

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	As at 31/12/2015 RM'000	Audited as at 31/12/2014 RM'000 (Restated)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	30,816	49,821
Investment properties	44,655	115,976
Land held for property development	51,135	51,135
Trade receivables	-	131
Other receivables	-	2,981
	126,606	220,044
CURRENT ASSETS		
Property development costs	51,615	85,112
Inventories	6,151	10,600
Trade receivables	42,381	46,975
Other receivables, deposits and prepayments	12,980	11,376
Tax recoverable	577	-
Deposits placed with licensed banks	71	136
Cash and bank balances	2,378	5,627
	116,151	159,826
Assets of a disposal group classified as held for sale	83,445	-
TOTAL ASSETS	326,202	379,869
EQUITY AND LIABILITIES		
Share capital	246,277	246,277
Share premium	12,881	12,881
Treasury shares	(7,318)	(6,518)
Warrants reserve	8,889	8,889
Revaluation reserve	6,054	6,010
Accumulated losses	(111,212)	(54,718)
TOTAL EQUITY	155,571	212,821
NON-CURRENT LIABILITIES		
Borrowings (interest bearing)	25,063	48,395
Deferred tax liabilities	3,711	4,877
	28,774	53,272
CURRENT LIABILITIES		
Trade payables	22,546	40,964
Other payables, accruals and deposits	66,026	43,213
Borrowings (interest bearing)	41,873	19,578
Tax payables	1,605	10,021
	132,051	113,776
Liabilities of a disposal group classified as held for sale	9,806	-
TOTAL LIABILITIES	170,631	167,048
TOTAL EQUITY AND LIABILITIES	326,202	379,869
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY		
HOLDERS OF THE COMPANY (RM)	0.32	0.44

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 2015.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER 31 DECEMBER 2015

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31/12/2015 RM'000	(Restated) 31/12/2014 RM'000	31/12/2015 RM'000	(Restated) 31/12/2014 RM'000
Revenue	15,245	33,475	118,456	124,870
Cost of sales	(14,537)	(21,953)	(81,048)	(79,607)
Gross profit	708	11,522	37,408	45,263
Other income	1,398	696	3,764	3,275
Selling and distribution expenses	(321)	(938)	(3,494)	(2,554)
Administrative expenses	(30,096)	(18,756)	(88,639)	(46,516)
Operating loss	(28,311)	(7,476)	(50,959)	(532)
Finance cost	(201)	(1,884)	(3,703)	(2,125)
Loss before taxation	(28,512)	(9,360)	(54,660)	(2,657)
Taxation	503	1,011	(1,790)	(436)
Net loss for the period	(28,009)	(8,349)	(56,450)	(3,093)
Net loss attributable to:				
Equity holders of the Company	(28,007)	(8,349)	(56,450)	(3,093)
Non-controlling interests	-	-	-	-
	(28,007)	(8,349)	(56,450)	(3,093)
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	(5.80)	(1.77)	(11.69)	(0.66)
Diluted EPS	(5.82)	(1.84)	(11.74)	(0.60)
Net loss for the financial period	(28,009)	(8,349)	(56,450)	(3,093)
Other comprehensive income				
Amortisation of revaluation reserve	(84)	13	(44)	53
Total comprehensive loss for the period	(28,093)	(8,336)	(56,494)	(3,040)
Total comprehensive loss for the period attributable to:				
Equity holders of the Company	(28,093)	(8,336)	(56,494)	(3,040)
Non-controlling interests	-	-	-	-
	(28,093)	(8,336)	(56,494)	(3,040)

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 2014.

MEDA INC. BERHAD (507785 - P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER 31 DECEMBER 2015

← 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 2014							
- as previously stated	237,695	11,115	9,007	6,063	(46,836)	(3,417)	213,627
Exercise of Warrants	8,582	1,766	(118)	-	-	-	10,230
Arising from shares buy-back	-	-	-	-	-	(3,103)	(3,103)
Amortisation of revaluation reserve	-	-	-	(53)	53	-	-
Total loss for the financial period	-	-	-	-	(3,093)	-	(3,093)
Dividends paid	-	-	-	-	(4,842)	-	(4,842)
At 31 December 2014	246,277	128,881	8,889	6,010	(54,718)	(6,520)	212,819
At 1 January 2015	246,277	12,881	8,889	6,010	(54,718)	(6,520)	212,822
Exercise of Warrants	-	-	-	-	-	-	-
Arising from shares buy-back	-	-	-	-	-	(800)	(800)
Amortisation of revaluation reserve	-	-	-	44	(44)	-	-
Reversal of revaluation reserve	-	-	-	-	-	-	-
Total loss for the financial period	-	-	-	-	(56,450)	-	(56,450)
Dividends paid	-	-	-	-	-	-	-
At 31 December 2015	246,277	12,881	8,889	6,054	(111,212)	(7,318)	155,571

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 2014.

MEDA INC. BERHAD (507785 - P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER 31 DECEMBER 2015

	Cumulative quarter ended 31 December (Restated)	
	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before taxation	(54,660)	(2,657)
Adjustments for:		
Allowance for impairment		
- trade and other receivables	2,952	187
Depreciation	3,650	2,227
Impairment of goodwill	-	5,977
Deposit written-off	3,156	-
- property, plant and equipment	-	96
Gain on disposal of property, plant and equipment	(502)	(4)
- assets held for sale	(12,793)	-
Impairment loss of		
- investment properties	21,912	-
- property, plant and equipment	704	-
- Inventories	611	-
Interest expense	3,703	2,125
Interest income	(82)	(717)
Net loss on financial assets measured at amortised costs	-	386
Provision for liquidated and ascertained damages	-	179
Reversal of allowance no longer required for other receivables	-	(30)
Operating cash flows before working capital changes	(31,349)	7,768
Changes in working capital:		
Property development costs	33,497	(4,152)
Receivables	(6)	15,302
Inventories	3,838	1,027
Payables	3,818	(18,018)
	9,796	1,927
Interest paid	(93)	(92)
Interest received	82	717
Tax refund	-	3,674
Tax paid	(7,781)	(7,528)
Net Operating Cash Flows	2,004	(1,302)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,286)	(9,681)
Addition in investment properties	-	(72)
Addition land under property development	-	(23,890)
Proceeds from disposal of		
- property, plant and equipment	1,490	6
(Placement) / Withdrawal of deposit held as security	(1,005)	745
Net Investing Cash Flows	(801)	(32,892)

MEDA INC. BERHAD (507785 – P)
PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD
(“FRS”) 134, INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2015

	Cumulative quarter ended 31 December	
	2015 RM'000	(Restated) 2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment to		
- bank loans	(2,281)	(4,550)
- hire purchase	(394)	(385)
Hire purchase obtained	139	-
Bank loans drawdown	1,500	40,368
Proceeds from issuance of shares via exercise of warrants	-	10,230
Purchase of treasury shares	(800)	(3,101)
Dividends paid	-	(4,842)
Interest paid	(3,610)	(2,032)
Net Financing Cash Flows	<u>(5,445)</u>	<u>35,688</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,242)	1,494
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(9,148)	(10,642)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>(13,390)</u>	<u>(9,148)</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	2,378	5,627
Deposits placed with licensed banks	71	136
Bank overdrafts - secured	(14,372)	(14,447)
	<u>(11,923)</u>	<u>(8,684)</u>
Less: Deposits held as security value	(71)	(136)
Less: Housing Development Accounts held as security value	(1,397)	(328)
	<u>(13,390)</u>	<u>(9,148)</u>

MEDA INC. BERHAD (507785 – P)
PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD
(“FRS”) 134, INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2015

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 2014.

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 2014 except for the adoption of the following new MFRS and Amendments/Improvements to MFRSs that have been issued but yet to be effective:-

(Effective for annual periods beginning on or after 1 January 2016)

Amendments/Improvements to MFRSs

- MFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- MFRS 7 Financial Instruments: Disclosures
- MFRS 10 Consolidated Financial Statements
- MFRS 11 Joint Arrangements
- MFRS 12 Disclosures of Interests Other Entities
- MFRS 101 Presentation of Financial Statements
- MFRS 116 Property, Plant and Equipment
- MFRS 119 Employee Benefits
- MFRS 127 Separate Financial Statements
- MFRS 128 Investment in Associates and Joint Ventures
- MFRS 138 Intangible Assets

The directors do not anticipate that the application of the above new MFRSs and amendments/improvements to MFRSs when they are effective will have a material impact on the results and the financial position of the Company.

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 December 2015, except for the following:-

a) Treasury shares

The Company had purchased a total of 1.427 million of its own shares at an average price of RM0.56 per share totalling RM800,457 for the period ended 31 December 2015. All the purchased transactions were financed by internally generated funds.

As at 31 December 2015, a total of 10.735 million of shares purchased back were held as treasury shares with a total cost of RM7.318 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

During the period under review, certain property, plant and equipment were revalued which results in a net decrease value of approximately RM 704,000.

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			
	2015		(Restated) 2014	
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
	RM'000	Before Tax RM'000	RM'000	Before Tax RM'000
Property development	84,525	6,055	92,157	18,852
Property investment	2,894	(19,335)	2,954	(124)
Hotel operations	17,917	(1,821)	28,635	(842)
Others	13,120	(29,553)	1,124	(9,400)
	118,457	(44,654)	124,870	8,486
Unallocated expenses		(3,650)		(9,018)
Gain on disposal of property, plant and equipment		-		-
		502		-
Write-off of assets		-		-
Allowance for impairment of receivables		-		-
Impairment of goodwill		-		-
Deposits written off		(3,156)		-
Finance costs		(3,703)		(2,125)
	118,457	(54,660)	124,870	(2,657)

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

There is no significant changes in contingent liabilities since the last annual balance sheet date as at 31 December 2014 as follows:-

	As at 31/12/2015 RM '000	As at 31/12/2014 RM '000
Guarantees given to financial institutions for credit facilities granted to subsidiaries	<u>65,261</u>	<u>66,031</u>

11. Capital Commitments

	As at 31/12/2015 RM '000	As at 31/12/2014 RM '000
Commitments to purchase development land - Contracted	<u>176,400</u>	<u>28,251</u>

1. Review of Performance

For the current quarter under review, the Group recorded revenue of RM 15.25 million compared to the corresponding quarter preceding year at RM 33.48 million whereas the cost of sales is RM 14.55 million for current quarter compared to RM 21.95 million to the corresponding quarter preceding year. The lower gross profit mainly due to the nearly completion of Scott Tower Project.

Overall, the Group had recorded a loss before tax at RM 56.45 million mainly due to the impairment of investment properties amounted to RM 18.36 million, the net loss from the Guarantee Rental Return ("GRR") scheme for the Arc @ Cyberjaya project amounted to RM 14 million and the provision of future GRR loss amounted to RM 4.73 million. The current losses also include the impairment of trade and other receivable amounted to RM 3.9 million and written down of inventories by RM 2.33 million.

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

The Group recorded a loss before tax of RM 28.51 million in the current quarter as compared to a loss of RM 20.32 million in the immediate preceding quarter.

The current quarter loss of RM 28.51 million mainly due to the impairment of investment properties amounted to RM 18.36 million, the provision of future GRR loss amounted to RM 4.73 million, the impairment of trade and other receivables amounted to RM 3.9 million and inventories written down to the net realisable value of RM 2.33 million.

3. Prospects

The property market in Malaysia is expected to remain challenging in 2016. The group will rely on its on-going projects and explore more opportunities in expanding its property development segment, which will generate long term and sustainable earnings to the Group. The Group is actively looking for potential land bank at Klang Valley which would generate higher profit margin to the Group.

The Group has recently undertaken the corporate exercise to acquire the entire equity interest in BCM Holding Sdn Bhd ("BCM"). The Group proposes to develop the land held under BCM into a mixed development project with an estimated gross development value of approximately RM895 million which is expected to improve the financial performance of the Group substantially.

4. Profit Forecast

Not applicable as no profit forecast was published.

5. Operating Profit/(Loss)

	Cumulative Quarter	
	ended 31 December	
	2015	2014
	RM'000	RM'000
Interest income	82	717
Interest expense	(3,703)	(2,125)
Depreciation	(3,650)	(2,227)
	<u> </u>	<u> </u>

6. Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31/12/2015 RM '000	31/12/2014 RM '000	31/12/2015 RM '000	31/12/2014 RM '000
Current quarter/period:				
- Income tax	(384)	1,716	1,909	5,334
- Deferred tax	(119)	(1,897)	(119)	(1,824)
	<u>(503)</u>	<u>(181)</u>	<u>1,790</u>	<u>3,510</u>
Under/(Over) accrual of tax in prior year:				
- Income tax	-	-	-	(1,554)
- Deferred tax	-	(830)	-	(830)
	<u>-</u>	<u>(830)</u>	<u>-</u>	<u>(2,384)</u>
	<u>(503)</u>	<u>(1,011)</u>	<u>1,790</u>	<u>1,127</u>

Included in the other payables, accruals and deposits of the attached Condensed Consolidated Statements of Financial Position is an amount of RM3.65 million representing the outstanding tax penalties. As of the date of submission of this report, the outstanding tax penalty was paid according to the monthly settlement plan which approved by tax authority.

7. Status of Corporate Proposal

i) Acquisition of 100% Equity Interest in BCM Holding Sdn Bhd ("BCM") and disposal of 100% Equity Interest in ZKP Development Sdn Bhd ("ZKP")

On 25 June 2015, the Company had entered into a conditional share sale agreement for the proposed acquisition of 100% equity interest in BCM Holding Sdn Bhd ("BCM") comprising 2,000,000 ordinary shares of RM1.00 each in BCM and 4,000,000 redeemable convertible preference shares of RM1.00 each in BCM from Tan You Tiong and Yeoh Siok Choo for an aggregate purchase consideration of RM180 million. ("the Proposed Acquisition")

On 24 July 2015, MEDA Group had entered into a conditional share sale agreement for the proposed disposal of 100% equity interest in ZKP comprising 8,750,000 ordinary share of RM1.00 each in ZKP to Casa Andaman Sdn Bhd ("CASB") for a cash consideration of RM 10,294,871. In addition to the disposal consideration, CASB had also undertaken to settle all net inter-company debt owed by ZKP to its holding company and its related companies on the Completion date. ("the Proposed Disposal")

On 11 November 2015, Bursa Securities had approved the listing and quotation of 67,000,000 new MEDA share to be issued pursuant to the Proposed Acquisition. An Extraordinary General Meeting ("EGM") will be held on 3 December 2015 to approve the transaction.

As announced on 21 December 2015, both parties had mutually agreed to extend the fulfillment of the conditions precedent period under the Sales Share Agreement for a further 2 months from 25 December 2015 to 25 February 2016.

Further announcement on 24 February 2016, both parties had mutually agreed to extend the fulfillment of the conditions precedent period under the Sales Share Agreement for a further 2 months from 25 February 2016 to 25 April 2016.

7. Status of Corporate Proposal (continued)

ii) Disposal of land in the Mukim of Sg. Siput, District of Kuala Kangsar, Negeri Perak

As announced on 11 September 2015, Nandex Land Sdn Bhd (“NLSB” or “Proprietor”), a wholly-owned subsidiary of Meda Inc, had entered into a Master En-Bloc Purchase Agreement (“En-Bloc Agreement”) with PR1MA Corporation Malaysia (“PR1MA”) and Aturan Prisma Sdn. Bhd. (“Aturan” or “Contractor”) for the proposed partial disposal of approximately 85.98 acres (347,948.72 square metres) of leasehold land held under HS(D) 15026 PT No. 13679 in the Mukim of Sg. Siput, District of Kuala Kangsar, State of Perak Darul Ridzuan (“the Land”) for a land cost of RM15,003,956 (“the Land Cost”).

Subsequently, on 4 January 2016, the group had received the 10% deposit land cost amounted to RM1,500,396 from PR1MA Corporation Malaysia (“PR1MA”).

8. Group Borrowings and Debt Securities

The borrowings of the Group were as follows:-

	As at 31/12/2015 RM ‘000	As at 31/12/2014 RM ‘000
Short Term – Secured	41,873	19,578
Long Term – Secured	25,053	48,395
	<u>66,926</u>	<u>67,973</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 3 months ended		Cumulative Quarter 12 months ended	
	(Restated)		(Restated)	
	31/12/2015 RM '000	31/12/2014 RM '000	31/12/2015 RM '000	31/12/2014 RM '000
Profit/(Loss) attributable to equity holders of the Company	(28,007)	(8,349)	(56,450)	(3,093)
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	483,247	470,318	483,247	470,318
Effect of shares issued during the period	(428)	1,599	(508)	1,599
	<u>482,819</u>	<u>471,917</u>	<u>482,739</u>	<u>471,917</u>
Basic earnings per share (sen)	(5.80)	(1.77)	(11.69)	(0.66)

ii. Diluted earnings per share

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	(Restated)		(Restated)	
	31/12/2015 RM '000	31/12/2014 RM '000	31/12/2015 RM '000	31/12/2014 RM '000
Profit/(Loss) attributable to equity holders of the Company	(28,007)	(8,349)	(56,450)	(3,093)
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	483,247	470,318	483,247	470,318
Effect of shares issued during the period	(428)	1,599	(508)	1,599
	<u>482,819</u>	<u>471,917</u>	<u>482,739</u>	<u>471,917</u>
Effect on dilution of share warrants	(1,855)	45,236	(1,855)	45,236
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	480,964	454,252	480,884	517,153
Diluted earnings per share (sen)	(5.82)	(1.84)	(11.74)	(0.60)

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

The amounts of realized and unrealized profits or losses included in the retained profits/(losses) of the Group as at 31 December 2014 are as follows:-

	As at 31/12/2015 RM' 000	As at 31/12/2014 RM' 000
Total retained losses of the Company and its subsidiaries		
Realised	(106,886)	(31,940)
Unrealised	(4,326)	(22,778)
	<u>(111,212)</u>	<u>(54,718)</u>

14. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2014 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 29 February 2016.

ON BEHALF OF THE BOARD

DATO' TEOH SENG KIAN
 Managing Director
 Selangor Darul Ehsan
 29 February 2016