



**MEDA INC. BERHAD (507785-P)**  
**Condensed Consolidated Balance Sheets as at 30 June 2005**

|   | <b>AS AT<br/>30/06/2005<br/>(Unaudited)<br/>RM'000</b> | <b>AS AT<br/>31/12/2004<br/>(Audited)<br/>RM'000</b> |
|---|--|--|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>              | 153,947  | 155,307  |
| <b>INVESTMENT PROPERTIES</b>                      | 299,536  | 299,397  |
| <b>LAND HELD FOR DEVELOPMENT</b>                  | 81,744   | 81,854   |
| <b>GOODWILL</b>                                   | 1,396  | 1,427  |
| <b>DEFERRED TAX ASSETS</b>                        | 2,364  | 2,593  |
| <b>CURRENT ASSETS</b>                             |  |  |
| Property Development Cost                         | 103,205  | 98,950   |
| Accrued Billings                                  | 9,029  | 6,603  |
| Inventories                                       | 27,835   | 27,893   |
| Amount due from customers for contract works      | 855  | 491  |
| Trade & Other Receivables                         | 129,138  | 133,815  |
| Fixed Deposits with Licensed Banks                | 908  | 844  |
| Tax Refundable                                    | 442  | 285  |
| Cash & Cash Equivalents                           | 2,011  | 2,132  |
|   | <u>273,423</u>   | <u>271,013</u>                                       |
| <b>CURRENT LIABILITIES</b>                        |  |  |
| Trade & Other Payables                            | 57,658   | 60,476   |
| Progress Billings                                 | 9,615  | 6,399  |
| Overdraft & Short Term Borrowings                 | 65,850   | 66,081   |
| Provision for Taxation                            | 53,455   | 53,944   |
|   | <u>186,578</u>   | <u>186,900</u>                                       |
| <b>NET CURRENT ASSETS</b>                         | 86,845   | 84,113   |
|   | <u>625,832</u>   | <u>624,691</u>                                       |
| Financed by :                                     |  |  |
| <b>SHARE CAPITAL</b>                              | 213,470  | 213,470  |
| <b>RESERVES</b>                                   | <u>148,313</u>   | <u>150,092</u>                                       |
| <b>SHAREHOLDERS' FUNDS</b>                        | 361,783  | 363,562  |
| <b>MINORITY INTERESTS</b>                         | 10   | -  |
| <b>LONG TERM LIABILITIES</b>                      |  |  |
| Borrowings  | 230,671  | 227,056  |
| Deferred Taxation                                 | 31,800   | 32,013   |
| Amount Owing to a Subsidiary's Former Shareholder | 1,568  | 2,060  |
|   | <u>264,039</u>   | <u>261,129</u>                                       |
|   | <u>625,832</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 Period ended 30 June 2005**  
*(The figures have not been audited)*

|                                      | <b>3 MONTHS ENDED</b>                                     |   | <b>6 MONTHS ENDED</b>                                     |   |
|--------------------------------------|---|---|---|---|
|                                      | <b>30/06/2005</b><br><b>(Unaudited)</b><br><b>RM' 000</b> | <b>30/06/2004</b><br><b>(Unaudited)</b><br><b>RM' 000</b> | <b>30/06/2005</b><br><b>(Unaudited)</b><br><b>RM' 000</b> | <b>30/06/2004</b><br><b>(Unaudited)</b><br><b>RM' 000</b> |
| Revenue                              | 17,156  | 25,526  | 38,328  | 42,044  |
| Operating Expenses                   | (14,961)  | (24,555)  | (31,641)  | (37,706)  |
| Other Operating Income               | 57  | 437   | 582   | 1,027   |
| <b>Profit/(Loss) from Operations</b> | <u>2,252</u>  | <u>1,408</u>  | <u>7,269</u>  | <u>5,365</u>  |
| Investment Income                    | -   | -   | -   | -   |
| Finance cost                         | (4,083)   | (4,153)   | (8,159)   | (8,273)   |
| Amortisation/Write off of Goodwill   | 2   | (32)  | (31)  | (50)  |
| <b>Loss before Tax</b>               | <u>(1,829)</u>  | <u>(2,777)</u>  | <u>(921)</u>  | <u>(2,958)</u>  |
| Taxation                             | (516)   | 749   | (968)   | 390   |
| <b>Loss after Tax</b>                | <u>(2,345)</u>  | <u>(2,028)</u>  | <u>(1,889)</u>  | <u>(2,568)</u>  |
| Minority Interest                    | 41  | 25  | 110   | 19  |
| <b>Net Loss for the Period</b>       | <u><u>(2,304)</u></u>                                     | <u><u>(2,003)</u></u>                                     | <u><u>(1,779)</u></u>                                     | <u><u>(2,549)</u></u>                                     |
| <b>Basic EPS (Sen)</b>               | (0.54)  | (0.47)  | (0.42)  | (0.60)  |
| <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 Period Ended 30 June 2005**

|   | <b>Share<br/>Capital<br/>RM' 000</b> | <b>Share<br/>Premium<br/>RM' 000</b> | <b>Retained<br/>Profit<br/>RM' 000</b> | <b>Total<br/>RM' 000</b> |
|---|--------------------------------------|--------------------------------------|--|--------------------------|
| Balance as at 01 January 2004                         | 213,437                              | 20,013                               | 175,191                                | 408,641                  |
| Prior year adjustment - effect of adoption of FRS 201 | -                                    | -                                    | (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                       | -                                    | -                                    | (2,549)                                | (2,549)                  |
| Balance as at 30 June 2004                            | <u><u>213,437</u></u>                | <u><u>20,013</u></u>                 | <u><u>170,101</u></u>                  | <u><u>403,551</u></u>    |
| Balance as at 01 January 2005                         | 213,470                              | 20,013                               | 130,079                                | 363,562                  |
| Net loss for the current period                       | -                                    | -                                    | (1,779)                                | (1,779)                  |
| Balance as at 30 June 2005                            | <u><u>213,470</u></u>                | <u><u>20,013</u></u>                 | <u><u>128,300</u></u>                  | <u><u>361,783</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 Period ended 30 June 2005**

|  | <b>6 Months Ended<br/>30/06/2005<br/>RM' 000</b> | <b>6 Months Ended<br/>30/06/2004<br/>RM' 000</b> |
|--|--|--|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |  |  |
| Net loss before Tax  | (921)  | (2,958)  |
| Adjustments for:   |  |  |
| Depreciation   | 3,807  | 3,527  |
| Amortisation of goodwill   | 31   | 31   |
| Loss on disposal of property, plant & equipment  | -  | 16   |
| Gain on disposal of investment properties  | -  | (40)   |
| Bad debts written off  | 7  | 19   |
| Allowance for doubtful debts   | 44   | 83   |
| Interest expense   | 8,141  | 8,273  |
| Interest income  | (332)  | (793)  |
| <b>Operating Profit before Changes in Working Capital</b>  | <b>10,777</b>                                    | <b>8,158</b>                                     |
| Changes in development properties  | (2,345)  | 8,132  |
| Changes in inventories   | 58   | (10)   |
| Changes in amount due from customers for contract works  | (364)  | -  |
| Changes in trade and other receivables   | 4,627  | (3,218)  |
| Changes in trade and other payables  | (760)  | (2,031)  |
| <b>Cash Generated From Operations</b>  | <b>11,993</b>                                    | <b>11,031</b>                                    |
| Tax paid   | (687)  | (2,288)  |
| Interest received  | 332  | 27   |
| <b>Net Cash Generated From Operating Activities</b>  | <b>11,638</b>                                    | <b>8,770</b>                                     |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |  |  |
| Expenditure incurred on land held for development  | (1,225)  | (744)  |
| Purchase of property, plant and equipment  | (1,384)  | (685)  |
| Addition of investment properties  | (139)  | (1,546)  |
| Proceed from disposal of property, plant and equipment   | 84   | 7  |
| Proceed from disposal of investment properties   | -  | 3,804  |
| Subscription of shares in a subsidiary company by minority shareholder<br>(Placement)/Withdrawal of fixed deposits | 120<br>(67)                                      | -<br>545   |
| <b>Net Cash (Used In)/ Generated From Investing Activities</b>   | <b>(2,611)</b>                                   | <b>1,381</b>                                     |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |  |  |
| Loan Drawdown  | 5,697  | 28,283   |
| Repayment of Loan  | (4,565)  | (18,244)   |
| Repayment of hire purchase liabilities   | (190)  | (190)  |
| Repayment to a subsidiary's former shareholder   | (492)  | -  |
| Interest paid  | (8,962)  | (10,519)   |
| <b>Net Cash Used In Financing Activities</b>   | <b>(8,512)</b>                                   | <b>(670)</b>                                     |
| <b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>   | <b>515</b>                                       | <b>9,481</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>(19,358)</b>                                  | <b>(20,423)</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. FRS 134**

**1. Accounting Policies**

The interim financial statements have been prepared in accordance with FRS 134-Interim Financial Reporting and Chapter 9 Part K of the amended Listing Requirements of Bursa Malaysia 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 period ended 30 June 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 period ended 30 June 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 period ended 30 June 2005.

**7. Dividend Paid**

There were no payment of dividend during the current financial period ended 30 June 2005.

**8. Segment Reporting**

Segment information for the period ended 30 June 2005 is presented in respect of the Group's

|                                | <b>Revenue</b> | <b>Profit</b>     |
|--------------------------------|----------------|-------------------|
|                                | <b>RM' 000</b> | <b>Before Tax</b> |
|                                | <b>RM' 000</b> | <b>RM' 000</b>    |
| Property Development           | 15,693         | 437               |
| Property & Investment Holdings | 9,594          | 5,799             |
| Hotels                         | 10,664         | 1,077             |
| Plantation                     | 526            | 356               |
| Parking Management             | 1,755          | 1,367             |
| Others                         | 96             | (395)             |
|                                | <u>38,328</u>  | <u>8,641</u>      |
| Unallocated Corporate Expenses | -              | (1,372)           |
| Finance Cost                   | -              | (8,159)           |
| Amortisation of Goodwill       | -              | (31)              |
|                                | <u>38,328</u>  | <u>(921)</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 period ended 30 June 2005.

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

There are no material changes in the composition of the Group for the period ended 30 June 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's application for Summary Judgement has been dismissed and to proceed with the appeal.

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) 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. BMB Revised Listing Requirements**

**1. Review of Performance**

The Group recorded a loss before tax of RM2.30 million and RM2.00 million in the current quarter and corresponding quarter last year respectively. The loss had increased by 15% due to lower sales achieved in the current quarter.

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

The Group had incurred a loss before tax of RM2.30 million for the current quarter as compared to profit before tax of RM0.91 million for the immediate preceding quarter. The loss before tax in the current quarter was mainly due to lower sales achieved from the development division in the current quarter.

**3. Current Year Prospects**

Barring any unforeseen events, the Group expects an improvement in operation profit before finance cost in all the business segments as compared to last financial year.

**4. Profit Forecast**

Not applicable as no profit forecast was published.

**5. Taxation**

|   | <b>6 months<br/>ended<br/>30/06/2005<br/>RM' 000</b> |
|---|--|
| Current Tax Expense                             | 41   |
| Deferred Tax Expense                            | 927  |
|   | <hr/> 968  |
| <u>Reconciliation of Tax Variance:</u>          |  |
| Profit before Tax                               | <hr/> (921)  |
| Tax at 28%                                      | (258)  |
| Tax Effect on Non-deductible Expenses:          |  |
| Depreciation of non-qualifying assets           | 433  |
| Other expenses                                  | 86   |
| Underprovision in previous year:                |  |
| - Deferred tax                                  | (20)   |
| Deferred tax not recognised in income statement | 727  |
| <b>Tax Expense</b>                              | <hr/> <b>968</b> <hr/>                               |

**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 period ended 30 June 2005.

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

There were no purchase or disposal of quoted securities for the current period ended 30 June 2005.

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

There is no uncompleted corporate proposal announced for the period ended 30 June 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 30 June 2005 is as follows:

|                      | <b>RM ' 000</b> |
|----------------------|-----------------|
| Short Term - Secured | 65,850          |
| Long Term - Secured  | <u>230,671</u>  |
|                      | <u>296,521</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 period under review.

**13. Earning/(Loss) Per Share**

|                                | <b>Sen</b>    |
|--------------------------------|---------------|
| Basic earning/(loss) per Share | <u>(0.42)</u> |

The calculation of basic EPS for the period ended 30 June 2005 is based on the net loss attributable to ordinary shareholders of RM 1.779 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 30 June 2005. Accordingly, no diluted earnings per share is presented.