling, Daerah Melaka Tengah, Negeri Melaka.

On 19 September 2014, Maju Puncakbumi Sdn Bhd, a wholly-owned subsidiary of MEDA had announced to acquire a freehold land approximately 83,160 square metres held under H.S (D) 61545 PT 47, Pekan Tanjong Kling Sek. II, Daerah Melaka Tengah, Negeri Melaka from Ganesha Sdn Bhd for a total purchase price of RM23,200,000. This acquisition was completed on 24 October 2014.

B) 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.

8. Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2014 were as follows:-

	RM '000
Short Term – Secured	21,167
Long Term – Secured	28,372
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	49,539
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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 (Restated)		Cumulative Quarter (Restated)	
	30/09/2014 RM '000	30/09/2013 RM '000	30/09/2014 RM '000	30/09/2013 RM '000
Profit attributable to equity holders of the Company	375	5,327	5,259	16,008
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	470,318	453,743	470,318	453,743
Effect of shares issued during the period	11,608	5,715	9,807	6,224
	481,926	459,458	480,125	459,967
Basic earnings per share (sen)	0.08	1.16	1.09	3.48

ii. Diluted earnings per share

	Individual Quarter (Restated)		Cumulative Quarter (Restated)	
	30/09/2014 RM '000	30/09/2013 RM '000	30/09/2014 RM '000	30/09/2013 RM '000
Profit attributable to equity holders of the Company	375	5,327	5,259	16,008
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	470,318	453,743	470,318	453,743
Effect of shares issued during the period	11,608	5,715	9,807	6,224
	481,926	459,458	480,125	459,967
Effect on dilution of share warrants	(3,156)	1,826	36,420	43,570
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	478,770	461,284	516,545	503,537
Diluted earnings per share (sen)	0.07	1.15	1.00	3.18

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 30 September 2014 are as follows:-

	As at 30/09/2014
Total retained losses of the Company and its subsidiaries	
Realised	(12,318)
Unrealised	(16,685)
	<u>(29,003)</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 20 November 2014.

ON BEHALF OF THE BOARD

TEOH SENG KIAN
Managing Director
Selangor Darul Ehsan
20 November 2014