

MEDA INC. BERHAD (507785 – P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

| | Note | As at 30/6/2016 RM'000 | Audited as at 31/12/2015 RM'000 |
|--|-----------|------------------------------|---------------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 28,774 | 30,816 |
| Investment properties | | 46,191 | 46,191 |
| Land held for property development | | 50,467 | 51,135 |
| | | 125,432 | 128,142 |
| CURRENT ASSETS | | | |
| Property development costs | | 43,978 | 51,615 |
| Inventories | | 7,405 | 6,151 |
| Trade receivables | | 25,101 | 42,845 |
| Other receivables, deposits and prepayments | | 9,965 | 12,308 |
| Tax recoverable | | 872 | 577 |
| Deposits placed with licensed banks | | 71 | 71 |
| Cash and bank balances | | 94 | 2,378 |
| | | 87,486 | 115,945 |
| Assets and a disposal group classified as held for sale | 11 | 82,906 | 83,444 |
| TOTAL ASSETS | | 295,824 | 327,531 |
| EQUITY AND LIABILITIES | | | |
| Share capital | | 246,278 | 246,278 |
| Share premium | | 12,880 | 12,880 |
| Treasury shares | | (9,465) | (7,319) |
| Warrants reserve | | 8,889 | 8,889 |
| Revaluation reserve | | 6,054 | 6,054 |
| Accumulated losses | | (120,549) | (110,480) |
| TOTAL EQUITY | | 144,088 | 156,302 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings (interest bearing) | | 24,606 | 24,986 |
| Deferred tax liabilities | | 3,711 | 3,711 |
| | | 28,317 | 28,697 |
| CURRENT LIABILITIES | | | |
| Trade payables | | 26,606 | 23,125 |
| Other payables, accruals and deposits | | 45,139 | 66,043 |
| Borrowings (interest bearing) | | 41,488 | 41,952 |
| Tax payables | | 1,189 | 1,606 |
| | | 114,422 | 132,726 |
| Liabilities and a disposal group classified as held for sale | 11 | 8,996 | 9,806 |
| TOTAL LIABILITIES | | 151,735 | 171,229 |
| TOTAL EQUITY AND LIABILITIES | | 295,824 | 327,531 |
| NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM) | | | |
| | | 0.30 | 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 SECOND QUARTER ENDED 30 JUNE 2016

| | Individual Quarter 3 months ended | | Cumulative Quarter 6 months ended | |
|--|--------------------------------------|---------------------|--------------------------------------|---------------------|
| | 30/6/2016 RM'000 | 30/6/2015 RM'000 | 30/6/2016 RM'000 | 30/6/2015 RM'000 |
| Revenue | 9,894 | 29,448 | 19,927 | 70,121 |
| Cost of sales | (5,667) | (17,905) | (12,217) | (46,529) |
| Gross profit | 4,227 | 11,543 | 7,710 | 23,592 |
| Other income | 194 | 121 | 544 | 743 |
| Selling and distribution expenses | (182) | (531) | (1,275) | (2,346) |
| Administrative expenses | (7,611) | (15,098) | (15,277) | (26,131) |
| Operating loss | (3,371) | (3,965) | (8,298) | (4,142) |
| Finance cost | (1,009) | (926) | (1,801) | (1,688) |
| Loss before taxation | (4,380) | (4,891) | (10,099) | (5,830) |
| Taxation | - | (1,026) | - | (2,288) |
| | (4,380) | (5,917) | (10,099) | (8,118) |
| Net loss attributable to: | | | | |
| Equity holders of the Company | (4,380) | (5,917) | (10,099) | (8,118) |
| Non-controlling interests | - | - | - | - |
| | (4,380) | (5,917) | (10,099) | (8,118) |
| Earnings per share ("EPS") attributable to equity holders of the Company (Sen): | | | | |
| Basic EPS | (0.92) | (1.22) | (2.11) | (1.68) |
| Diluted EPS | (0.97) | (1.23) | (2.24) | (1.69) |
| Net loss for the financial period | (4,380) | (5,917) | (10,099) | (8,118) |
| Other comprehensive income | | | | |
| Amortisation of revaluation reserve | - | 27 | - | 27 |
| Total comprehensive loss for the period | (4,380) | (5,890) | (10,099) | (8,091) |
| Total comprehensive loss for the period attributable to: | | | | |
| Equity holders of the Company | (4,380) | (5,890) | (10,099) | (8,091) |
| Non-controlling interests | - | - | - | - |
| | (4,380) | (5,890) | (10,099) | (8,091) |

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 SECOND QUARTER ENDED 30 JUNE 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 | 246,278 | 12,880 | 8,889 | 6,010 | (54,718) | (6,518) | 212,821 |
| Exercise of Warrants | - | - | - | - | - | - | - |
| Arising from shares buy-back | - | - | - | - | - | (74) | (74) |
| Amortisation of revaluation reserve | - | - | - | (27) | - | - | (27) |
| Total loss for the financial period | - | - | - | - | (8,092) | - | (8,092) |
| At 30 June 2015 | 246,278 | 12,880 | 8,889 | 5,997 | (62,810) | (6,592) | 204,628 |
| 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 | - | - | - | - | - | (2,146) | (2,146) |
| Changes in ownership interests in a subsidiary | - | - | - | - | 30 | - | 30 |
| Total loss for the financial period | - | - | - | - | (10,099) | - | (10,099) |
| At 30 June 2016 | 246,278 | 12,880 | 8,889 | 6,054 | (120,549) | (9,465) | 144,088 |

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 SECOND QUARTER 30 JUNE 2016

| | Cumulative quarter ended 30 June | |
|--|---|----------------|
| | 2016 | 2015 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Loss before taxation | (10,099) | (5,830) |
| Adjustments for: | | |
| Depreciation | 1,620 | 1,779 |
| Gain on disposal of property, plant and equipment | (273) | (131) |
| Land held for development | 668 | - |
| Interest expense | 1,801 | 1,688 |
| Interest income | (142) | (296) |
| Operating cash flows before working capital changes | (6,425) | (2,790) |
| Changes in working capital: | | |
| Property development costs | 7,637 | 5,541 |
| Receivables | 20,089 | 3,578 |
| Inventories | (1,253) | 444 |
| Payables | (17,422) | (2,567) |
| Asset held for disposal | 2,227 | - |
| | 4,853 | 4,206 |
| Interest paid | (38) | (44) |
| Interest received | 142 | 296 |
| Tax paid | (1,366) | (1,394) |
| Net Operating Cash Flows | 3,591 | 3,064 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property, plant and equipment | (516) | (1,300) |
| Proceeds from disposal of | | |
| - property, plant and equipment | 1,224 | 800 |
| - investment in a subsidiary | 30 | - |
| (Placement) / Withdrawal of deposit held as security | (3,109) | (2,490) |
| Net Investing Cash Flows | (2,371) | (2,990) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment to | | |
| - bank loans | (571) | (946) |
| - hire purchase | (273) | (203) |
| Bank loan drawdown | - | 1,500 |
| Purchase of treasury shares | (2,146) | (73) |
| Interest paid | (1,763) | (1,644) |
| Net Financing Cash Flows | (4,751) | (1,367) |

MEDA INC. BERHAD (507785 – P)

**PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD
("FRS") 134, INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2016**

| | Cumulative quarter ended 30 June | |
|---|---|------------------------|
| | 2016 RM'000 | 2015 RM'000 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (3,531) | (1,293) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | <u>(12,123)</u> | <u>(9,148)</u> |
| CASH AND CASH EQUIVALENTS AT 30 JUNE | <u>(15,653)</u> | <u>(10,441)</u> |
| ANALYSIS OF CASH AND CASH EQUIVALENTS: | | |
| Cash and bank balances | 94 | 6,752 |
| Deposits placed with licensed banks | 71 | 137 |
| Bank overdrafts - secured | <u>(14,193)</u> | <u>(14,376)</u> |
| | (14,028) | (7,487) |
| Less: Deposits held as security value | (71) | (137) |
| Less: Housing Development Accounts held as security value | <u>(1,554)</u> | <u>(2,817)</u> |
| | <u>(15,653)</u> | <u>(10,441)</u> |

MEDA INC. BERHAD (507785 – P)
PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD
(“FRS”) 134, INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 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 30 June 2016, except for the following:-

For the current quarter ended 30 June 2016, the details of Company's own shares purchased by the Company and held as Treasury Shares and the Treasury Shares resold are detailed as follows:-

| Date Purchase/ Resale | Number of shares purchased/ (resold) | Lowest price RM | Highest price RM | Average price RM | Total Consideration RM |
|--------------------------|---|-----------------------|------------------------|------------------------|------------------------------|
| April 2016 | 2,421,100 | 0.50 | 0.54 | 0.52 | 1,254,459 |
| April 2016 | (1,431,400) | 0.52 | 0.525 | 0.52 | (748,285) |
| May 2016 | 720,800 | 0.505 | 0.52 | 0.52 | 371,078 |
| June 2016 | 452,000 | 0.505 | 0.51 | 0.51 | 228,975 |
| June 2016 | (1,998,200) | 0.510 | 0.515 | 0.52 | (1,026,573) |
| Total | 164,300 | | | | 79,654 |

As at 30 June 2016, the Company holds 14,828 million of Treasury shares at a cost of RM 9.465 million.

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 30 June | | | |
|--|----------------------------------|---------------------------------------|-------------------|---------------------------------------|
| | 2016 | | 2015 | |
| | Revenue RM'000 | Profit/(Loss) Before Tax RM'000 | Revenue RM'000 | Profit/(Loss) Before Tax RM'000 |
| Property development | 8,740 | (2,794) | 54,032 | 7,515 |
| Property investment | 1,463 | (55) | 1,430 | (211) |
| Hotel operations | 1,300 | 53 | 9,909 | (1,067) |
| Others | 8,424 | (4,155) | 4,750 | (8,602) |
| | 19,927 | (6,951) | 70,121 | (2,363) |
| Unallocated expenses | | (1,620) | | (1,779) |
| Gain on disposal of property, plant and equipment | | 273 | | - |
| Finance costs | | (1,801) | | (1,688) |
| | 19,927 | (10,099) | 70,121 | (5,830) |

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

On 25 May 2016, MIB Construction Sdn. Bhd. (“MIB”), a 100% owned subsidiary of Meda had entered into a Sale of Shares Agreement (“Agreement”) with Mr. Lo Chong Yip and Mdm. Sing Soo Weng for the disposal of MIB’s 100% shareholding in Temasek Merdu Sdn. Bhd. (Formerly known as Meda ZCH Joint Venture Sdn. Bhd.) (“TMSB”) for a cash consideration of RM100.00 (Ringgit Malaysia: One Hundred Only) (“the Proposed Disposal”).

The disposal was completed and has no material impact on the Group for the financial period.

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 30/6/2016 RM ‘000 | As at 31/12/2015 RM ‘000 |
|--|--|---|
| Guarantees given to financial institutions for credit facilities granted to subsidiaries | <u>64,691</u> | <u>65,261</u> |

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

| | As at 30/6/2016 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>68,098</u> | <u>68,636</u> |
| | <u>82,906</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>8,996</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 third 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 fourth 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 30/6/2016 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 | 14,664 | 14,950 |
| Investment properties | 49,409 | 49,409 |
| Trade and other receivables | 1,266 | 1,252 |
| Inventories | 2,575 | 2,579 |
| Other assets | 184 | 446 |
| | <u>68,098</u> | <u>68,636</u> |
| <u>Liabilities of a disposal group classified as held for sale</u> | | |
| Trade and other payables | 5,486 | 5,643 |
| Tax payables | 3,510 | 4,163 |
| | <u>8,996</u> | <u>9,806</u> |

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 9.894 million and RM 5.667 million respectively as compared RM 29.448 million and RM 17.905 million respectively in the corresponding quarter preceding year. The lower revenue is mainly due to the completion of Scott Tower project in Johor Bahru while Tanjung Kling PR1MA project is just started with the low contribution of revenue during this quarter.

However, the Group had recorded a loss before tax at RM 4.380 million for this current quarter mainly due to the deficit of RM 1.90 million from Guarantee Rental Return (“GRR”) scheme for The Arc@Cyberjaya project and RM 2.48 million of operating expenses. The occupancy rate is improving and reducing the deficit of Guarantee Rental Return (“GRR”) scheme under The Arc@Cyberjaya project.

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 4.380 million in the current quarter as compared to a loss of RM 5.718 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 30 June | |
|------------------|---|------------------------|
| | 2016 RM'000 | 2015 RM'000 |
| Interest income | 142 | 296 |
| Interest expense | (1,801) | (1,688) |
| Depreciation | (1,620) | (1,779) |
| | _____ | _____ |

6. Taxation

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------------|--------------------|--------------|--------------------|--------------|
| | 3 months ended | | 6 months ended | |
| | 30/6/2016 | 30/6/2015 | 30/6/2016 | 30/6/2015 |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Current quarter/period: | | | | |
| - Income tax | - | 1,026 | - | 2,288 |
| - Deferred tax | - | - | - | - |
| | <u>-</u> | <u>1,026</u> | <u>-</u> | <u>2,288</u> |

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 23 October 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 October 2015 to 25 December 2015.

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 24 June 2016, both parties had mutually agreed to extend the fulfillment of conditions precedent period under Sales Share Agreement for another 1 month from 25 June 2016 to 27 July 2016.

On 26 July 2016, both parties had mutually agreed to extend the fulfillment of conditions precedent period under Sales Share Agreement for another 1 month from 27 July 2016 to 26 August 2016.

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.

7. Status of Corporate Proposal (Continued)

i) Acquisition of 100% Equity Interest in BCM Holding Sdn Bhd (“BCM”) (continued)

With regards to Bursa Securities approval 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.

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 30/6/2016 RM ‘000 | As at 31/12/2015 RM ‘000 |
|----------------------|--|---|
| Short Term – Secured | 41,488 | 41,952 |
| Long Term – Secured | 24,606 | 24,986 |
| | <u>66,094</u> | <u>66,938</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 6 months ended | |
|---|--|------------------------------|--|------------------------------|
| | 30/6/2016 RM '000 | 30/6/2015 RM '000 | 30/6/2016 RM '000 | 30/6/2015 RM '000 |
| Loss attributable to equity holders of the Company | (4,380) | (5,917) | (10,099) | (8,118) |
| 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 | (4,162) | (67) | (4,162) | (80) |
| | <u>477,658</u> | <u>483,180</u> | <u>477,658</u> | <u>483,167</u> |
| Basic earnings per share (sen) | <u>(0.92)</u> | <u>(1.22)</u> | <u>(2.11)</u> | <u>(1.68)</u> |

ii. Diluted earnings per share

| | Individual Quarter 3 months ended | | Cumulative Quarter 6 months ended | |
|---|--|------------------------------|--|------------------------------|
| | 30/6/2016 RM '000 | 30/6/2015 RM '000 | 30/6/2016 RM '000 | 30/6/2015 RM '000 |
| Loss attributable to equity holders of the Company | (4,380) | (5,917) | (10,099) | (8,118) |
| 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 | (4,162) | (67) | (4,162) | (80) |
| | <u>477,658</u> | <u>483,180</u> | <u>477,658</u> | <u>483,167</u> |
| Effect on dilution of share warrants | (26,887) | (1,855) | (26,887) | (1,855) |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | <u>450,771</u> | <u>481,325</u> | <u>450,771</u> | <u>481,312</u> |
| Diluted earnings per share (sen) | <u>(0.97)</u> | <u>(1.23)</u> | <u>(2.24)</u> | <u>(1.69)</u> |

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 30 June 2016 are as follows:-

| | As at 30/6/2016 RM' 000 | As at 31/12/2015 RM' 000 |
|---|--|---|
| Total retained losses of the Company and its subsidiaries | | |
| Realised | (110,784) | (99,592) |
| Unrealised | (9,765) | (10,888) |
| | <u>(120,549)</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 24 August 2016.

ON BEHALF OF THE BOARD

DATO' TEOH SENG KIAN
Managing Director
Selangor Darul Ehsan
24 August 2016