



MEDA INC. BERHAD (507785-P)
Condensed Consolidated Balance Sheets as at 30 September 2006

	AS AT 30/09/2006 (Unaudited) RM'000	AS AT 31/12/2005 (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	129,110	136,518
Land held for development	64,458	63,125
Investment properties	295,078	295,078
Goodwill	811	811
Investment in associate	3,262	3,356
	492,719	498,888
Current Assets		
Property Development Cost	71,112	75,980
Accrued Billings	1,068	5,128
Inventories	26,366	26,230
Amount due from customers for contract works	3	12
Trade & Other Receivables	122,297	112,834
Fixed Deposits with Licensed Banks	656	430
Tax Refundable	118	417
Cash & Cash Equivalents	4,183	5,334
	225,803	226,365
	718,522	725,253
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	213,470	213,470
Share premium	20,013	20,013
Retained earnings	24,297	19,578
	257,780	253,061
Non-current liabilities		
Borrowings	165,765	164,621
Deferred Taxation	34,542	34,542
Amount Owing to a Subsidiary's Former Shareholder	1,663	1,663
	201,970	200,826
Current Liabilities		
Trade & Other Payables	69,663	62,934
Progress Billings	24,714	22,546
Overdraft & Short Term Borrowings	102,198	125,825
Provision for Taxation	62,197	60,061
	258,772	271,366
Total liabilities	460,742	472,192
TOTAL EQUITY AND LIABILITIES	718,522	725,253

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005)

MEDA INC. BERHAD (507785-P)
Condensed Consolidated Income Statement for the Period ended 30 September 2006
(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2006 (Unaudited) RM' 000	30/09/2005 (restated) RM' 000	30/09/2006 (Unaudited) RM' 000	30/09/2005 (restated) RM' 000
Revenue	33,733	24,858	110,659	63,156
Cost of sales	(20,925)	(14,919)	(67,927)	(31,882)
Gross Profit	12,808	9,939	42,732	31,274
Other income	494	475	1,136	1,059
Administrative and general expenses	(7,147)	(16,991)	(20,773)	(30,953)
Selling and marketing expenses	(457)	(475)	(1,222)	(1,078)
Other expenses	166	(19,478)	67	(19,522)
Finance cost	(4,384)	(4,180)	(13,360)	(12,339)
Share of profit/(loss) of associates	(36)	-	(94)	-
Profit/(Loss) before tax	1,444	(30,710)	8,486	(31,559)
Income tax expense	(940)	(5,953)	(3,767)	(6,921)
Profit/(Loss) for the period	504	(36,663)	4,719	(38,480)
Attributable to:				
Equity holders of the parent	504	(36,673)	4,719	(38,600)
Minority interest	-	10	-	120
	504	(36,663)	4,719	(38,480)
Equity per share attributable to equity holders of the parent:				
Basic EPS (Sen)	0.12	(8.59)	1.11	(9.04)
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 2005)

MEDA INC. BERHAD (507785-P)
Unaudited Condensed Consolidated Statements of Changes in Equity
For the Period Ended 30 September 2006

	-----Attributable to Equity Holders of the Parent-----				Minority Interest	Total Equity
	Share Capital RM' 000	Share Premium RM' 000	Retained Profit RM' 000	Total RM' 000		
Balance as at 01 January 2005	213,470	20,013	130,079	363,562	-	363,562
Prior year adjustment - effect of adoption of FRS 140	-	-	(150)	(150)	-	(150)
Balance as at 01 January 2005 - as restated	213,470	20,013	129,929	363,412	-	363,412
Net loss for the current period	-	-	(38,600)	(38,600)	120	(38,480)
Balance as at 30 September 2005	<u>213,470</u>	<u>20,013</u>	<u>91,329</u>	<u>324,812</u>	<u>120</u>	<u>324,932</u>
Balance as at 01 January 2006	213,470	20,013	19,803	253,286	-	253,286
Prior year adjustment - effect of adoption of FRS 140	-	-	(225)	(225)	-	(225)
Balance as at 01 January 2006 - as restated	213,470	20,013	19,578	253,061	-	253,061
Net profit for the current period	-	-	4,719	4,719	-	4,719
Balance as at 30 September 2006	<u>213,470</u>	<u>20,013</u>	<u>24,297</u>	<u>257,780</u>	<u>-</u>	<u>257,780</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 2005)

MEDA INC. BERHAD

Unaudited Condensed Consolidated Cash Flow Statements for the Period ended 30 September 2006

	9 Months ended 30/09/2006	9 Months ended 30/09/2005 (restated)
	RM' 000	RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	8,486	(31,559)
Adjustments for:		
Share of losses in associate company	94	-
Depreciation	4,715	5,726
Bad debts written off	30	13,472
Allowance for doubtful debts	(98)	11,978
Amortisation of goodwill	-	606
Gain on disposal of property, plant & equipment	(36)	-
Interest expense	13,360	12,339
Interest income	(279)	(371)
Operating Profit before Changes in Working Capital	26,272	12,191
Changes in development properties	13,572	1,994
Changes in inventories	(136)	1,867
Changes in amount due from customers for contract works	9	316
Changes in trade and other receivables	(2,985)	4,612
Changes in trade and other payables	6,498	1,140
Cash Generated From Operations	43,230	22,120
Tax paid	(1,332)	(795)
Interest received	279	371
Net Cash Generated From Operating Activities	42,177	21,696
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure incurred on land held for development	(879)	(1,841)
Purchase of property, plant and equipment	(4,428)	(2,769)
Addition of investment properties	-	(139)
Proceed from disposal of property, plant and equipment	747	84
Proceed from disposal of investment properties	-	693
Subscription of shares in a subsidiary company by minority shareholders (Placement)/Withdrawal of fixed deposits	-	120
	(246)	33
Net Cash Used In Investing Activities	(4,806)	(3,819)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan Drawdown	1,308	8,308
Repayment of Loan	(26,575)	(11,270)
Repayment of hire purchase liabilities	(512)	(339)
Hire purchase financing	662	-
Repayment to a subsidiary's former shareholder	-	(396)
Interest paid	(12,846)	(13,294)
Net Cash Used In Financing Activities	(37,963)	(16,991)
NET CHANGE IN CASH & CASH EQUIVALENTS	(592)	886
CASH & CASH EQUIVALENTS BROUGHT FORWARD	(10,337)	(19,873)
CASH & CASH EQUIVALENTS CARRIED FORWARD	(10,929)	(18,987)

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2005)

Part A - Explanatory Notes Pursuant to FRS 134

1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Board (MASB) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysian Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2005.

2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operation
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipments
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Interest in Joint Ventures
FRS 132	Financial Instruments: Disclosure and presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133 and 138 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are discussed below:

(a) FRS 3: Business Combinations, FRS 136: Impairment of Assets

The new FRS 3 has resulted in consequential amendments to FRS 136.

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed. Prior to 1 January 2006, goodwill was amortised on a straight-line basis over its estimated useful life of 25 years. This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006. The carrying amount of goodwill as at 1 January 2006 of RM811,000 ceased to be amortised. This has the effect of reducing the amortisation charges by RM28,500 in the financial period ended 30 September 2006.

(b) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interest are now presented within total equity. In the consolidated income statement, minority interests are now presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(c) FRS 140: Investment Property

The adoption of this new FRS has resulted in a change in accounting policy for investment properties. Investment properties are now stated at fair value, representing open-market value determined by external valuer. Gain or losses arising from changes in the fair values of investment properties are recognised in profit and loss in the period in which they arise. Prior to 1 January 2006, investment properties were stated at valuation. Revaluations were carried out at least five years and any revaluation increase is taken to equity as a revaluation surplus. The investment properties were last revalued in 2001. In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied prospectively and the comparatives as at 31 December 2005 are not restated.

In accordance to FRS 140, the owner-occupied property has to be transferred to property, plant and equipment. The property deemed cost for subsequent accounting in accordance with FRS 116 shall be its fair value at the date of change in use. This change has been accounted for retrospectively and has resulted in the following:

	As at 1.1.2006 RM' 000	As at 1.1.2005 RM' 000
Increase in property, plant and equipments	3,540	3,615
Decrease in investment properties	(3,765)	(3,765)
Decrease in retained earnings	(225)	(150)
	<hr/>	<hr/>
	9 months ended	
	30.9.2006 RM' 000	30.9.2005 RM' 000
Decrease in profit for the period	(56)	(56)
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3. Comparatives

The following comparative amounts have been restated due to the adoption of new and revised FRSs:

	Previously stated RM' 000	Adjustment FRS 140 RM' 000	Restated RM' 000
At 31 December 2005			
Property, plant and equipment	132,978	3,540	136,518
Investment properties	298,843	(3,765)	295,078
Retained earnings	19,803	(225)	19,578
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3 months ended 30 September 2005			
Administrative expenses	(16,973)	(18)	(16,991)
	<hr/>	<hr/>	<hr/>
9 months ended 30 September 2005			
Administrative expenses	(30,897)	(56)	(30,953)
	<hr/>	<hr/>	<hr/>

4. Audit Report

The preceding audited financial statements for the year ended 31 December 2005 were not qualified.

5. Seasonal or Cyclical Factors

The business operations of the Group during the current period ended 30 September 2006 have not been materially affected by any significant seasonal or cyclical factors.

6. 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.

7. 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 2006.

8. 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 2006.

9. Dividend Paid

There were no payment of dividend during the current financial period ended 30 September 2006.

10. Segment Reporting

Segment information for the period ended 30 September 2006 is presented in respect of the Group's business segment.

	Revenue	Profit/(Loss)
	RM' 000	Before Tax
	RM' 000	RM' 000
Property Development	78,008	14,703
Property & Investment Holdings	11,855	4,490
Hotels	17,485	3,053
Plantation	771	520
Parking Management	2,433	1,820
Others	107	(1,012)
	<u>110,659</u>	<u>23,574</u>
Unallocated Corporate Expenses	-	(1,728)
Finance Cost	-	(13,360)
	<u>110,659</u>	<u>8,486</u>

11. Valuation of Property, Plant and Equipment

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

12. Subsequent Material Events

There were no material events subsequent to the period ended 30 September 2006.

13. Changes in the Composition of the Group

There are no material changes in the composition of the Group for the period ended 30 September 2006, except for:

- i) On 5 July 2006, Meda Inc. Berhad acquired 2 ordinary shares of RM1.00 each representing 100% of the total paid-up share capital in Golden Sceptre (MM2H) Sdn Bhd for a total consideration of RM2.00.
- ii) On 28 September 2006, the subsidiary company, Nandex Development Sdn Bhd, acquired 2 ordinary shares of RM1.00 each representing 100% of the total paid-up share capital in Peranan Suci Sdn Bhd for a total consideration of RM2.00.

14. Contingent Liabilities and Contingent Assets

The corporate guarantee of RM18.0 million was provided by the Group in respect of credit facilities granted by a financial institution to an associated company as at 30 September 2006.

PART B. BMB Revised Listing Requirements

1. Review of Performance

The Group recorded a profit before tax of RM8.49 million and total revenue of RM110.66 million for the period ended 30 September 2006 as compared to loss before tax of RM31.56 million and revenue of RM63.16 million for the preceding year corresponding period. The improvement was mainly due to the better performance from property development division and the loss in preceding year corresponding period was mainly due to the provision for doubtful debts.

2. Variation of Results against Immediate Preceding Quarter

The Group has recorded a profit before tax of RM1.44 million for the current quarter as compared to profit before tax of RM1.63 million for the immediate preceding quarter. There was no significant changes in the results in both quarters.

3. Prospects

In view of the current economic situation, it is expected that the year of 2006 will remain challenging for the Group. The Group is taking measures to address its borrowing situation by looking at ways to unlock the value of its investment properties and undertaking new development projects. The Group is confident that it will maintain the current level of performance in the various business segments.

4. Profit Forecast

Not applicable as no profit forecast was published.

5. Taxation

	Period ended 30/9/2006 RM' 000
Current Tax Expense	<u>3,767</u>
<u>Reconciliation of Tax Variance:</u>	
Profit before Tax	<u>8,486</u>
Tax at 28%	2,376
Tax Effect on Non-deductible Expenses:	
Depreciation of non-qualifying assets	446
Non-taxable income	(135)
Non-deductible expenses	162
Deferred tax asset not recognised in income statement	918
Tax Expense	<u><u>3,767</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' : business during the current period ended 30 September 2006.

7. Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities for the current period ended 30 September 2006.

8. (a) Status of Corporate Proposal Announced

There is no uncompleted corporate proposal announced for the period ended 30 September 2006.

(b) Utilisation of Corporate Exercise Proceed

Not Applicable.

9. Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2006 is as follows:

	RM ' 000
Short Term - Secured	102,198
Long Term - Secured	<u>165,765</u>
	<u><u>267,963</u></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

(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 27 March 2007 and 28 March 2007.

(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 as at year 2002 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 Court granted Order In Terms to convert the originating summons into a Writ Action on 21 Oct 2004 and in the same action, ZKP filed a counter claim inter alia, for the sum of RM8,972,257.88 being the shortfall of rental payable by The Store as at 2004 and continuing together with interest at the rate of 12% per annum.

Pursuant thereto, ZKP filed an application for Summary Judgement against The Store which was dismissed on 12 Aug 2005.

ZKP' s appeal was dismissed with costs on 24 July 2006 and ZKP has filed its appeal against the judge' s decision.

In the meantime, the Court has fixed 6 December 2006 as the pre-trial case management date.

(iii) 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 27 March 2007 by the Judge in Chambers.

12. Dividend

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

13. Earning Per Share

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Basic earning per Share	<u>1.11</u>

The calculation of basic EPS for the period ended 30 September 2006 is based on the net profit attributable to ordinary equity holders of the parent of RM4.72 million and the weighted number of ordinary shares of 426.94 million.

The Group does not have any dilutive potential ordinary shares outstanding as at 30 September 2006. Accordingly, no diluted earnings per share is presented.