



MEDA INC. BERHAD

(507785-P)

(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 73,520,000 NEW ORDINARY SHARES OF RM0.50 EACH COMPRISING:-

- 53,520,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION; AND
- 20,000,000 NEW ORDINARY SHARES OF RM0.50 EACH BY WAY OF PLACEMENT

AND

OFFER FOR SALE OF 20,420,000 ORDINARY SHARES OF RM0.50 EACH COMPRISING:-

- 20,000,000 ORDINARY SHARES OF RM0.50 EACH TO BUMIPUTRA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
- 420,000 ORDINARY SHARES OF RM0.50 EACH TO ELIGIBLE DIRECTORS OF THE MEDA INC. BERHAD GROUP OF COMPANIES

AT AN ISSUE/OFFER PRICE OF RM0.50 PER SHARE PAYABLE IN FULL ON APPLICATION

IN CONJUNCTION WITH ITS LISTING ON THE MAIN BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 3 HEREIN

Advisor, Managing Underwriter and Placement Agent



Arab-Malaysian Merchant Bank Berhad

(537601-V) (Incorporated in Malaysia)

(A Member of the Arab-Malaysian Banking Group)

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF MEDA INC. AND THE OFFEROR AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

THE ADVISER AND MANAGING UNDERWRITER ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE/OFFER FOR SALE, AND ARE SATISFIED THAT THE PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF MEDA INC. ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS OF MEDA INC. AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE ISSUE/OFFER IN RESPECT OF THE PUBLIC ISSUE/OFFER FOR SALE AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC OFFERING.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF MEDA INC./THE OFFEROR AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

THE VALUATION APPROVED OR ACCEPTED BY THE SC SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE CORPORATE PROPOSALS SUBMITTED TO AND APPROVED BY THE SC, AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSES.

THE KUALA LUMPUR STOCK EXCHANGE ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF MEDA INC. OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC AND LODGED WITH THE REGISTRAR OF COMPANIES, MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

The indicative timing of events leading up to the listing of and quotation for the Meda Inc.'s entire issued and paid-up share capital of up to RM214,303,412 comprising 428,606,824 ordinary shares of RM0.50 each on the Main Board of KLSE is set out below:-

Events

Tentative Date

Date of Prospectus

31 January 2002

Opening and Closing of application list for the IPO

20 February 2002

Balloting of Applications

25 February 2002

Despatch of Notice of Allotment of the ordinary shares of Meda Inc. to successful applicants

11 March 2002

Listing of the Company's entire issued and paid-up share capital on the Main Board of the KLSE

18 March 2002

DEFINITIONS

Except where the context otherwise requires, the following definitions and abbreviations shall apply throughout this Prospectus:-

- | | | |
|--|---|---|
| Act | - | Companies Act, 1965 |
| Acquisitions | - | The Acquisition of Meda, Acquisition of ZKP, Acquisition of Sri Lingga, Acquisition of Genting Unggul, Acquisition of Litaran Bayu, Acquisition of Bernam, and the Acquisition of Nandex, Everlasting and Impressive collectively |
| Acquisition of Litaran Bayu | - | The acquisition by Meda Inc. of the entire issued and paid-up share capital of Litaran Bayu, comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM20.0 million to be satisfied by the issuance of 23,529,256 new Meda Inc. Shares credited as fully paid-up at an issue price of approximately RM0.85 per Share |
| Acquisition of Meda | - | The acquisition by Meda Inc. of the entire issued and paid-up share capital of Meda, comprising 16,375,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM160.0 million to be satisfied by the issuance of 188,234,050 new Meda Inc. Shares credited as fully paid-up at an issue price of approximately RM0.85 per Share |
| Acquisition of ZKP | - | The acquisition by Meda Inc. of the entire issued and paid-up share capital of ZKP, comprising 8,750,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM47.0 million to be satisfied by the issuance of 55,293,752 new Meda Inc. Shares credited as fully paid-up at an issue price of approximately RM0.85 per Share |
| Acquisition of Sri Lingga | - | The acquisition by Meda Inc. of 90% of the issued and paid-up share capital of Sri Lingga, comprising 9,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM54.0 million to be satisfied by the issuance of 63,528,992 new Meda Inc. Shares credited as fully paid-up at an issue price of approximately RM0.85 per Share |
| Acquisition of Genting Unggul | - | The acquisition by Meda Inc. of 60% of the issued and paid-up share capital of Genting Unggul, comprising 150,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4.316 million to be satisfied by the issuance of 5,077,322 new Meda Inc. Shares credited as fully paid-up at an issue price of approximately RM0.85 per Share |
| Acquisition of Bernam | - | The acquisition by Meda Inc. of 30% of the issued and paid-up share capital of Bernam, comprising 300,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM8.50 million to be satisfied by the issuance of 9,999,934 new Meda Inc. Shares credited as fully paid-up at an issue price of approximately RM0.85 per Share |
| Acquisition of Nandex, Everlasting and Impressive | - | The acquisition by Meda Inc. of the entire issued and paid-up share capital of Nandex, Everlasting and Impressive each comprising 100 ordinary shares of RM1.00 each, for a total purchase consideration of RM1.5 million to be satisfied by the issuance of 1,764,694 new Meda Inc. Shares credited as fully paid-up at an issue price of approximately RM0.85 per Share |
| Arab-Malaysian | - | Arab-Malaysian Merchant Bank Berhad (23742-V), Adviser, Managing Underwriter and Placement Agent for the Listing Scheme |

DEFINITIONS *cont'd*

Bernam	–	Bernam Industrial Estate Sdn Bhd (285155-T), a 70%-owned subsidiary of Litaran Bayu
Board	–	The Board of Directors of Meda Inc.
CDS	–	Central Depository System
EBITDA	–	Earnings before interest, taxation, depreciation and amortization
EI	–	Exceptional items
Entitlement Date	–	The close of business at 5.00 p.m. on 28 January 2002 which is the date on which the names of the minority shareholders of KEB i.e. shareholders holding less than 5% equity in KEB, appear in the Register of Members or Record of Depositors of KEB
EPS	–	Earnings Per Share
Everlasting	–	Everlasting Growth Sdn Bhd (221988-X), a wholly-owned subsidiary of Meda Inc.
FFB	–	Fresh Fruit Bunch, which is the fruits of the oil palm
FIC	–	Foreign Investment Committee
GDP	–	Gross Domestic Product
Genting Unggul	–	Genting Unggul Sdn Bhd (352930-D), a 60%-owned subsidiary of Meda Inc.
GNP	–	Gross National Product
Impressive	–	Impressive Performance Sdn Bhd (220749-D), a wholly-owned subsidiary of Meda Inc.
Incorporation of Revaluation Surplus	–	The incorporation of revaluation surplus amounting to RM70,742,000 and RM13,606,000 into the accounts of Meda and ZKP respectively
IPO	–	The Public Issue and Offer for Sale collectively
IPO Shares	–	The Public Issue Shares and Offer Shares collectively
KEB	–	Kumpulan Emas Berhad (15379-V), a substantial shareholder of Meda Inc.
KLSE	–	Kuala Lumpur Stock Exchange (30632-P)
Listing	–	Listing of and quotation for the entire enlarged issued and paid-up share capital of Meda Inc. comprising up to 428,606,824 Shares on the Main Board of the KLSE
Litaran Bayu	–	Litaran Bayu Sdn Bhd (248222-X), a wholly-owned subsidiary of Meda Inc.
Malaysian Persons	–	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organized under the laws of Malaysia
Market Day	–	A day on which the KLSE is open for the trading of securities

DEFINITIONS..... cont'd

MASB	–	Malaysian Accounting Standards Board
MBSB	–	Meda Bina Sdn Bhd (301608-P), a substantial shareholder of Meda Inc.
MCD	–	Malaysian Central Depository Sdn Bhd (165570-W)
Meda	–	Meda Development Sdn Bhd (276563-A), a wholly-owned subsidiary of Meda Inc.
Meda Inc. or Company	–	Meda Inc. Berhad (507785-P)
Meda Inc. Group or Group	–	Meda Inc. and its subsidiaries
MGO	–	Mandatory General Offer, pursuant to the Malaysian Code on Takeovers and Mergers, 1998
MI	–	Minority interest
MIH	–	Malaysian Issuing House Sdn Bhd (258345-X)
MITI	–	Ministry of International Trade and Industry
Nandex	–	Nandex Development Sdn Bhd (222121-H) (<i>formerly known as Nandex Trading Sdn Bhd</i>), a wholly-owned subsidiary of Meda Inc.
NTA	–	Net Tangible Assets
Offer for Sale	–	The offer for sale of 20,420,000 Shares in Meda Inc. at an offer price of RM0.80 per Share to eligible Directors of the Meda Inc. Group and Bumiputera investors approved by MITI
Offer Shares	–	The 20,420,000 Meda Inc. Shares to be offered pursuant to the Offer for Sale
Offeror	–	The offeror of the Offer for Sale being Teoh Seng Aun
PAT	–	Profit after taxation
PBT	–	Profit before taxation
PE Multiple	–	Price earnings multiple
Placement	–	The placement of 20,000,000 new Shares to business associates of the Meda Inc. Group and/ or private investor(s) by the Placement Agent which forms part of the Public Issue
Placement Agent	–	Arab-Malaysian
Placement Shares	–	The 20,000,000 new Shares out of the Public Issue Shares to be issued pursuant to the Placement
Promoters	–	Teoh Brothers
Proposed Acquisition of Remaining 10% of Sri Lingga pursuant to the MGO	–	The proposed acquisition by Meda Inc. of the remaining 10% of the issued and paid up share capital of Sri Lingga, comprising 1,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM6.0 million

DEFINITIONS..... cont'd

Public Issue	– The public issue of 73,520,000 Shares in Meda Inc. at an issue price of RM0.80 per new Share to eligible employees and business associates of the Meda Inc. Group, the Malaysian public, minority shareholders of KEB; and business associates of the Meda Inc. Group and/or private investor(s) under the Placement
Public Issue Shares	– The 73,520,000 new Shares to be issued pursuant to the Public Issue
Restructuring and Listing Scheme or Listing Scheme	– The Acquisitions, Incorporation of Revaluation Surplus, Public Issue, Offer for Sale and Listing collectively
RM and sen	– Ringgit Malaysia and sen respectively
ROC	– Registrar of Companies
SC	– Securities Commission
Sawitani	– Sawitani Sdn Bhd (21082-K), a substantial shareholder of Meda Inc.
Sri Lingga	– Sri Lingga Sendirian Berhad (21082-K), a 90%-owned subsidiary of Meda Inc.
Share(s)	– Ordinary share(s) of RM0.50 each
Subsidiaries	– Meda, ZKP, Bernam, Litaran Bayu, Genting Unggul, Sri Lingga, Nandex, Impressive and Everlasting collectively
Teoh Brothers	– Teoh Seng Foo, Teoh Seng Aun and Teoh Seng Kian collectively
USD	– United States Dollar
ZKP	– ZKP Development Sdn Bhd (311741-X), a wholly-owned subsidiary of Meda Inc.

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