



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

	AS AT 30/09/2005 (Unaudited) RM'000	AS AT 31/12/2004 (Audited) RM'000
PROPERTY, PLANT AND EQUIPMENT	153,260	155,307
INVESTMENT PROPERTIES	298,843	299,397
LAND HELD FOR DEVELOPMENT	82,970	81,854
GOODWILL	821	1,427
DEFERRED TAX ASSETS	2,438	2,593
CURRENT ASSETS		
Property Development Cost	107,131	98,950
Accrued Billings	8,786	6,603
Inventories	26,026	27,893
Amount due from customers for contract works	175	491
Trade & Other Receivables	103,753	133,815
Fixed Deposits with Licensed Banks	808	844
Tax Refundable	536	285
Cash & Cash Equivalents	2,331	2,132
	249,546	271,013
CURRENT LIABILITIES		
Trade & Other Payables	59,130	60,476
Progress Billings	16,672	6,399
Overdraft & Short Term Borrowings	72,308	66,081
Provision for Taxation	60,167	53,944
	208,277	186,900
NET CURRENT ASSETS	41,269	84,113
	579,601	624,691
Financed by :		
SHARE CAPITAL	213,470	213,470
RESERVES	111,668	150,092
SHAREHOLDERS' FUNDS	325,138	363,562
MINORITY INTERESTS	-	-
LONG TERM LIABILITIES		
Borrowings	221,698	227,056
Deferred Taxation	31,101	32,013
Amount Owing to a Subsidiary's Former Shareholder	1,664	2,060
	254,463	261,129
	579,601	624,691

(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 September 2005
(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2005 (Unaudited) RM' 000	30/09/2004 (Unaudited) RM' 000	30/09/2005 (Unaudited) RM' 000	30/09/2004 (Unaudited) RM' 000
Revenue	24,866	25,060	63,194	67,104
Operating Expenses	(51,288)	(19,816)	(82,929)	(57,522)
Other Operating Income	475	378	1,057	1,405
Profit/(Loss) from Operations	<u>(25,947)</u>	<u>5,622</u>	<u>(18,678)</u>	<u>10,987</u>
Investment Income	-	-	-	-
Finance cost	(4,180)	(4,215)	(12,339)	(12,488)
Amortisation/Write off of Goodwill	(575)	(23)	(606)	(73)
(Loss)/Profit before Tax	<u>(30,702)</u>	<u>1,384</u>	<u>(31,623)</u>	<u>(1,574)</u>
Taxation	(5,953)	207	(6,921)	(183)
(Loss)/Profit after Tax	<u>(36,655)</u>	<u>1,591</u>	<u>(38,544)</u>	<u>(1,757)</u>
Minority Interest	10	6	120	25
Net (Loss)/Profit for the Period	<u><u>(36,645)</u></u>	<u><u>1,597</u></u>	<u><u>(38,424)</u></u>	<u><u>(1,732)</u></u>
Basic EPS (Sen)	(8.58)	0.37	(9.00)	(0.41)
Fully Diluted EPS (Sen)	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 September 2005

	Share Capital RM' 000	Share Premium RM' 000	Retained Profit RM' 000	Total RM' 000
Balance as at 01 January 2004	213,470	20,013	175,191	408,674
Prior year adjustment - effect of adoption of FRS 201	-	-	(2,541)	(2,541)
Balance as at 01 January 2004 - as restated	<u>213,470</u>	<u>20,013</u>	<u>172,650</u>	<u>406,133</u>
Net loss for the current period	-	-	(1,732)	(1,732)
Balance as at 30 September 2004	<u><u>213,470</u></u>	<u><u>20,013</u></u>	<u><u>170,918</u></u>	<u><u>404,401</u></u>
Balance as at 01 January 2005	213,470	20,013	130,079	363,562
Net loss for the current period	-	-	(38,424)	(38,424)
Balance as at 30 September 2005	<u><u>213,470</u></u>	<u><u>20,013</u></u>	<u><u>91,655</u></u>	<u><u>325,138</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 September 2005

	9 Months Ended 30/09/2005 RM' 000	9 Months Ended 30/09/2004 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before Tax	(31,623)	(1,574)
Adjustments for:		
Depreciation	5,726	5,255
Amortisation of goodwill	606	73
Loss on disposal of property, plant & equipment	-	16
Gain on disposal of investment properties	-	(40)
Bad debts written off	13,472	93
Allowance for doubtful debts	11,978	129
Interest expense	12,339	12,488
Interest income	(371)	(781)
Operating Profit before Changes in Working Capital	12,127	15,659
Changes in development properties	1,994	4,434
Changes in inventories	1,867	(1)
Changes in amount due from customers for contract works	316	-
Changes in trade and other receivables	4,612	(1,337)
Changes in trade and other payables	1,140	5,811
Cash Generated From Operations	22,056	24,566
Tax paid	(795)	(3,503)
Interest received	371	38
Net Cash Generated From Operating Activities	21,632	21,101
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure incurred on land held for development	(1,841)	(531)
Acquisition of additional investment in a subsidiary company	-	(30)
Purchase of property, plant and equipment	(2,769)	(1,192)
Addition of investment properties	(139)	(5,121)
Proceed from disposal of property, plant and equipment	84	87
Proceed from disposal of investment properties	693	3,805
Subscription of shares in a subsidiary company by minority shareholders	120	-
Withdrawal of fixed deposits	33	900
Net Cash Used In Investing Activities	(3,819)	(2,082)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan Drawdown	8,308	32,108
Repayment of Loan	(11,270)	(20,974)
Repayment of hire purchase liabilities	(339)	(430)
Repayment to a subsidiary's former shareholder	(396)	(450)
Interest paid	(13,294)	(20,715)
Net Cash Used In Financing Activities	(16,991)	(10,461)
NET CHANGE IN CASH & CASH EQUIVALENTS	822	8,558
CASH & CASH EQUIVALENTS BROUGHT FORWARD	(19,873)	(29,904)
CASH & CASH EQUIVALENTS CARRIED FORWARD	(19,051)	(21,346)

(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 September 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 September 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 September 2005.

7. Dividend Paid

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

8. Segment Reporting

Segment information for the period ended 30 September 2005 is presented in respect of the Group's business segment.

	Revenue	Loss
	RM' 000	Before Tax
		RM' 000
Property Development	27,330	(2,627)
Property & Investment Holdings	15,700	(17,069)
Hotels	16,668	1,273
Plantation	737	501
Parking Management	2,648	2,571
Others	111	(1,443)
	<u>63,194</u>	<u>(16,794)</u>
Unallocated Corporate Expenses	-	(1,884)
Finance Cost	-	(12,339)
Amortisation of Goodwill	-	(606)
	<u>63,194</u>	<u>(31,623)</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 September 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 September 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 28 June 2006 and 29 June 2006.

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.

ZKP's appeal against the Timbalan Pendaftar's decision is fixed for Hearing on 21 March 2006.

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 Pendaftar 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 Pendaftar's decision.

The appeal is fixed for Hearing on 21 March 2006 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 RM31.62 million and a profit before tax of RM1.38 million in the current quarter and corresponding quarter last year respectively. The loss is mainly due to the allowance for doubtful debts.

2. Variation of Results against Immediate Preceding Quarter

The Group had incurred a loss before tax of RM31.62 million for the current quarter as compared to loss before tax of RM1.83 million for the immediate preceding quarter. The loss before tax in the current quarter was mainly due to the allowance for doubtful debts.

3. Current Year Prospects

The Group expects a loss before tax for the current year due to the allowance for doubtful debts.

4. Profit Forecast

Not applicable as no profit forecast was published.

5. Taxation

	9 months ended 30/09/2005 RM' 000
Current Tax Expense	6,767
Deferred Tax Expense	154
	<u>6,921</u>
<u>Reconciliation of Tax Variance:</u>	
Loss before Tax	<u>(31,623)</u>
Tax at 28%	(8,854)
Tax Effect on Non-deductible Expenses:	
Depreciation of non-qualifying assets	452
Other expenses	273
Underprovision in previous year:	
- Current tax	6,582
Deferred tax asset not recognised in income statement	8,468
Tax Expense	<u><u>6,921</u></u>

6. Sale of Unquoted Investments and/or Properties

There was no gain or loss on disposal of investment properties by the Group during the current period ended 30 September 2005 as the investment properties were disposed of at net book value.

7. Purchase or Disposal of Quoted Securities

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

8. (a) Status of Corporate Proposal Announced

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

	RM ' 000
Short Term - Secured	72,308
Long Term - Secured	<u>221,698</u>
	<u>294,006</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

	Sen
Basic earning/(loss) per Share	<u>(9.00)</u>

The calculation of basic EPS for the period ended 30 September 2005 is based on the net loss attributable to ordinary shareholders of RM 38.42 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 September 2005. Accordingly, no diluted earnings per share is presented.