

MEDA INC. BERHAD (507785 - P)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2018 RM'000	31/03/2017 RM'000	31/03/2018 RM'000	31/03/2017 RM'000
Revenue	1,717	5,366	1,717	5,366
Cost of sales	(1,219)	(4,543)	(1,219)	(4,543)
Gross profit	498	823	498	823
Other income	737	6,496	737	6,496
Selling and distribution expenses	(27)	(96)	(27)	(96)
Administrative expenses	(3,390)	(2,379)	(3,390)	(2,379)
Other Expenses	(314)	(3,677)	(314)	(3,677)
Operating profit/(loss)	(2,497)	1,167	(2,497)	1,167
Finance cost	(833)	(517)	(833)	(517)
Profit/(Loss) before taxation	(3,330)	650	(3,330)	650
Taxation	-	-	-	-
	(3,330)	650	(3,330)	650
Profit/(Loss) for the financial year from discontinued operation, net of tax	-	-	-	-
Net profit/(loss) attributable to:				
Equity holders of the Company	(3,330)	650	(3,330)	650
Non-controlling interests	-	-	-	-
	(3,330)	650	(3,330)	650
Earnings per share ("EPS") attributable to equity holders of the Company (Sen):				
Basic EPS	(0.68)	0.14	(0.68)	0.14
Diluted EPS	(0.68)	0.14	(0.68)	0.14
Net profit/(loss) for the financial period	(3,330)	650	(3,330)	650
Other comprehensive income				
Amortisation of revaluation reserve	-	-	-	-
Total comprehensive profit/(loss) for the period	(3,330)	650	(3,330)	650
Total comprehensive profit/(loss) for the period attributable to:				
Equity holders of the Company	(3,330)	650	(3,330)	650
Non-controlling interests	-	-	-	-
	(3,330)	650	(3,330)	650

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

MEDA INC. BERHAD (507785 - P)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	As at 31/03/2018 RM'000	Audited as at 31/12/2017 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	24,274	24,775
Investment properties	95,054	95,054
Land held for property development	51,725	51,725
	171,053	171,554
CURRENT ASSETS		
Property development costs	39,573	39,557
Inventories	6,460	6,956
Trade receivables	4,941	9,214
Other receivables, deposits and prepayments	14,490	32,232
Tax recoverable	1,188	1,204
Cash and bank balances	1,123	3,319
	67,775	92,482
TOTAL ASSETS	238,828	264,036
EQUITY AND LIABILITIES		
Share capital	258,186	258,186
Treasury shares	(5,843)	(5,843)
Warrants reserve	8,889	8,889
Revaluation reserve	6,054	6,054
Accumulated losses	(129,322)	(125,993)
TOTAL EQUITY	137,964	141,293
NON-CURRENT LIABILITIES		
Borrowings (interest bearing)	22,619	26,556
Deferred tax liabilities	4,064	4,064
	26,683	30,620
CURRENT LIABILITIES		
Trade payables	5,741	11,243
Other payables, accruals and deposits	40,061	51,809
Amount due to customers for contract works	3,105	3,011
Borrowings (interest bearing)	20,752	20,937
Tax payables	4,522	5,123
	74,181	92,123
TOTAL LIABILITIES	100,864	122,743
TOTAL EQUITY AND LIABILITIES	238,828	264,036
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)	0.29	0.29

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

MEDA INC. BERHAD (507785 - P)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	<----- 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 2017	246,278	11,908	8,889	6,054	(5,843)	(117,168)	150,118
Arising from shares (buy-back) / resale	-	-	-	-	-	-	-
Total loss for the financial period	-	-	-	-	-	650	650
Transition to no par value regime ***	11,908	(11,908)	-	-	-	-	-
At 31 March 2017	258,186	-	8,889	6,054	(5,843)	(116,518)	150,768
At 1 January 2018	258,186	-	8,889	6,054	(5,843)	(125,992)	141,294
Total loss for the financial period	-	-	-	-	-	(3,330)	(3,330)
At 31 March 2018	258,186	-	8,889	6,054	(5,843)	(129,322)	137,964

*** 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.

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

MEDA INC. BERHAD (507785 - P)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	Cumulative quarter ended 31 March	
	2018	2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before taxation	(3,330)	650
Adjustments for:		
Depreciation	501	804
Reversal of provision for onerous contracts	-	1,632
Reversal of provision of LAD	(9)	-
Interest expense	852	517
Interest income	(9)	(11)
Operating cash flows before working capital changes	(1,995)	3,592
Changes in working capital:		
Property development costs	-	(106)
Contract customer	94	-
Receivables	22,016	(3,654)
Inventories	496	(2,733)
Payables	(17,842)	(1,030)
	2,769	(3,931)
Interest paid	(7)	(11)
Interest received	9	11
Net Operating Cash Flows	2,771	(3,931)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(20)
Withdrawal of deposit held as security	-	1,845
Net Investing Cash Flows	-	1,825
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayment to:		
- bank loans	(4,020)	(2,653)
- hire purchase	(62)	(100)
Bank loan drawdown	136	5,194
Proceeds from issuance of shares via exercise of warrants	-	1
Interest paid	(845)	(506)
Net Financing Cash Flows	(4,790)	1,936

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

MEDA INC. BERHAD (507785 - P)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (Continued)**

	Cumulative quarter ended 31 March	
	2018 RM'000	2017 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,019)	(170)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>(10,418)</u>	<u>(12,719)</u>
CASH AND CASH EQUIVALENTS AS AT THE END OF THE FINANCIAL PERIOD	<u>(12,437)</u>	<u>(12,889)</u>

ANALYSIS OF CASH AND CASH EQUIVALENTS:

Cash and bank balances	(454)	2,036
Deposits placed with licensed banks	-	145
Bank overdrafts - secured	<u>(13,560)</u>	<u>(13,764)</u>
	<u>(14,014)</u>	<u>(11,583)</u>
Housing Development Accounts	1,577	(145)
Less: Housing Development Accounts held as security value	<u>-</u>	<u>(1,161)</u>
	<u>(12,437)</u>	<u>(12,889)</u>

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

MEDA INC. BERHAD (507785 - P)**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 2017.

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

Amendments/improvements to FRSs

FRS 12 Disclosure of Interests in Other Entities

FRS 107 Statement of Cash Flows

FRS 112 Income Taxes

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. Report of the Auditors

The preceding financial year audit report in respect of the financial year ended 31 December 2017 was not qualified by the external auditors.

3. Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

4. Unusual Items

There were no unusual items materially affecting the assets, liabilities, equity, net income or cash flow of the Group during the interim financial period.

5. Material Changes in Estimates

There were no material changes in estimates that have had any material effect results of the financial period under review.

6. 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.

MEDA INC. BERHAD (507785 - P)**PART A – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****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			
	2018		2017	
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
	RM'000	Before Tax	RM'000	Before Tax
	RM'000	RM'000	RM'000	RM'000
Property development & construction	536	(1,616)	3,678	(1,063)
Property investment	640	(49)	695	(24)
Hotel operations	508	42	541	48
Others	184	76	452	3,010
	<u>1,868</u>	<u>(1,547)</u>	<u>5,366</u>	<u>1,971</u>
Unallocated expenses		(950)		(804)
Finance costs		(833)		(517)
	<u>1,868</u>	<u>(3,330)</u>	<u>5,366</u>	<u>650</u>

8. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment brought forward from the previous financial year.

9. Material Event Subsequent to Reporting DateLitigation to PR1MA Corporation Malaysia

Maju Puncakbumi Sdn Bhd ("MPSB"), a wholly owned subsidiary Company, being the legal owner of the land held under HSD 61545 LTPT47 Bandar Pekan Tanjong Kling Sek. II, Daerah Melaka Tengah, Melaka ("the Land") and the contractor to develop the PR1MA Homes on part of the Land pursuant to the Master En-Bloc Purchase Agreement entered between MPSB and PR1MA Corporation Malaysia ("PR1MA"), had on 20 December 2017 terminated the said Agreement by way of Notice of Termination dated 20 December 2017.

MPSB has initiated a Writ in the High Court at Shah Alam Suit No. BA-22NCVC-204-04/2018 on 25 April 2018 to claim for the sum of RM108,755,272.58 together with the damages to be assessed, interest and costs from PR1MA. The Writ has been served to PR1MA on 16 May 2018.

MEDA INC. BERHAD (507785 - P)**PART A – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****10. Changes in the Composition of the Group**

There are no material changes in the composition of the Group for the current reporting quarter.

11. 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 2017 as follows:-

Contingent liabilities

	As at 31/03/2018 RM '000	As at 31/12/2017 RM '000
Guarantees given to financial institutions for credit facilities granted to subsidiaries	<u>42,829</u>	<u>46,888</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

1. Review of Performance

For the current quarter under review, the Group recorded a revenue of RM 1.868 million which contributed mainly from sold of inventories from Aman Larkin and Scott Tower, hotel rooms collection from The Summit Hotel Bukit Mertajam and shops rental income from The Summit Bukit Mertajam Complex.

Overall, the Group had recorded a loss after tax at RM 3.330 million due to the incurred of operating expenses during the period.

(Amount shown in RM'000)	Individual Period (1st Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year ToDate	Preceding Year Corresponding Period	
	31/03/18	31/03/17		31/03/18	31/03/17	
Revenue	1,717	5,366	-68%	1,717	5,366	-68%
Operating Profit/(Loss)	(2,497)	1,167	314%	(2,497)	1,167	314%
Profit/(Loss) Before Tax	(3,330)	650	612%	(3,330)	650	612%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	(3,330)	650	612%	(3,330)	650	612%

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 3.330 million in the current quarter as compared to a loss of RM 4.626 million in the immediate preceding quarter due to some saving from operating expenses.

(Amount shown in RM'000)	Current Quarter Q1 2018	Immediate Preceding Quarter Q4 2017	Changes (%)
Revenue	1,717	1,126	52%
Operating Profit/(Loss)	(2,497)	(1,934)	29%
Profit/(Loss) Before Tax	(3,330)	(4,013)	-17%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent Company	(3,330)	(4,626)	-28%

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****3. Prospects**

The property market is expected to experience slower growth amidst global, regional and national economic uncertainties and cautious market sentiments. As outlook on gross domestic product is at a promising 5 to 5.5% growth rate for 2018 according to the Finance Ministry's real gross domestic product (GDP) estimates for the country in its Economic Report 2017 and 2018, there are still speculations in the market as to actual economic outcome due to the transition of the change of government.

In view of the above, the Board of Directors expects a challenging performance in year 2018. However, the Group will continuously explore more opportunities to generate long term and sustainable earnings.

4. Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current year under review.

5. Profit/(Loss) before Taxation

The following amounts have been included in arriving at profit/(loss) before taxation:

	Cumulative quarter ended 31 March	
	2018	2017
	RM'000	RM'000
Interest income	9	11
Interest expense	(852)	(517)
Depreciation	(501)	(804)
	<u> </u>	<u> </u>

6. Taxation

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2017: 24%) of the estimated assessable profit for the financial year.

Taxation is computed after taking into consideration of the available capital allowance and adjusted business losses carried forward from previous years to set off against taxable profit. Hence, there is no provision of taxation for the current quarter.

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****7. Status of Material Events during the period for the Current Quarter**Termination of Master En-bloc Purchase Agreement with PR1MA Corporation Malaysia (“PR1MA”) on Project Tanjung Kling (Phase 1), Melaka

On 13 February 2018, a wholly owned subsidiary company, Maju Puncakbumi Sdn Bhd (“MPSB”) has instructed the solicitors to issue a Notice of Termination pursuant to Clause 29(b) of the Master En-bloc Purchase Agreement dated 5 May 2015. The termination comes about the expiry of the Notice of Rectification dated 11 January 2018 issued by MPSB to PR1MA which expired without any rectification on the breach of contract pursuant to Clause 29(a) on Events of Default.

The total outstanding amount as recorded amounting to RM 864,885.91 and the Company reserves the right to claim all the losses and damages suffered from PR1MA Corporation Malaysia.

8. Group Borrowings and Debt Securities

The borrowings of the Group compared to last year first quarter were as follows:-

	As at 31 March 2018		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire Purchase	(381)	(161)	(542)
- Bank Overdraft	-	(13,560)	(13,560)
- Term Loans	(22,238)	(7,031)	(29,269)
	(22,619)	(20,752)	(43,371)
	As at 31 March 2017		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Hire Purchase	(576)	(350)	(926)
- Bank Overdraft	-	(13,764)	(13,764)
- Term Loans	(26,571)	(29,090)	(55,660)
	(27,147)	(43,204)	(70,351)

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.

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

10. Changes in Material Litigation

Litigation from 137 Owners - The Arc@Cyberjaya

On 4 October 2017, there was a class action lawsuit filed against Maju Puncakbumi Sdn Bhd (“MPSB”), a wholly owned subsidiary of the Group. The lawsuit was initiated by Ch’ng Han Keong representing 137 owners of “The Arc@Cyberjaya” (“Owners”), who are claiming for the breach of contract in relation to the Option Agreement entered between the Owners and MPSB in relation to a Guaranteed Rental Return Scheme with a gross 8% rental income per annum for the fixed term of three or four years respectively.

The Plaintiff in the above had already obtained a summary judgment against MPSB on 9 November 2017. The judgment is however stayed pending the hearing of the Court of Appeal on 29 January 2018. Our solicitors is in view that there are substantial facts and serious issues to be tried by the Honourable Court as the Defendant sets up a triable issue, the Plaintiff’s application ought to be dismissed. Subsequent to filing and serving of written submissions by the both parties, the hearing of the appeal has been fixed on 21 May 2018.

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.

Litigation from 55 Owners - The Arc@Cyberjaya

On 23 January 2018, a wholly owned subsidiary company, Maju Puncakbumi Sdn Bhd (“MPSB”), as the developer for The Arc @ Cyberjaya project received a Writ of Summons and Statement of Claim by Lim Pei Pei and Chen Yun Loy dated 19 January 2018, which representing 55 owners of the Arc@Cyberjaya (“Owners”) against MPSB claiming for the breach of contract in relation to the Option Agreement that entered between the Owners and MPSB.

The Company intends to defend the suit due to some discrepancies and will take all necessary steps in this regard. The full trial has been fixed on 27 to 29 June, 2018. A Case Management before the Judge has been fixed on 31 May 2018 to ensure directions are complied.

There is no any material financial impact as the Company has already captured all the outstanding rentals amounting to RM 1.816 million.

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****12. Earnings Per Share**

The basic and diluted earnings 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	
	31/03/2018 RM '000	31/03/2017 RM '000	31/03/2018 RM '000	31/03/2017 RM '000
Profit/(Loss) attributable to equity holders of the Company	(3,330)	650	(3,330)	650
Weighted average number of ordinary shares ('000)				
Issued ordinary shares at beginning of period	492,555	482,992	492,555	482,992
Effect of shares issued during the period	-	(5,886)	-	(5,886)
	<u>492,555</u>	<u>477,106</u>	<u>492,555</u>	<u>477,106</u>
Basic earnings per share (sen)	<u>(0.68)</u>	<u>0.14</u>	<u>(0.68)</u>	<u>0.14</u>

ii. Diluted earnings per share

The diluted earnings per ordinary shares are equals to the basic earnings per share because the outstanding warrants are anti-dilutive.

13. 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 2018.

ON BEHALF OF THE BOARD

DATO' TEOH SENG KIAN
Managing Director
Selangor Darul Ehsan
25 May 2018