

MEDA INC. BERHAD (507785 - P)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****30 JUNE 2017**

	As at 30/6/2017 RM'000	Audited as at 31/12/2016 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	39,657	41,863
Investment properties	94,037	87,842
Land held for property development	51,135	51,135
	184,829	180,840
CURRENT ASSETS		
Property development costs	48,695	43,884
Inventories	9,610	7,096
Amount due from customers for contract works	6,256	2,551
Trade receivables	25,126	35,783
Other receivables, deposits and prepayments	11,036	19,888
Tax recoverable	1,204	1,204
Deposits placed with licensed banks	146	145
Cash and bank balances	1,735	4,052
	103,808	114,603
TOTAL ASSETS	288,637	295,444
EQUITY AND LIABILITIES		
Share capital	246,278	246,278
Share premium	11,908	11,908
Treasury shares	(5,843)	(5,843)
Warrants reserve	8,889	8,889
Revaluation reserve	6,054	6,054
Accumulated losses	(115,194)	(117,167)
TOTAL EQUITY	152,092	150,119
NON-CURRENT LIABILITIES		
Borrowings (interest bearing)	35,648	30,420
Deferred tax liabilities	3,711	3,711
	39,359	34,131
CURRENT LIABILITIES		
Trade payables	23,587	11,980
Other payables, accruals and deposits	55,063	57,426
Borrowings (interest bearing)	14,237	37,490
Tax payables	4,298	4,298
	97,185	111,194
TOTAL LIABILITIES	136,544	145,325
TOTAL EQUITY AND LIABILITIES	288,637	295,444
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		
	0.31	0.31

MEDA INC. BERHAD (507785 - P)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND
COMPREHENSIVE INCOME FOR SECOND QUARTER ENDED 30 JUNE 2017**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30/6/2017 RM'000	30/6/2016 RM'000	30/6/2017 RM'000	30/6/2016 RM'000
Revenue	9,062	9,894	18,596	19,927
Cost of sales	(2,921)	(5,667)	(7,464)	(12,217)
Gross profit	6,141	4,227	11,132	7,710
Other income	6,121	194	8,449	544
Selling and distribution expenses	(63)	(182)	(159)	(1,275)
Administrative expenses	(9,509)	(7,610)	(15,565)	(15,277)
Operating profit/(loss)	2,690	(3,371)	3,857	(8,298)
Finance cost	(1,365)	(1,009)	(1,882)	(1,801)
Profit/(Loss) before taxation	1,325	(4,380)	1,975	(10,099)
Taxation	-	-	-	-
	1,325	(4,380)	1,975	(10,099)
Net profit/(loss) attributable to:				
Equity holders of the Company	1,325	(4,380)	1,975	(10,099)
Non-controlling interests	-	-	-	-
	1,325	(4,380)	1,975	(10,099)
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	0.28	(0.92)	0.41	(2.11)
Diluted EPS	0.29	(0.97)	0.44	(2.24)
Net profit/(loss) for the financial period	1,325	(4,380)	1,975	(10,099)
Other comprehensive income				
Amortisation of revaluation reserve	-	-	-	-
Total comprehensive profit/(loss) for the period	1,325	(4,380)	1,975	(10,099)
Total comprehensive profit/(loss) for the period attributable to:				
Equity holders of the Company	1,325	(4,380)	1,975	(10,099)
Non-controlling interests	-	-	-	-
	1,325	(4,380)	1,975	(10,099)

MEDA INC. BERHAD (507785 - P)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

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

	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	evaluation Reserve RM'000	cumulated Losses RM'000	Treasury Shares RM'000	Total Equity RM'000
At 1 January 2016	246,278	12,880	8,889	6,054	(110,480)	(7,320)	156,301
Exercise of Warrants	-	-	-	-	-	-	-
Arising from shares buy-back	-	-	-	-	-	(2,146)	(2,146)
Amortisation of revaluation reserve	-	-	-	-	30	-	30
Total loss for the financial period	-	-	-	-	(10,099)	-	(10,099)
At 30 June 2016	246,278	12,880	8,889	6,054	(110,480)	(7,319)	144,088
At 1 January 2017	246,278	11,908	8,889	6,054	(117,167)	(5,843)	150,117
Exercise of Warrants	-	-	-	-	-	-	-
Arising from shares buy-back	-	-	-	-	-	-	-
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-
Total profit for the financial period	-	-	-	-	1,975	-	1,975
Transition to no par value regime ***	11,908	(11,908)	-	-	-	-	-
At 30 June 2017	258,186	-	8,889	6,054	(115,192)	(5,843)	152,092

Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

MEDA INC. BERHAD (507785 - P)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2017****Cumulative quarter ended
30 June**

	2017	2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before taxation	1,975	(10,099)
Adjustments for:		
Property, plant and equipment written off	611	-
Depreciation	1,595	1,620
Gain on Revaluation	(5,955)	-
Gain on disposal of property, plant and equipment	-	(273)
Land held for sale	-	668
Reversal of provision for foreseeable losses	(157)	-
Reversal of provision of GRR	(2,471)	-
Waiver of interest income (prior year)	27	-
Interest expense	1,484	1,801
Interest income	(238)	(142)
Operating cash flows before working capital changes	(3,129)	(6,425)
Changes in working capital:		
Property development costs	(5,051)	7,637
Receivables	16,995	20,089
Inventories	(2,514)	(1,253)
Payables	11,872	(17,422)
Asset held for disposal	-	2,227
	18,173	4,853
Interest paid	(21)	(38)
Interest received	238	142
Tax paid	-	(1,366)
Net Operating Cash Flows	18,390	3,591
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(516)
Proceeds from disposal of		
- property, plant and equipment	-	1,224
- investment in subsidiary	-	30
(Placement) / Withdrawal of deposit held as security	-	(3,109)
Net Investing Cash Flows	-	(2,371)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment to		
- bank loans	(24,779)	(571)
- hire purchase	(278)	(272)
Bank loan drawdown	7,131	-
Purchase of treasury shares	-	(2,146)
Interest paid	(1,490)	(1,762)
Net Financing Cash Flows	(19,417)	(4,751)

MEDA INC. BERHAD (507785 - P)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND
QUARTER ENDED 30 JUNE 2017 (Continued)

	Cumulative quarter ended 30 June	
	2017	2016
	RM'000	RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,027)	(3,531)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>(12,719)</u>	<u>(12,122)</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>(13,746)</u>	<u>(15,653)</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	1,735	94
Deposits placed with licensed banks	146	71
Bank overdrafts - secured	<u>(13,923)</u>	<u>(14,193)</u>
	<u>(12,042)</u>	<u>(14,028)</u>
Less: Deposits held as security value	(146)	(71)
Less: Housing Development Accounts held as security value	<u>(1,558)</u>	<u>(1,554)</u>
	<u>(13,746)</u>	<u>(15,653)</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 2016.

The Group and the Company have adopted the following amendments to FRSs that are mandatory for the current financial year:

Amendments to FRSs

FRS 107	Disclosure Initiative
FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
FRS 12	Annual Improvements to FRS Standards 2014-2016 Cycle

The adoption of the above amendments to FRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

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 2017.

6. Valuation of Property, Plant and Equipment

During the period under review, certain investment properties and property, plant and equipment were revalued which results in a net increase value of approximately RM6 million.

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			
	2017		2016	
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
	RM'000	Before Tax	RM'000	Before Tax
		RM'000		RM'000
Property development	6,902	(2,242)	8,740	(2,794)
Property investment	1,418	(16)	1,463	(55)
Hotel operations	1,176	205	1,300	53
Others	9,099	118	8,424	(4,155)
	<u>18,596</u>	<u>(1,934)</u>	<u>19,927</u>	<u>(6,951)</u>
Unallocated expenses		(1,595)		(1,620)
Gain on disposal of PPE		-		273
PPE written off		(628)		-
Gain on revaluation		5,955		-
Sales Forfeiture		2,059		-
Finance costs		(1,882)		(1,801)
	<u>18,596</u>	<u>1,975</u>	<u>19,927</u>	<u>(10,099)</u>

8. Material Event Subsequent to Reporting Date

There is no material event subsequent to the reporting date.

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 are no significant changes in contingent liabilities since the last annual balance sheet date as at 31 December 2016 as follows:-

	As at	As at
	30/6/2017	31/12/2016
	RM '000	RM '000
Guarantees given to financial institutions for credit facilities granted to subsidiaries	<u>51,108</u>	<u>66,884</u>

1. Review of Performance

For the current quarter under review, the Group recorded revenue of RM 9.062 million was contributed mainly from PR1MA Project at Tanjung Kling Melaka. Overall, the Group had recorded a profit before tax at RM 1.325 million.

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

The Group recorded a profit before tax of RM 1.325 million in the current quarter as compared to a profit of RM 650 thousand in the immediate preceding quarter.

3. Prospects

The property market in Malaysia is expected to remain challenging in 2017. The group will 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.

4. Profit Forecast

Not applicable as no profit forecast was published.

5. Operating Profit/(Loss)

	Cumulative quarter ended 30 June	
	2017 RM'000	2016 RM'000
Interest income	238	142
Interest expense	(1,484)	(1,801)
Depreciation	(1,595)	(1,620)

6. Taxation

Included in the other payables, accruals and deposits of the attached Condensed Consolidated Statements of Financial Position is an amount of RM3.10 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 Material Event during for the Current Quarter

Disposal of The Summit Hotel Bukit Mertajam in ZKP Development Sdn Bhd (“ZKP”)

On 20 April 2017, the Company had entered into a conditional Sale and Purchase Agreement for the proposed disposal of The Summit Hotel Bukit Mertajam, owned by wholly owned subsidiary, ZKP Development Sdn. Bhd to Teraju Menang Sdn. Bhd. (Company No: 1139311-D) for a consideration of Twenty million only (RM 20,000,000) inclusive of Goods and Services Sales Tax (“GST”).

The proposed disposal will result in the Meda Group realising a gain of approximately RM 6 million.

The sale of The Summit Hotel Bukit Mertajam is yet to complete due to the Sale and Purchase Agreement has not been unconditioned. It is pending to obtain the state consent to transfer the property.

8. Group Borrowings and Debt Securities

The borrowings of the Group were as follows:-

	As at 30/6/2017 RM ‘000	As at 31/12/2016 RM ‘000
Short Term – Secured	14,237	37,490
Long Term – Secured	35,648	30,420
	<u>49,885</u>	<u>67,910</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.

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

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	
	3 months ended		12 months ended	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM '000	RM '000	RM '000	RM '000
Profit/(Loss) attributable to equity holders of the Company	1,325	(4,380)	1,975	(10,099)
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	482,992	481,820	482,992	481,820
Effect of shares issued during the period	(5,886)	(4,162)	(5,886)	(4,162)
	<u>477,106</u>	<u>477,658</u>	<u>477,106</u>	<u>477,658</u>
Basic earnings per share (sen)	<u>0.28</u>	<u>(0.92)</u>	<u>0.41</u>	<u>(2.11)</u>

ii. Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM '000	RM '000	RM '000	RM '000
Profit/(Loss) attributable to equity holders of the Company	1,325	(4,380)	1,975	(10,099)
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	482,992	481,820	482,992	481,820
Effect of shares issued during the period	(5,886)	(4,162)	(5,886)	(4,162)
	<u>477,106</u>	<u>477,658</u>	<u>477,106</u>	<u>477,658</u>
Effect on dilution of share warrants	(26,887)	(26,887)	(26,887)	(26,887)
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>450,219</u>	<u>450,771</u>	<u>450,219</u>	<u>450,771</u>
Diluted earnings per share (sen)	<u>0.29</u>	<u>(0.97)</u>	<u>0.44</u>	<u>(2.24)</u>

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

13. Disclosure of realised and unrealised losses

The amounts of realised and unrealised losses included in the retained losses of the Group as at 30 June 2017 are as follows:-

	As at 30/6/2017 RM '000	As at 31/12/2016 RM '000
Total retained losses of the Company and its subsidiaries		
Realised	(105,986)	(99,533)
Unrealised	12,270	3,844
	<u>(93,716)</u>	<u>(95,689)</u>
Less : Consolidation adjustments	(21,478)	(21,478)
	<u>(115,194)</u>	<u>(117,167)</u>

14. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2016 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 August 2017.

ON BEHALF OF THE BOARD

DATO' TEOH SENG KIAN
 Managing Director
 Selangor Darul Ehsan
 29 August 2017