



**MEDA INC. BERHAD (507785-P)**  
**Condensed Consolidated Balance Sheets as at 31 March 2005**

	<b>AS AT 31/03/2005 (Unaudited)</b>	<b>AS AT 31/12/2004 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>	154,282	155,307
<b>INVESTMENT PROPERTIES</b>	299,535	299,397
<b>LAND HELD FOR DEVELOPMENT</b>	79,881	81,854
<b>GOODWILL</b>	1,394	1,427
<b>DEFERRED TAX ASSETS</b>	2,303	2,593
<b>CURRENT ASSETS</b>		
Property Development Cost	96,357	98,950
Accrued Billings	8,852	6,603
Inventories	27,860	27,893
Amount due from customers for contract works	656	491
Trade & Other Receivables	132,373	133,815
Fixed Deposits with Licensed Banks	901	844
Tax Refundable	391	285
Cash & Cash Equivalents	172	2,132
	<u>267,562</u>	<u>271,013</u>
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	54,278	60,476
Progress Billings	6,257	6,399
Overdraft & Short Term Borrowings	63,114	66,081
Provision for Taxation	53,684	53,944
	<u>177,333</u>	<u>186,900</u>
<b>NET CURRENT ASSETS</b>	90,229	84,113
	<u>627,624</u>	<u>624,691</u>
Financed by :		
<b>SHARE CAPITAL</b>	213,470	213,470
<b>RESERVES</b>	<u>150,617</u>	<u>150,092</u>
<b>SHAREHOLDERS' FUNDS</b>	364,087	363,562
<b>MINORITY INTERESTS</b>	51	-
<b>LONG TERM LIABILITIES</b>		
Borrowings	230,549	227,056
Deferred Taxation	31,134	32,013
Amount Owing to a Subsidiary's Former Shareholder	1,803	2,060
	<u>263,486</u>	<u>261,129</u>
	<u>627,624</u>	<u>624,691</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2004)

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

**Condensed Consolidated Income Statement for the Quarter ended 31 March 2005**

*(The figures have not been audited)*

	<b>3 MONTHS ENDED</b>		<b>3 MONTHS ENDED</b>	
	<b>31/03/2005</b>	<b>31/03/2004</b>	<b>31/03/2005</b>	<b>31/03/2004</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	21,172	16,518	21,172	16,518
Operating Expenses	(16,680)	(13,151)	(16,680)	(13,151)
Other Operating Income	525	590	525	590
<b>Profit from Operations</b>	<u>5,017</u>	<u>3,957</u>	<u>5,017</u>	<u>3,957</u>
Investment Income	-	-	-	-
Finance cost	(4,076)	(4,120)	(4,076)	(4,120)
Amortisation/Write off of Goodwill	(33)	(18)	(33)	(18)
<b>Profit/(Loss) before Tax</b>	<u>908</u>	<u>(181)</u>	<u>908</u>	<u>(181)</u>
Taxation	(452)	(359)	(452)	(359)
<b>Profit/(Loss) after Tax</b>	<u>456</u>	<u>(540)</u>	<u>456</u>	<u>(540)</u>
Minority Interest	69	(6)	69	(6)
<b>Net Profit/(Loss) for the Period</b>	<u><u>525</u></u>	<u><u>(546)</u></u>	<u><u>525</u></u>	<u><u>(546)</u></u>
<b>Basic EPS (Sen)</b>	0.12	(0.13)	0.12	(0.13)
<b>Fully Diluted EPS (Sen)</b>	N.A.	N.A.	N.A.	N.A.

N.A. Not Applicable

**(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2004)**

**MEDA INC. BERHAD (507785-P)**  
**Unaudited Condensed Consolidated Statements of Changes in Equity**  
**For the Quarter Ended 31 March 2005**

	Share Capital RM'000	Share Premium RM'000	Retained Profit RM'000	Total RM'000
Balance as at 01 January 2004	213,437	20,013	175,191	408,641
Prior year adjustment - tax effect on revaluation surplus	-	-	(2,541)	(2,541)
Balance as at 01 January 2004 - as restated	<u>213,437</u>	<u>20,013</u>	<u>172,650</u>	<u>406,100</u>
Net loss for the current period	-	-	(546)	(546)
Balance as at 31 March 2004	<u><u>213,437</u></u>	<u><u>20,013</u></u>	<u><u>172,104</u></u>	<u><u>405,554</u></u>
Balance as at 01 January 2005	213,470	20,013	130,079	363,562
Net profit for the current period	-	-	525	525
Balance as at 31 March 2005	<u><u>213,470</u></u>	<u><u>20,013</u></u>	<u><u>130,604</u></u>	<u><u>364,087</u></u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2004)

**MEDA INC. BERHAD**  
**Unaudited Condensed Consolidated Cash Flow Statements for the Quarter ended 31 March 2005**

	<b>3 Months Ended 31/03/2005</b>	<b>3 Months Ended 31/03/2004</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(loss) before Tax	908	(181)
Adjustments for:		
Depreciation	1,807	1,759
Amortisation of goodwill	33	18
Loss on disposal of property, plant & equipment	-	16
Bad debts written off	-	19
Allowance for doubtful debts	22	39
Interest expense	4,076	4,120
Interest income	(137)	(699)
<b>Operating Profit before Changes in Working Capital</b>	<b>6,709</b>	<b>5,091</b>
Changes in development properties	378	8,714
Changes in inventories	33	(5)
Changes in amount due from customers for contract works	(165)	-
Changes in trade and other receivables	1,420	(1,210)
Changes in trade and other payables	(3,533)	(5,977)
<b>Cash Generated From Operations</b>	<b>4,842</b>	<b>6,613</b>
Tax paid	(496)	(908)
Interest received	137	17
<b>Net Cash Generated From Operating Activities</b>	<b>4,483</b>	<b>5,722</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure incurred on land held for development	(213)	(1,546)
Purchase of property, plant and equipment	(478)	(448)
Addition of investment properties	(138)	(1,541)
Proceed from disposal of property, plant and equipment	-	7
Subscription of shares in a subsidiary company by minority shareholders (Placement)/Withdrawal of fixed deposits	120 (50)	- 554
<b>Net Cash Used In Investing Activities</b>	<b>(759)</b>	<b>(2,974)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan Drawdown	1,394	4,120
Repayment of Loan	(1,887)	(1,196)
Repayment of hire purchase liabilities	(96)	(95)
Repayment to a subsidiary's former shareholder	(257)	-
Interest paid	(4,755)	(7,974)
<b>Net Cash Used In Financing Activities</b>	<b>(5,601)</b>	<b>(5,145)</b>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(1,877)</b>	<b>(2,397)</b>
<b>CASH &amp; CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>(19,873)</b>	<b>(29,904)</b>
<b>CASH &amp; CASH EQUIVALENTS CARRIED FORWARD</b>	<b>(21,750)</b>	<b>(32,301)</b>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2004)

**A. MASB 26**

**1. Accounting Policies**

The interim financial statements have been prepared in accordance with MASB 26-Interim Financial Reporting and Chapter 9 Part K of the amended Listing Requirements of Bursa Malaysia Securities Berhad. The accounting policies and methods of computation applied are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2004.

**2. Audit Report**

The preceding audited financial statements for the year ended 31 December 2004 were not qualified.

**3. Seasonal or Cyclical Factors**

The business operations of the Group during the current quarter ended 31 March 2005 have not been materially affected by any significant seasonal or cyclical factors.

**4. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items that materially affect the assets, liabilities, equity, net income or cash flow of the Group as at the date of issue of this report.

**5. Accounting Estimates**

There were no changes in the estimates of amounts reported in prior financial years that have material effect in the current quarter ended 31 March 2005.

**6. Issuances and Repayment of Debt and Equity**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 March 2005.

**7. Dividend Paid**

There were no payment of dividend during the current financial quarter and period ended 31 March 2005.

**8. Segment Reporting**

Segment information for the period 31 March 2005 is presented in respect of the Group's business segment.

	<b>Revenue</b>	<b>Profit</b>
	<b>RM'000</b>	<b>Before Tax</b>
		<b>RM'000</b>
Property Development	10,244	1,824
Property & Investment Holdings	4,651	2,840
Hotels	5,245	487
Plantation	136	108
Parking Management	871	616
Others	25	(256)
	<u>21,172</u>	<u>5,619</u>
Unallocated Corporate Expenses	-	(602)
Finance Cost	-	(4,076)
Amortisation of Goodwill	-	(33)
	<u>21,172</u>	<u>908</u>

**9. Valuation of Property, Plant and Equipment**

The valuation of land and buildings have been brought forward, without amendment from the previous annual audited report.

**10. Subsequent Material Events**

There were no material events subsequent to the quarter ended 31 March 2005.

**11. Changes in the Composition of the Group**

There are no material changes in the composition of the Group for the period ended 31 March 2005.

**12. Contingent Liabilities and Contingent Assets**

**a. Contingent Liabilities**

**(i) Companion Park Sdn Bhd ("CPSB") Vs Meda Development Sdn Bhd ("MDSB")**

CPSB has made a claim of RM3.5 million against MDSB in respect of properties buy back arrangement via a Put Option Agreement dated 1 October 1998. The plaintiff has also issued another notice to certain directors of the Company and a director of certain subsidiary companies, as guarantors, to pay the balance outstanding sum.

The Court had allowed CPSB's application to reinstate the matter and MDSB has filed their appeal against the court's decision.

The matter is now fixed for full trial on 24 October 2005 and 25 October 2005.

No provision has been made in the financial statements of the Group as the Directors have been advised by their solicitors that MDSB has a good defence to the Plaintiff's claim.

**(ii) The Store Corporation Berhad & The Store (Malaysia) Sdn Bhd ("The Store") Vs ZKP Development Sdn Bhd ("ZKP")**

This matter arose out of a tenancy agreement entered into between the two parties whereby The Store agreed to rent all that premises known as Shoplots S2.67, F1.19, G0.58 and LG0.57 of The Summit Bukit Mertajam.

The Store applied for a declaration order against ZKP to seek inter alia the Court's declaration that the outstanding arrears in rental of RM4.7 million claimed by ZKP to be unlawful and a declaration from the Court of what ought to be the applicable rental rate per square foot for the respective term of the tenancy.

The matter which was originally filed in the Kuala Lumpur High Court has been transferred to the Penang High Court. ZKP had filed an application for summary judgement and is now fixed for Decision on 28 July 2005.

No provision has been made in the financial statements of the Group as the Directors have been advised by their solicitors that ZKP has a good defence to the Plaintiff's claim.

**b. Contingent Assets**

**(i) Profit Guarantee Between Kumpulan Emas Berhad ("KEB") and Meda Inc. Berhad**

In consideration of the acquisition of Cemerlang Land Sdn Bhd (formerly known as Genting Unggul Sdn Bhd) ("CLSB") from KEB, KEB has granted a guarantee via a profit guarantee agreement dated 27 December 2001 that the aggregate audited profit after taxation of CLSB for the three financial periods commencing from 1 January 2002 or until the termination of the development agreement with Kumpulan Prasarana Rakyat Johor Sdn Bhd, whichever is earlier, shall not be less than RM6 million.

The PGA has expired on 31 December 2004 and the shortfall of the profit guarantee is estimated at RM4,531,073. The profit shortfall has been satisfied by KEB to the Company by way of transfer of property for the value of RM2,341,922 and the balance of RM2,189,151 will be paid by March 2006.

**(ii) ZKP Development Sdn Bhd ("ZKP") Vs AMAssurance Berhad ("AM")**

This is a contract of insurance where AM agreed to insure and indemnify ZKP up to total sum of RM74,000,000.00. ZKP had submitted a claim for the sum of RM6,016,154.52 being loss and damage suffered to its properties during the insured period.

AM had repudiated their liability in the contract of insurance. A Writ Of Summons was initiated thereafter by ZKP against AM to claim amongst others the aforesaid sum of RM6,016,154.52.

The Timbalan Pendaftaran had allowed AM's application to strike out ZKP's Writ and Statement Of Claim on reason that it was time-barred and ZKP has filed their appeal against the Timbalan Pendaftaran's decision.

The appeal is fixed for Hearing on 6 September 2005 by Judge in Chambers.

The directors have been advised by their solicitors that ZKP has a good case against the Defendant.

**B. BMSB Revised Listing Requirements**

**1. Review of Current Quarter and Financial Year-to-date Performance**

The revenue of RM21.17 million for the current quarter represents an increase of 28% over the corresponding quarter ended 31 March 2004. Profit before tax for the current quarter was RM0.91 million, an improvement compared to the preceeding year corresponding quarter. Compared to the same period last year, property development division recorded higher increase in profit.

**2. Variation of Results against Preceding Quarter**

The Group has achieved a profit before tax of RM0.91 million for the current quarter as compared to a loss before tax of RM39.62 million for the preceding quarter. The loss before tax in the preceding quarter was mainly attributable to the reversal of profit recognised for revocation of sales in prior years amounted to RM34.15 million.

**3. Current Year Prospects**

Barring any unforeseen events, the Group expects continued earnings growth in all the business segments especially property development division, in view of the expected higher development activities and aggressive marketing plans scheduled for the year.

**4. Profit Forecast**

Not applicable as no profit forecast was published.

**5. Taxation**

	<b>3 months ended 31/03/2005 RM'000</b>
Current Tax Expense	130
Deferred Tax Expense	<u>322</u>
	<u>452</u>
<u>Reconciliation of Tax Variance:</u>	
Profit before Tax	<u>908</u>
Tax at 28%	254
Tax Effect on Non-deductible Expenses:	
Depreciation of non-qualifying assets	119
Other expenses	67
Deferred tax not recognised in income statement	12
<b>Tax Expense</b>	<u><u>452</u></u>

**6. Sale of Unquoted Investments and/or Properties**

There were no disposal of unquoted investment and properties outside the ordinary course of the Group's business during the current quarter ended 31 March 2005.

**7. Purchase or Disposal of Quoted Securities**

There were no purchase or disposal of quoted securities for the current quarter ended 31 March 2005.

**8. (a) Status of Corporate Proposal Announced**

There is no uncompleted corporate proposal announced for the quarter ended 31 March 2005.

**(b) Utilisation of IPO Proceed**

Not Applicable.

**MEDA INC. BERHAD (507785-P)**  
**Explanatory Notes**

**9. Group Borrowings and Debt Securities**

The Group borrowings as at 31 March 2005 is as follows:

	<b>RM '000</b>
Short Term - Secured	63,114
Long Term - Secured	<u>230,549</u>
	<u>293,663</u>

None of the Group borrowings is denominated in foreign currency.

**10. Off Balance Sheet Financial Instruments**

During the financial period to-date, the Group did not enter into any contracts involving off balance sheet financial instruments.

**11. Changes in Material Litigation**

Refer Explanatory Note A12(a) and (b).

**12. Dividend**

No dividend has been recommended or declared for this financial quarter under review.

**13. Earnings Per Share**

	<b>Sen</b>
Basic Earnings per Share	<u>0.12</u>

The calculation of basic EPS for the period ended 31 March 2005 is based on the net profit attributable to ordinary shareholders of RM 0.525 million and the weighted number of ordinary shares of 426.940 million.

The Group does not have any dilutive potential ordinary shares outstanding as at 31 March 2005. Accordingly, no diluted earnings per share is presented.