

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	As at 31/3/2016 RM'000	Audited as at 31/12/2015 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		29,239	30,816
Investment properties		46,191	46,191
Land held for property development		50,884	51,135
		<u>126,314</u>	<u>128,142</u>
CURRENT ASSETS			
Property development costs		41,983	51,615
Inventories		8,984	6,151
Trade receivables		20,190	42,845
Other receivables, deposits and prepayments		12,053	12,308
Tax recoverable		860	577
Deposits placed with licensed banks		71	71
Cash and bank balances		352	2,378
		<u>84,492</u>	<u>115,945</u>
Assets and a disposal group classified as held for sale	11	82,940	83,444
TOTAL ASSETS		<u>293,746</u>	<u>327,531</u>
EQUITY AND LIABILITIES			
Share capital		246,278	246,278
Share premium		12,880	12,880
Treasury shares		(9,394)	(7,319)
Warrants reserve		8,889	8,889
Revaluation reserve		6,054	6,054
Accumulated losses		(116,198)	(110,480)
TOTAL EQUITY		<u>148,510</u>	<u>156,302</u>
NON-CURRENT LIABILITIES			
Borrowings (interest bearing)		24,811	24,986
Deferred tax liabilities		3,711	3,711
		<u>28,522</u>	<u>28,697</u>
CURRENT LIABILITIES			
Trade payables		29,733	23,125
Other payables, accruals and deposits		35,132	66,043
Borrowings (interest bearing)		41,567	41,952
Tax payables		1,189	1,606
		<u>107,621</u>	<u>132,726</u>
Liabilities and a disposal group classified as held for sale	11	9,094	9,806
TOTAL LIABILITIES		<u>145,237</u>	<u>171,229</u>
TOTAL EQUITY AND LIABILITIES		<u>293,746</u>	<u>327,531</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)			
		0.31	0.32

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.

MEDA INC. BERHAD (507785 – P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/3/2016 RM'000	(Restated) 31/3/2015 RM'000	31/3/2016 RM'000	(Restated) 31/3/2015 RM'000
Revenue	10,033	40,673	10,033	40,673
Cost of sales	(6,550)	(28,624)	(6,550)	(28,624)
Gross profit	3,483	12,049	3,483	12,049
Other income	350	622	350	622
Selling and distribution expenses	(1,093)	(1,815)	(1,093)	(1,815)
Administrative expenses	(7,666)	(11,033)	(7,666)	(11,033)
Operating loss	(4,926)	(177)	(4,926)	(177)
Finance cost	(792)	(762)	(792)	(762)
Loss before taxation	(5,718)	(939)	(5,718)	(939)
Taxation	-	(1,262)	-	(1,262)
	(5,718)	(2,201)	(5,718)	(2,201)
Net loss attributable to:				
Equity holders of the Company	(5,718)	(2,201)	(5,718)	(2,201)
Non-controlling interests	-	-	-	-
	(5,718)	(2,201)	(5,718)	(2,201)
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	(1.19)	(0.46)	(1.19)	(0.46)
Diluted EPS	(1.25)	(0.48)	(1.25)	(0.46)
Net loss for the financial period	(5,718)	(2,201)	(5,718)	(2,201)
Other comprehensive income				
Amortisation of revaluation reserve	-	13	-	13
Total comprehensive loss for the period	(5,718)	(2,188)	(5,718)	(2,188)
Total comprehensive loss for the period attributable to:				
Equity holders of the Company	(5,718)	(2,188)	(5,718)	(2,188)
Non-controlling interests	-	-	-	-
	(5,718)	(2,188)	(5,718)	(2,188)

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 2015.

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

←——— *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 2015							
- as previously stated	246,278	12,880	8,889	6,010	(54,718)	(6,518)	212,821
Exercise of Warrants	-	-	-	-	-	-	-
Arising from shares buy-back reserve	-	-	-	(13)	-	(18)	(18)
Total loss for the financial period	-	-	-	-	(2,188)	-	(2,188)
Dividends paid	-	-	-	-	-	-	-
At 31 March 2015	246,278	12,880	8,889	5,997	(56,906)	(6,536)	210,602
At 1 January 2016	246,278	12,880	8,889	6,054	(110,480)	(7,319)	156,302
Exercise of Warrants	-	-	-	-	-	-	-
Arising from shares buy-back reserve	-	-	-	-	-	(2,075)	(2,075)
Total loss for the financial period	-	-	-	-	(5,718)	-	(5,718)
Dividends paid	-	-	-	-	-	-	-
At 31 March 2016	246,278	12,880	8,889	6,054	(116,198)[*]	(9,394)	148,510

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 2015.

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER 31 MARCH 2016

	Cumulative quarter ended 31 March	
	2016	2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before taxation	(5,718)	(939)
Adjustments for:		
Depreciation	806	873
Gain on disposal of property, plant and equipment	(274)	(131)
Land held for development	251	-
Interest expense	792	762
Interest income	(23)	(323)
	<u>(4,166)</u>	<u>242</u>
Operating cash flows before working capital changes		
Changes in working capital:		
Property development costs	9,632	942
Receivables	22,912	(5,641)
Inventories	(2,832)	246
Payables	(24,228)	4,374
Asset held for disposal	5,143	-
	<u>6,461</u>	<u>163</u>
Interest paid	(24)	(23)
Interest received	23	323
Tax paid	(4,447)	(709)
	<u>2,013</u>	<u>(246)</u>
Net Operating Cash Flows		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1)	(579)
Proceeds from disposal of		
- property, plant and equipment	1,224	800
(Placement) / Withdrawal of deposit held as security	(3,786)	(1,993)
	<u>(2,563)</u>	<u>(1,772)</u>
Net Investing Cash Flows		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment to		
- bank loans	(392)	(987)
- hire purchase	(168)	(103)
Bank loan drawdown	-	1,500
Purchase of treasury shares	(2,075)	(18)
Interest paid	(769)	(739)
	<u>(3,402)</u>	<u>(348)</u>
Net Financing Cash Flows		

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 2016

	Cumulative quarter ended 31 March	
	2016 RM'000	2015 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,952)	(2,366)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(12,123)	(9,148)
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>(16,075)</u>	<u>(11,514)</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	352	5,188
Deposits placed with licensed banks	71	136
Bank overdrafts - secured	<u>(14,196)</u>	<u>(14,380)</u>
	<u>(13,773)</u>	<u>(9,056)</u>
Less: Deposits held as security value	(71)	(136)
Less: Housing Development Accounts held as security value	<u>(2,231)</u>	<u>(2,322)</u>
	<u>(16,075)</u>	<u>(11,514)</u>

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 2016

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 2015.

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 2015 except for the adoption of the following new/revised FRS and Amendments to FRS:-

(Effective for annual periods beginning on or after 1 January 2018)

- Amendment to FRS 9 Financial Instruments

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

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

The adoption of the above revised FRS and Amendment to FRS have been issued but yet to be effective. The financial effect of the adoption for new/revised FRS and the amendments are currently still being assessed by the Group and 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 March 2016, except for the following:-

a) Treasury shares

The Company had purchased a total of 3,929 million of its own shares at an average price of RM0.53 per share totalling RM 2,075 million for the period ended 31 March 2016. All the purchased transactions were financed by internally generated funds.

As at 31 March 2016, a total of 14,664 million of shares purchased back were held as treasury shares with a total cost of RM 9.394 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 financial statement as at 31 December 2015.

7. Segment Reporting

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

	Cumulative quarter ended 31 March			
			(Restated)	
	2016	2016	2015	2015
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
	RM'000	Before Tax RM'000	RM'000	Before Tax RM'000
Property development	5,107	(2,988)	33,535	4,309
Property investment	732	(18)	690	(127)
Hotel operations	634	(259)	4,598	(1,230)
Others	3,561	(1,128)	1,850	(2,256)
	10,033	(4,393)	40,673	696
Unallocated expenses		(806)		(873)
Gain on disposal of property, plant and equipment		273		-
Finance costs		(792)		(762)
	10,033	(5,718)	40,673	(939)

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 2015 as follows:-

	As at 31/3/2016 RM '000	As at 31/12/2015 RM '000
Guarantees given to financial institutions for credit facilities granted to subsidiaries	<u>64,869</u>	<u>65,261</u>

11. Assets held for sales and assets of a disposal group classified as held for sale:-

	As at 31/3/2016 RM '000	As at 31/12/2015 RM '000
Assets held for sales and assets of a disposal group classified as held for sale:-		
Disposal of land held under property development costs (A)	14,808	14,808
Transfer from a disposal group classified as held for sale (B)	<u>68,132</u>	<u>68,636</u>
	<u>82,940</u>	<u>83,444</u>
Liabilities of a disposal group classified as held for sale:-		
Transfer from a disposal group classified as held for sale (B)	<u>9,094</u>	<u>9,806</u>

11. Assets held for sales and assets of a disposal group classified as held for sale:- (Continued)

(A) Disposal of land held under property development costs

(i) On 5 May 2015, a wholly-owned subsidiary of the Company, Maju Puncakbumi Sdn. Bhd. ("MPSB"), had entered into a Master En-Bloc Purchase Agreement with PR1MA Corporation Malaysia ("PR1MA") for the proposed disposal of approximately 4.29 acres of freehold land located at Pekan Tanjung Kling Seksyen II, District of Malacca Tengah, State of Malacca for a land cost of RM 6,807,200.

The conditions precedent for the Master En-Bloc Purchase Agreement have yet to be fulfilled and the proposed disposal is expected to be completed in the second quarter of year 2016.

(ii) On 11 September 2015, a wholly-owned subsidiary of the Company, Nandex Land Sdn. Bhd. ("NLSB") had entered into a Master En-Bloc Purchase Agreement with PR1MA Corporation Malaysia ("PR1MA") and Aturan Prisma Sdn. Bhd. For the proposed disposal of approximately 85.98 acres of leasehold land located at Sungkai Siput, District of Kuala Kangsar, State of Perak Darul Ridzuan for a land cost of RM 15,003,956.

The conditions precedent for the Master En-Bloc Purchase Agreement have yet to be fulfilled and the proposed disposal is expected to be completed in the third quarter of year 2016.

(B) Assets/(Liabilities) of a disposal group classified as held for sales

The assets and liabilities related to the proposed disposal subsidiary, ZKP Development Sdn Bhd, have been presented as held for sale.

	As at 31/3/2016 RM '000	As at 31/12/2015 RM '000
<u>Assets of a disposal group classified as held for sale</u>		
Property, plant and equipment	14,771	14,950
Investment properties	49,409	49,409
Trade and other receivables	1,307	1,252
Inventories	2,572	2,579
Other assets	73	446
	68,132	68,636
<u>Liabilities of a disposal group classified as held for sale</u>		
Trade and other payables	5,344	5,643
Tax payables	3,750	4,163
	9,094	9,806

The completion date for the transaction is expected to be within 12 months from the date when all conditions precedent are fulfilled.

1. Review of Performance

For the current quarter under review, the Group recorded revenue and cost of sales of RM 10.03 million and RM 6.55 million respectively as compared RM 40.67 million and RM 28.62 million respectively in the corresponding quarter preceding year. This is mainly due to the completion of the Scott Tower Project. As a result, the Group had recorded a loss before tax at RM 5.72 million for this current quarter mainly from operating expenses.

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 5.72 million in the current quarter as compared to a loss of RM 28.01 million in the immediate preceding quarter.

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. Meanwhile, the Group is actively looking for potential land bank at Klang Valley which would generate higher profit margin to the Group.

The Group had recently performed corporate exercise for an acquisition a piece of land at Sungai Besi, upon completion of the exercise, the development expecting to generate profit approximately RM 300 mil to the group.

4. Profit Forecast

Not applicable as no profit forecast was published.

5. Operating Profit/(Loss)

	Cumulative quarter ended 31 March	
	2016	2015
	RM'000	RM'000
Interest income	23	323
Interest expense	(792)	(762)
Depreciation	(806)	(873)
	(875)	(1312)

6. Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/3/2016 RM '000	31/3/2015 RM '000	31/3/2016 RM '000	31/3/2015 RM '000
Current quarter/period:				
- Income tax	-	1,262	-	1,262
- Deferred tax	-	-	-	-
	-	1,262	-	1,262
Under/(Over) accrual of tax in prior year:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	-	1,262	-	1,263

Included in the other payables, accruals and deposits of the attached Condensed Consolidated Statements of Financial Position is an amount of RM1.51 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”)

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 11 November 2015, Bursa Securities Malaysia Bhd (“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”) was held on 3 December 2015 to approve the transaction.

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.

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

On 22 April 2016, both parties had mutually agreed to extend the fulfillment of conditions precedent period under Sales Share Agreement for another 2 months from 25 April 2016 to 25 June 2016.

On 5 May 2016, Bursa Securities had approved the extension of time of 4 months from 10 May 2016 until 10 September 2016 to complete the implementation of the Proposed Acquisition.

7. Status of Corporate Proposal (Continued)

ii) Disposal of 100% Equity Interest in ZKP Development Sdn Bhd (“ZKP”)

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”)

An Extraordinary General Meeting (“EGM”) was held on 3 December 2015 to approve the transaction.

8. Group Borrowings and Debt Securities

The borrowings of the Group were as follows:-

	As at 31/3/2016 RM ‘000	As at 31/12/2015 RM ‘000
Short Term – Secured	41,567	41,952
Long Term – Secured	24,811	24,986
	66,378	66,938

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 3 months ended	
	(Restated)		(Restated)	
	31/3/2016 RM '000	31/3/2015 RM '000	31/3/2016 RM '000	31/3/2015 RM '000
Loss attributable to equity holders of the Company	(5,718)	(2,201)	(5,718)	(2,201)
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	481,820	483,247	481,820	483,247
Effect of shares issued during the period	(1,832)	13	(1,832)	13
	479,988	483,260	479,988	483,260
Basic earnings per share (sen)	(1.19)	(0.46)	(1.19)	(0.46)

ii. Diluted earnings per share

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	(Restated)		(Restated)	
	31/3/2016 RM '000	31/3/2015 RM '000	31/3/2016 RM '000	31/3/2015 RM '000
Loss attributable to equity holders of the Company	(5,718)	(2,201)	(5,718)	(2,201)
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	481,820	483,247	481,820	483,247
Effect of shares issued during the period	(1,832)	13	(1,832)	13
	479,988	483,260	479,988	483,260
Effect on dilution of share warrants	(20,968)	(26)	(20,968)	(26)
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	459,020	454,252	459,020	483,234
Diluted earnings per share (sen)	(1.25)	(0.48)	(1.25)	(0.46)

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 2015 are as follows:-

	As at 31/3/2016 RM' 000	As at 31/12/2015 RM' 000
Total retained losses of the Company and its subsidiaries		
Realised	(106,433)	(99,592)
Unrealised	(9,765)	(10,888)
	<u>(116,198)</u>	<u>(110,480)</u>

14. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2015 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 25 May 2016.

ON BEHALF OF THE BOARD

DATO' TEOH SENG KIAN
 Managing Director
 Selangor Darul Ehsan
 25 May 2016