

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM

5.1 Promoters

The Promoters of Meda Inc. are the Teoh Brothers, namely;

- Teoh Seng Foo
- Teoh Seng Aun
- Teoh Seng Kian

The profiles of the Promoters and Directors are set out in Section 5.3(i) and Section 5.4 of this Prospectus.

5.2 Substantial Shareholders

The substantial shareholders (with 5% or more shareholding interest, either directly or indirectly) as at 18 January 2002 of Meda Inc. before and after the IPO are set out as follows:-

Substantial shareholder	Nationality / Country of incorporation	Before the IPO *				After the IPO **			
		Direct		Indirect		Direct		Indirect	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Teoh Seng Foo	Malaysian	32,752,724	9.41	^ 70,371,008	20.22	32,752,724	7.64	^ 70,371,008	16.42
Teoh Seng Aun	Malaysian	66,258,388	19.04	@ 125,664,760	36.11	45,838,388	10.69	@ 125,664,760	29.32
Teoh Seng Kian	Malaysian	32,752,724	9.41	^ 70,371,008	20.22	32,752,724	7.64	^ 70,371,008	16.42
Gen (B) Tan Sri Dato' Mohd Ghazali Bin Haji Che Mat	Malaysian	40,376,922	11.60	#55,293,752	15.89	40,376,922	9.42	#55,293,752	12.90
Abd. Shukor bin Ismail @ Syukry bin Esmael	Malaysian	10,345,688	2.97	#55,293,752	15.89	10,345,688	2.41	#55,293,752	12.90
MBSB	Malaysia	55,293,752	15.89	-	-	55,293,752	12.90	-	-
Sawitani	Malaysia	63,528,992	18.25	-	-	63,528,992	14.82	-	-
KEB	Malaysia	6,842,016	1.97	~63,528,992	18.25	6,842,016	1.60	~63,528,992	14.82

Notes:-

Excludes Pink Form Allocation

Deemed interested by virtue of their shareholdings in MBSB

@ *Deemed interested by virtue of his shareholding in KEB, Sawitani (through KEB) and MBSB*

^ *Deemed interested by virtue of their shareholding in KEB and Sawitani (through KEB)*

~ *Deemed interested by virtue of its shareholding in Sawitani*

* *Based on 348,028,000 Shares*

** *Based on the enlarged share capital of 428,606,824 Shares*

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. cont'd

Further information on MBSB, Sawitani, KEB and Gen (B) Tan Sri Dato' Mohd Ghazali Bin Che Mat are set out below:-

(i) Brief Information on MBSB

MBSB was incorporated as a private limited company in Malaysia on 26 May 1994 under the Companies Act 1965. MBSB is a building contractor.

The Directors of MBSB are set out below:-

Name of Director	As at 18 January 2002			
	Direct		Indirect	
	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%
Teoh Seng Foo	488,000	12.2	-	-
Teoh Seng Kian	488,000	12.2	-	-
Teoh Seng Aun	984,000	24.6	-	-
Abd. Shukor Bin Ismail @ Syukry Bin Esmael	1,020,000	25.5	-	-
Dato' Zakaria bin Mohammed	-	-	-	-

The substantial shareholders of MBSB (5% or more shareholding interest) as at 18 January 2002 are set out below:-

Shareholders	Direct		Indirect	
	No. of ordinary shares at RM1.00 each	%	No. of ordinary shares at RM1.00 each	%
Teoh Seng Aun	984,000	24.6	-	-
Teoh Seng Foo	488,000	12.2	-	-
Teoh Seng Kian	488,000	12.2	-	-
Abd. Shukor Bin Ismail @ Syukry Bin Esmael	1,020,000	25.5	-	-
Gen (B) Tan Sri Dato' Mohd Ghazali Bin Haji Che Mat	1,020,000	25.5	-	-
TOTAL	4,000,000	100.0	-	-

(ii) Brief Information on Sawitani

Sawitani was incorporated as a private limited company in Malaysia on 19 April 1975 under the Companies Act 1965. Sawitani is an investment holding company.

The Directors of Sawitani are set out below:-

Name of Director	As at 18 January 2002			
	Direct		Indirect	
	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%
Kee Lian Yong	-	-	-	-
Othman Bin Merah	-	-	-	-

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. cont'd

The substantial shareholders of Sawitani (5% or more shareholding interest) as at 18 January 2002 are set out below:-

Substantial shareholders	Direct		Indirect	
	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%
KEB	10,000,000	100	-	-
Meda Capital Sdn Bhd	-	-	*10,000,000	100
Teoh Seng Foo	-	-	#10,000,000	100
Teoh Seng Aun	-	-	#10,000,000	100
Teoh Seng Kian	-	-	#10,000,000	100

* Deemed interested by virtue of its shareholding in KEB.

Deemed interested by virtue of its shareholding in Meda Capital Sdn Bhd.

(iii) **Brief Information on KEB**

KEB was incorporated as a private limited company in Malaysia on 8 August 1973 under the Companies Act 1965. KEB was converted into a public limited company on 24 July 1984. KEB is an investment holding company and is involved in the provision of management services.

The Directors of KEB are set out below:-

Name of Director	As at 18 January 2002			
	Direct		Indirect	
	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%
Gen (B) Tan Sri Dato' Mohd Ghazali Bin Haji Che Mat	730,000	0.18	-	-
Kee Lian Yong	-	-	-	-
Othman Bin Merah	818,000	0.20	-	-
Lee Teik Yang	-	-	-	-
Teoh Seng Foo	1,152,000	0.28	*68,934,000	16.55
Theng Book	-	-	-	-
Mohamed Saleh Bin Gomu	-	-	-	-

* Deemed interested held through Meda Capital Sdn Bhd

The substantial shareholders of KEB (5% or more shareholding interest) as at 18 January 2002 are set out below:-

Substantial shareholders	Direct		Indirect	
	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%
Meda Capital Sdn Bhd	68,934,000	16.55	-	-
Teoh Seng Foo	1,152,000	0.28	*68,934,000	16.55
Teoh Seng Kian	2,000	neg.	*68,934,000	16.55
Teoh Seng Aun	-	-	*68,934,000	16.55

neg. Negligible

* Deemed interest held through Meda Capital Sdn Bhd

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. cont'd**(iv) Brief Information on Gen (B) Tan Sri Dato' Mohd Ghazali Bin Haji Che Mat**

Gen (B) Tan Sri Dato' Mohd Ghazali Bin Che Mat, age 71, is a Director and Chairman of KEB and also a director/chairman of several other public listed companies.

The directorships and/or major shareholdings (5% or more of the issued and paid-up share capital) of Teoh Seng Foo, Teoh Seng Kian and Abd. Shukor bin Ismail @ Syukry bin Esmael in other public companies for the past two(2) years are disclosed in Section 5.3(ii) below.

The directorships and/or major shareholdings (5% or more of the issued and paid-up share capital) of Gen (B) Tan Sri Dato' Mohd Ghazali Bin Haji Che Mat, Teoh Seng Aun, MBSB, Sawitani and KEB in other public companies for the past two(2) years are set out as follows:-

Name	Nationality / Country of incorporation	Directorships	Company	No. of Shares held as at 18 January 2002			
				Direct	%	Indirect	%
Gen (B) Tan Sri Dato' Mohd Ghazali Bin Haji Che Mat	Malaysian	Yes	KEB	730,000	0.18	-	-
		Yes	The New Straits Times Press (Malaysia) Berhad	-	-	-	-
		Yes	Boustead Holdings Berhad	-	-	-	-
		(Resigned on 14 April 2000)	Khong Guan Holdings Malaysia Berhad	-	-	-	-
		Yes	UAC Berhad	-	-	-	-
		Yes	SCB Developments Berhad	-	-	-	-
		Yes	Kuala Sidim Berhad	-	-	-	-
Teoh Seng Aun	Malaysian	No	KEB	-	-	*68,934,333	16.55
		No	Systematic Education Group Berhad	-	-	@24,775,025	31.28
MBSB	Malaysia	N/A	-	-	-	-	-
Sawitani	Malaysia	N/A	-	-	-	-	-
KEB	Malaysia	N/A	Systematic Education Group Berhad	24,775,025	31.28	-	-
		N/A	Tomisho Holdings Berhad	6,518,000	16.23	-	-

Notes:-

* Deemed interested in KEB held through Meda Capital Sdn Bhd with effect from 2 May 1997

@ Deemed interested via his substantial shareholding in KEB

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. cont'd**5.3 Board of Directors****(i) Profile**

TAN SRI DATO' HAJI MOHD RAMLI BIN KUSHAIRI, PSM, DPMP, JMN, KMN ("Tan Sri Dato' Ramli"), aged 65, is the Chairman of the Meda Inc. and was appointed to the Board on 28 December 2001. Tan Sri Dato' Ramli is also the Chairman of South Malaysia Industries Berhad and Petrotechnical Inspection (Malaysia) Sdn Bhd. Tan Sri Dato' Ramli is also Chairman of Sin Kean Boon Group Berhad. Tan Sri Dato' Ramli is currently also a director of DMIB Berhad, L&M Corporation (M) Berhad, Masscorp Berhad and Gamuda Berhad. Tan Sri Dato' Ramli is also a member of the Board of the National Productivity Corporation and National Standards and Accreditation Council. Tan Sri Dato' Ramli was conferred the Darjah Panglima Setia Mahkota (PSM) by Seri Paduka Baginda Yang Di-Pertua Agong ke-XI Sultan Salahuddin Abdul Aziz Shah on 5 June 1999.

Tan Sri Dato' Ramli began his career in the public service in 1961 as Assistant Secretary at Bank Negara Malaysia. From 1965 to 1972, Tan Sri Dato' Ramli served in various senior positions in the public sector namely Tariff Advisory Board and Federal Agricultural Marketing Authority. From 1972 to 1983, Tan Sri Dato' Ramli served as a Director and subsequently the Group Managing Director of Kumpulan FIMA Berhad. Tan Sri Dato' Ramli was a past Vice President of Dewan Perniagaan Melayu Malaysia, and past Secretary-General of the National Chamber of Commerce and Industry Malaysia, and ASEAN-Chambers of Commerce and Industry. Tan Sri Dato' Ramli also served as UMNO Liaison Secretary for Federal Territory from 1980 to 1982. Tan Sri Dato' Ramli is a graduate of Hull University, United Kingdom and did his post-graduate studies at King's College, University of London.

TEOH SENG FOO, aged 45, was appointed to the Board as the President of the Meda Inc. Group on 28 December 2001 and is a professionally qualified Chartered Management Accountant, a member of the Malaysian Institute of Accountants and a fellow member of the Chartered Institute of Management Accountants of United Kingdom. As President of Meda Inc., he is in charge of investor and public relations of the Group.

He has extensive experience in both commerce and industry, starting as an accountant with multi-national firms such as Intel Technology Sdn Bhd and Woodward & Dickerson Inc (*a subsidiary of Con Agra Inc., USA*). He later held senior management positions in Tan Chong Motor Holdings Berhad, Coopers & Lybrand and Esquel Group of companies.

On 5 May 1997, Mr Teoh was appointed as the Group Managing Director of KEB. At the same time, he is also a director to various subsidiaries of KEB namely, Emas Pacific Limited and Palm Tech Limited. On 2 February 2001, he was appointed to the Board of Directors of Systematic Education Group Berhad as President and is a Director of Salcon Engineering Berhad. He also sits on the Boards of Directors of several other private companies.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM. cont'd

MAT HASSAN BIN ESA, aged 48 is the Executive Deputy Chairman and was appointed to the Board on 28 December 2001. He oversees the corporate planning and risk management functions of the Group. He holds a MBA majoring in Accounting and Investment from the New Hampshire College, United States of America. He also holds a Bachelor Degree in Statistics from University Malaya. He was with Permodalan Nasional Berhad (PNB) group for 13 years before joining Perbadanan Usahawan Nasional Berhad (PUNB) for another 6 years where his last position was Chief Executive for PUNB. He was then appointed as a Chief Executive Officer / Executive Director of Perbadanan Nasional Berhad (PNS) in February, 1998. He has extensive experience in the fields of investment development, entrepreneur development, corporate planning and financial management.

TEOH SENG KIAN, aged 41, was appointed to the Board as the Group Managing Director of Meda Inc. Group on 28 December 2001. He graduated with a Bachelor of Engineering (Mechanical) degree from the University of Sydney, Australia in 1984. He is in charge of overall management including finance, sales and marketing, projects management and operations control of the Meda Inc. Group.

He started his career with an Australian company specializing in manufacturing of building materials. Upon returning to Malaysia, Mr Teoh served as a director in a company involved in quarrying and infrastructure construction.

He has been with the Meda Inc. Group since 1993 upon his appointment as the Group Project Director for Meda Inc. Group of companies. He sits on the Boards of Directors of Meda Bina Sdn Bhd, Meda Development Sdn Bhd, Meda Complex Management (USJ) Sdn Bhd. The principal activities of these companies include the provision of project consultancy and sales management services, property development, contractors and managers of real estate properties. He was appointed as a Director of KEB in May 1997 but resigned in July 2000. He was also appointed to the Boards of Directors of Salcon Engineering Berhad and Emas Pacific Limited concurrently on 4 June 1997.

KEE LIAN YONG, aged 45, is a Non-Executive Non-Independent Director of Meda Inc. and was appointed to the Board on 28 December 2001. He is a Fellow Member of the Chartered Association of Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants. He previously held senior management positions in several public listed companies before he ventured into business. He joined KEB as Executive Director in November 1995. Mr Kee is currently a director at Salcon Engineering Berhad, Palm Tech India Limited and Emas Pacific Limited. He has been a Director of Tomisho Holdings Berhad since May 1996, and Executive Director of Systematic Education Group Berhad, since February 2001.

ABD SHUKOR BIN ISMAIL @ SYUKRY BIN ESMAEL, aged 53, is an Executive Director of Meda Inc. and was appointed to the Board on 28 December 2001. He oversees the human resources requirements of the Group and is in charge of Group Corporate Communications. He has been a Director of Meda Bina Sdn Bhd and ZKP since 1995 and 1994 respectively. He holds a Diploma in Management Studies and Diploma in Supervisory Management from Institute of Supervisory Management, United Kingdom. He started his career as a Clerical Officer at the Prime Minister's Department in 1967 and was subsequently attached to the Malaysia Broadcasting Department, Ministry of Information in 1969. In 1973, he joined the Ministry of International Trade and Industry (MITI) and was there for more than 10 years. He then joined the Ministry of Information in 1984 and was attached to National Film Development Corporation (FINAS) as a Director of Southern Region. He has built up a wide network of contacts with representatives of the public sector.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM. cont'd

DATO' SYED ARIFF FADZILLAH BIN SYED AWALLUDDIN, aged 58, is an Independent Non-Executive Director of Meda Inc. and was appointed to the Board on 16 January 2002. Dato' Syed Ariff Fadzillah bin Syed Awalluddin ("**Dato' Syed Ariff Fadzillah**") commenced his career path as the Assistant District Officer in Kulim, Kedah in 1967. He was Assistant Secretary in the Public Service Commission between 1970 and 1972 before being transferred to the Ministry of Foreign Affairs. Prior to retiring in November 2001, Dato' Syed Ariff Fadzillah served as the ambassador of Malaysia to the Kingdom of Thailand from 1996 to 2001, ambassador to the Republic of Korea with joint accreditation to Mongolia (1992 and 1995), ambassador of Malaysia to Fiji with concurrent accreditation to Tuvalu, Tonga, Western Samoa, Kiribati and Nauru (1988 and 1991). His other foreign assignments include postings to Indonesia, Libya and Canada. Dato' Syed Ariff Fadzillah was also the Deputy Permanent Representative of the Permanent Mission of Malaysia to the United Nations between 1982 and 1986. He was also the Undersecretary at the Ministry of Foreign Affairs in charge of Southeast and South Pacific from 1991 to 1992.

Dato' Syed Ariff Fadzillah graduated with a B.A. (Hons) History degree from University of Malaya. He has a Diploma in Development Administration from the London School of Economics. He also holds an M.A. in International Relations from New York University. He currently sits on the Board of Aapico Pilecon Sdn Bhd, Global CMC Sdn Bhd and is an Executive Director of LCL Furniture Sdn. Bhd.

CHIAM TAU MENG, aged 48, is an Independent Non-executive Director of Meda Inc. and was appointed to the Board on 28 December 2001. Mr Chiam graduated with a Bachelor of Commerce Degree majoring in Accountancy from University of Otago, Dunedin, New Zealand in 1976. He was admitted as an Associate Chartered Accountant of the Institute of Chartered Accountants of New Zealand in 1980. He is also a member of the Malaysian Institute of Accountants.

He was a finance manager cum company secretary of multinational public listed manufacturing concerns both overseas and in Malaysia namely, Tolley Industries Ltd (New Zealand) and Malaysian Containers (1974) Berhad. He then joined Menang Corporation Berhad for five(5) years as a General Manager of Corporate Services. He then joined Bee Hin Holdings Sdn Bhd which successfully undertook a reverse takeover of Kuala Lumpur Industries Holdings Berhad. He later participated in the management consultancy practice of an international accounting organization before setting up his own consulting practice. He currently sits on the Board of Directors of Uniphoenix Corporation Berhad.

OOI GIAP CH'NG, aged 43, is an Independent Non-Executive Director of Meda Inc. and was appointed to the Board on 28 December 2001. Mr Ooi graduated with a Bachelor of Law degree and a Bachelor of Economics degree from the Australian National University and was called to the Malaysian Bar in 1987. He has more than 15 years' experience in law practice, mainly in area of commercial property and corporate law. He is a partner of a legal firm in Kuala Lumpur. He was appointed on the Board of Directors of Avenue Assets Berhad and Mulpha International Berhad on 30 November 2000 and 28 November 2001 respectively. He also sits on the Boards of Directors of several other private limited companies.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. cont'd(ii) Directors' Shareholdings in Meda Inc.

Name	Nationality	No. of Shares *			
		Direct	%	Indirect	%
Tan Sri Dato' Haji Mohd Ramli Bin Kushairi	Malaysian	2,823,510	0.66	-	-
Teoh Seng Foo	Malaysian	32,752,724	7.64	^70,371,008	16.42
Mat Hassan Bin Esa	Malaysian	-	-	-	-
Teoh Seng Kian	Malaysian	32,752,724	7.64	^70,371,008	16.42
Kee Lian Yong	Malaysian	-	-	-	-
Abd. Shukor bin Ismail @ Syukry bin Esmael	Malaysian	10,345,688	2.41	~55,293,752	12.90
Ooi Giap Ch'ng	Malaysian	-	-	-	-
Dato' Syed Ariff Fadzillah bin Syed Awalluddin	Malaysian	-	-	-	-
Chiam Tau Meng	Malaysian	-	-	-	-

Notes:-

- * The direct and indirect shareholdings of the Directors of Meda Inc. are after the IPO (but before the Pink Form allocation)
- ^ Deemed interested by virtue of their shareholding in KEB and Sawitani (through KEB)
- ~ Deemed interested by virtue of his shareholding in MBSB

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5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. cont'd

Save as disclosed below, none of the other Directors have any other directorships and/or major shareholdings (5% or more of the issued and paid-up share capital) in other public companies (whether in or outside Malaysia) for the past two(2) years.

Name	Nationality	Directorships	Company	Designations	No. of Shares held as at 18 January 2002			
					Direct	%	Indirect	%
Tan Sri Dato' Haji Mohd Ramli Bin Kushairi	Malaysian	Yes	South Malaysia Industries Berhad	Chairman/ Non-Executive Director	549,000	neg	-	-
		Yes	Sin Kean Boon Group Berhad	Chairman/ Non- Executive Director	226,000	neg	-	-
		Yes	DMIB Berhad	Independent Non- Executive Director	10,000	neg	-	-
		Yes	I. & M Corporation (M) Berhad	Independent Non- Executive Director	-	-	-	-
		Yes	Masscorp Berhad	Non- Executive Director	-	-	-	-
		Yes	Gamuda Berhad	Non- Executive Director	-	-	-	-
		<i>(Resigned on 5 December 2000)</i>	Perkasa Finance Berhad	Non- Executive Director	-	-	600,000	neg
Teoh Seng Foo	Malaysian	Yes	KEB	Managing Director	1,152,000	0.28	*68,934,333	16.55
		Yes	Salcon Engineering Berhad	Non-Executive Director	-	-	*10,200,000	51.00
		Yes	Systematic Education Group Berhad	President/ Executive Director	-	-	@24,775,025	31.28
		Yes	Palm Tech India Limited^	Non-Executive Director	-	-	*^ 53,500,000	94.79
		Yes	Emas Pacific Limited^^	Non-Executive Director	-	-	*^^ 45,900,000	100.00
Mat Hassan Bin Esa	Malaysian	<i>(Resigned on 7 March 2001)</i>	I-Berhad	Chairman	-	-	-	-
		<i>(Resigned on 3 November 2000)</i>	Lankhorst Berhad	Chairman	-	-	-	-
		<i>(Resigned on 5 June 2000)</i>	Supercomal Technologies Berhad	Chairman	-	-	-	-
Teoh Seng Kian	Malaysian	<i>(Resigned on 21 July 2000)</i>	KEB	Director	2,000	neg	*68,934,000	16.55
		Yes	Salcon Engineering Berhad	Managing Director	-	-	*10,200,000	51.00
		Yes	Emas Pacific Limited	Executive Director	-	-	*45,900,000	100.00
Koe Lian Yong	Malaysian	Yes	KEB	Executive Director	-	-	-	-
		Yes	Tonisho Holdings Berhad	Non-Executive/ Non-Independent Director	10,000	neg	-	-
		Yes	Systematic Education Group Berhad	Executive Director	-	-	-	-
		Yes	Salcon Engineering Berhad	Non-Executive Director	-	-	-	-
		Yes	Palm Tech India Limited^	Non-Executive Director	-	-	-	-
		Yes	Emas Pacific Limited^^	Non-Executive Director	-	-	-	-

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. cont'd

Name	Nationality	Directorships	Company	Designations	No. of Shares held as at 18 January 2002			
Chiam Tau Meng	Malaysian	Yes	Uniphoenix Corporation Berhad	Non-Executive/ Non-Independent Director	-	-	-	-
Ooi Giap Ch'ng	Malaysian	Yes	Avenue Assets Berhad	Independent/ Non-Executive Director	-	-	-	-
		Yes	Mulpha International Berhad	Independent/ Non-Executive Director	-	-	-	-
		(Resigned on 11 April 2000)	MCL Corporation Berhad	Independent/ Non-Executive Director	-	-	-	-

Notes:-

neg Negligible

* Deemed interested by virtue of their shareholding in KEB (through Meda Capital Sdn Bhd)

^ Issued and paid-up share capital is in Indian Rupees (Rs)

^^ Issued and paid-up share capital is in USD

@ Deemed interested via his substantial shareholdings in KEB

(iii) Directors' Remuneration and Benefits

The remuneration paid to the Directors of the Group for services rendered in all capacities to the Company and its subsidiaries for the financial year ended 31 December 2001 amounted to about RM554,300. For the financial year ending 31 December 2002, the amount payable to the Directors of the Group for services rendered in all capacities to the Company and its subsidiaries is estimated to be RM554,300. The details of the aggregate remuneration are as follows:-

Directors' emoluments (RM)	No. of Directors	
	Financial year ended 31 December 2001	Financial year ending 31 December 2002
0 - 100,000	3	3
Above 100,000	2	2

5.4 Management Team

The management team of Meda Inc. will be headed by its Group Managing Director, Teoh Seng Kian. The members of the Senior Management team are experienced and qualified in their respective fields as follows:-

Profiles

TEOH SENG AUN, aged 42, is the Group Chief Operations Officer and is a Director of Meda and ZKP. He obtained his Bachelor of Science (Hons) majoring in Business Administration from Ohio State University, United States of America in 1982. He has wide experience in property development in a career spanning over sixteen (16) years in various parts of Malaysia. He commenced employment as a Sales & Administration Executive in General Corporation Berhad between 1984 and 1987 before joining Unico Holding Berhad as the Senior Marketing Executive from 1987 to 1990. He subsequently served as the Marketing Manager in Topland Development Sdn Bhd from 1990 to 1992. He was the Executive Director of Summer Courts Development Sdn Bhd, Maris Property Services Sdn Bhd from 1992 to 1995. As the co-founder of Meda Inc. Group, he has been both the Director of Meda and Director of ZKP since 20 September 1993 and 31 July 1997 respectively.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. cont'd

LEE LAI HUAT, aged 37, has been the Complex Operation Director of the Meda Inc. Group since 1996. He is overall in charge of the Group Complex Division and his responsibilities include the overall management of the Complex Division's finance, sales and marketing and operations control. In addition, he oversees future complex development projects that are undertaken by the Meda Inc. Group. Mr Lee obtained his Certificate in Company Financial Management from Akademi Infotech Mara, Batu Pahat, in 1990. He has vast experience in managing shopping complex operations, which includes the entire functions of retail mix planning, tenant relationship, rental/sales administration, car parking, housekeeping and security services. Prior to that, he was a Managing Director of several pharmaceutical companies for more than ten(10) years. He is also an experienced property developer specialising in the development of commercial shopping complex.

CHONG KIM HIN @ CHOONG KIM HIN, aged 54, is the Director for Hotel Operation responsible for the overall corporate management of The Summit Hotel. He graduated as the overall best performing student winning two(2) awards from Institut International de Glion, a renowned hotel training institution in Switzerland, in 1973. His experience includes all aspects of the hotel industry, from the conceptualisation stage to design development and daily operation. Prior to joining the Meda Inc. Group, he was a Managing Director of two(2) hotel management companies and also a former Group General Manager of a major hotel chain in Malaysia and Singapore. He was conferred an international designation as a Certified Hotel Administrator by the American Hotel and Motel Association in 1982.

YEOH ENG HEE, aged 44, is the General Manager for the Group Project Division. He joined the Group in September 1994 as a Senior Project Manager and was subsequently promoted to the current position in January 1997. His areas of responsibilities include overseeing the feasibility studies, design, development and project management services to the projects undertaken by the Group. He graduated from Leeds Polytechnic, England with a Higher National Diploma in Building (Quantity Surveying) in June 1982 and is a member of the Institute of Chartered Arbitrators, United Kingdom. He has approximately eighteen(18) years of experience in the field of property development and construction.

Prior to joining the Group, he worked with several established property development companies. The types of projects undertaken include residential housing, factories, high-rise resort condominiums, hospital, commercial complexes and high-rise office blocks.

KONG FOO KEONG, aged 40, is the Group Project General Manager and has more than nine(9) years working experience in property development. Mr Kong's responsibilities as Group Project General Manager include assisting the General Manager for the Group Project Division and overseeing project feasibility studies, design, development and project management services to all projects undertaken by Meda Inc. Group. He graduated from Mapua Institute of Technology in Manila, Philippines in 1989 with a Bachelor of Science in Civil Engineering. He was employed by MCB Management Services Sdn Bhd as Project Engineer in July 1990 and was promoted to Project Manager in October 1990. He then joined Europlus Sdn Bhd in 1993 as Project Manager responsible for about 3,000 acres of mixed industrial, commercial and housing development. He was the in-house Management Consultant for Rich Jet Sdn Bhd between 1994 and 1995. Later he joined Bernam in 1995 as Project Manager and was subsequently promoted to General Manager.

CHAN KHOON YOW, aged 48, obtained his Diploma in Marketing from Stamford College in 1977. He is the General Manager in charge of the Sales and Marketing Department of the property development business and has been employed with some of the leading developers for the past twenty(20) years. He started his career with United Estate Projects Bhd and subsequently worked for various property developers including Shah Alam Properties Sdn Bhd, Perlis Plantation Bhd and Sime Darby Bhd. He has vast experience in all aspects of property development from residential, resort to retail.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM. cont'd

CHIN KOK SIONG, aged 36, is a member of the Malaysia Institute of Accountants and an associate member of the Chartered Association of Certified Accountants. Mr Chin is in charge of the Group Finance Department and his responsibilities include corporate finance activities, treasury functions, accounting and financial management reporting, internal controls and overseeing daily operations of the finance department of the Group. He commenced his professional career in 1988 and spent almost four(4) years in KPMG Peat Marwick, an international accounting firm, involved in the audit of several public listed companies. He then joined Lien Hoe Corporation Bhd as the Finance & Administration Manager in 1992. In 1996, he joined Country Heights Holdings Bhd as Senior Accountant. He has been with the Meda Inc. Group since 1998 as its Group Finance Manager.

A summary description of the key management team of Meda Inc. Group and their direct/indirect shareholdings in Meda Inc. are as follows:-

Name	Designation	Equity interest (%) [*]	
		Direct	Indirect
Teoh Seng Kian	Promoter, Executive Director, Group Managing Director and substantial shareholder	7.64	[^] 16.42
Teoh Seng Aun	Promoter, substantial shareholder and Group Chief Operations Officer	10.69	@29.32
Lee Lai Huat	Complex Operation Director	-	-
Chong Kim Hin @ Choong Kim Hin	Hotel Operation Director	-	-
Yeoh Eng Hee	Group Project Division General Manager	-	-
Kong Foo Keong	Shareholder and Group Project General Manager	0.25	-
Chan Khoon Yow	Sales and Marketing General Manager	-	-
Chin Kok Siong	Shareholder and Group Finance Manager	0.06	-

Notes:-

@ Deemed interested by virtue of his shareholding in KEB, Sawitani (through KEB) and MBSB

[^] Deemed interested by virtue of his shareholding in KEB and Sawitani (through KEB)

* Based on the enlarged issued and paid-up share capital of 428,606,824 Shares

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5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. cont'd**5.5 Family Relationship**

Save for Teoh Seng Foo, Teoh Seng Kian and Teoh Seng Aun who are brothers, there are no other family relationships among the Promoters, substantial shareholders, Directors and senior management team.

5.6 Audit Committee

Meda Inc. has set up an Audit Committee on 29 December 2001. The Audit Committee comprises the following Board members :-

Name	Designation	Directorship
Chiam Tau Meng	Chairman	Independent Non-Executive Director
Ooi Giap Ch'ng	Member	Independent Non-Executive Director
Teoh Seng Kian	Member	Executive Director/Group Managing Director

The main functions of the Audit Committee include the review of audit plan and audit report with the Auditors, review the Auditors' evaluation of internal accounting controls, review of the scope of internal audit procedures, review of balance sheet and income statement and nomination of Auditors.

5.7 Changes in Major Shareholders/Promoters

Save for the Acquisitions as detailed in Section 4.3 of this Prospectus, there has been no changes of major shareholders or promoters of Meda Inc. with regards to their direct or indirect shareholdings for the past three(3) years from the date of this Prospectus.

5.8 Moratorium Shares

It is a condition of the SC that the Promoters/substantial shareholders not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the total issued and paid-up share capital in Meda Inc. for one(1) year from Meda Inc.'s listing date. Thereafter, they are allowed to sell, transfer or assign only up to a maximum of one-third(1/3) per annum (on a straight line basis) of their respective shareholdings under moratorium. Accordingly, the Company proposed that moratorium be imposed on the disposal of shares by the following substantial shareholders/Promoters of Meda Inc. which has been approved by the SC on 29 November 2001:-

Substantial shareholder/Promoter	Shareholdings after the IPO		Shareholdings subject to moratorium restriction	
	Total no. of Shares	^ %	Total no. of Shares	^ %
Teoh Seng Foo	32,752,724	7.64	30,000,000	7.00
Teoh Seng Aun	45,838,388	10.69	40,000,000	9.33
Teoh Seng Kian	32,752,724	7.64	30,000,000	7.00
Gen (B) Tan Sri Dato' Mohd Ghazali Bin Haji Che Mat	40,376,922	9.42	@ 33,176,471	7.74
Abd. Shukor bin Ismail @ Syukry bin Esmael	10,345,688	2.41	8,000,000	1.87
Meda Bina Sdn Bhd	55,293,752	12.90	12,000,000	2.80
Sawitani Sdn Bhd	63,528,992	14.82	36,000,000	8.40
KEB	6,842,016	1.60	3,696,600	0.86
TOTAL	287,731,206	67.12	192,873,071	45.00

^ Based on the enlarged issued and paid-up share capital of 428,606,824 Shares assuming the Proposed Acquisition of Remaining 10% of Sri Lingga pursuant to the MGO is completed via the issuance of 7,958,824 Shares in Meda Inc.

@ The amount in excess of 30 million Meda Inc. Shares to be placed under moratorium will be in proportion to the additional number of shares required to be placed under moratorium based on the final enlarged issued and paid-up share capital of the Company taking into consideration the Proposed Acquisition of Remaining 10% of Sri Lingga pursuant to the MGO.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND MANAGEMENT TEAM.. *cont'd*

The restriction, which has been fully accepted by the aforementioned substantial shareholder/Promoter, is specifically endorsed on the share certificate and notice of allotment representing the shareholdings of the substantial shareholder/Promoter which are under moratorium. This is to ensure that the Company's registrar does not register any transfer which is not in compliance with the restriction imposed by the SC and KLSE.

The statement to be endorsed on the aforesaid certificate reads as follows:-

"The shares comprised herein are not capable of being sold, transferred or assigned for a period to be determined by the Securities Commission ("**Moratorium Period**"). Accordingly, the shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate(s) will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction."

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6. OTHER INFORMATION CONCERNING MEDA INC. GROUP**6.1 Approvals, Major Licenses and Permits**

The licenses held by the Group (which will be renewed upon expiry) required for the purposes of conducting its business are listed as below:-

Authority	Trademark / Licence / Permits	Conditions	Held By
Lembaga Pendaftaran dan Pelesenan Minyak Kelapa Sawit	A business permit (Ref (License No.) 000205-202000) for the sale and extract of oil palm.	The permit is effective from 1.4.2000 to 31.3.2003	Sri Lingga
Majlis Perbandaran Subang Jaya	A business license for The Summit Hotel (Licence No. 050201001000800013)	The license will expire on 31/12/02.	Meda
Majlis Perbandaran Subang Jaya	A business license for The Summit Hotel Ballroom (Licence No. 05020100100020011)	The license expired on 31/12/01 and is currently in the process of being renewed to 31/12/02.	Meda
Majlis Perbandaran Subang Jaya	Business License for Pub N20 (License No. 05020100100020010)	The license expired on 31/12/01 and is currently in the process of being renewed to 31/12/02.	Meda
Majlis Perbandaran Subang Jaya	A business license for Oceania Coffee House, The Summit Hotel (Licence No. 050201001000700338)	The license will expire on 31/12/02.	Meda
Kastam Dan Eksais Di Raja Malaysia	Service Tax license for The Summit Hotel (Licence No. 35963)	The license is effective from 9/9/99.	Meda
Majlis Perbandaran Seberang Perai	The Summit Hotel Bukit Mertajam Hotel Business license (includes 2 restaurant and ballroom) (License No. 003168)	The license will expire on 31/12/02.	ZKP
Kastam Dan Eksais Di Raja Malaysia	Service Tax license for The Summit Hotel Bukit Mertajam Hotel (License No. 36634)	The license is effective from 18/11/00.	ZKP

6. OTHER INFORMATION CONCERNING MEDA INC. GROUP..... cont'd

Authority	Trademark / Licence / Permits	Conditions	Held By
Public Performance Malaysia Sdn Bhd <i>(formerly known as Phonographic Performance (M) Sdn Bhd)</i>	Public performance of sound recordings license for The Summit Hotel Bukit Mertajam (License No. 091856)	This license has expired. and is currently in the process of being renewed up to 4/12/02	ZKP
Kementerian Perumahan Dan Kerajaan Tempatan	Developer License for Desa Larkin Fasa 1B - Ruby Court (License No. 8246/6-2006/712) Advertising Permit No. 8246/1428/2002(7)	The license is effective from 27/6/01 to 26/6/06 The permit effective from 28/7/01 to 27/7/02	Genting Unggul
Kementerian Perumahan Dan Kerajaan Tempatan	Developer License for Desa Larkin Fasa 1C - Opal Court (License No. 8246/6-2006/713) Advertising Permit No. 8246/1429/2002(7)	The license is effective from 27/6/01 to 26/6/06 The permit effective from 28/7/01 to 27/7/02	Genting Unggul
Kementerian Perumahan Dan Kerajaan Tempatan	Developer License for Desa Larkin Fasa 1D - Jade Court 1 (License No. 8246/6-2006/714) Advertising Permit No. 8246/1430/2002(7)	The license is effective from 27/6/01 to 26/6/06 The permit is effective from 28/7/01 to 27/7/02	Genting Unggul
Kementerian Perumahan Dan Kerajaan Tempatan	Developer License for Desa Larkin Fasa 1E - Jade Court 2 (License No. 8246/6-2006/715) Advertising Permit No. 8246/1559/2002(8)	The license is effective from 27/6/01 to 26/6/06 The permit effective from 15/8/01 to 14/8/02	Genting Unggul
Kementerian Perumahan Dan Kerajaan Tempatan	Developer license for Desa Larkin Fasa 1A - Amber Court (License No. 8246/6-2006/711) Advertising Permit No. 8246/1427/2002	The license is effective from 27/6/01 to 26/6/06 The license is effective from 28/7/01 to 27/7/02	Genting Unggul

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6. OTHER INFORMATION CONCERNING MEDA INC. GROUP..... cont'd

6.2 Related Party Transactions ("RPT")

Save as disclosed below, the Directors are not aware of any existing or potential RPTs between the Meda Inc. Group and its Directors, substantial shareholders, key management or key technical personnel which may or may not result in conflicts of interest situation.

— Meda

There is a Management Agreement dated 27.12.95 between Meda and Meda Hotels Sdn Bhd. This is a related party transaction between two companies with common directors, namely the Teoh Brothers where Meda Hotels Sdn Bhd provides hotel management services to Summit Hotel. The duration of the agreement is 5 years commencing from the opening date being 18 September 1999. There is an option to renew the contract for a further 5 years provided that there is no breach of performance by the manager. Meda Hotels shall be paid a Basic Management Fee equivalent to 2% of the hotel's Gross Revenue and an Incentive Management Fee equivalent to 2% per annum on the hotel's Gross Operating Profits.

There is a Turnkey Contract dated 1 November 1994 between Meda ("**Employer**") and Meda Property Services Sdn Bhd ("**Contractor/Manager**"). This is a related party transaction between two companies with common directors, namely, the Teoh Brothers. The Contractor/Manager is hired on a turnkey basis to implement and carry out the construction of The Summit City on the land known as Lot P.T. 12202 and part of Lot P.T. 12201 (*now known as Geran 43528 Lot. No. 14*), Mukim Damansara, Daerah Petaling, Selangor. The Employer shall pay the Contractor/Manager RM196,000,000 or a sum which is 10% over and above the total costs incurred by the Contractor/Manager in the carrying out the work, whichever is higher. Subsequently the contract sum had been finalised at RM248,800,000 via letter dated 31 April 1997, owing to an increase in the scope of work for the project.

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6. OTHER INFORMATION CONCERNING MEDA INC. GROUP cont'd

Tenancy agreements between Meda and the following tenants which are RPT in nature as these companies are controlled by the Teoh Brothers are shown below:-

Description of Company	Date of Agreement	Tenancy Period	Lettable Area (sq. ft.)
Sadec-Ke Utilities Corporation Sdn Bhd	16.8.1999	1.8.1999 - 31.7.2002	19,536
Spur Star (M) Sdn Bhd *	28.7.1999	1.5.1999 - 30.4.2002	16,900
Berrington Bay Corporation Sdn Bhd	On 29.9.1999, 2.11.1999, 2.11.1999 for 3 different lots	1.9.1999 - 31.8.2002	62,430
Premier Media Sdn Bhd	On 26.10.1999	1.11.1999 - 29.1.2002	12,800
Summit Multimedia Education Sdn Bhd	26.10.1999	1.8.1999 - 31.7.2002	14,800
Matahari Workshop Sdn Bhd ^	On 3.11.1999 and 18.4.2000 for 2 lots	The Tenancy period for the two lots are 1.11.1999 - 31.10.2002 and 1.4.2000 - 31.3.2003 respectively.	2,923
Meda Property Services Sdn Bhd	10.8.1999	1.6.1999 - 31.5.2002	22,858
Meda Complex Management (USJ) Sdn Bhd	1.1.2000	1.1.2000 - 31.12.2002	3,200
Meda Security Services Sdn Bhd	1.1.2000	1.1.2000 - 31.12.2002	3,200
Meda Parking Sdn Bhd	1.1.2000	1.1.2000 - 31.12.2002	Bays (2,130)
Meda Complex Management (USJ) Sdn Bhd	1.4.2000	1.4.2000 - 31.3.2003	11,428

* *Disposed of to non-related party(ies) on 21 June 2000, as such the agreement with this company is no longer classified as RPT.*

^ *Disposed of to non-related party(ies) on 15 May 2001, as such the agreement with this company is no longer classified as RPT.*

There is a Complex Management Agreement dated 13 June 2000 between Meda ("Owner") and Meda Complex Management (USJ) Sdn Bhd ("Complex Manager"). This is a related party transaction between 2 companies sharing common directors namely the Teoh Brothers. The Owner appoints the Complex Manager and the Complex Manager accepts the appointment as complex manager with respect to the management, up-keeping and maintenance of the Complex (The Summit Shopping Complex and Menara Summit). The Complex Manager shall not receive any remuneration for its services but shall be entitled to a reimbursement by the Owner for costs and expenses incurred. This agreement commenced on 1.1.2000 and shall continue until the formation of the Management Corporation pursuant to the Strata Titles Act 1985.

6. OTHER INFORMATION CONCERNING MEDA INC. GROUP..... cont'd

There is a Sale and Purchase Agreement between Meda and the following purchasers:-

Description of company	Date of sale and purchase agreement	Premises	Purchase price (RM)	Maintenance charge
Salcon Resources Sdn Bhd	30.12.1997	<u>Menara Summit</u> Level 15 and 16	5,317,416 (per floor)	RM1.00 per month p.s.f.
Apota Sdn Bhd	11.6.1998	<u>The Summit Subang USJ</u> S2.140 B	17,998,695	RM1.20 per month p.s.f.
Tomisho Sdn Bhd	9.7.1988	<u>Menara Summit</u> Level 10	5,317,416	RM1.00 per month p.s.f.
Meda Property Services Sdn Bhd	27.11.2000	<u>The Summit Subang USJ</u> F1.60	495,788	RM1.20 per month p.s.f.
	27.11.2000	F1.65	495,788	
	27.11.2000	T3.28	432,942	
	27.11.2000	G32	669,222	
	27.11.2000	F1.62	288,750	
	08.12.2000	F1.67	799,440	
	08.12.2000	S2.66	201,250	
	08.12.2000	S2.66A	201,250	
	25.11.2000	T3.08	322,920	
	8.12.2000	T3.30	352,284	
	8.12.2000	T3.31	352,284	
	8.12.2000	T3.32	352,284	
	27.11.2000	T3.60	130,778	
			5,094,980	

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6. OTHER INFORMATION CONCERNING MEDA INC. GROUP..... cont'd

ZKP

- There is a Management Agreement dated 7 March 1996 between ZKP and Bara Muhibbah Sdn Bhd, a hotel management company. The agreement is between two companies having a common shareholder and director, namely Abd Shukor Bin Ismail @ Syukry Bin Esmael. Bara Muhibbah Sdn Bhd is engaged to manage the hotel owned by ZKP known as The Summit Hotel Bukit Mertajam. The duration of this agreement is 5 years commencing from the opening date being 18 November 2000. There is an option to extend the contract for a further 5 years if there is no breach of performance by the manager. Bara Muhibbah Sdn Bhd shall be paid a Basic Management Fee equivalent to 2% of the hotel's Gross Revenue and Incentive Management Fee equivalent to the 6% per annum of the hotel's Gross Operating Profits.
- There is a Turnkey Contract dated 15 July 1995 between ZKP ("Employer") and MBSB ("Contractor/Manager"). This is an agreement between a company (MBSB) and its then wholly-owned subsidiary (ZKP). The Contractor/ Manager is hired on a turnkey basis to implement and carry out the construction of the B.M. Plaza on the land known as Lot P.T. 15, Seksyen 4, Bandar Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang. The Employer shall pay the Contractor/Manager RM99,000,000 or a sum which is 10% over and above the total costs incurred by the Contractor/Manager in carrying out the work, whichever is higher.
- There is a Turnkey Contract dated 2 January 1996 between ZKP and MBSB ("Contractor/Manager"). This is an agreement between a company (Meda Bina) and its then wholly owned subsidiary (ZKP). The Contractor/Manager is hired on a Turnkey basis to implement and carry out the construction of the Pusat Komersial Bukit Mertajam on the land known as Lot P.T. 3, Mukim Permatang Rawa Mertajam Seberang Perai. The Employer shall pay the Contractor/Manager RM20 million or a sum which is 10% over and above the total costs incurred by the Contractor/Manager in the carrying out the work, whichever is higher.
- There is a Complex Management Agreement dated 13 June 2000 between ZKP ("Owner") and Meda Complex Management (BM) Sdn Bhd ("Complex Manager"). This is a related transaction between 2 companies sharing common directors, namely the Teoh Brothers. The owner appoints the Complex Manager for the management, up-keeping and maintenance of The Summit Bukit Mertajam Plaza. The Complex Manager shall not receive any remuneration for its services but shall be entitled to a reimbursement by the Owner for costs and expenses incurred. This agreement commenced on 1.1.2000 and shall continue until the formation of the Management Corporation pursuant to the Strata Titles Act 1985.
- There is a Sale and Purchase Agreement between ZKP and Matahari Workshop Sdn Bhd dated 3.2.1999. This is an agreement between two companies sharing common directors (the Teoh Brothers).

Description of Company	Date of Sale and Purchase Agreement	Premises	Purchase Price RM	Maintenance Charge
Matahari Workshop Sdn Bhd ^	3.2.1999	I.G51, The Summit Bukit Mertajam	1,737,379	-

^ Disposed of to non-related party(ies) on 15 May 2001, as such the agreement with this company is no longer classified as RPT.

6. OTHER INFORMATION CONCERNING MEDA INC. GROUP..... cont'd

- Tenancy Agreements between ZKP and the following tenants which are RPT in nature as these companies are controlled by the Teoh Brothers are shown below:-

Description of Company	Date of Tenancy Agreement	Tenancy Period RM	Lettable Area (sq. ft.)
Meda Complex Management (Bukit Mertajam) Sdn Bhd	27.4.2001	1.1.2001 to 31.12.2003	5,813
Concrete Armour Sdn Bhd	10.1.2002	1.12.2001 to 31.11.2002	530
Meda Complex Management (Bukit Mertajam) Sdn Bhd	11.1.2002	1.12.2001 to 30.11.2002	415
Meda Parking Sdn Bhd	3.1.2000	1.1.2000 to 31.12.2002	700 parking bays

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6. OTHER INFORMATION CONCERNING MEDA INC. GROUP cont'd

– Bernam

- There is a Project Management Agreement date 16 September 1997 between Bernam and Cosmopolitan Management Sdn Bhd. This is an agreement between two companies having a common director who is Dato' Kee Yong Wee. Cosmopolitan Management Sdn Bhd has been engaged as a project manager to provide project management services to Bernam in respect of the development phases of land in Mukim Hulu Bernam Timur. The payment to the project manager shall not exceed:-
 - RM240,000 for work done and services rendered for Bernam Industrial Estate for the past 3 years after incorporation of Bernam;
 - 1.5% of value of the project contracts in respect of this project;
 - 1.5% of sales value in respect of this project.
- A Sale and Purchase Agreement dated 14 March 1995 between Perbadanan Kemajuan Negeri Perak ("PKNP") and Bernam ("Purchaser"). This is a related party transaction between a company and its shareholders. The purchaser agreed to buy Bernam Industrial Park from PKNP free from encumbrances other than those imposed by the terms and conditions of the Perak State Authority. The contract value is RM 16,967,600. The method of payment is set out below:-
 - a) The purchaser shall cause to be allotted to PKNP 30% shareholding of the Purchaser company equivalent to RM300,000 in accordance with the terms of a joint venture agreement as part payment of this Agreement;
 - b) The balance of the consideration to be paid from the proceeds of sale from the said Project in such proportion and at such appropriate time as shall be mutually agreed between the parties hereto.

Subsequently, the method of payment for the balance of the consideration of RM16,667,600 as set out in (b) above was set out in a letter from Perak State Development Corporation dated 6 May 1999 as follows:-

50% of purchase price ie. RM8,333,800 to be settled by way of completed and developed commercial/industrial properties under Phase 1 of the project undertaken, subject to PKNP being given the right to select the location of the units and the units are completed for transfer to PKNP or its nominees within 1 year. The price shall be 85% of the present selling price.

Remaining balance of RM8,333,800 to be paid in cash to PKNP within two(2) years from the date of the Share Sale Agreement becoming unconditional by way of equal quarterly installments with 1st installment payable within 3 months from the date of Share Sale Agreement becoming unconditional.

6. OTHER INFORMATION CONCERNING MEDA INC. GROUP cont'd

6.3 Profit Guarantee

Pursuant to the Acquisition of Genting Unggul, the vendor, KEB, has granted a guarantee of profit after taxation of RM6 million over a period of three (3) years via a profit guarantee agreement dated 27 December 2001 ("**Profit Guarantee Agreement**") pursuant to the development agreement between Genting Unggul and Kumpulan Prasarana Rakyat Johor Sdn Bhd (the "**Development Agreement**"). There is no security provided for the Profit Guarantee Agreement. The Profit Guarantee Agreement may not be released, discharged, supplemented, amended, varied or modified in any manner except by way of a written instrument signed by each of the parties subject to the approval of the SC and if necessary, the respective shareholders of the Company and the Guarantor. The salient terms of the Profit Guarantee Agreement (as extracted from the Profit Guarantee Agreement) are as follows: -

- a) KEB unconditionally and irrevocably agrees, covenants, undertakes and guarantees that the aggregate profit after taxation of Genting Unggul for the Relevant Period shall not be less than RM6 million. The Relevant Period is defined as the three(3) calendar years commencing from and including 1st January of the year in which the date the shares of the Company are listed and quoted on the KLSE or such other date as may be mutually agreed in writing by KEB and the Company and, if required, approved by the SC;
- b) In the event of any shortfall in the guaranteed profit, KEB shall make payment of the sum demanded within twenty one (21) days of the date of the letter of demand and if KEB fails to make payment within the said period, the Company shall be entitled to enforce all its legal rights and remedies and may take all such action as it deems fit to recover the outstanding sum due it without any further reference to KEB;
- c) At the end of the Guaranteed Period or on the Cut-off Date (as defined in the Profit Guarantee Agreement), an independent auditor appointed by KEB (at the cost and expense of KEB) and consented to by the Company shall determine whether Genting Unggul has achieved the aggregate profit after taxation of RM6 million over the Relevant Period;
- d) The Company undertakes that the Company shall, during the Relevant Period (as defined the Profit Guarantee Agreement), cause Genting Unggul to carry on its business in, and only in, the usual, regular and ordinary course in substantially the same manner as heretofore including adhering to the proposed timeframe for implementation of the Project, annexed as Appendix A of the Profit Guarantee Agreement pursuant to the Development Agreement which represents the assumptions to the forecasts and projections submitted to the SC in relation to the Company's listing exercise or such other timing as may be agreed upon by the Management Committee and, to the extent consistent with such business, use all reasonable efforts to preserve intact its business organization, keep available the services of its present officers and employees, and preserve its relationships with customers, suppliers and others having business dealings with it to the end that its goodwill and ongoing business shall be unimpaired for the Relevant Period;
- e) The Profit Guarantee Agreement may not be released, discharged, supplemented, amended, varied or modified in any manner except by an instrument in writing signed by each of the Parties subject to the approval of the SC and if necessary, the respective shareholders of the Company and KEB.

6. OTHER INFORMATION CONCERNING MEDA INC. GROUP..... cont'd

6.4 Advisers' Declaration of Interest

Arab-Malaysian wishes to emphasise to the applicants/subscribers/investors that part of the proceeds from the Public Issue will be used towards the part repayment of a term loan facility owing to Arab-Malaysian. Whilst Arab-Malaysian may be deemed to be in a conflict of interest situation by virtue of it being a major lender to Meda Inc. Group and would benefit from the positive outcome of the Listing Scheme, namely, the part repayment of the term loan facility owing to Arab-Malaysian from the proceeds arising from the Public Issue, it should be noted that the part repayment of the said term loan facility will benefit the Company in terms of interest savings and is a commercial decision made by the Promoters/Directors after taking into consideration the terms of the term loan facility and the interest savings arising thereon which will hence be a contributory factor to the profitability of the Company and ultimately, the shareholders.

Messrs Moores Rowland has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Reporting Accountants and Auditors of Meda Inc. in relation to the issue.

Messrs Azman, Davidson & Co. has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Solicitors for the issue.

Messrs Jal & Lim, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Solicitors for Group Affairs for the issue.

Messrs Akram & Co. has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Valuers in relation to the issue.

Messrs CH Williams Talhar & Wong Sdn Bhd has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Valuers in relation to the issue.

Messrs Henry Butcher, Lim & Long Sdn Bhd has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Valuers in relation to the issue.

Messrs Henry Butcher, Lim & Long (North) Sdn Bhd has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Valuers in relation to the issue.

Messrs Henry Butcher, Lim & Long (Malacca) Sdn Bhd has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Valuers in relation to the issue.

Messrs Henry Butcher, Lim, Long & Teoh (South) Sdn Bhd has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Valuers in relation to the issue.

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6. OTHER INFORMATION CONCERNING MEDA INC. GROUP cont'd

6.5 Summary of Landed Properties

Details of the properties owned and/or developed by the Meda Inc. Group which have been valued by the Valuers namely, Messrs Akram & Co., Messrs CH Williams Talhar & Wong Sdn Bhd, Messrs Henry Butcher, Lim & Long Sdn Bhd, Messrs Henry Butcher, Lim & Long (North) Sdn Bhd, Messrs Henry Butcher, Lim & Long (Malacca) Sdn Bhd and Messrs Henry Butcher, Lim, Long & Teoh (South) Sdn Bhd are as shown below:-

Owner/Title/Location	Description / Existing Use	Approximate age of building (years)	Approximate land / built-up area	Tenure	*Net Book Value RM'000	Open Market Value and date of valuation RM'000	Valuation Method	SC's Approved Valuation RM'000	Revaluation Surplus/ (Deficit) RM'000
<u>Investment Properties</u>									
Meda Geran 43528, Lot No. 14, Pekan Subang Jaya, Daerah Petaling, Selangor ~	Shopping complex, office tower and hotel	3 years	35,276 sq. metre	Freehold	31.12.1999 247,258	318,000 23.3.2001	Comparison and Investment Method	318,000	70,742
^ UDA Geran 61288, Lot No. 2020 Bandar Bukit Merajam Sek 4, Daerah Seberang Perai Tengah Pulau Pinang	Shopping complex, office tower and hotel	4 years	892,342 sq. ft.	Freehold	31.12.1999 97,394	111,000 23.3.2001	Comparison and Investment Method	111,000	13,606
<u>Development Properties</u>									
^ UDA H.S.(D) 1, P.T. No.3, Mukim 7, Daerah Seberang Perai Tengah, Pulau Pinang	3-storey shophouses (includes a recreational area and an educational centre for handicapped children)	2 years	11.59 acres	Freehold	31.12.1999 19,546	@N/A	@N/A	@N/A	@N/A

* Including further cost to completion, if any.

~ There is a private caveat against this land. The duly signed memorandum of withdrawal of private caveat has been deposited with Meda Inc.'s solicitors. The written consent of the caveator to withdraw the said caveat is in the process of being obtained.

^ ZKP is the developer of the said land pursuant to a development agreement dated 3 January 1995 which has been novated to ZKP and UDA is the registered owner.

@ No revaluation performed for this property.

6. OTHER INFORMATION CONCERNING MEDA INC. GROUP cont'd

Owner/Title/Location	Description / Existing Use	Approximate age of building (years)	Approximate land / built-up area	Tenure	*Net Book Value RM'000	Open Market Value and date of valuation RM'000	Valuation Method	SC's Approved Valuation RM'000	Revaluation Surplus/ (Deficit) RM'000
<i>Development Properties (cont'd)</i>									
@ PNKP land in Mukim Hulu Bemam Timur, Daerah Batang Padang, Perak	Development-in-progress / Comprehensive mixed development comprising industrial, commercial and residential components	1 year	424.19 acres	Leasehold	31.12.1999 37,325	76,000 23.3.2001	Discounted Cashflow, Residual and Comparison Method	76,000	27,846 &
# KPRJ Lot No. PTB 20184, H.S.(D) 303962 Lot No. PTB 20185, H.S.(D) 303963 Lot No. PTB 20202, H.S.(D) 303964 Lot No. PTB 20203, H.S.(D) 303965 Lot No. PTB 20455, H.S.(D) 303966 Lot No. PTB 20456, H.S.(D) 303967 Lot No. PTB 20457, H.S.(D) 303968 Lot No. PTB 20458, H.S.(D) 303969 Township and District of Johor Bahru, Johor, Darul Takzim	Development-in-progress / Development of low to medium cost residential units and commercial building	-	61.83 acres	Leasehold	31.3.2000 338	^ 20,000 26.6.2000	Discounted Cashflow Method	10,000	6,957 &
Sri Lingga HS (D) 566, Mukim Kuala Linggi, HS (D) 567, Geran 2110 and Geran 2111, Mukim Kuala Sungai Baru, Daerah Alor Gajah, Melaka	Agricultural – oil palm Proposed conversion to commercial use for the development of a retreat/resort living	-	1,337.98 acres	Leasehold / Freehold	31.7.2000 41,069	41,500 6.6.2000	Comparison Method	41,500	431
Nandex, Everlasting and Impressive PN 14014, Lot No. 47080, PN 9359, Lot No. 47081, PN 6419, Lot No. 47082, PN 11334, Lot No. 47083, PN 7465, Lot No. 47084; and PN 6420, Lot No. 47085 Mukim of Kuala Lumpur, District of Kuala Lumpur, Federal Territory of Kuala Lumpur	Vacant / Proposed integrated retail and office building development	-	2.247 acres	Leasehold	31.7.2000 24,296	30,000 30.5.2000	Comparison and Residual Method	27,500	2,307 &
TOTAL FOR DEVELOPMENT PROPERTIES : 1,837.84 acres									

* Including further cost to completion, if any.

@ Bemam is the beneficial owner pursuant to a sale and purchase agreement dated 14 March 1995 entered into with PKNP.

Genting Unggul has entered into a development agreement dated 4 November 1996, a 1st supplemental agreement dated 30 April 1997 and a 2nd supplemental agreement dated 28

^ March 2001 with KPRJ to develop the said land and KPRJ is the registered owner.

& The valuation amount relates to only Lot Nos. PTB 20203, 20455 and 20458 pursuant to the valuation of the development rights on these aforementioned properties.

After accounting for deferred tax of 28%.

7. FINANCIAL INFORMATION

7.1 Consolidated Profit Record

The proforma consolidated audited results of the Meda Inc. Group for the past five(5) financial years ended 31 December 2000 and the seven(7) months' results up to 31 July 2001 based on the assumption that the Group had been in existence throughout the period under review are as follows:-

	Financial Years Ended 31 December					7 months to 31 July 2001 RM'000
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	
Turnover	59,684	61,758	72,189	87,851	94,348	58,461
EBIDTA	41,159	34,495	32,690	31,360	56,976	36,024
Depreciation	(1,004)	(1,347)	(1,457)	(1,706)	(2,238)	(3,278)
Interest Expense	(123)	(668)	(4,368)	(6,309)	(10,009)	(9,949)
Operating profit	40,032	32,480	26,865	23,345	44,729	22,797
Exceptional Items **	1,179	-	-	3,146	-	-
Profit before taxation	41,211	32,480	26,865	26,491	44,729	22,797
Taxation	(12,406)	(9,151)	(7,945)	(83)	(12,743)	(6,567)
Profit after taxation	28,805	23,329	18,920	26,408	31,986	16,230
Minority interest [^]	1	-	1	1	5	14
Profit after taxation and minority interest	28,806	23,329	18,921	26,409	31,991	16,244
No. of Shares assumed in issue ('000) #	355,087	355,087	355,087	355,087	355,087	355,087
Net EPS (sen)	8.11	6.57	5.33	7.44	9.01	4.57
Net return on share capital employed (%) @	16.22	13.14	10.66	14.88	18.02	9.14

Notes:-

** The exceptional items represent the following:-

	Financial Years ended 31 December					7 months to 31 July 2001 RM'000
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	
Gain/(loss) on partial disposal of Sri Lingga's long leasehold land, net of real property gains tax	1,179	-	-	(679)	-	-
Gain on disposal of Sri Lingga's subsidiary company	-	-	-	3,825	-	-
	1,179	-	-	3,146	-	-

[^] Assuming the Proposed Acquisition of Remaining 10% of Sri Lingga pursuant to the MGO is fully accepted and satisfied by issuing 7,058,824 Shares in Meda Inc.

Based on 355,086,824 Shares in issue after the Acquisitions and Proposed Acquisition of Remaining 10% of Sri Lingga pursuant to the MGO

@ Net return on capital employed is calculated as profit after taxation and minority interest divided by the issued and paid-up share capital of RM177,543,412 after the Acquisitions and Proposed MGO

7. FINANCIAL INFORMATION..... cont'd

- (a) *The proforma consolidated results have been prepared from the audited financial statements of the Subsidiaries except that in the case of Subsidiaries with financial year end dates other than 31 December, the following have been used instead:*
- i) *Sri Lingga, Nandex, Impressive and Everlasting* - *Audited results for the years ended 31 July 1996, 1997, 1998, 1999 and 2000 apportioned on a time basis to cut-off on 31 December of each year;*
- *Audited results for the year ended 31 December 2000; and*
 - ii) *Genting Unggul* - *Audited results for the years ended 31 March 1997, 1998, 1999 and 2000 as if they were for the years ended 31 December 1996, 1997, 1998 and 1999, respectively*
- *Audited results for the 9 months ended 31 December 2000 as if they were for the year then ended.*
- (b) *The proforma consolidated results are prepared after incorporating the adjustments which the Reporting Accountants considered necessary. These adjustments are summarised as follows:*
- i) *Adjustment to conform with the formula of calculating percentage of completion based on the cost method, and the tax effect thereon*
 - ii) *Adjustment for underprovision of real property gains tax*
 - iii) *Adjustment to write off deferred expenses in the year of incurrence*
 - iv) *Adjustment for underprovision or overprovision of tax to the respective years*
- (c) *The proforma consolidated financial results have been prepared based on accounting policies consistent with those previously adopted in the preparation of the audited financial statements of the respective Subsidiaries, unless they are inconsistent with applicable approved accounting standards in force at the present moment, in which case the latter standards have been applied retrospectively.*
- (d) *The summarised results of Sri Lingga used for consolidation exclude the results of Kilang Kelapa Sawit Sri Lingga Sdn Bhd, a subsidiary company of Sri Lingga, which was disposed of in 1999.*
- (e) *Commentary on performance:-*
1. *For the financial year ended 31 December 1997, the Meda Inc. Group registered a slight increase in turnover of approximately 3.5% from RM59.7 million to RM61.8 million. This was mainly brought about by the continuing progress in the property development project of Meda namely, The Summit Subang USJ as well as the contribution from Bernam's development project, the Bernam Industrial Park. Despite the increase in turnover, the Meda Inc. Group recorded profit before taxation and exceptional items of RM32.5 million, representing 18.9% decrease from RM40.0 million in the previous financial year. The decrease in profit before taxation and exceptional items was mainly due to the lower margin generated by ZKP's Pusat Komersil Bukit Mertajam project due to higher land acquisition cost and drop in contribution from The Summit Bukit Mertajam Plaza. The decrease in profit before taxation and exceptional items was also due to an increase in advertising and promotional expenses incurred in procuring tenants for The Summit Subang USJ.*
 2. *For the financial year ended 31 December 1998, the Meda Inc. Group recorded an increase in turnover of 16.9% from RM61.8 million to RM72.2 million. The increase in turnover was mainly contributed by the progress in the development of the shop offices at the Bernam Industrial Park undertaken by Bernam as well as the additional work completed by ZKP on The Summit Bukit Mertajam Plaza. Despite the increase in turnover, the Meda Inc. Group's profit before taxation decreased by 17.2% from RM32.5 million to RM26.9 million. The decrease in profit before taxation was mainly due to a provision made for late delivery claims and an increase in interest expense attributable to completed development properties.*
 3. *For the financial year ended 31 December 1999, the Meda Inc. Group experienced an increase in turnover of 21.7% from RM72.2 million to RM87.9 million. The increase was mainly due to additional development works completed on the Bernam Industrial Park, additional progress of the development projects of Meda and ZKP as well as revenue generated from the hotel and shopping complex of The Summit Subang USJ which commenced operations during the said financial year. Profit before taxation and exceptional items however, decreased by 13.1% from RM26.9 million to RM23.3 million mainly due to an increase in interest expense attributable to completed development properties as well as the high initial operating expenses of the hotel operations.*

7. FINANCIAL INFORMATION..... cont'd

- 4 *For the financial year ended 31 December 2000, the Meda Inc. Group experienced an increase in turnover of 7.3% from RM87.9 million to RM94.3 million. The increase was mainly contributed by Meda, ZKP and Bernam from the new sales of their property development projects namely The Summit Subang USJ, The Summit Bukit Mertajam Plaza and the Bernam Industrial Park. In addition, the increase is also due to a full year's revenue generated from The Summit Hotel compared to only 3 months during the previous financial year. Profit before taxation and exceptional items increased significantly by 91.6% from RM23.3 million to RM44.7 million mainly due to the lower promotional costs incurred especially in respect of The Summit Hotel and the receipt of late delivery claim from turnkey contractor as compensation for late completion of The Summit Subang USJ.*
- 5 *There were no extraordinary items during the financial period under review*
- 6 *The effective tax rate for 1998 was higher than the statutory tax rate mainly due to the disallowance of certain expenses. In view of the waiver granted under the Income Tax (Amendment) Act, 1999, no provision for taxation was made in the financial statements for 1999. The tax provision for 1999 was deferred tax in respect of interest receivable.*

7.2 Directors' Declaration on Financial Performance

As at 18 January 2002, being the latest practicable date prior to the printing of this Prospectus, the financial conditions and operations of the Company and its subsidiaries are not affected by any of the following:-

- (i) Known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (ii) Material commitment for capital expenditure;
- (iii) Unusual infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of the Group;
- (iv) Known events, trends, circumstances, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

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7. FINANCIAL INFORMATION..... cont'd**7.3 Proforma Consolidated Balance Sheets as at 31 July 2001**

The following proforma Consolidated Balance Sheets should be read in conjunction with the notes set out in Section 7.11 of this Prospectus.

	←-----Scenario 1-----→			←-----Scenario 2-----→	
	Audited as at 31 July 2001 RM'000	After Incorporation of Revaluation Surplus and Acquisitions RM'000	After the IPO RM'000	After Incorporation of Revaluation Surplus and Acquisitions RM'000	After the IPO RM'000
Non-Current Assets					
Property, Plant and Equipment	-	194,287	194,287	194,287	194,287
Investment Properties	-	301,386	301,386	301,386	301,386
Other Investments	-	363	363	363	363
Land Held For Development	-	77,360	77,360	77,360	77,360
Current Assets	302	129,946	155,762	129,946	155,762
Less: Current Liabilities	(161)	(170,212)	(140,212)	(170,212)	(140,212)
Net Current Assets/(Liabilities)	141	(40,266)	15,550	(40,266)	15,550
	141	533,130	588,946	533,130	588,946
Financed by:-					
- Share capital	300	174,014	210,774	177,543	214,303
- Share Premium	-	1,777	20,833	4,248	23,304
- (Accumulated loss)/ unappropriated profit	(159)	146,071	146,071	145,896	145,896
Shareholders funds	141	321,862	377,678	327,687	383,503
Minority Interest	-	8,683	8,683	2,858	2,858
Non-Current Liabilities	-	202,585	202,585	202,585	202,585
	141	533,130	588,946	533,130	588,946
Proforma NTA per Share (RM)	0.24	0.92	0.90	0.92	0.89

Notes:-

Scenario 1 - Based on the assumption that there are no acceptances arising from the Proposed Acquisition of Remaining 10% of Sri Lingga pursuant to the MGO.

Scenario 2 - Based on the assumption that the Proposed Acquisition of Remaining 10% of Sri Lingga pursuant to the MGO was fully accepted and satisfied via the issuance of 7,058,824 Shares in Meda Inc.

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7. FINANCIAL INFORMATION..... cont'd

7.4 Proforma Consolidated Cashflow Statement

The table below sets out the proforma consolidated cashflow statement of the Meda Inc. Group for the seven(7) months ended 31 July 2001 and is provided for illustrative purposes based on the audited accounts of the Meda Inc. and its Subsidiaries, prepared on the assumption that the acquisitions for consideration comprising Meda Inc. Shares of the Subsidiaries and the remaining 10% of Sri Lingga shares were completed by end December 2001 and end April 2002 respectively:-

	RM'000
<u>Cash flow from operating activities</u>	
Profit before taxation	22,797
Adjustments for:	
Depreciation	3,278
Interest income	(652)
Interest expense	9,949
Profit accrued based on the percentage of completion	(20,550)
Gain on disposal of property, plant and equipment	(13)
Property, plant and equipment written off	1
Operating profit before working capital changes	14,810
Changes in land under development	35,512
Changes in inventories	53
Changes in trade and other receivables	(23,764)
Changes in trade and other payables	(8,107)
Cash generated from operations	18,504
Interest received	468
Interest paid	(199)
Deposit paid	(48)
Tax paid	(211)
Advances given	(50)
Net cash generated from operating activities	18,464
<u>Cash flow from investing activities</u>	
Interest received	72
Development expenditure paid	(3,548)
Purchase of property, plant and equipment	(21,472)
Proceeds from disposal of property, plant and equipment	200
Payment for construction of investment properties	(2,324)
Advances to Kumpulan Emas Berhad's subsidiary companies	(47)
Repayment from director-affiliated companies	3,554
Placement of fixed deposit	(308)
Net cash used in investing activities	(23,873)
<u>Cash flow from financing activities</u>	
Interest paid	(6,116)
Drawdown of term loans	14,800
Repayment of term loans	(988)
Advances to directors of affiliated companies	(679)
Repayment from Kumpulan Emas Berhad's subsidiary companies	112
Repayment to Kumpulan Emas Berhad	(2,747)
Repayment of hire purchase liabilities	(235)
Net cash generated from financing activities	4,147
Net decrease in cash and cash equivalents	(1,262)
Cash and cash equivalents at 1 January 2001	(11,640)
Cash and cash equivalents at 31 July 2001	(12,902)
Cash and cash equivalents comprise:	
Fixed deposits	250
Cash and bank balances	957
Bank overdrafts	(14,109)
	(12,902)

7. FINANCIAL INFORMATION..... cont'd

7.5 Basis of Accounting Policies

The accounts of the Group are consolidated under the merger method of accounting, except for Genting Unggul and the remaining 10% of Sri Lingga shares pursuant to the MGO which are consolidated using the acquisition method of accounting. The financial information has been prepared in accordance with the applicable approved accounting standards issued by the MASB.

Save for the adjustments reflected in the audited accounts as set out in Section 7.1 and Section 10 of this Prospectus, there has been no significant change in the accounting policies and practices applied by the Group for the past five(5) years.

7.6 Working Capital, Borrowings, Contingent Liabilities and Capital Commitments**(i) Working Capital**

The Directors of Meda Inc. are of the opinion that after taking into consideration the cashflow forecast including the proceeds from the Public Issue and banking facilities available, the Meda Inc. Group will have adequate working capital for its present and foreseeable future requirements.

(ii) Borrowings

As at 18 January 2002, (*being the last practical date prior to the printing of this Prospectus*) the total interest-bearing borrowings of the Meda Inc. Group from financial institutions amounted to approximately RM299.5 million comprising term loans, bridging loans and overdraft facilities, of which 30% are short-term borrowings.

(iii) Contingent Liabilities and Capital Commitments

The Meda Inc. Group does not have any material capital commitments and contingent liabilities.

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7. FINANCIAL INFORMATION..... cont'd

7.7 Consolidated Profit Estimate and Forecast and Assumptions

MEDA INC. BERHAD

**CONSOLIDATED PROFIT ESTIMATE AND FORECAST
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001 AND
FINANCIAL YEAR ENDING 31 DECEMBER 2002**

The Directors of Meda Inc. Berhad estimate and forecast that, in the absence of unforeseen circumstances, the consolidated results for the financial year ended 31 December 2001 and financial year ending 31 December 2002, based on the assumptions stated below, will be as follows:

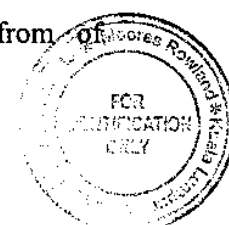
	2001 (Estimate) RM'000	2002 (Forecast) RM'000
Revenue	111,677	219,571
Profit before taxation	51,933	66,650
Taxation	(14,340)	(18,741)
Profit after taxation	37,593	47,909
Minority interest	(3,183)	(3,028)
Profit after taxation and minority interest	34,410	44,881
Weighted average number of ordinary shares ('000)	343,007	407,874
Basic earnings per share (sen)	10.03	11.00
Price-earnings multiple based on issue price of RM0.80 per share (times)	N/A	7.27
Return on share capital (%)	20.06	22.00

N/A - not applicable

BASES AND ASSUMPTIONS

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been prepared are set out as follows:

- The Public Issue will be completed and the proceeds arising therefrom of RM58,816,000 will be received by March 2002.



7. FINANCIAL INFORMATION..... cont'd

2. All the offerees pursuant to the Mandatory General Offer ("MGO") by Meda Inc. will accept Meda Inc. shares (totaling 7,058,824 ordinary shares of RM0.50 each at an issue price of approximately RM0.85 per share) as consideration for the remaining 10% of Sri Lingga Sendirian Berhad shares. The MGO will be completed by end-April 2002.
3. Except for Genting Unggul Sdn Bhd and the remaining 10% of Sri Lingga Sendirian Berhad shares to be acquired pursuant to the MGO which will be consolidated on the acquisition method of accounting, the subsidiary companies will be consolidated on the merger method of accounting permitted under *Malaysian Accounting Standard No. 2 - Accounting for Acquisitions and Mergers*.

The merger deficit of RM136.250 million will be written off against the entire revaluation reserve of RM116.741 million and against unappropriated profit to the extent of RM19.509 million.
4. The consolidated profit estimate and forecast have been prepared on bases and accounting principles consistent with those previously adopted in the preparation of the audited financial statements.
5. There will be no changes in the accounting policies currently adopted by the Group.
6. There will be no material changes in the structure and principal activities of the Group except for Sri Lingga Sendirian Berhad, which will commence its development activities as forecast.
7. There will be no material changes in the management.
8. Expenses for the listing exercise totaling approximately RM3 million will be entirely written off against the Share Premium Account.
9. Existing, and if necessary, additional bank credit facilities will be available to sustain the subsidiary companies during the period covered by the profit estimate and forecast. Danaharta Urus Sdn Bhd, which has acquired Bernam Industrial Estate Sdn Bhd's loan facilities, will continue to make the loan facilities available.
10. Capital expenditure programmes will be implemented on schedule and there will be no material acquisitions or disposals of property, plant and equipment and investments other than those planned.
11. The relevant approvals from the authorities for the development projects of the Group will be obtained as scheduled.



7. FINANCIAL INFORMATION..... cont'd

12. There will be no material changes to the costs (including land premium payable) and disruptions to the supply of principal raw materials and services required for the operations of the Group.
13. There will be no significant changes in the political, economic and market conditions that may directly or indirectly affect the demand, saleability and pricing of the properties developed by the Group.
14. There will be no significant changes in existing legislation, statutory rules and regulations and statutory rates of direct and indirect taxes, levies and rates. The income tax rate for year 2001 and 2002 will remain at 28%.
15. There will be no major industrial disputes or any unforeseen increases in the cost of human resources.
16. There will be no material claims against the Group which have not already been recorded.
17. There will be no significant fluctuations in the existing inflation rate. The exchange rates of foreign currencies against the Malaysian Ringgit are assumed to be continuously pegged at the fixed USD exchange rate of RM3.80 : USD1.00.
18. The current interest rates used for interest expense calculation will remain unchanged throughout the period covered by the profit estimate and forecast.
19. Collections of rental and progress billings and payments of expenses and development expenditure will be as scheduled.

Return on share capital

20. Return on share capital is calculated based on the consolidated profit after taxation and minority interest and the weighted average share capital.



7. FINANCIAL INFORMATION..... cont'd

7.8 *Auditors' Letter On The Consolidated Profit Estimate and Forecast Together with the Bases and Assumptions Contained therein*
(Prepared for inclusion in this Prospectus)



Date : 25 January 2002

The Board of Directors
Meda Inc. Berhad
9th Floor, Menara Summit
Persiaran Kewajipan, USJ 1
47600 UEP Subang Jaya
Selangor Darul Ehsan

Partners/Directors
Dato' Koay Soon Eng
Ong Eng Loo
Tang Kin Kheong
Jean Gan Morn Ghuat
Tang Chin Fook

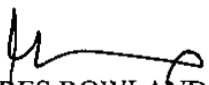
Dear Sirs

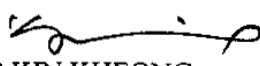
MEDA INC. BERHAD ("Meda Inc.") (507785-P)
CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001 AND FINANCIAL YEAR ENDING 31 DECEMBER 2002

We have reviewed the accounting policies and calculations for the consolidated profit estimate and forecast of Meda Inc., for which the directors of Meda Inc. and of its subsidiary companies are solely responsible, for the financial year ended 31 December 2001 and financial year ending 31 December 2002 as set out in the Prospectus to be dated 31 January 2002 in connection with the Public Issue and Offer for Sale of 73,520,000 and 20,420,000 ordinary shares of RM0.50 each, respectively, at an issue/offer price of RM0.80 per share and the listing of and quotation for the entire issued and paid-up share capital of Meda Inc. comprising up to 428,606,824 ordinary shares of RM0.50 each on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit estimate and forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the directors set out in the Prospectus, and are presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully


MOORES ROWLAND
No. AF: 0539
Chartered Accountants


TANG KIN KHEONG
No. 1501/9/03(J/PH)
Partner

Chartered Accountants
A member of
Moore's Rowland International
an association of independent
accounting firms throughout
the world

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7. FINANCIAL INFORMATION..... cont'd

7.9 Directors' Commentary on Achievability of Profit Estimate and Forecast

The Board of Directors of Meda Inc. expects the Group to achieve revenue of RM111.7 million in year 2001 with development, rental and hotel operations contributing 62.2%, 20.0% and 16.8% to total turnover respectively. Turnover is expected to increase by 18.4% as compared to year 2000 mainly as a result of launched Desa Larkin Project by Genting Unggul. With gradual revival of the domestic economy, the Group also anticipates that there will be an increase in the occupancy rate and average rental/room rate of the shopping podium, office towers and hotels in both The Summit Subang USJ and The Summit Bukit Mertajam Plaza. These will result in an increase of 7.8% on the profit after tax and minority interest for the Group of RM34.4 million as compared to RM31.9 million for the financial year ending 31 December 2000.

In the financial year ending 31 December 2002, the Group is forecasting a total revenue of RM219.6 million and profit after taxation and minority interest of RM44.9 million. The increase of approximately 136.1% in development turnover as compared to the previous year is mainly due to expected launching of Phase 1E and bungalow lots of Phase 2 of the Bernam Industrial Park, Natural Heritage Country Resort and Block B of the office building in the Semantan Avenue, coupled with the anticipation of new sales to be closed for all development projects during the year, and the higher stage of work completion of on-going projects. The increase in turnover is also expected to be contributed by a rise in rental income and income from the Group's hotel operations under Meda and ZKP. Consequently, profit after tax is expected to increase to RM44.9 million, approximately 30.4% higher than of the previous year.

The Board of Directors of Meda Inc. confirm that the profit estimate and forecast of the Meda Inc. Group and the underlying bases and assumptions stated therein have been reviewed by the Directors after due and careful enquiry, and that the Directors, having taken into account the future prospects of the industry, future plans of the Meda Inc. Group and its level of gearing, liquidity and working capital requirements, are of the opinion that the profit estimate and forecast of the Meda Inc. Group are achievable and the assumptions made are reasonable.

Nevertheless, in light of the current economic environment in Malaysia and of the world economic condition, certain assumptions, may differ significantly from actual situation from the date of this profit estimate and forecast.

7.10 Dividend Estimate and Forecast Policy

Meda Inc. intends to pursue a dividend policy in line with its profitability which would allow its shareholders to participate in the profits of the Group as well as leaving adequate reserves for its future growth and expansion.

Based on the Group's consolidated profit estimate and forecast for the financial years ended/ending 31 December 2001 and 2002, on the assumption that the current basis for calculating taxation and the rates of taxation will remain unchanged, the Directors of Meda Inc. anticipate that the Company would be in a position to declare a gross dividend of 5% amounting to approximately RM10.7 million for the financial year ending 31 December 2002 based on the issued and paid-up share capital of up to 428,606,824 Shares.

7. FINANCIAL INFORMATION..... cont'd

The intended appropriation of the consolidated profit estimate and forecast are as follows:-

Financial year ended/ending 31 December	Estimate 2001 RM'000	Forecast 2002 RM'000
Consolidated PBT after EJ before MI	51,933	66,650
Consolidated PAT after MI	34,410	44,881
Less: Proposed dividend (less 28% tax)	-	(7,715)
Retained profit	34,410	37,166
Gross dividend based on the enlarged share capital of up to 428,606,824 Shares	Nil	10,715
Net dividend based on the enlarged share capital of up to 428,606,824 Shares	-	7,715
Gross dividend per Share (sen)	Nil	2.50
Net dividend per Share (sen)	-	1.80
Gross dividend rate (%)	-	5.00
Net dividend rate (%)	-	3.60
Gross dividend yield (based on the IPO price of RM0.80 per Share) (%)	-	3.12
Net dividend yield (based on the IPO price of RM0.80 per Share) (%)	-	2.25
Gross dividend cover (times)	-	4.19
Net dividend cover (times)	-	5.82

Investors should note that future dividends might be waived if:-

- (a) the Group records a loss instead of the estimate/forecast profits; or
- (b) the payment of the dividends would adversely affect the Group's cashflow and operations.

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7. FINANCIAL INFORMATION..... cont'd

7.11 Proforma Consolidated Balance Sheets

MEDA INC. BERHAD

PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 31 JULY 2001

The Proforma Consolidated Balance Sheets of Meda Inc. Berhad as set out below are provided for illustrative purposes only to show the effects of the incorporation of revaluation surplus, of the acquisitions of subsidiary companies and of the Public Issue on the audited balance sheet of Meda Inc. Berhad as at 31 July 2001.

	< --- Scenario 1 --->		< --- Scenario 2 --->	
	(1)	(2)	(1)	(2)
	After	After (1)	After	After (1)
	Incorporation	and the	Incorporation	and the
	of Revaluation	Public	of Revaluation	Public
	Surplus and	Issue	Surplus and	Issue
	Acquisitions		Acquisitions	
Audited as at 31 July 2001	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS				
Property, plant and equipment	-	194,287	194,287	194,287
Investment properties	-	301,386	301,386	301,386
Other investment	-	363	363	363
Land held for development	-	77,360	77,360	77,360
CURRENT ASSETS				
Land under development	-	28,931	28,931	28,931
Inventories	-	246	246	246
Trade receivables	-	50,284	50,284	50,284
Other receivables, deposits and prepayments	302	48,387	48,387	48,387
Fixed deposits with licensed banks	-	1,141	1,141	1,141
Bank balances	-	957	26,773	26,773
	302	129,946	155,762	129,946
CURRENT LIABILITIES				
Trade payables	-	4,862	4,862	4,862
Other payables and accruals	161	39,533	39,533	39,533
Hire purchase liabilities	-	205	205	205
Taxation	-	52,119	52,119	52,119
Bank borrowings	-	73,493	43,493	73,493
	161	170,212	140,212	170,212
NET CURRENT ASSETS/ (LIABILITIES)	141	(40,266)	15,550	(40,266)
	141	533,130	588,946	533,130
Less:				
NON-CURRENT LIABILITIES				
Long term loans	-	193,863	193,863	193,863
Hire purchase liabilities	-	304	304	304
Unsecured creditor	-	2,999	2,999	2,999
Deferred taxation	-	5,419	5,419	5,419
	141	330,545	386,361	330,545
Financed by:				
SHARE CAPITAL	300	174,014	210,774	177,543
SHARE PREMIUM	-	1,777	20,833	4,248
(ACCUMULATED LOSS)/ UNAPPROPRIATED PROFIT	(159)	146,071	146,071	145,896
	141	321,862	377,678	327,687
MINORITY INTEREST	-	8,683	8,683	2,858
	141	330,545	386,361	330,545
NET TANGIBLE ASSETS PER ORDINARY SHARE OF RM0.50 EACH (RM)	0.24	0.92	0.90	0.92

7. FINANCIAL INFORMATION..... cont'd

MEDA INC. BERHAD

NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 31 JULY 2001

The Proforma Consolidated Balance Sheets have been prepared for illustrative purposes only on the assumption that the following had already been effected on 31 July 2001.

1. Incorporation of Revaluation Surplus and Acquisitions of subsidiary companies

(a) Details of the Acquisitions are as follows:

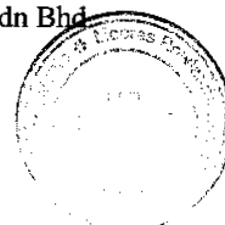
Scenario 1

The acquisitions were satisfied by the issue of new ordinary shares of RM0.50 each by Meda Inc. Berhad at an issue price of approximately RM0.85 per share. The number of shares and percentage shareholding in each subsidiary company acquired, the purchase consideration and number of Meda Inc. Berhad shares issued as consideration were as follows:

Subsidiary Company	No. of shares acquired	Percentage shareholding acquired (%)	Purchase consideration (RM'000)	No. of Meda Inc. Berhad shares issued as consideration ('000)
Meda Development Sdn Bhd ("Meda")	16,375,000	100	160,000	188,234
ZKP Development Sdn Bhd ("ZKP")	8,750,000	100	47,000	55,294
Litaran Bayu Sdn Bhd ("Litaran Bayu")	500,000	100	20,000	23,529
Bernam Industrial Estate Sdn Bhd ("Bernam")	300,000	30	8,500	10,000
Sri Lingga Sendirian Berhad ("Sri Lingga")	9,000,000	90	54,000	63,529
Nandex Development Sdn Bhd	100	100)))
Impressive Performance Sdn Bhd	100	100)	1,500)	1,765
Everlasting Growth Sdn Bhd	100	100)))
Genting Unggul Sdn Bhd ("Genting Unggul")	150,000	60	4,316	5,077
			295,316	347,428

The acquisition of Bernam was effected through the acquisition of the entire issued share capital of Litaran Bayu, an investment holding company which owns a 70% equity interest in Bernam, and the acquisition of the remaining 30% equity interest in Bernam from Perak Industrial Resources Sdn Bhd.

The above acquisitions were completed in December 2001.



7. FINANCIAL INFORMATION..... cont'd

Scenario 2

Meda Inc. Berhad is also offering to take-over the remaining 10% of Sri Lingga shares pursuant to the *Malaysian Code on Take-Overs and Merger 1998*. Scenario 2 assumes that all the offerees accept Meda Inc. shares (totaling 7,058,824 ordinary shares of RM0.50 each at an offer price of approximately RM0.85 per share) as consideration. The Mandatory General Offer will be completed by end-April 2002.

Under Scenario 2, the details of the acquisitions of the subsidiary companies other than Sri Lingga remain unchanged.

- (b) The Proforma Consolidated Balance Sheets have been prepared based on generally accepted consolidation principles from audited financial statements of Meda Inc. Berhad and its subsidiary companies made up to 31 July 2001. These financial statements have been prepared based on accounting principles consistent with those previously adopted by the respective companies, except that adjustments have been made where appropriate, principally to comply with MASB standards.
- (c) Meda Inc. Berhad will incorporate the revaluation surplus on the Group's hotel properties and investment properties in the books of Meda and ZKP amounting to RM70.742 million and RM13.606 million, respectively.
- (d) Except for Genting Unggul and the remaining 10% of Sri Lingga which are consolidated on the acquisition method of accounting, the subsidiary companies are consolidated on the merger method of accounting permitted under *Malaysian Accounting Standard No. 2 - Accounting for Acquisitions and Mergers*.

The merger deficit of RM136.250 million has been written off against the entire revaluation reserve of RM116.741 million and against unappropriated profit to the extent of RM19.509 million.



7. FINANCIAL INFORMATION..... cont'd

2. Public Issue and Offer for Sale

- (a) The proceeds from the Public Issue totaling RM58,816,000 will be utilised as follows:

	RM'000
Repayment of bank borrowings	30,000
Working capital	25,816
Estimated expenses for the listing exercise	3,000
	<u>58,816</u>

- (b) The proceeds from the Offer for Sale and the related expenses will accrue to the Offerors and no part of the proceeds is receivable by Meda Inc. Berhad.
- (c) Expenses for the listing exercise totaling approximately RM3 million are to be written off against the Share Premium account.



7. FINANCIAL INFORMATION..... cont'd

7.12 Auditors' Letter on the Proforma Consolidated Balance Sheets
(Prepared for inclusion in this Prospectus)



Date : 25 January 2002

The Board of Directors
Meda Inc. Berhad
9th Floor, Menara Summit
Persiaran Kewajipan, USJ 1
47600 UEP Subang Jaya
Selangor Darul Ehsan

Partners/Directors
Dato' Koay Soon Eng
Ong Eng Loo
Tang Kin Kheong
Jean Gan Morn Ghuat
Tang Chin Fook

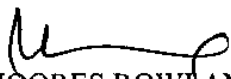
Dear Sirs


MEDA INC. BERHAD ("Meda Inc.") (507785-P)
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 JULY 2001

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Meda Inc. as at 31 July 2001 together with the notes and assumptions thereon, for which the Directors of Meda Inc. are solely responsible, as set out in the Prospectus to be dated 31 January 2002 in connection with the Public Issue and Offer for Sale of 73,520,000 and 20,420,000 ordinary shares of RM0.50 each, respectively, at an issue/offer price of RM0.80 per ordinary share and the listing of and quotation for the entire issued and paid-up share capital of Meda Inc. comprising up to 428,606,824 ordinary shares of RM0.50 each on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the Proforma Consolidated Balance Sheets as at 31 July 2001, which have been prepared for illustrative purposes only, have been properly compiled on the bases set out in the notes and assumptions thereon.

Yours faithfully


MOORES ROWLAND
No. AF: 0539
Chartered Accountants


TANG KIN KHEONG
No. 1501/9/03(J/PH)
Partner