

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

	As at 31/12/2014 RM'000	Audited as at 31/12/2013 RM'000 (Restated)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	49,821	42,190
Investment properties	115,976	115,904
Land held for property development	51,135	41,599
Goodwill on consolidation	-	5,977
Trade receivables	109	132
Other receivables	1,463	1,269
	218,504	207,071
CURRENT ASSETS		
Property development costs	89,807	66,607
Inventories	10,600	11,627
Trade receivables	42,111	56,591
Other receivables, deposits and prepayments	13,739	19,190
Tax recoverable	-	1,442
Deposits placed with licensed banks	136	131
Cash and bank balances	5,627	4,883
	162,020	160,471
TOTAL ASSETS	380,523	367,542
EQUITY AND LIABILITIES		
Share capital	246,277	237,695
Share premium	12,881	11,115
Treasury shares	(6,520)	(3,417)
Warrants reserve	8,889	9,007
Revaluation reserve	6,011	6,064
Accumulated losses	(54,715)	(46,836)
TOTAL EQUITY	212,823	213,628
NON-CURRENT LIABILITIES		
Borrowings (interest bearing)	48,402	10,141
Deferred tax liabilities	4,877	8,260
	53,279	18,401
CURRENT LIABILITIES		
Trade payables	43,026	66,466
Other payables, accruals and deposits	41,589	35,426
Borrowings (interest bearing)	19,785	22,124
Tax payables	10,021	11,497
	114,421	135,513
TOTAL LIABILITIES	167,700	153,914
TOTAL EQUITY AND LIABILITIES	380,523	367,542
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		
	0.44	0.45

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 FOURTH QUARTER ENDED 31 DECEMBER 2014

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2014	(Restated) 31/12/2013	31/12/2014	(Restated) 31/12/2013
	RM'000	RM'000	RM'000	RM'000
Revenue	33,475	41,522	124,870	181,408
Cost of sales	(21,953)	(24,306)	(78,207)	(123,159)
Gross profit	11,522	17,216	46,663	58,249
Other income	696	258	2,777	553
Selling and distribution expenses	(938)	(604)	(2,548)	(4,282)
Administrative expenses	(18,756)	(14,607)	(45,634)	(37,828)
Operating profit/(loss)	(7,476)	2,803	1,258	16,692
Finance cost	(1,884)	(354)	(3,221)	(2,105)
Share of results of an associate	-	-	-	-
Profit/(Loss) before taxation	(9,360)	2,449	(1,963)	14,587
Taxation	1,011	192	(1,127)	(2,648)
Net profit/(loss) for the period	(8,349)	2,641	(3,090)	11,939
Net profit/(loss) attributable to:				
Equity holders of the Company	(8,349)	2,641	(3,090)	11,939
Non-controlling interests	-	-	-	-
	(8,349)	2,641	(3,090)	11,939
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	(1.77)	0.58	(0.64)	2.59
Diluted EPS	(1.79)	0.58	(0.62)	2.37
Net profit/(loss) for the financial period	(8,349)	2,641	(3,090)	11,939
Other comprehensive income				
Amortisation of revaluation reserve	13	13	53	53
Total comprehensive income/(loss) for the period	(8,336)	2,654	(3,037)	11,992
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the Company	(8,336)	2,654	(3,037)	11,992
Non-controlling interests	-	-	-	-
	(8,336)	2,654	(3,037)	11,992

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 FOURTH QUARTER ENDED 31 DECEMBER 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	(38,659)	(1,964)	213,932
- effect of change for fair value adjustment	-	-	-	-	(10,791)	-	(10,791)
At 1 January 2013, as restated	228,425	8,020	11,993	6,117	(49,450)	(1,964)	203,141
Exercise of Warrants	9,270	3,095	(2,986)	-	-	-	9,379
Arising from shares buy-back	-	-	-	-	-	(1,453)	(1,453)
Amortisation of revaluation reserve	-	-	-	(53)	-	-	(53)
Total comprehensive income for the period	-	-	-	-	11,992	-	11,992
Dividends paid	-	-	-	-	(9,380)	-	(9,380)
At 31 December 2013	237,695	11,115	9,007	6,064	(46,836)	(3,417)	213,628
At 1 January 2014	237,695	11,115	9,007	6,064	(46,836)	(3,417)	213,628
Exercise of Warrants	8,582	1,766	(118)	-	-	-	10,230
Arising from shares buy-back	-	-	-	-	-	(3,102)	(3,102)
Amortisation of revaluation reserve	-	-	-	(53)	-	-	(53)
Total comprehensive income for the period	-	-	-	-	(3,037)	-	(3,037)
Dividends paid	-	-	-	-	(4,842)	-	(4,842)
At 31 December 2014	246,277	12,881	8,889	6,011	(54,715)	(6,520)	212,823

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 FOURTH QUARTER ENDED 31 DECEMBER 2014

	Cumulative quarter ended	
	31 December	
	(Restated)	
	2014	2013
	RM'ooo	RM'ooo
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before taxation	(1,963)	14,587
Adjustments for:		
Allowance for impairment		
- trade receivables and other receivables	158	2,027
Depreciation	2,131	1,859
Write-off of		
- goodwill on consolidation	5,977	-
- receivables	-	29
- property, plant and equipment	96	-
(Gain)/loss on disposal of		
- property, plant and equipment	(4)	(88)
- property, plant and equipment	-	1,970
Net loss on financial assets measured at amortised costs	-	256
Provision for liquidated and ascertained damages	-	557
Interest expense	3,221	2,105
Interest income	(610)	(218)
- foreseeable losses	-	(3,361)
Operating cash flows before working capital changes	9,006	19,723
Changes in working capital:		
Land held for development	(9,536)	-
Property development costs	(23,200)	2,748
Receivables	19,601	(18,864)
Inventories	1,027	(855)
Payables	(17,898)	23,985
	(21,000)	26,737
Interest paid	(92)	(84)
Interest received	610	218
Tax refund	3,657	-
Tax paid	(7,578)	(16,068)
Net Operating Cash Flows	(24,403)	10,803
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(9,858)	(1,124)
Addition in investment properties	(72)	(570)
Proceeds from disposal of		
- property, plant and equipment	4	268
(Placement) / Withdrawal of deposit held as security	(1,020)	2,724
Net Investing Cash Flows	(10,946)	1,298

	Cumulative quarter ended 31 December	
	(Restated)	
	2014	2013
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment to		
- bank loans	(4,335)	(15,404)
- hire purchase	(385)	(334)
Hire purchase obtained	274	-
Loan drawdown	40,368	7,585
Proceeds from issuance of shares via exercise of warrants	10,230	9,379
Purchase of treasury shares	(3,102)	(1,453)
Dividends paid	(4,842)	(9,380)
Interest paid	(3,128)	(2,021)
Net Financing Cash Flows	<u>35,080</u>	<u>(11,628)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(269)	473
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(10,642)	(11,116)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>(10,912)</u>	<u>(10,642)</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	5,627	4,883
Deposits placed with licensed banks	136	131
Bank overdrafts - secured	(14,447)	(14,447)
	<u>(8,684)</u>	<u>(9,433)</u>
Less: Deposits held as security value	(136)	(131)
Less: Housing Development Accounts held as security value	(2,093)	(1,078)
	<u>(10,912)</u>	<u>(10,642)</u>

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

Other than the fair value adjustment, 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 December 2014, except for the following:-

a) Share capital

17,165,050 ordinary shares of RM0.50 each were issued pursuant to conversion of 691,000 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 31 December 2014.

As at 31 December 2014, a total of 45.614 million ordinary shares of RM0.50 each were issued pursuant to conversion of 28.050 million Warrants 2011/2021 and 17.564 million Warrants 2012/2022.

b) Treasury shares

The Company had purchased a total of 4,235,600 of its own shares at an average price of RM0.73 per share totalling RM3,101,758 for the period ended 31 December 2014. All the purchased transactions were financed by internally generated funds.

As at 31 December 2014, a total of 9.307 million of shares purchased back were held as treasury shares with a total cost of RM6.520 million. None of the treasury shares held were resold or cancelled during the quarter under review and up to the date of this report.

6. Valuation of Property, Plant and Equipment

The valuation of land and buildings has been brought forward, without amendment from the financial statements as at 31 December 2013.

7. Segment Reporting

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

	Cumulative quarter ended 31 December				
	2014		2013		
	Profit/(Loss)		Profit/(Loss)		
	Revenue	Before Tax	Revenue	Before Tax	
RM'000	RM'000	RM'000	RM'000	(Restated)	
Property development	92,157	15,562	145,114	27,279	
Property investment	2,954	73	2,978	(27)	
Hotel operations	28,635	(1,794)	32,350	383	
Others	1,124	(1,966)	966	(1,195)	
	124,870	11,875	181,408	26,440	
Unallocated corporate expenses		(4,391)		(4,188)	
Gain on disposal of property, plant and equipment		4		88	
Impairment of assets		-		(3,591)	
Write-off of assets		(96)		-	
Allowance for impairment of receivables		(158)		(2,027)	
Write-off of Goodwill on consolidation		(5,977)		-	
Write-off of receivables		-		(29)	
Finance costs		(3,221)		(2,105)	
	124,870	(1,963)	181,408	14,587	

8. Material Events Subsequent to Reporting Date

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

9. Changes in the Composition of the Group

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

10. Changes in Contingent Liabilities and Contingent Assets

The contingent liability has increased mainly due to working capital for financing of Sungai Siput Project and Scott Tower Project and 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:-

<u>Contingent Liability</u>	As at 31/12/2014 RM '000	As at 31/12/2013 RM '000
Guarantees given to financial institutions for credit facilities granted to subsidiaries	66,247	30,213

11. Capital Commitments

	As at 31/12/2014 RM '000
Commitments to purchase development land - Contracted	28,521

1. Review of Performance

The Group's revenue for the current quarter at RM 33.5 million compared to the corresponding quarter of the preceding year at RM 41.5 million whereas the cost of sales is RM 21.9 million for current quarter compared to RM 24.3 million for the corresponding quarter of the preceding year. This is mainly due to lower gross development value (GDV) for the Scott Tower project of RM113 million as compare to the completed The Arc @ Cyberjaya project which had a GDV of RM360 million.

For the current quarter, the Group had impairment of goodwill amounting to RM5.977 million and provided for the amortisation of fair value for the project development costs amounting to RM3.38 million. After taking into the goodwill and fair value adjustment the Group made a loss before tax of RM9.36 million for the current quarter as compared to a profit before tax of RM2.45 million for the corresponding quarter of the preceding year.

Overall the Group made a loss before tax of RM 1.963 million for the year as compared to a profit before tax of RM14.587 million for the preceding year.

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

The Group recorded a loss before tax of RM 9.36 million in the current quarter as compared to a profit before tax of RM 1.32 million in the immediate preceding quarter. The loss in the current quarter was mainly due to impairment of goodwill of RM5.977 million and amortisation of fair value of RM3.38 million.

3. Prospects

Incoming quarters of 2015, 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/(Loss)

	Cumulative Quarter ended 31 December	
	2014	2013
	RM'000	RM'000
Interest income	610	218
Interest expense	(3,221)	(2,105)
Depreciation	(2,131)	(1,859)
	<u>610</u>	<u>(2,105)</u>

6. Taxation

	Individual Quarter		Cumulative Quarter	
	31/12/2014 RM '000	31/12/2013 RM '000	31/12/2014 RM '000	31/12/2013 RM '000
Current quarter/period:				
- Income tax	1,716	1,331	5,334	3,832
- Deferred tax	(1,897)	732	(1,824)	231
	(181)	2,063	3,510	4,063
Under/(Over) accrual of tax in prior year:				
- Income tax	-	(2,255)	(1,554)	780
- Deferred tax	(830)	-	(830)	(2,195)
	(830)	(2,255)	(2,384)	(1,415)
	(1,011)	(192)	1,127	2,648

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 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 borrowings of the Group were as follows:-

	As at 31/12/2014 RM '000	As at 31/12/2013 RM '000
Short Term – Secured	19,785	22,124
Long Term – Secured	48,402	10141
	<u>68,187</u>	<u>32,265</u>

None of the Group borrowings is denominated in foreign currency.

9. Off Balance Sheet Financial Instruments

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

10. Changes in Material Litigation

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

11. Dividend

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

12. Earnings Per Share

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

i. Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	(Restated)		(Restated)	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM '000	RM '000	RM '000	RM '000
Profit/(Loss) attributable to equity holders of the Company	(8,349)	2,641	(3,090)	11,939
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	470,318	453,405	470,318	453,405
Effect of shares issued during the period	468	269	9,746	6,831
	470,786	453,674	480,064	460,236
Basic earnings per share (sen)	(1.77)	0.58	(0.64)	2.59

ii. Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	(Restated)		(Restated)	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM '000	RM '000	RM '000	RM '000
Profit/(Loss) attributable to equity holders of the Company	(8,349)	2,641	(3,090)	11,939
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	470,318	453,405	470,318	453,405
Effect of shares issued during the period	468	269	9,746	6,831
	470,786	453,674	480,064	460,236
Effect on dilution of share warrants	(5,632)	240	17,151	43,810
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	465,154	454,252	497,215	504,046
Diluted earnings per share (sen)	(1.79)	0.58	(0.62)	2.37

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 December 2014 are as follows:-

	As at 31/12/2014 RM' 000
Total retained losses of the Company and its subsidiaries	
Realised	(35,903)
Unrealised	(18,812)
	<u>(54,715)</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 18 February 2015.

ON BEHALF OF THE BOARD

DATO' TEOH SENG KIAN
Managing Director
Selangor Darul Ehsan
18 February 2015