

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (unaudited)

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2010 RM'000	31/12/2009 RM'000	31/12/2010 RM'000	31/12/2009 RM'000
<b>CONTINUING OPERATIONS</b>				
Revenue	24,363	18,570	67,835	48,371
Cost of sales	(12,046)	(13,904)	(35,063)	(31,264)
<b>Gross Profit</b>	<b>12,317</b>	<b>4,666</b>	<b>32,772</b>	<b>17,107</b>
Other income	4	7,131	2,312	11,830
Allowance for doubtful debts no longer required	6,783	-	6,783	-
Property, plant and equipment written back	-	-	1,747	-
Administrative and general expenses	(10,677)	(9,969)	(26,578)	(27,588)
Selling and marketing expenses	(349)	(788)	(1,116)	(1,088)
Allowance/ (Overprovision) for minimum net income guarantee	1,580	(3,367)	1,580	(9,367)
Allowance for doubtful debts	-	-	-	(9,378)
Finance cost	(1,153)	(1,770)	(4,192)	(4,028)
Share of loss of associates	(30)	(32)	(130)	(122)
<b>Profit / (loss) before tax</b>	<b>8,475</b>	<b>(4,129)</b>	<b>13,178</b>	<b>(22,634)</b>
Taxation	(89)	(801)	(89)	(843)
<b>Net profit / (loss) for the period</b>	<b>8,386</b>	<b>(4,930)</b>	<b>13,089</b>	<b>(23,477)</b>
<b>DISCONTINUED OPERATION</b>				
<b>Loss for the period from discontinued operation</b>	-	-	-	(60)
<b>Net profit / (loss) for the period</b>	<b>8,386</b>	<b>(4,930)</b>	<b>13,089</b>	<b>(23,537)</b>
<b>Attributable to:</b>				
Equity holders of the parent company	8,386	(4,930)	13,089	(23,537)
Minority interests	-	-	-	-
	<b>8,386</b>	<b>(4,930)</b>	<b>13,089</b>	<b>(23,537)</b>
<b>Earning / (Loss) per share, EPS / (LPS), attributable to equity holders of the parent company (Sen):</b>				
Basic EPS / (LPS) from continuing operation	1.96	(1.15)	3.07	(5.50)
Basic EPS / (LPS) from discontinued operation	-	-	-	(0.01)
Basic EPS / (LPS) per ordinary share	1.96	(1.15)	3.07	(5.51)
Fully Diluted EPS / (LPS) per ordinary shares	N.A.	N.A.	N.A.	N.A.

N.A. Not Applicable

*The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2010 (unaudited)**

	<b>31/12/2010 (Unaudited) RM'000</b>	<b>31/12/2009 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,848	22,526
Land held for development	41,778	43,775
Investment properties	82,823	82,823
Goodwill on consolidation	811	811
Investment in an associates	2,696	2,824
	<b>162,956</b>	<b>152,759</b>
<b>Current Assets</b>		
Property development cost	20,937	24,847
Inventories	5,506	6,074
Amount due from contract customers	4,062	1,343
Trade & other receivables	98,079	103,759
Amount due from former subsidiaries	4,103	4,103
Amount due from an associate	10,847	10,605
Deposits placed with licensed banks	220	246
Tax recoverable	111	111
Cash & bank balances	2,842	3,344
	<b>146,707</b>	<b>154,432</b>
	<b>309,663</b>	<b>307,191</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	213,470	213,470
Share premium	20,013	20,013
Accumulated losses	(83,775)	(96,864)
	<b>149,708</b>	<b>136,619</b>
<b>Non-current liabilities</b>		
Borrowings	30,115	29,712
Deferred taxation	1,330	1,840
	<b>31,445</b>	<b>31,552</b>
<b>Current Liabilities</b>		
Trade & other payables	58,667	65,474
Overdraft & short term borrowings	20,782	24,438
Provision for taxation	49,061	49,108
	<b>128,510</b>	<b>139,020</b>
<b>Total liabilities</b>	<b>159,955</b>	<b>170,572</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>309,663</b>	<b>307,191</b>
<b>Net assets (in RM)</b>	<b>0.35</b>	<b>0.32</b>

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2010 (unaudited)**

	----- Attributable to Equity Holders of the Parent Company -----			Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	(Accumulated Losses) RM'000	
<b>Balance as at 01 January 2009</b>	<b>213,470</b>	<b>20,013</b>	<b>(85,151)</b>	<b>148,332</b>
Net loss for the current period	-	-	(23,537)	(23,537)
Reverse of revaluation reserves	-	-	11,824	11,824
<b>Balance as at 31 Dec 2009</b>	<b>213,470</b>	<b>20,013</b>	<b>(96,864)</b>	<b>136,619</b>
<b>Balance as at 01 January 2010</b>	<b>213,470</b>	<b>20,013</b>	<b>(96,864)</b>	<b>136,619</b>
Net profit for the current period	-	-	13,089	13,089
<b>Balance as at 31 Dec 2010</b>	<b>213,470</b>	<b>20,013</b>	<b>(83,775)</b>	<b>149,708</b>

*The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (unaudited)

	12 Months ended 31/12/2010 RM'000	12 Months ended 30/12/2009 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax from:		
Continuing operations	13,178	(22,634)
Discontinued operation	-	(60)
Adjustments for:		
Share of losses in associate company	128	122
Allowance for doubtful debts:		
- Trade receivables	28	107
- Amount due from former subsidiaries	-	1,248
- Amount due from former related companies	-	8,686
Allowance for doubtful debts no longer required	(6,783)	(76)
Bad debts written off	-	91
Deposit forfeited	-	150
Depreciation	1,117	1,287
(Gain) / Loss on disposal of:		
- property, plant and equipment	(36)	(371)
- assets held for sale	-	(2,187)
- investment properties	-	2,802
- disposal of a subsidiary	(361)	(1,678)
Allowance for minimum net income guarantee	(1,580)	8,810
Interest expense	4,192	4,028
Interest income	(225)	(271)
Property development cost written back	(1,747)	-
Property, plant and equipment written off	39	379
Waiver of amount due to contractors	-	(2,586)
<b>Operating Profit/ (Loss) Before Changes in Working Capital</b>	<b>7,950</b>	<b>(2,153)</b>
Changes in development properties	4,016	(1,520)
Changes in inventories	568	-
Changes in amount due from contract customers	(2,719)	(178)
Changes in trade and other receivables	2,627	(7,293)
Changes in trade and other payables	(7,669)	7,911
<b>Cash Generated From/(Used In) Operating Activities</b>	<b>4,773</b>	<b>(3,233)</b>
Interest received	225	271
Tax paid	(40)	(41)
<b>Net Cash Generated From/(Used) In Operating Activities</b>	<b>4,958</b>	<b>(3,003)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Development expenditure incurred on land held for development	1,579	261
Purchase of property, plant and equipment	(422)	(446)
Proceed from disposal of:		
- property, plant and equipment	268	608
- assets held for sale	-	1,293
- investment properties	-	5,938
Net cash (outflow) / inflow on disposal of:		
investment in a subsidiary	(4)	81
<b>Net Cash Generated From Investing Activities</b>	<b>1,421</b>	<b>7,735</b>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010 (unaudited) (CONTD.)**

	<b>12 Months ended 31/12/2010 RM'000</b>	<b>12 Months ended 30/12/2009 RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Loan	(2,810)	(3,598)
Repayment of hire purchase liabilities	(634)	(916)
Repayment to a former subsidiary	-	(171)
Repayment to an associate	-	(241)
Interest paid	(3,463)	(4,028)
<b>Net Cash Used In Financing Activities</b>	<b>(6,907)</b>	<b>(8,954)</b>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(528)</b>	<b>(4,222)</b>
<b>CASH &amp; CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>(11,410)</b>	<b>(7,188)</b>
<b>CASH &amp; CASH EQUIVALENTS CARRIED FORWARD</b>	<b>(11,938)</b>	<b>(11,410)</b>

The cash and cash equivalents comprise the following balance sheet amounts:

**Continuing Operations**

Cash & Bank Balances	2,842	3,344
Deposits Placed with Licensed Bank	220	246
Bank Overdrafts	(15,000)	(15,000)
	<b>(11,938)</b>	<b>(11,410)</b>

**Discontinued Operation**

Cash & Bank Balances	-	-
	<b>(11,938)</b>	<b>(11,410)</b>

*The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**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 Standard 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 Group's audited financial statements for the financial year ended 31 December 2009 and the explanatory notes attached to the interim financial statements which provide an explanation on events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

**2. Significant Accounting Policies**

The accounting policies and methods of computation adopted in this interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2009, except for the adoption of the following Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations which were adopted by the Group with effect from 1 January 2010:-

<b>Revised FRSs</b>		<b>Effective for financial periods beginning on or after</b>
FRS 1	First-time adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 8	Operating Segments	1 January 2010
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidation and Separate Financial Statements	1 July 2010
<b><u>Amendments/ Improvements To FRSs</u></b>		
FRS 1	First-time adoption of Financial Reporting Standards	1 January 2010 and 1 January 2011
FRS 2	Share-based Payment	1 January 2010 and 1 July 2010

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**2. Significant Accounting Policies (Contd.)**

		<b>Effective for financial periods beginning on or after</b>
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2010 and 1 July 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010 and 1 January 2011
FRS 138	Intangible Assets	1 January 2010 and 1 July 2010
<b><u>IC Interpretations (IC Int)</u></b>		
IC Int 9	Reassessment of Embedded Derivatives	1 January 2010 and 1 July 2010
IC Int 10	Interim Financial Reporting and Impairment	1 January 2010
IC Int 11	Group and Treasury Share Transactions	1 January 2010
IC Int 12	Service Concession Arrangements	1 July 2010
IC Int 13	Customer Loyalty Programmes	1 January 2010
IC Int 14	IC Interpretation 14 : FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Int 15	Agreements for the Construction of Real Estate	1 Jan 2012
IC Int 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Int 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Int 18	Transfers of Assets from Customers	1 Jan 2011

The application of the above FRSs, Amendments to FRSs and Interpretation did not result in any significant changes in the accounting policies and presentations of the financial statement of the Group.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**2. Significant Accounting Policies (Contd.)**

**FRS 139, Financial Instruments: Recognition and Measurement**

Prior to the adoption of FRS 139, financial derivatives are recognized on their settlement dates. Outstanding derivatives at the balance sheet date were not recognized.

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments. All financial assets and financial liabilities, including derivatives, are recognized at contract dates when the Company or any of its subsidiary becomes a party to the contractual provisions of the instruments.

The financial instruments of the Group are categorized, recognized and measured as follows:

**Financial Assets**

(a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorized as loans and receivables are subsequently measured at amortized cost using the effective interest method.

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management.

With the adoption of FRS 139, an impairment loss is recognized for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

(b) Available for sale financial assets

Available for sale category comprises investments in non current equity securities and non current debt instruments that are not held for trading.

Investments in non current equity securities that do not have quoted market prices in an active market and whose fair values cannot be reliably measured are measured at cost.

Other available for sale financial assets are subsequently measured at their fair values with the gain or loss recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items which are recognized in profit and loss.



**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**2. Significant Accounting Policies (Contd.)**

**FRS 139, Financial Instruments: Recognition and Measurement (Contd.)**

**Financial Assets (Contd.)**

(b) Available for sale financial assets (Contd.)

Interest calculated for a debt instrument using the effective interest method is recognized in profit and loss.

Prior to the adoption of FRS 139, investments in non current equity securities (other than investments in subsidiaries and associates) and non current debt instruments were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, these two categories of investments are now categorized and measured as available for sale as detailed above.

All financial assets, except for those measured at fair value, are subject to review for impairment.

A financial asset or part of it is derecognized when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in equity is recognized in the profit and loss.

**Financial Liabilities**

All financial liabilities are subsequently measured at amortized cost, other than those measured at fair value.

A financial liability or a part of it is derecognized when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid (including any non cash assets transferred or liabilities assumed) is recognized in the profit and loss.

In accordance with the transitional provisions of FRS 139, the required changes are applied prospectively from 1 January 2010 and the comparative information is not restated. The effects of the remeasurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening accumulated losses and other opening reserves as disclosed in the Condensed Consolidated Statement of Changes in Equity for the current financial year ended 31 December 2010.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**2. Significant Accounting Policies (Contd.)**

**FRS 139, Financial Instruments: Recognition and Measurement (Contd.)**

This standard does not have any material impact on the results and financial position of the Group for the current financial year ended 31 December 2010 and its preceding year's corresponding period.

**3. Auditors' Report on Preceding Annual Financial Statements**

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2008 was 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 materially affecting the assets, liabilities, equity, net income or cash flow of the Group during the financial period.

**6. Material Changes In Estimates**

There were no material changes in estimates that have had any material effect on results of the financial period under review.

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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

**8. Dividend Paid**

There were no dividends paid during the financial period under review.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**9. Segment Reporting**

Segmental information for the financial period under review is presented in respect of the Group's business segment, as follows:

	<b>Revenue</b>	<b>Profit</b>
	<b>RM'000</b>	<b>Before Tax</b>
		<b>RM'000</b>
Property Development	18,830	2,035
Property Investment	14,185	5,347
Hotel Operations	29,748	2,628
Construction Contract	2,896	659
Others	2,176	984
	<b>67,835</b>	<b>11,653</b>
Other Income – Reversal of Services Charges		1,184
Property, Plant and Equipment Written Back		1,747
Unallocated Corporate Expenses		(3,004)
Share of Associated Company's Loss		(130)
Allowance for Shortfall In Guarantee Rental Return		(1,224)
Allowance for Doubtful Debts No Longer Required		6,783
Gain on Disposal of a Subsidiary Company		361
Finance Cost		(4,192)
	<b>67,835</b>	<b>13,178</b>

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

The valuation of property, plant and equipment has been brought forward, without amendment from the previous annual financial statements as at 31 December 2009.

**11. Subsequent Material Events**

There were no material events subsequent to the end of the current reporting quarter other than as disclosed in Part B: Explanatory Notes Pursuant to FRS134 for the year ended 31 December 2010, Note 8. Corporate Proposal and Note 11. Changes in Material Litigation below.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

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

On 12 November 2010, the Company had entered into a Share Sale Agreement ("Agreement") with Mr. Hong Sai Peng and Mr. Tan Kim Hock for the disposal of Meda's 100% shareholding in Meda Realty Sdn. Bhd. ("MRSB") for a cash consideration of RM1.00 (Ringgit Malaysia : One Only) ("the Disposal") and was arrived at a willing buyer willing seller basis. Hence MRSB shall cease to be a subsidiary of Meda.

The Disposal had resulted in a net gain on disposal of RM360,043.

For more information on the Disposal, kindly refers to Bursa Malaysia announcement dated 12th November 2010.

**13. Changes in Contingent Liabilities and Contingent Assets**

There were no movements in the contingent liability and contingent assets since the last annual balance sheet date as at 31 December 2009. The following contingent liability and contingent assets, which were disclosed in the audited financial statements of the Group for the year ended 31 December 2009, have remained unchanged and are still valid:

	<b>As at 31.12.2010 RM '000</b>	<b>As at 31.12.2009 RM '000</b>
<b><u>Contingent Liability</u></b>		
A corporate guarantee given to a financial institution for credit facilities extended to an associated company	18,000	18,000
<b><u>Contingent Assets</u></b>		
A legal claim made by a subsidiary company against an insurance company in respect of losses and damages suffered to its properties during the insured period.	6,016	6,016
A balance of shortfall amount in profit guarantee due to the Company arising from a profit guarantee agreement entered into between the Company and a substantial shareholder of the Company.	-	2,189

## **PART B: EXPLANATORY NOTES PURSUANT TO FRS 134 FOR THE YEAR ENDED 31 DECEMBER 2010**

### **1. Review of Performance**

For the current quarter under review, the Group recorded total revenue of RM24.36 million and a net profit before tax of RM8.48 million. The increase in net profit before tax was mainly due to an allowance for doubtful debts no longer required and recovery of prior years' rental arrears previously not recognized in respect of the Summit Bukit Mertajam investment properties.

By comparison, the Group recorded a net loss before tax of RM4.13 million on revenue of RM18.57 million for the corresponding period of last year.

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

The Group recorded a net profit before tax of RM8.48 million in the current quarter compared to a net profit before tax of RM2.99 million in the immediate preceding quarter. The increase in net profit before tax recorded in the current quarter is mainly due to an allowance for doubtful debts no longer required and recovery of prior years' rental arrears previously not recognized in respect of the Summit Bukit Mertajam investment properties.

### **3. Prospects**

Barring any unforeseen circumstances, the Directors are confident that the Group will be able to achieve satisfactory results for the financial year ending 31 December 2011 compared to the year 2010.

### **4. Profit Forecast**

There was no profit forecast issued by the Group.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**5. Income Tax Expense**

	3 Months Ended		Year-To-Date Ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
Current quarter / period:				
- Income tax	(54)	-	(54)	-
- Deferred tax	-	(22)	-	(22)
	<b>(54)</b>	<b>(22)</b>	<b>(54)</b>	<b>(22)</b>
(Under) / Over accrual of tax in prior year:				
- Income tax	(36)	1,580	(36)	1,538
- Deferred tax	1	(2,359)	1	(2,359)
	<b>(35)</b>	<b>(779)</b>	<b>(35)</b>	<b>(821)</b>
	<b>(89)</b>	<b>(801)</b>	<b>(89)</b>	<b>(843)</b>

Included in the Trade and Other Payables of the attached Condensed Consolidated Statement of Financial Position is an amount of RM14.3 million representing the outstanding tax penalties. As of the date of submission of this report, negotiation for a settlement plan with the tax authority is still on-going.

**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 financial period under review.

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

There was no purchase or disposal of quoted securities for the current quarter and for the interim financial period.

## **PART B: EXPLANATORY NOTES PURSUANT TO FRS 134 FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

### **8. Corporate Proposal**

On 25th November 2010, the Company announced a corporate proposal which comprised of the following: -

- (I) Proposed private placement of 20,000,000 new ordinary shares of RM0.50 each in Meda Inc ("Placement Shares") representing approximately 4.7% of the current issued and paid-up share capital ("Meda Inc Shares" or "Shares") of Meda Inc together with 80,000,000 free detachable warrants in Meda Inc ("Warrants") on the basis of four (4) free Warrants for every one (1) placement share subscribed ("Proposed Private Placement with free Warrants");
- (II) Proposed restricted offer for sale of 42,694,094 Meda Inc Warrants by places subscribing to the Proposed Private Placement with free Warrants at a price of RM0.02 per Warrant on a rights basis of one (1) Warrant for every ten (10) Meda Inc Shares held (excluding the Placement Shares on an entitlement date to be determined and announced later) ("Proposed Restricted Rights Offer of Warrants");
- (III) Proposed increase in the authorized share capital of Meda Inc from RM250,000,000 comprising 500,000,000 Meda Inc Shares to RM500,000,000 comprising 1,000,000,000 Meda Inc Shares ("Proposed Increase in Authorised Share Capital");
- (IV) Proposed amendments to the Memorandum of Association of Meda Inc to facilitate the Proposed Increase in Authorised Share Capital ("Proposed Amendments"); and
- (V) Proposed share buy-back scheme for Meda Inc to purchase its own ordinary shares of up to 10% of the issued and paid-up ordinary share capital of the Company ("Proposed Share Buy-Back").

(collectively referred to as the "Proposals").

For more information on the Proposals, kindly refers to Bursa Malaysia announcement dated 25th November 2010.

Barring any unforeseen circumstances, the Board expects the Proposals to be completed by the second quarter of 2011.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**9. Group Borrowings and Debt Securities**

The Group borrowings as at 31 December 2010 were as follows:

	<b>As At 31.12.2010 RM'000</b>
Short Term – Secured	30,115
Long Term – Secured	20,783
	<b><u>50,898</u></b>

None of the Group borrowings is denominated in foreign currency.

**10. Off Balance Sheet Financial Instruments**

During the financial period under review, the Group did not enter into any contracts involving off balance sheet financial instruments.

**11. Changes in Material Litigation**

**(i) 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.

On the 20th October 2010, both parties had entered into a consent judgment for RM 10,744,410.00 with 6 months installments commencing on 20th November 2010 6 months installments to be paid by The Store to ZKP commencing on the 20th November 2010 due from a counter claim filed by ZKP being the shortfall of rental payable by The Store and continuing together with interest at the rate of 12% per annum.

**(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.

On 29th November 2010, the parties had entered into a consent judgment whereby AM shall pay to ZKP the judgment sum of RM300,000 with cost amounting to RM30,000 as final settlement within 28 days from 29th November 2010 and the judgment had been fully satisfied by AmAssurance.



**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**11. Changes in Material Litigation (Contd.)**

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

Two Writ of Summons was initiated by LHDN against ZKP to claim the sum of RM9,603,548.37 in respect of outstanding tax assessments and tax penalties for Years of Assessment from 1998 to 2001 on 2<sup>nd</sup> November 2006.

The High Court has granted summary judgment against ZKP on 21st October 2010 and ZKP is in the process of filing Notice of Appeal to the Court of Appeal against the High Court's decision.

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

Three Writs of Summons were filed by LHDN against MD to claim the total sum of RM22,466,768.46 in respect of outstanding tax assessments and tax penalties for Years of Assessment from 2001 to 2007.

LHDN had on 9th December 2010 filed a separate suit against MD for a sum of RM19,175,585 being outstanding tax assessment and tax penalty payable for the assessment years of 1998, 1999, 2000, and 2000 (additional assessment).

The matter is fixed for case management on 1st March 2011 pending settlement by both parties.

**(v) Lembaga Hasil Dalam Negeri ("LHDN") Vs Sri Lingga Sdn Bhd ("SL")**

Two Writs of Summon were initiated by LHDN against SL to claim the sum of RM7,281,718/- in respect of outstanding tax assessments and tax penalties for Years of Assessment 2002 and 2003.

LHDN had filed summary judgment against SL on 10th December 2010 and SL is in the process of filing Notice of Appeal to the Court of Appeal against the High Court's decision.

The case management is fixed for case managements 24th February 2011 and 10th March 2011 respectively to exchange their respective affidavits.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**11. Changes in Material Litigation (Contd.)**

**(vi) Lembaga Hasil Dalam Negeri ("LHDN") Vs Nandex Development Sdn Bhd ("ND")**

A Writ of Summon was initiated by LHDN against ND to claim the sum of RM2,040,578/- in respect of outstanding tax assessments and tax penalties for the Year of Assessment 2006.

The matter is fixed for case management on 14th March 2011 pending mediation proceedings.

**(vii) Lembaga Hasil Dalam Negeri ("LHDN") Vs Everlasting Growth Sdn Bhd ("EG")**

A Writ of Summon was initiated by LHDN against EG to claim the sum of RM924,303/- in respect of outstanding tax assessment for Year of Assessment 2006.

EG had on 22nd December 2010 filed a notice of appeal to the Court of Appeal and EG is awaiting the grounds of judgment from the High Court in order to file a Record of Appeal in the Court of Appeal before a hearing date can be fixed.

**(viii) Lembaga Hasil Dalam Negeri ("LHDN") Vs Cemerlang Land Sdn Bhd ("CL")**

A Writ of Summon was initiated by LHDN against CL to claim a sum of RM3,591,236/- in respect of outstanding tax assessments and tax penalties for Year of Assessment 2002.

The matter is fixed for case management on 1st March 2011 pending settlement by both parties.

**(ix) Nandex Development Sdn Bhd ("ND") Vs Intra Design Sdn Bhd ("ID")**

ND had initiated an injunction action against ID via an Originating Summons dated 8th August 2007 to restrain ID from presenting a winding up petition against ND in relation to two (2) Notices under Section 218, Companies Act 1965 both dated 20th July 2007 over the alleged debts of RM1,358,371.22 and RM242,964.05 based on the interim certificates of payment together with 2.5% Retention Sum of which ID claimed that the final certificates for payment have yet to be issued by the consultants.

The Court of Appeal had, further to a hearing on 19th January 2011, allowed an adjournment of the hearing for ND's appeal pending completion of the Settlement Agreement. The next date has yet to be fixed by the Registry of the Court of Appeal.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**11. Changes in Material Litigation (Contd.)**

- (x) Chow Tat Meng & 150 Others ("CTM") Vs Meda Development Sdn Bhd & 10 Others ("MD")  
Azizah Rahman & 35 Others ("AR") Vs Meda Development Sdn Bhd & 7 Others ("MD")**

Two groups of shop lot purchasers, CTM and AR, had since 16th February 2005 commenced separate legal actions against MD, claiming for, amongst others, liquidated damages amounting to RM16,952,153/- and RM5,466,184/- respectively.

The case is further fixed for case management on the 30th March 2011 for both parties to file their respected bundle of documents in Court and the Court had also set the matter for trial on the 14th April 2011 and 20th April 2011.

**12. Dividend**

No dividend has been recommended or declared for the current quarter and for the interim financial period under review.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

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

The basic and diluted earnings / (loss) per share have been calculated based on the consolidated net profit / (loss) attributable to equity holders of the parent for the interim financial period and the weighted average number of ordinary shares outstanding during the period as follows:

**a) Basic earning / (loss) per share**

	<b>3 Months Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit/ (loss) attributable to equity holders of the Parent Company</b>	<b>8,386</b>	<b>(4,930)</b>	<b>13,089</b>	<b>(23,537)</b>
<b>Weighted average number of ordinary shares (000's)</b>				
Issued ordinary shares at beginning of period	426,940	426,940	426,940	426,940
Effect of shares issued during the period	-	-	-	-
<b>Weighted average number of ordinary shares (000's)</b>	<b>426,940</b>	<b>426,940</b>	<b>426,940</b>	<b>426,940</b>
<b>Basic earning/ (loss) per share (sen)</b>	<b>1.96</b>	<b>(1.15)</b>	<b>3.07</b>	<b>(5.50)</b>

**b) Diluted earning / (loss) per share**

As the Company does not have any dilutive potential ordinary shares outstanding as at 31 December 2010, no diluted earnings / (loss) per share is presented.

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**14. Disclosure of Realised and Unrealised Profits/(Losses)**

On 25th March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") had issued directives to all listed issuers to disclose a breakdown of the unappropriated profits or accumulated losses into unrealised profits or losses.

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements", issued by the Malaysian Institute of Accountants on 20th December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

Pursuant to the directive, the breakdown of the retained profits of the Group as at 31st December 2010, into realised and unrealised profits is as follows: -

	<b>As at 31.12.2010 RM'000</b>
Total retained profit/ (losses) of the Group	
- Realised profits	245,395
- Unrealised profits	31,767
- Realised losses	(344,310)
- Unrealised losses	(16,627)
<b>Total retained profits/(losses) as per statement of financial position</b>	<b>(83,775)</b>

**PART B: EXPLANATORY NOTES PURSUANT TO FRS 134  
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTD.)**

**15. Authorization for issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 22nd February 2011.

**ON BEHALF OF THE BOARD**

**TEOH SENG KIAN**  
**Managing Director**  
**Selangor Darul Ehsan**  
**24th February 2011**