

MEDA INC. BERHAD (507785 - P)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	As at 31/12/2017 RM'000	Audited as at 31/12/2016 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	24,775	41,863
Investment properties	95,054	87,842
Land held for property development	51,726	51,135
	171,555	180,840
CURRENT ASSETS		
Property development costs	39,556	43,884
Inventories	6,956	7,096
Amount due from customers for contract works	-	2,551
Trade receivables	9,213	35,783
Other receivables, deposits and prepayments	32,232	19,888
Tax recoverable	1,204	1,204
Deposits placed with licensed banks	-	145
Cash and bank balances	3,319	4,052
	92,480	114,603
TOTAL ASSETS	264,035	295,443
EQUITY AND LIABILITIES		
Share capital	258,185	246,278
Share premium	-	11,908
Treasury shares	(5,843)	(5,843)
Warrants reserve	8,889	8,889
Revaluation reserve	6,054	6,054
Accumulated losses	(125,992)	(117,168)
TOTAL EQUITY	141,293	150,118
NON-CURRENT LIABILITIES		
Borrowings (interest bearing)	26,564	30,420
Deferred tax liabilities	4,064	3,711
	30,628	34,131
CURRENT LIABILITIES		
Trade payables	11,503	11,980
Other payables, accruals and deposits	51,809	57,426
Amount due to customers for contract works	3,011	-
Borrowings (interest bearing)	20,929	37,490
Tax payables	4,862	4,298
	92,114	111,194
TOTAL LIABILITIES	122,742	145,325
TOTAL EQUITY AND LIABILITIES	264,035	295,443
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)	0.29	0.31

MEDA INC. BERHAD (507785 - P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	1,126	17,172	31,148	71,374
Cost of sales	(4,015)	(20,480)	(23,668)	(56,816)
Gross profit	(2,889)	(3,308)	7,480	14,558
Other income	7,124	30,290	15,869	31,004
Selling and distribution expenses	(181)	(197)	(440)	(1,698)
Administrative expenses	(5,229)	(1,440)	(16,118)	(22,646)
Other Expenses	(759)	(22,568)	(10,491)	(22,568)
Operating profit/(loss)	(1,934)	2,777	(3,700)	(1,350)
Finance cost	(2,079)	(2,739)	(4,512)	(5,667)
Profit/(Loss) before taxation	(4,013)	38	(8,212)	(7,017)
Taxation	(613)	329	(613)	329
	(4,626)	367	(8,825)	(6,688)
Profit/(Loss) for the financial year from discontinued operation, net of tax	-	-	-	-
Net profit/(loss) attributable to:				
Equity holders of the Company	(4,626)	367	(8,825)	(6,688)
Non-controlling interests	-	-	-	-
	(4,626)	367	(8,825)	(6,688)
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	(0.97)	0.08	(1.85)	(1.40)
Diluted EPS	(1.03)	0.08	(1.96)	(1.49)
Net profit/(loss) for the financial period	(4,626)	367	(8,825)	(6,688)
Other comprehensive income				
Amortisation of revaluation reserve	-	-	-	-
Total comprehensive profit/(loss) for the period	(4,626)	367	(8,825)	(6,688)
Total comprehensive profit/(loss) for the period attributable to:				
Equity holders of the Company	(4,626)	367	(8,825)	(6,688)
Non-controlling interests	-	-	-	-
	(4,626)	367	(8,825)	(6,688)

MEDA INC. BERHAD (507785 - P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

	←————— Attributable to equity holders of the Company —————→						
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1 January 2016	246,278	12,880	8,889	6,054	(7,319)	(110,480)	156,302
Exercise of Warrants	-	-	-	-	-	-	-
Arising from shares (buy-back) / resale	-	(972)	-	-	1,476	-	504
Amortisation of revaluation reserve	-	-	-	-	-	-	-
Total loss for the financial period	-	-	-	-	-	(6,688)	(6,688)
At 31 December 2016	246,278	11,908	8,889	6,054	(5,843)	(117,168)	150,118
At 1 January 2017	246,278	11,908	8,889	6,054	(5,843)	(117,168)	150,118
Exercise of Warrants	-	-	-	-	-	-	-
Arising from shares (buy-back) / resale	-	-	-	-	-	-	-
Total loss for the financial period	-	-	-	-	-	(8,825)	(8,825)
Transition to no par value regime ***	11,908	(11,908)	-	-	-	-	-
At 31 December 2017	258,186	-	8,889	6,054	(5,843)	(125,993)	141,293

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 FOURTH QUARTER ENDED 31 DECEMBER 2017**

	Cumulative quarter ended 31 December	
	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before taxation	(8,212)	(7,017)
Adjustments for:		
Property, plant and equipment written off	633	-
Depreciation	2,982	3,236
Bad Debts written off	-	949
Gain on disposal of property, plant and equipment	13,474	(275)
Gain on disposal of Subsidiaries	-	(4,355)
Inventories written down	-	19
Net loss on fair value adjustment on investment properties	-	35
Waiver of debt	-	(5,579)
Impairment loss for :		
- other receivables	-	824
- trade receivables	-	830
Reversal of impairment loss no longer required on:		
- trade receivables	-	(32)
Reversal of provision for foreseeable losses	(157)	22
Reversal of provision for onerous contracts	-	(2,258)
Reversal of provision of LAD	(115)	(1)
Reversal of provision of GRR	(2,471)	-
Interest expense	4,512	5,667
Interest income	(275)	(118)
Operating cash flows before working capital changes	10,370	(8,053)
Changes in working capital:		
Property development costs	(2,885)	22,539
Contract customer	5,562	(2,551)
Receivables	14,280	(3,071)
Inventories	140	1,615
Payables	(3,047)	(11,330)
	24,420	(851)
Interest paid	(23)	(68)
Interest received	275	118
Tax paid	-	(1,769)
Net Operating Cash Flows	24,672	(2,570)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (Continued)

	Cumulative quarter ended 31 December	
	2017 RM'000	2016 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(286)
Proceeds from disposal of		
- property, plant and equipment	-	1,228
- land held for development	(590)	-
- investment in subsidiary	-	6,910
(Placement) / Withdrawal of deposit held as security	145	1
Net Investing Cash Flows	(445)	7,853
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayment to:		
- bank loans	(26,842)	(7,706)
- hire purchase	(422)	(472)
Bank loan drawdown	7,131	9,678
Repurchase of treasury shares	-	(4,227)
Resale of treasury shares	-	4,731
Interest paid	(4,488)	(5,599)
Net Financing Cash Flows	(24,620)	(3,595)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(393)	1,688
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE FINANCIAL YEAR	(10,024)	(11,712)
CASH AND CASH EQUIVALENTS AS AT THE END OF THE FINANCIAL YEAR	(10,417)	(10,024)
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	1,947	2,963
Deposits placed with licensed banks	-	145
Bank overdrafts - secured	(13,736)	(14,022)
	(11,790)	(10,914)
Housing Development Accounts	1,372	1,089
Less: Housing Development Accounts held as security value	-	(199)
	(10,417)	(10,024)

PART A – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

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.

6. Valuation of Property, Plant and Equipment

During the period under review, certain investment properties were revalued which results in a gain on fair value adjustment of approximately RM 7.073 million.

**PART A – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
(Continued)**

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			
	2017		2016	
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
	RM'000	Before Tax	RM'000	Before Tax
		RM'000	RM'000	RM'000
Property development & construction	14,796	(8,341)	64,914	(16,283)
Property investment	2,757	(97)	3,068	715
Hotel operations	2,392	390	2,667	383
Others	11,202	(6,088)	725	6,846
	<u>31,148</u>	<u>(14,135)</u>	<u>71,374</u>	<u>(8,339)</u>
Unallocated expenses		(3,196)		(5,489)
Net gain on disposal of subsidiaries		-		4,355
Reversal of provision for:				
- onerous contract		-		2,258
Gain on disposal of PPE		5,206		286
Wavier of debt		-		5,579
PPE written off		(633)		-
Gain on revaluation		7,073		-
Sales Forfeiture		2,059		-
Finance costs		(4,586)		(5,667)
	<u>31,148</u>	<u>(8,212)</u>	<u>71,374</u>	<u>(7,017)</u>

8. Material Event Subsequent to Reporting Date

The wholly owned subsidiary Company, Maju Puncakbumi Sdn Bhd (“MPSB”), as the developer for The Arc @ Cyberjaya project has been served with a Shah Alam High Court Writ of Summons and Statement of Claim by Lim Pei Pei and Chen Yun Loy dated 19 January 2018 which was received on 23 January 2018.

This is a representative action filed by Lim Pei Pei and Chen Yun Loy representing 55 owners of the Arc@Cyberjaya (“The Owners”) against MPSB claiming for the breach of contract in relation to the Option Agreement [an agreement between The Owners and MPSB to exercise their options to enter into the Guarantee Rental Return] that entered between The Owners and MPSB.

The Company intends to defend the suit and will take all necessary steps in this regard. There is no any material financial impact as the Company has already captured all the outstanding rentals amounting to RM 1.816 million except for the 8% interest on the outstanding rentals.

**PART A – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
(Continued)**

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 31/12/2017 RM '000	As at 31/12/2016 RM '000
Guarantees given to financial institutions for credit facilities granted to subsidiaries	<u>46,888</u>	<u>66,884</u>

PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

For the current quarter under review, the Group recorded revenue of RM 1.126 million was contributed mainly from PR1MA Project at Tanjung Kling Melaka.

Overall, the Group had recorded a loss before tax at RM 8.825 million mainly due to operating losses and RM 2.869 million loss on disposal of land in Sg. Siput.

(Amount shown in RM'000)	Individual Period (4th Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year Todate	Preceding Year Corresponding Period	
	31/12/17	31/12/16		31/12/17	31/12/16	
Revenue	1,126	17,172	-93%	31,148	71,374	-56%
Operating Profit/(Loss)	(1,934)	2,777	170%	(3,700)	(1,350)	-174%
Profit/(Loss) Before Interest and Tax	(1,934)	2,777	170%	(3,700)	(1,350)	-174%
Profit/(Loss) Before Tax	(4,013)	38	10683%	(8,212)	(7,017)	-17%
Profit/(Loss) After Tax	(4,626)	367	1361%	(8,825)	(6,688)	-32%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	(4,626)	367	1361%	(8,825)	(6,688)	-32%

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 4.626 million in the current quarter as compared to a loss of RM 6.174 million in the immediate preceding quarter.

(Amount shown in RM'000)	Current Quarter Q4 2017	Immediate Preceding Quarter Q3 2017	Changes (%)
Revenue	1,126	11,426	-90%
Operating Profit/(Loss)	(1,934)	(5,623)	-66%
Profit/(Loss) Before Interest and Tax	(1,934)	(5,623)	-66%
Profit/(Loss) Before Tax	(4,013)	(6,174)	-35%
Profit/(Loss) After Tax	(4,626)	(6,174)	-25%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	(4,626)	(6,174)	-25%

**PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
(Continued)**

3. Prospects

The property market in Malaysia is expected to remain challenging in 2018. 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 and joint venture opportunity 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 31 December	
	2017 RM'000	2016 RM'000
Interest income	275	118
Interest expense	(4,512)	(5,667)
Depreciation	<u>(2,982)</u>	<u>(3,236)</u>

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.

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

7. Status of Material Events during the period 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 RM 5.206 million.

The Sale and Purchase Agreement has been unconditioned as at 20 December 2017 and the payment received.

GRR Litigation against Maju Puncakbumi Sdn Bhd (“MPSB”)

On 4 October 2017, there was a lawsuit against Maju Puncakbumi Sdn Bhd (“MPSB”), a wholly owned subsidiary of the Company, which initiated by Ch’ng Han Keong representing 137 owners of The Arc@Cyberjaya (“The Owners”) claiming for the breach of contract in relation to the Option Agreement. This is an agreement between The Owners and MPSB to exercise their options to enter into a Guaranteed Rental Return (“GRR”) Scheme with a gross 8% rental income per annum for the fixed term, of three or four years respectively.

The hearing was heard in High Court and the decision was initially fixed on 2 November 2017 and later deferred to 9 November 2017 due to both parties had raised preliminary objections to the said suit.

On 9 November 2017, the decision was granted in High Court by allowing the Plaintiff’s summary judgement application. The company’s solicitor advised that we have a good case to appeal in this matter.

The solicitor has filed the Notice of Appeal to the Court of Appeal on 23 November 2017. As at 13 February 2018, the court granted a stay of execution to the judgement until the disposal of the appeal.

There is no any material financial impact as the Company has already captured all the outstanding rentals amounting to RM 3.972 million and the 8% interest on the outstanding rentals.

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

8. Group Borrowings and Debt Securities

(a) The borrowings of the Group compared to last year third quarter were as follows:-

	As at 4th Quarter ended 2017		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire Purchase	(443)	(161)	(604)
- Bank Overdraft	-	(13,736)	(13,736)
- Term Loans	(26,121)	(7,032)	(33,152)
	(26,564)	(20,929)	(47,493)

	As at 4th Quarter ended 2016		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire Purchase	(653)	(373)	(1,026)
- Bank Overdraft	-	(14,022)	(14,022)
- Term Loans	(29,767)	(23,095)	(52,862)
	(30,420)	(37,490)	(67,910)

(b) The borrowings of the Group compared to last year end were as follows:-

	As at 4th Quarter ended 2017		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire Purchase	(443)	(161)	(604)
- Bank Overdraft	-	(13,736)	(13,736)
- Term Loans	(26,121)	(7,032)	(33,152)
	(26,564)	(20,929)	(47,493)

	As at 31 December 2016		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire Purchase	(1,057)	(346)	(1,403)
- Bank Overdraft	-	(14,193)	(14,193)
- Term Loans	(29,363)	(22,951)	(52,314)
	(30,420)	(37,490)	(67,910)

None of the Group borrowings is denominated in foreign currency.

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

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	
	31/12/2017 RM '000	31/12/2016 RM '000	31/12/2017 RM '000	31/12/2016 RM '000
Profit/(Loss) attributable to equity holders of the Company	(4,626)	367	(8,825)	(6,688)
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	477,106	482,992	477,106	482,992
Effect of shares issued during the period	-	(1,724)	-	(5,886)
	<u>477,106</u>	<u>481,268</u>	<u>477,106</u>	<u>477,106</u>
Basic earnings per share (sen)	<u>(0.97)</u>	<u>0.08</u>	<u>(1.85)</u>	<u>(1.40)</u>

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

ii. Diluted earnings per share

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31/12/2017 RM '000	31/12/2016 RM '000	31/12/2017 RM '000	31/12/2016 RM '000
Profit/(Loss) attributable to equity holders of the Company	(4,626)	367	(8,825)	(6,688)
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	477,106	482,992	477,106	482,992
Effect of shares issued during the period	-	(1,724)	-	(5,886)
	<u>477,106</u>	<u>481,268</u>	<u>477,106</u>	<u>477,106</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>454,381</u>	<u>450,219</u>	<u>450,219</u>
Diluted earnings per share (sen)	<u>(1.03)</u>	<u>0.08</u>	<u>(1.96)</u>	<u>(1.49)</u>

13. 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.

14. 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 28 February 2018.

ON BEHALF OF THE BOARD

DATO' TEOH SENG KIAN
 Managing Director
 Selangor Darul Ehsan
 28 February 2018