



MEDA INC. BERHAD (507785-P)
Condensed Consolidated Balance Sheets as at 30 June 2007

	AS AT 30/06/2007 (Unaudited) RM'000	AS AT 31/12/2006 (Audited) (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	91,044	108,882
Land held for development	30,162	22,667
Prepaid land lease payment	35,316	40,290
Investment properties	159,188	218,591
Goodwill	811	811
Investment in associate	3,176	3,236
	<u>319,697</u>	<u>394,477</u>
Current Assets		
Property, plant and equipment	16,028	16,203
Property Development Cost	66,472	65,904
Prepaid land lease payment	7,084	10,483
Investment properties	77,719	77,719
Accrued Billings	489	1,088
Inventories	24,466	26,352
Amount due from customers for contract works	3	3
Trade & Other Receivables	124,379	129,305
Fixed Deposits with Licensed Banks	579	625
Tax Refundable	111	111
Cash & Bank Balances	1,531	6,536
	<u>318,861</u>	<u>334,329</u>
	<u>638,558</u>	<u>728,806</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	213,470	213,470
Share premium	20,013	20,013
(Accumulated loss)/Retained earnings	(47,432)	35,455
	<u>186,051</u>	<u>268,938</u>
Non-current liabilities		
Borrowings	133,279	131,803
Deferred Taxation	24,704	24,704
Amount Owing to a Subsidiary's Former Shareholder	1,663	1,663
	<u>159,646</u>	<u>158,170</u>
Current Liabilities		
Trade & Other Payables	82,432	83,980
Progress Billings	15,668	20,159
Overdraft & Short Term Borrowings	136,314	139,112
Provision for Taxation	58,447	58,447
	<u>292,861</u>	<u>301,698</u>
Total liabilities	<u>452,507</u>	<u>459,868</u>
TOTAL EQUITY AND LIABILITIES	<u>638,558</u>	<u>728,806</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006)

MEDA INC. BERHAD (507785-P)
Condensed Consolidated Income Statement for the Period Ended 30 June 2007
(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/06/2007 (Unaudited) RM'000	30/06/2006 (Restated) RM'000	30/06/2007 (Unaudited) RM'000	30/06/2006 (Restated) RM'000
Revenue	16,516	37,943	33,874	76,926
Cost of sales	(6,417)	(25,302)	(14,602)	(47,002)
Gross Profit	10,099	12,641	19,272	29,924
Other income	11	280	234	642
Administrative and general expenses	(8,500)	(6,595)	(14,883)	(13,725)
Selling and marketing expenses	(163)	(143)	(502)	(765)
Impairment loss	(77,441)	-	(77,441)	-
Finance cost	(5,050)	(4,511)	(9,507)	(8,976)
Share of loss of associates	(30)	(39)	(60)	(58)
Profit/(Loss) before tax	(81,074)	1,633	(82,887)	7,042
Income tax	-	(963)	-	(2,827)
Net Profit/(Loss) for the period	(81,074)	670	(82,887)	4,215
Attributable to:				
Equity holders of the parent	(81,074)	670	(82,887)	4,215
Minority interest	-	-	-	-
Net Profit/(Loss) for the period	(81,074)	670	(82,887)	4,215
Earning/(loss) per share attributable to equity holders of the parent:				
Basic EPS (Sen)	(18.99)	0.16	(19.41)	0.99
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 2006)

MEDA INC. BERHAD (507785-P)
Unaudited Condensed Consolidated Statements of Changes in Equity
For the Period Ended 30 June 2007

	-----Attributable to Equity Holders of the Parent-----				Total Equity
	Share Capital	Share Premium	Retained Profit/ (Accumulated Loss)	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000
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)
	213,470	20,013	19,578	253,061	253,061
Net profit for the current period	-	-	4,215	4,215	4,215
Balance as at 30 June 2006	213,470	20,013	23,793	257,276	257,276
Balance as at 01 January 2007	213,470	20,013	35,455	268,938	268,938
Net loss for the current period	-	-	(82,887)	(82,887)	(82,887)
Balance as at 30 June 2007	213,470	20,013	(47,432)	186,051	186,051

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2006)

MEDA INC. BERHAD
Unaudited Condensed Consolidated Cash Flow Statements for the Period Ended 30 June 2007

	6 Months ended 30/06/2007	6 Months ended 30/06/2006
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(82,887)	7,042
Adjustments for:		
Share of losses in associate company	60	58
Depreciation	3,090	3,122
Impairment loss	77,441	-
Bad debts written off	30	4
Allowance for doubtful debts	-	94
Doubtful debts no longer required	(98)	-
Gain/(Loss) on disposal of property, plant & equipment	-	(24)
Interest expense	9,507	8,976
Interest income	(60)	(69)
Operating Profit before Changes in Working Capital	7,083	19,203
Changes in development properties	2,831	10,709
Changes in inventories	(114)	23
Changes in amount due from customers for contract works	-	9
Changes in trade and other receivables	4,994	(6,569)
Changes in trade and other payables	1,258	1,174
Changes in accrued billings	599	755
Changes in progress billings	(4,491)	3,889
Cash Generated From Operations	12,160	29,193
Tax paid	-	(999)
Interest received	60	69
Net Cash Generated From Operating Activities	12,220	28,263
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure incurred on land held for development	(2,521)	(460)
Purchase of property, plant and equipment	(1,116)	(2,668)
Proceed from disposal of property, plant and equipment	-	181
Withdrawal/(Placement) of fixed deposits	46	(112)
Net Cash Used In Investing Activities	(3,591)	(3,059)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan Drawdown	-	1,214
Repayment of Loan	(6,234)	(14,731)
Repayment of hire purchase liabilities	(435)	(330)
Interest paid	(6,967)	(9,804)
Net Cash Used In Financing Activities	(13,636)	(23,651)
NET CHANGE IN CASH & CASH EQUIVALENTS	(5,007)	1,553
CASH & CASH EQUIVALENTS BROUGHT FORWARD	(8,570)	(10,337)
CASH & CASH EQUIVALENTS CARRIED FORWARD	(13,577)	(8,784)
 (The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2006)		
Represented by:		
Cash & Bank Balances	1,531	6,329
Fixed Deposits (free of encumbrances)	-	-
Bank Overdrafts	(15,108)	(15,113)
	(13,577)	(8,784)

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 Malaysia Securities Berhad ("BMSB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006. 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 2006.

2. Changes in Accounting Policies

The significant accounting policies adopted by the Group in this financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 January 2007:-

FRS 117	Lease
FRS 124	Related Party Disclosures
FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 119	Employee Benefit - Actuarial Gain and Losses, Group Plans and Disclosures

The adoption of FRS 117 and 124 does not have significant financial impact to the Group. Whereas FRS 6 and 119 are not relevant to the Group.

3. Audit Report

The preceding audited financial statements for the year ended 31 December 2006 were not qualified.

4. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any significant seasonal or cyclical factors.

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

There were no unusual items that materially affected the assets, liabilities, equity, net income or cash flow of the Group as at the date of issue of this report save and except that the Group has recognised an impairment loss of RM77.4 million of a property in the current quarter.

6. Accounting Estimates

There were no material changes in estimates for the financial period ended 30 June 2007.

7. 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 30 June 2007.

8. Dividend Paid

There was no payment of dividend during the financial period ended 30 June 2007.

9. Segment Reporting

Segment information for the financial period ended 30 June 2007 is presented in respect of the Group's business segment.

	Revenue	Profit/(Loss)
	RM'000	Before Tax
	RM'000	RM'000
Property Development	10,992	(764)
Property & Investment Holdings	7,799	3,413
Hotels	11,919	1,109
Plantation	1,022	395
Parking Management	1,625	1,196
Others	517	(207)
	<u>33,874</u>	<u>5,142</u>
Unallocated Corporate Expenses	-	(1,021)
Impairment loss	-	(77,441)
Share of associate loss	-	(60)
Finance Cost	-	(9,507)
	<u>33,874</u>	<u>(82,887)</u>

10. Valuation of Property, Plant and Equipment

The valuation of land and buildings has been brought forward, without amendment from the financial statements as at 31 December 2006 save and except that the value of a property was impaired by RM77.4 million in the current quarter.

11. Subsequent Material Events

There were no material events subsequent to the current quarter ended 30 June 2007 save and except that Meda Development Sdn Bhd, a wholly owned subsidiary of the Company has entered into a Conditional Sale and Purchase Agreement with Mayban Trustee Berhad, the trustee of AmFIRST Real Estate Investment Trust on 1 August 2007 to dispose its property known as The Summit Subang USJ for a total cash consideration of RM260.0 million.

12. Changes in the Composition of the Group

There are no material changes in the composition of the Group for the quarter ended 30 June 2007.

13. Contingent Liabilities and Contingent Assets

As at 30 June 2007, a corporate guarantee of RM18.0 million was provided by the Group to an associated company in respect of credit facilities granted by a financial institution to the associated company.

PART B. BMSB Revised Listing Requirements

1. Review of Performance

The Group recorded a net loss of RM82.9 million and total revenue of RM33.9 million for the financial period ended 30 June 2007 compared to net profit of RM4.2 million and revenue of RM76.9 million for the preceding year corresponding financial period. The loss was mainly due to slower property development activities in the current financial period which has directly affected the performance of the Group. In addition, the Group has recognised an impairment loss of RM77.4 million of a property in the current quarter, which is part of the RM82.9 million loss.

2. Variation of Results against Immediate Preceding Quarter

The Group recorded a net loss of RM81.1 million for the current quarter compared to net loss of RM1.8 million for the immediate preceding quarter. The current quarter's loss were mainly due to slowdown of property development activities of the Group and the recognition of an impairment loss of RM77.4 million of a property.

3. Prospects

The Board of Directors is of the opinion that the current financial year will be a challenging year for the Group. Nevertheless, the proposed disposal of The Summit Subang USJ will be able to strengthen the financial and cash flow position of the Group by reducing its gearing with surplus fund for future expansion and working capital.

4. Profit Forecast

Not applicable as no profit forecast was published.

5. Taxation

The taxation of the Group comprises the followings:-

	3 Months Ended		6 Months Ended	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
- current income tax	-	963	-	2,827
	-	963	-	2,827

The Group did not have taxation expenses for the current quarter and the financial period ended 30 June 2007 as it incurred losses and has sufficient capital allowances and unabsorbed tax losses brought forward from the previous financial years.

6. Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investment and properties outside the ordinary course of the Group's business during the current quarter ended 30 June 2007 save and except as disclosed under Note 11 of Part A of this financial statements.

7. Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter ended 30 June 2007.

8. (a) Status of Corporate Proposal Announced

The following are the corporate proposals that have been announced by the Company but not completed as at 24 August 2007, the latest practicable date which shall not be earlier than 7 days from the date of this announcement:-

(i) Proposed acquisition by Nandex Land Sdn Bhd, a wholly owned subsidiary of the Company, of a piece of freehold land measuring 83,160 square metres and held under title HS(D) 61545 PT 47, Pekan Tanjong Kling Sek II, State of Melaka from Ganesha Sdn Bhd, a wholly owned subsidiary of Malaysia Building Society Berhad, for a total cash consideration of RM20.0 million as announced on 27 July 2007.

(ii) On 1 August 2007, the Company has announced that Meda Development Sdn Bhd, a wholly owned subsidiary has entered into a Conditional Sale and Purchase Agreement with Mayban Trustee Berhad, the trustee of AmFIRST Real Estate Investment Trust, to dispose its property known as The Summit Subang USJ located at Persiaran Kewajipan, USJ 1, UEP Subang Jaya, Selangor, for a total cash consideration of RM260.0 million.

(b) Utilisation of Corporate Exercise Proceeds

Not Applicable.

9. Group Borrowings and Debt Securities

The Group borrowings as at 30 June 2007 were as follows:

	RM '000
Short Term - Secured	136,314
Long Term - Secured	<u>133,279</u>
	<u>269,593</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 its appeal against the court's decision.

The matter is fixed for continuation of trial from 10 September 2007 to 12 September 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 the 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 August 2005.

ZKP's appeal was dismissed with costs on 24 July 2006 and has filed its appeal against the Judge's decision. The Court of Appeal has dismissed ZKP's appeal with costs on 18 July 2007.

The High Court has fixed 24 October 2007 for case management.

(iii) ZKP Development Sdn Bhd ("ZKP") Vs AM Assurance 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 its appeal against the Timbalan Pendaftar's decision.

There was no decision made on 23 August 2007 and the Judge in Chambers has fixed 12 October 2007 for clarification and decision.

(iv) **Lembaga Hasil Dalam Negeri ("LHDN") Vs ZKP Development Sdn Bhd ("ZKP")**

A Writ of Summon was initiated by LHDN against ZKP to claim the sum of RM9.6 million in respect of outstanding tax assessment and tax penalty for the Years of Assessment from 1998 to 2001 on 2 November 2007.

ZKP has filed its Statement of Defence on 14 February 2007.

(v) **Lembaga Hasil Dalam Negeri ("LHDN") Vs Meda Development Sdn Bhd ("MD")**

A Writ of Summon was initiated by LHDN against MD to claim the sum of RM837,524.17 in respect of outstanding tax assessment and tax penalty for the Year of Assessment 2002 on 8 August 2007.

MD has appointed its solicitors to defend the claim and the said solicitors have entered appearance on behalf of MD.

(vi) **Lembaga Hasil Dalam Negeri ("LHDN") Vs Meda Development Sdn Bhd ("MD")**

A Writ of Summon was initiated by LHDN against MD to claim the sum of RM10,747,235.53 in respect of outstanding tax assessment and tax penalty for the Year of Assessment 2001 and 2002 on 23 August 2007.

MD has appointed its solicitors to defend the claim and the said solicitors have entered appearance on behalf of MD.

12. Dividend

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

13. Earnings/(Loss) Per Share

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Basic loss per Share	<u>(19.41)</u>

The calculation of basic loss per share for the quarter ended 30 June 2007 is based on the net loss of RM82.14 million attributable to ordinary equity holders of the parent 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 June 2007. Accordingly, no diluted earnings per share is presented.