

PROSPECTUS



MUTIARA GOODYEAR DEVELOPMENT BERHAD

(formerly known as MIT Holdings Berhad)

(Company No: 40383-V)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE

OF 6,300,000 NEW ORDINARY SHARES OF RM1.00 EACH AT AN ISSUE PRICE OF RM1.00 PER ORDINARY SHARE, PAYABLE IN FULL UPON ACCEPTANCE, ON THE BASIS OF ONE (1) NEW ORDINARY SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE HELD AT 5.00 P.M. ON 18 MARCH 2002

RESTRICTED PUBLIC ISSUE

(ONLY FOR APPLICATION BY EXISTING STAFF AND ALL THE GRADUATES OF UNIVERSITY INSTITUTE TECHNOLOGY MARA ("UITM") (FORMERLY KNOWN AS MARA INSTITUTE OF TECHNOLOGY))

OF 10,000,000 NEW ORDINARY SHARES OF RM1.00 EACH AT AN ISSUE PRICE OF RM1.20 PER ORDINARY SHARE TO EXISTING STAFF AND ALL THE GRADUATES OF UITM PAYABLE IN FULL ON APPLICATION

RESTRICTED OFFER FOR SALE

OF 7,000,000 ORDINARY SHARES OF RM1.00 EACH COMPRISING:-

1,600,000 ORDINARY SHARES OF RM1.00 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE EMPLOYEES OF THE MUTIARA GOODYEAR DEVELOPMENT BERHAD ("MGDB") GROUP AT AN OFFER PRICE OF RM1.20 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION;

4,400,000 ORDINARY SHARES OF RM1.00 EACH BY WAY OF PRIVATE PLACEMENT AT AN OFFER PRICE OF RM1.20 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION; AND

1,000,000 ORDINARY SHARES OF RM1.00 EACH AT AN OFFER PRICE OF RM1.20 PER ORDINARY SHARE TO EXISTING STAFF AND ALL THE GRADUATES OF UITM PAYABLE IN FULL ON APPLICATION.

AND

RESTRICTED OFFER FOR SALE

OF RM100,000 NOMINAL VALUE OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("KULS") BY GOODYEAR MANAGEMENT (M) SDN BHD TO THE SERVICE PROVIDERS AND STAFF OF THE SERVICE PROVIDERS OF THE MGDB GROUP AT AN OFFER PRICE OF RM1.00 FOR EVERY RM1.00 NOMINAL VALUE OF KULS IN CONJUNCTION WITH ITS TRANSFER OF LISTING STATUS FROM THE BUMIPUTRA STOCK EXCHANGE ("BSE") TO THE MAIN BOARD OF THE KUALA LUMPUR STOCK EXCHANGE ("KLSE")

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

Adviser and Managing Underwriter



Arab-Malaysian Merchant Bank Berhad

(22542) Kuala Lumpur Merchant Bank

(A Member of the Arab-Malaysian Banking Group)

IMPORTANT RELEVANT DATES - LAST DAY AND TIME FOR THE RENOUNCEABLE RIGHTS ISSUE ONLY

Splitting	4 April 2002 at 5.00 pm *
Acceptance and Payment	11 April 2002 at 5.00 pm *
Renunciation and Payment	11 April 2002 at 5.00 pm *
Excess Shares Application and Payment	11 April 2002 at 5.00 pm *

* or such later time and day as the Directors of MGDB together with the Managing Underwriter may decide and advertise.

This Prospectus is dated 29 March 2002

FOR THE ATTENTION OF SHAREHOLDERS OF MGDB WHO ARE REGISTERED IN THE REGISTER OF MEMBERS AT 5.00 P.M. ON 18 MARCH 2002 WHO WISH TO SUBSCRIBE FOR THE RIGHTS ISSUE, EXISTING STAFF AND ALL THE GRADUATES OF UTM, ELIGIBLE EMPLOYEES OF THE MGDB GROUP AND SERVICE PROVIDERS AND STAFF OF THE SERVICE PROVIDERS OF THE MGDB GROUP.

This Prospectus has been seen and approved by the directors and promoters of MGDB and the Offerors and they collectively and individually accept full responsibility for the accuracy of all information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false and misleading.

The Adviser and Managing Underwriter acknowledge that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Renounceable Rights Issue ("Rights Issue"), Restricted Public Issue, Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS and are satisfied that any profit estimate and forecast (for which the directors of MGDB are fully responsible) prepared for inclusion in the Prospectus have been stated by the directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The Securities Commission ("SC") has approved the issue, offer or invitation in respect of the Rights Issue, Restricted Public Issue, Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS vide its letters dated 4 May 2001, 11 July 2001, 26 November 2001 and 14 December 2001. The approval of the SC shall not be taken to indicate that the SC recommends the Rights Issue, Restricted Public Issue, Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS, which are the subject of this Prospectus.

The SC shall not be liable for any non disclosure on the part of MGDB and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. "INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT."

The valuation approved or accepted by the SC shall only be utilised for the purpose of the corporate proposals submitted to and approved by the SC, and shall not be construed as an endorsement by the SC on the value of the subject assets for any other purposes.

The KLSE assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission to the Official Lists on the Main Board of the KLSE is not to be taken as an indication of the merits of MGDB or of its securities.

A copy of this Prospectus together with copies of the Provisional Allotment Letter ("PAL") and accompanying forms have been registered by the SC and lodged with the Registrar of Companies ("ROC") who takes no responsibility for its contents.

FOR THE ATTENTION OF SHAREHOLDERS OF MGDB ONLY WHO ARE REGISTERED IN THE REGISTER OF MEMBERS AT 5.00 P.M. ON 18 MARCH 2002 WHO WISH TO SUBSCRIBE FOR THE RIGHTS ISSUE.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold all your shares in MGDB, you should at once hand this Prospectus together with the PAL and the accompanying forms to the agent through whom you effected the sale for transmission to the purchaser. All enquiries concerning the Rights Issue should be addressed to the registrars of MGDB, namely Bina Management (M) Sdn Berhad at Lot 10, The Highway Centre, Jalan 51/205, 46050, Petaling Jaya, Selangor Darul Ehsan.

Application will be made to the KLSE within three (3) market days of the issuance of this Prospectus for admission to the Official List and for the listing of and quotation for the entire issued and fully paid-up share capital and nominal value of ICULS of MGDB on the Main Board of the KLSE. These Shares and ICULS will be admitted to the Official List on the Main Board of the KLSE and the official listing and quotation will commence upon receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Shareholders of MGDB with a registered address outside Malaysia, in which the acceptance of all or any part of their entitlement would result in the contravention of the laws of the countries or jurisdictions in which such shareholders are residents, in the absence of any necessary consent and/or compliance with any registration or other legal requirements or for any other reason, are not entitled to accept all or any part of their entitlements or to apply for excess new securities to be issued pursuant to the Rights Issue. If any such shareholder purports to accept all or any part of his/her entitlement or to apply for excess new securities to be issued pursuant to the Rights Issue, such purported acceptance or renunciation or application will be deemed invalid and such shareholder will be considered not to have accepted his/her rights entitlement nor to have applied for the aforesaid excess new securities. Such shareholders should consult their legal advisers in the countries or jurisdictions in which they are residents as to whether the acceptance of their entitlements would result in the contravention of any laws of such countries or jurisdictions.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for MGDB's entire issued and paid-up share capital of 162,806,000 (assuming no conversion of ICULS) and RM85,134,000 nominal value of ICULS on the Main Board of the KLSE are as follows:-

(a) Restricted Public Issue, Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS

<u>Tentative Date</u>	<u>Event</u>
29 March 2002	→ Date of Prospectus/Opening Date
11 April 2002	→ Closing Date
17 April 2002	→ Balloting of Applications
29 April 2002	→ Dispatch Notice of Allotment
6 May 2002	→ Listing Date

(b) Rights Issue

<u>Tentative Date</u>	<u>Event</u>
29 March 2002	→ Dispatch of Prospectus and PAL
4 April 2002	→ Last day for splitting
11 April 2002	→ Last day for acceptance, renunciation, excess share application and payment
29 April 2002	→ Allotment and dispatch Notice of Allotment
6 May 2002	→ Listing Date

- * *Important Note: The closing date of the Rights Issue, Restricted Public Issue, Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS may be extended at the discretion of the Board of Directors of MGDB together with the Managing Underwriter. Should there be an extension of the Closing Date, the date of MGDB's listing on the KLSE will be extended.*

DEFINITIONS

Unless otherwise indicated, the following definitions apply throughout this Prospectus:-

Act	:	Companies Act, 1965
Acquisition of DLSB	:	Acquisition of the entire issued and paid up share capital of DLSB, by MGDB for a consideration of RM62.947 million to be satisfied by the issuance of 44.063 million new ordinary shares of RM1.00 each in MGDB at an issue price of RM1.00 per share and RM18.884 million nominal value of ICULS in MGDB
Acquisition of PBM	:	Acquisition of the entire issued and paid up share capital of PBM, by MGDB for a consideration of RM69.450 million to be satisfied by the issuance of 66.143 million new ordinary shares of RM1.00 each in MGDB at an issue price of RM1.05 per share in MGDB
Acquisitions	:	Acquisition of DLSB and Acquisition of PBM collectively
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Applications	:	Refers to application for the Restricted Public Issue Shares, Restricted Offer Shares and Restricted Offer ICULS
Application Form	:	A printed application form for the purpose of applying for the Restricted Public Issue Shares, Restricted Offer Shares and Restricted Offer ICULS.
APSB	:	Atlasearch Placement Sdn Bhd (350471-M)
Arab-Malaysian	:	Arab-Malaysian Merchant Bank Berhad (23742-V)
BSE	:	Bumiputra Stock Exchange
CDS	:	Central Depository System
Debt Settlement	:	Settlement of debt owing to the shareholders of DLSB and PBM of RM17.20 million and RM49.05 million respectively, by the issuance of a total RM66.25 million nominal value of ICULS in MGDB
DLSB	:	Dynastic Lion Sdn Bhd (385697-V)
DLSB Group	:	DLSB, SED, RF, PK and PN
DLSB Vendors	:	Mr. Edmond Hoyt Yung, Mr. Lai Tan Fatt, Mr. Wong Soo Chai @ Mr. Wong Chick Wai and GMM
EBIDTA	:	Earnings before Interest, Depreciation, Taxation and Amortisation
EGM	:	Extraordinary General Meeting
EPS	:	Earnings Per Share
Facility Agent	:	Arab-Malaysian
FIC	:	Foreign Investment Committee
GDP	:	Gross Domestic Product
GDV	:	Gross Development Value
GMM	:	Goodyear Management (Malaysia) Sdn Bhd (13128-U)

DEFINITIONS (CONT'D)

Henry Butcher or Valuer	:	Henry Butcher, Lim & Long (North) Sdn Bhd (177498-P); Henry Butcher, Lim & Long (Kedah) Sdn Bhd (229800-H); and Henry Butcher, Lim & Long Sdn Bhd (160636-P)												
ICULS	:	2.5% Irredeemable Convertible Unsecured Loan Stock 2002/2007 issued by MGDB pursuant to the Acquisition of DLSB and Debt Settlement												
Increase in Authorised Share Capital	:	Increase in authorised share capital of MGDB from 20 million to 500 million by the creation of 480 million new ordinary shares of RM1.00 each												
KLSE or Exchange	:	Kuala Lumpur Stock Exchange (30632-P)												
Listing	:	Listing of the entire issued and paid-up share capital and ICULS of MGDB on the Main Board of the KLSE												
Listing Scheme/Proposals	:	Acquisition of DLSB, Acquisition of PBM, Rights Issue, Debt Settlement, Restricted Issue, Special Offer to Bumiputra Parties, Restricted Public Issue, Restricted Offer for Sale of Shares, Restricted Offer for Sale of ICULS, Increase in Authorised Share Capital, Transfer of Listing Status and listing of the entire issued and paid-up share capital and ICULS of MGDB on the Main Board of the KLSE												
Market Day	:	Any day between Monday and Friday (inclusive) which is not a public holiday and when the KLSE is opened for trading of securities												
MCD	:	Malaysian Central Depository Sdn Bhd (165570-W)												
MGDB or the Company	:	Mutiara Goodyear Development Berhad (40282-V), formerly known as MIT												
MGDB Group or the Group	:	MGDB and its subsidiaries (pursuant to the Acquisition of DLSB and Acquisition of PBM)												
MIT	:	MIT Holdings Berhad (40282-V)												
MITI	:	Ministry of International Trade and Industry												
MI	:	Minority interest												
MHH	:	Malaysian Issuing House Sdn Bhd (258345-X)												
NTA	:	Net Tangible Assets												
Restricted Offer Shares	:	The 7 million ordinary shares of RM1.00 each in MGDB, being the subject of Restricted Offer for Sale of Shares												
Restricted Offer ICULS	:	The 100,000 nominal value of ICULS, being the subject of Restricted Offer for Sale of ICULS												
Restricted Offer for Sale of ICULS	:	The restricted offer for sale of RM100,000 nominal value of ICULS by a vendor of DLSB and PBM, namely GMM to service providers and staff of the service providers of MGDB Group at an offer price of RM1.00 for every RM1.00 nominal value of ICULS												
Restricted Offer for Sale of Shares	:	The restricted offer for sale of 7 million ordinary shares of RM1.00 each in MGDB by the vendors of PBM and DLSB at an offer price of RM1.20 per share												
Offerors	:	Offerors of the Restricted Offer for Sale of Shares are as follows:-												
		<table border="0"> <thead> <tr> <th style="text-align: left;">Name of Offeror</th> <th style="text-align: right;">No. of shares offered</th> </tr> <tr> <td></td> <th style="text-align: right;">('000)</th> </tr> </thead> <tbody> <tr> <td>Mr. Edmond Hoyt Yung</td> <td style="text-align: right;">2,800</td> </tr> <tr> <td>Mr. Lai Tan Fatt</td> <td style="text-align: right;">2,450</td> </tr> <tr> <td>Mr. Wong Soo Chai @ Wong Chick Wai</td> <td style="text-align: right;">1,750</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">7,000</td> </tr> </tbody> </table>	Name of Offeror	No. of shares offered		('000)	Mr. Edmond Hoyt Yung	2,800	Mr. Lai Tan Fatt	2,450	Mr. Wong Soo Chai @ Wong Chick Wai	1,750		7,000
Name of Offeror	No. of shares offered													
	('000)													
Mr. Edmond Hoyt Yung	2,800													
Mr. Lai Tan Fatt	2,450													
Mr. Wong Soo Chai @ Wong Chick Wai	1,750													
	7,000													
PAL	:	Provisional Allotment Letter												

DEFINITIONS (CONT'D)

PAT	:	Profit After Taxation
PBM	:	Pembangunan Bandar Mutiara Sdn Bhd (263093-W)
PBM Vendors	:	APSB, GMM and THSB
PBT	:	Profit Before Taxation
PE Multiple	:	Price Earnings Multiple
PK	:	Puncak Kencana Sdn Bhd (309545-A)
Placement Agent	:	MIDF Sisma Securities Sdn Bhd (423833 U)
PN	:	Potensi Naga Sdn Bhd (278917-T)
Promoter	:	Mr. Edmond Hoyt Yung, Mr. Lai Tan Fatt, Mr. Wong Soo Chai @ Wong Chick Wai, GMM, THSB and APSB
Prospectus	:	This Prospectus issued by MGDB to the potential investors pursuant to the Proposals
Restricted Public Issue	:	The restricted public issue of 10 million new ordinary shares of RM1.00 each in MGDB at an issue price of RM1.20 per new ordinary share, payable in full on application subject to the terms and conditions of this Prospectus
Restricted Public Issue Shares	:	The 10 million new ordinary shares of RM1.00 each in MGDB, being the subject of the Restricted Public Issue
Restricted Issue	:	Restricted issue of 30 million new ordinary shares of RM1.00 each in MGDB to the existing shareholders of PBM at an issue price of RM1.00 per share which will be utilised for partial settlement of PBM's syndicated loan
RF	:	Regal Form Sdn Bhd (295550-D)
Rights Issue	:	Renounceable rights issue of 6.3 million MGDB shares at an issue price of RM1.00 per share to the existing shareholders of MGDB on the basis of one (1) new MGDB ordinary share for every one (1) existing ordinary share held in MGDB at 5.00 p.m. on 18 March 2002
Rights Shares	:	New ordinary shares of RM1.00 each to be issued pursuant to the Rights Issue
RM and sen	:	Ringgit Malaysia and sen respectively
ROC	:	Registrar of Companies
SC	:	Securities Commission
SED	:	South East Dragon Sdn Bhd (292779-M)
Shares	:	Ordinary shares of RM1.00 each in MGDB
Special Offer to Bumiputra Parties	:	Special offer of 15 million MGDB shares at an offer price of RM1.20 each by THSB, Mr. Edmond Hoyt Yung, Mr. Lai Tan Fatt and Mr. Wong Soo Chai @ Wong Chick Wai to Bumiputra Parties
Transfer of Listing Status	:	Transfer of listing status of MGDB from the Bumiputra Stock Exchange to the Main Board of the KLSE
THSB	:	True Horizon Sdn Bhd (272960-W)

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
En. Harun Bin Haji Faudzar (Chairman)	No 1 Jalan 5/6 46000 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Mr. Edmond Hoyt Yung (Managing Director)	Apt 16-04 Tara 33 Ampang Hilir 55000 Kuala Lumpur	Company Director	British/Permanent Resident of Malaysia
Mr. Lai Tan Fatt (Non-Executive Director)	1603 Block B Prima 16 1 Jalan 16/18 46350 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Mr. Wong Soo Chai @ Wong Chick Wai (Non-Executive Director)	104 Jalan Athinahapan Satu, Taman Tun Dr Ismail 60000 Kuala Lumpur	Company Director	Malaysian
En. Ishak @ Abd Rahman bin Mohamad (Independent Non-Executive Director)	31 Jalan SS20/10 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dato' Dr. Abdul Razak bin Abdul (Director)	No 4 Jalan 11/4C Seksyen 11 40000 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
En. Amir bin Faudzar (Director)	No 64 Jin Sejahtera Lima Taman Sejahtera Alma 14000 Bukit Mertajam	Company Director	Malaysian
En. Baba Zain bin Baba Ein (Independent Non-Executive Director)	No 34 Jalan SG 7/4 Taman Sri Gombak 68100 Batu Caves Selangor Darul Ehsan	Company Director	Malaysian
Mr. Tan Su Tiam @ Tan Hooi Thean (Independent Non-Executive Director)	No 1 Lorong 10 Taman Melawati 08000 Sg Petani Kedah Darul Aman	Company Director	Malaysian

AUDIT COMMITTEE

Names	Designation	Directorship
En. Ishak @ Abd Rahman bin Mohamad	Chairman	Independent Non-Executive Director
En. Baba Zain bin Baba Ein	Member	Independent Non-Executive Director
Mr. Edmond Hoyt Yung	Member	Managing Director

CORPORATE INFORMATION (CONT'D)

- COMPANY SECRETARY** :
- Liew Min Tet (LS 0074)
Tingkat 11, Menara Tun Razak
Jalan Raja Laut
50350 Kuala Lumpur
 - Annie Yap Yin Hoon (LS 6644)
Tingkat 11, Menara Tun Razak
Jalan Raja Laut
50350 Kuala Lumpur
 - Puteri Intan Zuraida Bt. Dato' Abdul Rahman (BC/P/185)
Lot 03-10C, Tingkat 3
Kompleks PKNS
40000 Shah Alam
Selangor Darul Ehsan
- REGISTERED OFFICE** :
- Mutiara Goodyear Development Berhad
Tingkat 11, Menara Tun Razak
Jalan Raja Laut
50350 Kuala Lumpur
Tel : 2693 5622
Fax : 2691 2852
- MANAGEMENT OFFICE** :
- Mutiara Goodyear Development Berhad
Tingkat 11, Menara Tun Razak
Jalan Raja Laut
50350 Kuala Lumpur
Tel : 2693 5622
Fax : 2691 2852
- E-MAIL ADDRESS** :
- co.sec@mgycar.com.my
- REGISTRAR** :
- Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Tel : 7784 3922
Fax : 7784 1988
- ISSUING HOUSE** :
- Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi Purpose
Capital Square,
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
- PRINCIPAL BANKERS** :
- Citibank Berhad
Level 18, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur
 - Arab-Malaysian Bank Berhad
Level 19, Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
 - HSBC Bank Malaysia Berhad
No 2, Leboh Ampang
50100 Kuala Lumpur
 - Southern Bank Berhad
Menara Southern Bank
83 Medan Setia 1
Plaza Damansara
P.O. Box No 12281
50772 Kuala Lumpur

CORPORATE INFORMATION (CONT'D)

PRINCIPAL BANKERS (CONT'D)

Mayban Finance Berhad
No.1, Medan Tuanku Satu
50300 Kuala Lumpur

Alliance Bank Malaysia Berhad
Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur

RHB Bank Berhad
Ground Floor, Block Annexe
Menara Tun Razak
Jalan Raja Laut Sambungan
50350 Kuala Lumpur

**AUDITORS AND REPORTING
ACCOUNTANTS'**

: KPMG
Wisma KPMG, Jalan Dungun
Damansara Heights
50490 Kuala Lumpur

SOLICITORS

: Sim Hazlina & Co
8-12-6, Level 12
Menara Olympia
#8 Jalan Raja Chulan
50200 Kuala Lumpur

Y.M. Chin & Lee
12.03, 12th Floor
Menara Tun Razak
Jalan Raja Laut
50350 Kuala Lumpur

Yacob & Rakan-Rakan
Lot 03-10C, Tingkat 3
Kompleks PKNS
40000 Shah Alam
Selangor Darul Ehsan

**ADVISER AND MANAGING
UNDERWRITER**

: Arab-Malaysian Merchant Bank Berhad
22nd Floor, Bangunan Arab Malaysian
55, Jalan Raja Chulan
50200 Kuala Lumpur

UNDERWRITERS

: Arab-Malaysian Merchant Bank Berhad
22nd Floor, Bangunan Arab Malaysian
55, Jalan Raja Chulan
50200 Kuala Lumpur

MIDF Sisma Securities Sdn Bhd
17th and 18th Floor, Empire Tower
182, Jalan Tun Razak
50400 Kuala Lumpur

Innosabah Securities Bhd
11 Equity House, Block K Sadong Jaya
Karamuning
88100 Kota Kinabalu
Sabah

Kestrel Securities Sdn Bhd
No. 57, 59 & 61, Jalan Ali
84000 Muar
Johor Darul Takzim

CORPORATE INFORMATION (CONT'D)

PAYING AGENT FOR THE ICULS	:	Bina Management (M) Sdn. Bhd. Lot 10, The Highway Centre Jalan 51/205 46050 Petaling Jaya Selangor Darul Ehsan
PLACEMENT AGENT	:	MIDF Sisma Securities Sdn Bhd 18th Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur
FACILITY AGENT FOR THE ICULS	:	Arab-Malaysian Merchant Bank Berhad 22nd Floor, Bangunan Arab Malaysian 55, Jalan Raja Chulan 50200 Kuala Lumpur
TRUSTEE FOR ICULS	:	Arab-Malaysian Trustee Berhad (163032-V) 22nd Floor, Bangunan Arab Malaysian 55, Jalan Raja Chulan 50200 Kuala Lumpur
VALUERS	:	Henry Butcher, Lim & Long Sdn Bhd No. 25, Jalan Yap Ah Shak Off Jalan Dang Wangi 50300 Kuala Lumpur Henry Butcher, Lim & Long (Kedah) Sdn Bhd No. 180, 2nd Floor, Kompleks Alor Setar Lebuhraya Darulaman 05100 Alor Setar, Kedah Henry Butcher, Lim & Long (North) Sdn Bhd No. 2708, Chain Ferry Road Kimsar Garden 13700 Prai, Penang
LISTING SOUGHT	:	Main Board of the KLSE

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MUTIARA GOODYEAR DEVELOPMENT BERHAD

(formerly known as MIT Holdings Berhad)

(40282-V)

(Incorporated in Malaysia under the Companies Act, 1965)

INVESTOR WARNING: THE FOLLOWING INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION RELATING TO MGDB GROUP, AND SHOULD BE READ AND UNDERSTOOD IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.

1. SUMMARY INFORMATION

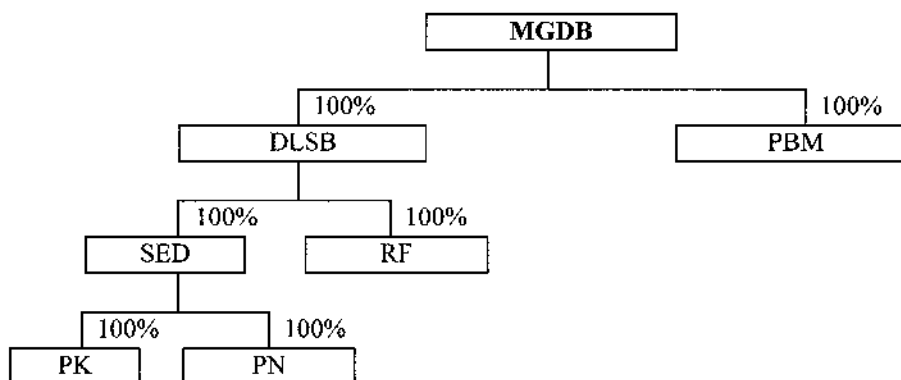
1.1 History and Business

MGDB was incorporated on 27 June 1978 in Malaysia as a public limited company under the Companies Act, 1965 under the name MIT Holdings Berhad. Subsequently on 17 October 2001, the Company had changed its name from MIT Holdings Berhad to Mutiara Goodyear Development Berhad. The Company was listed on the BSE in 1980, which had subsequently become defunct in 1996.

The Company was previously involved in property development, general construction, housing project management, supplying offices machinery and equipment, insurance brokery and consultancy whilst listed on the BSE. It has ceased operations and been dormant since 1996 onwards.

In conjunction with the revival of the Company's operations and the transfer of listing status of MGDB from the BSE to the Main Board of the KLSE, MGDB undertook a Listing Scheme which was approved by the SC vide its letters dated 4 May 2001, 11 July 2001 and 26 November 2001 and 14 December 2001.

Pursuant to the proposals implemented under the Listing Scheme, MGDB had acquired the entire issued and paid-up share capital of two (2) companies, namely DLSB and PBM. Upon the completion of the Proposals, MGDB's group structure will be as follows:-



Please refer to section 4.3 for details of the Proposals.

1. SUMMARY INFORMATION (CONT'D)

The completion of the Proposals will see a revival of MGDB from its dormant position. The MGDB Group will be principally involved in property development and property investment. As at 15 September 2001, the Group owns approximately 1,002 acres at a strategic location in Simpang Ampat, Seberang Perai and in populated areas such as Cheras, Selayang and Petaling Jaya for future development. Since then, Phase 4 of BTM has been fully completed and substantially sold. As such, the total landbank as at 31 January 2002 is 969 acres. The on-going projects undertaken by the Group are as detailed below:-

Name of Company	Name and Location	Details of Project
PBM	Bandar Tasek Mutiara ("BTM"), Simpang Ampat, Seberang Perai Selatan	Township Development
RF	Villa Lagenda, Selayang	Medium to High Cost Condominiums
	Taman Lagenda Mas, Cheras	Mixed Housing Scheme
PK	Selayang Baru	Low Cost Apartments
	Dataran Prima, Sungai Buloh	Sub-Commercial Development

As at 31 January 2002, the Group has completed projects with GDV worth over approximately RM417 million and has on-going projects worth over RM260 million. Future projects of the Group for the next few years are worth over RM1,119 million. The Group provides a varied product composition mix. Its development projects includes township development, low to high cost housing and sub-commercial developments.

The MGDB Group is managed by En. Harun bin Hj Faudzar, a businessman with approximately 15 years of experience in property development and Mr. Edmond Hoyt Yung who has over 27 years of experience in the property sector. The management team of GMM has been transferred on 1 January 2002 to MGDB Group to provide continuing management to the present and future projects in the Central Region. GMM is the vendor of both DLSB and PBM. The management of PBM will be involved in the development of the Group's flagship development, BTM.

1.2 Shareholdings of Promoters, Major Shareholders, Directors and Key Management of MGDB Group

A summary information on the promoters, major shareholders, directors and key management of MGDB Group are as follows:-

Name	Designation/Principal Activities	Final shareholding upon listing of MGDB			
		← Direct → ('000) %		← Indirect → ('000) %	
Promoters					
Mr. Edmond Hoyt Yung	Managing Director	9,724	6.0	25,097(a)	15.4
Mr. Lai Tan Fatt	Non-Executive Director	8,508	5.2	25,097(a)	15.4
Mr. Wong Soo Chai @ Wong Chick Wai	Non-Executive Director	6,077	3.7	25,097(a)	15.4
GMM	Property Development, Project Management, Construction and Investment	25,097	15.4	-	-
APSB	Placement and Investment Holding	25,729	15.8	-	-
TIISB	Investment Holding	43,071	26.5	-	-

1. SUMMARY INFORMATION (CONT'D)

Name	Designation/Principal Activities	Final shareholding upon listing of MGDB			
		← Direct → ('000) %		← Indirect → ('000) %	
Major Shareholders					
Mr. Edmond Hoyt Yung	Managing Director	9,724	6.0	25,097(a)	15.4
Mr. Lai Tan Fatt	Non-Executive Director	8,508	5.2	25,097(a)	15.4
En. Harun bin Haji Faudzar	Chairman	-	-	68,800(b)	42.3
GMM	Property Development, Project Management, Construction and Investment	25,097	15.4	-	-
APSB	Placement and Investment Holding	25,729	15.8	-	-
THSB	Investment Holding	43,071	26.5	-	-
Directors					
En. Harun bin Haji Faudzar	Chairman	-	-	68,800(b)	42.3
Mr. Edmond Hoyt Yung	Managing Director	9,724	6.0	25,097(a)	15.4
Mr. Lai Tan Fatt	Non-Executive Director	8,508	5.2	25,097(a)	15.4
Mr. Wong Soo Chai @ Wong Chick Wai	Non-Executive Director	6,077	3.7	25,097(a)	15.4
En. Ishak @ Abd Rahman bin Mohamad	Independent Non-Executive Director	65	*	-	-
En. Amir bin Faudzar	Director	-	-	68,800(b)	42.3
Dato' Dr Abdul Razak bin Abdul	Director	3.2	*	3,780(c)	2.3
En. Baba Zain bin Baba Ein	Independent Non-Executive Director	-	-	-	-
Mr. Tan Su Tiam @ Tan Hooi Thean	Independent Non-Executive Director	-	-	-	-
Key Management ^					
Mr. Yow Yuen Loong	General Manager	130	0.1	-	-
Mr. Kee Cheng Teik	General Manager	130	0.1	-	-
Mr. H'ng Song Lim	Deputy General Manager	130	0.1	-	-
Mr. Ng Kong Lian	Senior Project Manager	60	*	-	-
Mr. Liew Min Tet	Group Company Secretary	60	*	-	-
Ms. Lau Kim Ling	Marketing and Sales Manager	60	*	-	-
Ms. Tham Su Zan	Finance and Accounts Manager	40	*	-	-
Mr. Kok Jin Hoong	Development Manager (Project)	35	*	-	-
En. Mohd Esmadi bin Jewadi	Project Manager	35	*	-	-
Mr. Chan Kok Seng	Credit Control Manager	35	*	-	-
Ms. Koh Yen Phoon	Marketing Manager	35	*	-	-
Mr. Tan Kim Jing	Project Engineer	35	*	-	-
En. R Azimi bin Saleh	Technical Manager	30	*	-	-
En. Zainal bin Sijan	Assistant Marketing Manager	30	*	-	-
En. Adrianta bin Aziz	Project Coordinator	15	*	-	-

Notes:-

* Negligible

^ Includes the pink form allocation pursuant to the Restricted Offer for Sale of Shares

(a) 25,097,000 Shares held through GMM

(b) 25,729,000 and 43,071,000 Shares held through APSB and THSB respectively

(c) Held through Koperasi Pegawai-Pegawai Melayu Malaysia (MOCCIS)

The information of the promoters, major shareholders, directors and key management of MGDB Group are detailed in Section 5 of this Prospectus.

1. SUMMARY INFORMATION (CONT'D)**1.3 Financial Statistics**

The following table is extracted from the Accountants' Report set out in Section 13 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

The table below sets out a summary of the proforma consolidated audited results of the MGDB Group for the past five (5) financial years ended 30 April 1997 to 2001 and six (6) month period ended 31 October 2001, prepared on the assumption that the current structure of the Group has been in existence throughout the period under review.

Financial year ended 30 April	← Audited →					6 months ended 31 October 2001 RM'000
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	
Turnover	39,132	109,783	75,892	88,030	88,110	38,872
EBIDTA	13,497	17,757	26,067	20,318	18,259	10,273
Interest Expense	(5)	(13)	(20)	(23)	(5)	-
Interest Income	123	247	468	471	671	436
Depreciation	(66)	(57)	(95)	(139)	(163)	(97)
Profit before exceptional items and taxation	13,549	17,934	26,420	20,627	18,762	10,612
Exceptional items [^]	54	-	-	(6,737)	-	-
Profit before taxation	13,603	17,934	26,420	13,890	18,762	10,612
Taxation	(3,989)	(5,737)	(2,365)	(4,911)	(5,999)	(3,132)
Profit after taxation	9,614	12,197	24,055	8,979	12,763	7,480
Minority interests	-	-	-	-	-	-
Profit after taxation and minority interests	9,614	12,197	24,055	8,979	12,763	7,480
Extraordinary items	-	-	-	-	-	-
Profit attributable to shareholders	9,614	12,197	24,055	8,979	12,763	7,480
Net Earnings per Share:-						
Basic (sen)+	8.2	10.5	20.6	7.7	10.9	12.8#
Diluted (sen)&	5.2	6.6	13.0	4.8	6.9	8.1#
Net EPS (sen)*	5.9	7.5	14.8	5.5	7.8	9.2#
Gross EPS (sen)*	8.4	11.0	16.2	8.5	11.5	13.0#

Note 1: MGDB does not have any associate companies and was not involved in any joint venture agreements during the period under review. As such, MGDB does not have any share of profits and losses of associated companies and joint ventures disclosed in the above table.

Note 2: In 1999, revenue of the Group decreased substantially because revenue from Phase 2 of Dataran Prima and Phase 1 and 2 of BTM had been recognised in the previous years. The revenue for the year was derived mainly from sales of Phase 3 of Dataran Prima and Phase 3 of BTM and gross dividends of RM12.5 million from a former associate, Glomac Group Management Services Sdn. Bhd ("Glomac"). Higher profit was achieved as higher margin was recorded for Phase 3 of both of these developments and the gross dividends from Glomac.

Note 3: In 2000, turnover increased from RM75.89 million to RM88.03 million due to the increased sales contributed by Phase 3 of Dataran Prima and Phase 3 of BTM and the more advanced stages of development of Phase 3 of Dataran Prima and Phase 3 of BTM.

[^] The exceptional item of RM54,000 in 1997 relates to the write-back of capital reserve in a subsidiary company of MGDB. The exceptional item of RM6,737,000 in 2000 relates to the accruals for loan restructuring fees of RM3,451,000, write back of directors' fees and allowances of RM484,000, underaccrual of interest of RM3,322,000 and deferred expenditure written off of RM448,000.

I. SUMMARY INFORMATION (CONT'D)

- + *Based on the issued and paid up share capital after the completion of the Acquisitions and Debt Settlement of 116,506,000 Shares (before the conversion of ICULS)*
- & *Based on the issued and paid up share capital after the completion of the Acquisitions and Debt Settlement of 184,613,000 Shares (after the conversion of ICULS)*
- * *Based on the issued and paid up share capital after taking into account the completion of the Proposals of 162,806,000 Shares (before the conversion of ICULS)*
- # *Annualised*

The financial information of the MGDB Group is detailed in Section 10 of this Prospectus.

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1. SUMMARY INFORMATION (CONT'D)**1.3.1 Auditors' Qualification**

The financial statements of MGDB for the financial years ended 30 September 1997 to 1999, the seven month period ended 30 April 2000 and the financial year ended 30 April 2001 were qualified by Sahir & Co. Sahir & Co has resigned as the auditor of MGDB, effective from 18 September 2001. KPMG was subsequently appointed as MGDB's auditors on 18 September 2001. The financial statements of MGDB for the six month period ended 31 October 2001 were qualified by KPMG. The qualifications are as follows:-

i) *Going concern – referred to in the auditors' report for the six month period ended 31 October 2001*

The appropriateness of the going concern assumption in the preparation of the financial statements of MGDB is dependent on continuing financial support of its shareholders, creditors and bankers, the successful completion of the corporate exercise and achieving future profitable operations.

ii) *Going concern – referred to in the auditors' report for the seven month period ended 30 April 2000 and financial year ended 30 April 2001*

The appropriateness of the going concern assumption in the preparation of the financial statements of MGDB is dependent on MGDB being able to continue its operations. This is dependent on the future profitable operations and continuing financial support from its shareholders, creditors and bankers and the successful outcome of the proposed corporate exercise.

iii) *Going concern – referred to in the auditors' report for the financial year ended 30 September 1997 to 1999*

The appropriateness of the going concern assumption in the preparation of the financial statements of MGDB is dependent on MGDB being able to continue its operations. This is dependent upon several factors including continuing financial support from its holding and associated companies and creditors and these parties will not commence legal action against MGDB and should MGDB be able to generate profits from its projects and businesses, MGDB will be allowed to settle its financial obligations in the ordinary course of business.

iv) *Other payables and accrued expenses*

- RM123,935 (six month period ended 31 October 2001)
- RM123,935 (financial year ended 30 April 2001)
- RM336,205 (seven month period ended 30 April 2000)
- RM2,710,891 (financial year ended 30 September 1999)
- RM2,568,346 (financial year ended 30 September 1998)
- RM2,425,343 (financial year ended 30 September 1997)

The auditors were unable to verify the amount as there was insufficient information and documentation.

v) *Long term liabilities – referred to in the auditors' report for the period ended 31 October 2001*

As at 31 October 2001, bank borrowings of RM7,169,439 were recorded in the Company's financial statements. We were unable to verify these amounts as the necessary documents and records confirming these amounts were not provided to us. Similarly, the final amounts needed as settlement for these bank borrowings cannot be determined as the final settlement sum are depending on the completion of the corporate exercise.

vi) *Long term liabilities – referred to in the auditors' report for the financial period ended 30 September 1997 to financial year ended 30 April 2001*

- RM7,169,439 (seven month period ended 30 April 2000, financial year ended 30 April 2001 and the financial period ended 31 October 2001)
- RM1,949,957 (financial years ended 30 September 1997 to 1999)

The auditors were unable to verify the amount as the necessary documentation was not provided to them.

The Directors of MGDB are of the opinion that with the completion of the acquisition of DLSB and PBM and the listing of MGDB on the Main Board of the KLSE, the above audit qualifications are of no significant impact on the current and future financial position of the Group.

1. SUMMARY INFORMATION (CONT'D)**1.4 Summary of Proforma Consolidated Balance Sheets of MGDB Group as at 31 October 2001**

The proforma consolidated balance sheets of MGDB Group as at 31 October 2001, as set out below are provided for illustrative purposes only to show the effects of the transactions referred to in the notes:-

	Audited As at 31 October 2001*	Proforma I After Acquisition of DLSB and PBM	Proforma II After Proforma I, Rights Issue and Restricted Issue to PBM shareholders	Proforma III After Proforma I and II and Restricted Public Issue	Proforma IV After Proforma I, II and III and ICULS Conversion
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	-	883	883	2,083	2,083
Investment in subsidiaries	132,397	-	-	-	-
Investment (unquoted shares)	-	5,500	5,500	5,500	5,500
Investment properties	-	34,400	34,400	34,400	34,400
Properties under development	-	311,766	311,766	311,766	311,766
Current Assets	1,078	79,338	85,638	86,210	86,210
Current Liabilities	(28,329)	(79,031)	(67,982)	(60,254)	(60,254)
Net Current (liabilities)/ assets	(27,251)	307	17,656	25,956	25,956
	105,146	352,856	370,205	379,705	379,705
Financed by :					
Share Capital	116,506	116,506	152,806	162,806	230,913
Share Premium	3,528	3,528	3,528	3,028	20,055
Capital Reserves	34	34	34	34	34
Reserve on Consolidation	-	21,128	21,128	21,128	21,128
Accumulated losses	(14,922)	(14,922)	(14,922)	(14,922)	(14,922)
(Deficit)/surplus in shareholders funds	105,146	126,274	162,574	172,074	257,208
Minority interest	-	4,000	4,000	4,000	4,000
ICULS	-	85,134	85,134	85,134	-
Long Term Loan	-	106,357	87,406	87,406	87,406
Deferred taxation	-	31,091	31,091	31,091	31,091
	105,146	352,856	370,205	379,705	379,705
NFA per share (RM)	0.90	1.08	1.06	1.06	1.11

* Shares issued as part settlement for the acquisition of DLSB.

The proforma consolidated balance sheets of MGDB Group as at 31 October 2001 and the Reporting Accountants' letter are contained in Section 10.8 and 10.9 respectively of this Prospectus.

1. SUMMARY INFORMATION (CONT'D)

1.5 The Risk Factors

The following are some of the main risk factors (which may not be exhaustive) as extracted from Section 3 of this Prospectus whereby applicants for the Rights Shares, Restricted Public Issue Shares, Restricted Offer Shares and Restricted Offer ICULS should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the Shares or ICULS:

- a) Business risks;
- b) No prior market for MGDB Shares and MGDB ICULS on the KLSE;
- c) Political, economic and regulatory considerations;
- d) Dependency on key management;
- e) Penang state government plans;
- f) Capital market risks;
- g) Ownership and control of the Group;
- h) Government control and regulation;
- i) Dependencies on suppliers;
- j) Competitive risk;
- k) Delay in launching of projects;
- l) Quantity and quality of landbank;
- m) Risk associated with borrowings; and
- n) Failure or delay in listing of MGDB.

For a more detailed commentary, please refer to Section 3 of this Prospectus.

1.6 Principal Statistics Relating to the Rights Issue, Restricted Public Issue, Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS

The following statistics relating to the above are derived from the full text of this Prospectus and should be read in conjunction with the text:-

1.6.1 Share Capital

	RM'000
Authorised	
500,000,000 Shares	500,000
Issued and fully paid-up	
116,506,000 Shares	116,506
To be issued pursuant to the Restricted Issue #	
30,000,000 new Shares	30,000
To be issued pursuant to the Rights Issue	
6,300,000 new Shares	6,300
To be issued pursuant to the Restricted Public Issue	
10,000,000 new Shares	10,000
Enlarged share capital	162,806
Offered for sale pursuant to the Restricted Offer for Sale of Shares	
7,000,000 Shares	7,000

Note 1: The Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS will not have any effect on the share capital of MGDB

The Restricted Issue is expected to be completed simultaneously with the closing date for the Restricted Public Issue, Restricted Offer for Sale of Shares, Restricted Offer for Sale of ICULS and Rights Issue.

I. SUMMARY INFORMATION (CONT'D)**1.6.2 Ranking of Shares**

There is only one class of shares in MGDB, namely ordinary shares of RM1.00 each. The shares to be issued pursuant to the Rights Issue, Restricted Public Issue, Restricted Offer for Sale of Shares and conversion of ICULS are rank pari-passu with one another and the other existing issued and fully paid up Shares of the Company except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment of the new Shares.

Shares to be issued and allotted upon conversion of ICULS pursuant to the Restricted Offer for Sale of ICULS will not rank for any dividends or other distributions declared in respect of the financial period prior to the financial period in which the Shares are issued or any interim dividend or distributions, the declaration date of which is on or before the date of conversion of the ICULS.

Subject to any special rights attaching to any Shares which may be issued by MGDB in the future, the shareholders of the Company shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by the Company in person or by proxy or by attorney, and, any dividends and other distributions and in respect of the whole of any surplus in the event of liquidation of the Company in accordance with the Articles of Association of MGDB.

Each shareholder shall be entitled to vote at any general meeting of MGDB on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorized representative shall have one vote for each Share held. A proxy may, but need not be, a member of the Company.

1.6.3 Pricing

(a)	Restricted Public Issue / Restricted Offer for Sale of Share price	RM1.20 per share
(b)	Rights Issue price per share	RM1.00
(c)	Restricted Offer for Sale of ICULS price per unit	RM1.00

The basis of determining the pricing for the Restricted Public Issue, Restricted Offer for Sale of Shares, Rights Issue and Restricted Offer for Sale of ICULS are detailed in Section 2 of this Prospectus.

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1. SUMMARY INFORMATION (CONT'D)**1.6.4 Consolidated Profit Estimate and Forecast****Financial Year Ending 30 April 2002 and 30 April 2003**

The Directors and Promoters of MGDB Group, report that, barring any unforeseen circumstances, the proforma consolidated profit estimate and forecast for the financial years ending 30 April 2002 and 30 April 2003 will be as follows:-

Financial Year ending 30 April	Estimate 2002 RM'000	Forecast 2003 RM'000
Revenue	110,289	152,218
Consolidated profit before taxation before minority interest	23,809	25,286
Less : Minority Interest	-	-
Consolidated profit before taxation after minority interest	23,809	25,286
Taxation	(8,023)	(8,394)
Consolidated profit after taxation and minority interest	15,786	16,892
Pre-acquisition profit@	(7,683)	-
Profit after taxation and minority interest attributable to shareholders	8,103	16,892
Enlarged share capital ('000)	162,806	162,806
Basic Gross EPS (sen)*	14.6	15.5
Basic Gross EPS (sen)#	10.0	15.5
Basic Net EPS (sen)*	9.7	10.4
Basic Net EPS (sen)#	5.0	10.4
Diluted Gross EPS (sen)+	10.3	10.9
Diluted Net EPS (sen)+	6.8	7.3
Net PE ratio (times) based on the Restricted Public Issue price of RM1.20 per Share (before pre-acquisition profit)^	12.37	11.54
Net PE ratio (times) based on the Restricted Public Issue price of RM1.20 per Share (after pre-acquisition profit)&	24.00**	11.54

@ The pre acquisition profit has been determined based on the profit after taxation of the Proforma MGDB Group for the six month period ended 31 October 2001.

* Based on the consolidated profit after taxation and minority interest on the enlarged issued and paid-up share capital of 162,806,000 Shares (assuming before conversion of ICULS)

Based on the profit after taxation and minority interest attributable to shareholders (after pre-acquisition profit) on the enlarged issued and paid-up share capital of 162,806,000 Shares (assuming before conversion of ICULS)

+ Based on the consolidated profit after taxation and minority interest on the enlarged issued and paid-up share capital of 230,913,000 Shares (assuming full conversion of ICULS)

^ Based on the consolidated profit after taxation and minority interest

& Based on profit attributable to shareholders

** The proceeds from the Rights Issue, Restricted Issue and Restricted Public Issue are expected to be received only in May 2002. As such, the impact from the utilisation of proceeds by MGDB will only be reflected in the financial year ending 30 April 2003

Please refer to Section 10.3 for further details on the consolidated profit estimate and forecast for the financial year ending 30 April 2002 and 30 April 2003.

I. SUMMARY INFORMATION (CONT'D)**1.6.5 Dividend Estimate and Forecast**

Financial Year Ending 30 April	Estimate	Forecast
	2002 RM'000	2003 RM'000
Gross dividend per share (sen)*	3.0	3.0
Net dividend per share (sen)*	2.2	2.2
Gross dividend yield (%)^	2.5	2.5
Net dividend yield (%)^	1.8	1.8
Gross dividend cover (times)#	4.9	5.2
Net dividend cover (times)#	4.4	4.7

* Based on the enlarged issued share capital of RM162,806,000 Shares (assuming before conversion of ICULS)

^ Based on the Restricted Public Issue price of RM1.20 per Share

Based on proforma consolidated profit after taxation on the enlarged issued and paid-up share capital of 162,806,000 Shares

Please refer to Section 10.7 of this Prospectus for further details on the dividend estimate and forecast for the financial year ending 30 April 2002 and 30 April 2003.

1.6.6 Proforma Consolidated NTA and NTA per Share

Proforma Consolidated NTA as at 31 October 2001 (RM) (after taking into account the Proposals and estimated listing expenses of RM2,500,000)	172,074,000
Proforma Consolidated NTA per share (RM) (based on the enlarged issued and paid-up share capital of 162,806,000 ordinary shares of RM1.00 each)	1.06

Please refer to Section 10.9 of this Prospectus for detailed calculations on the proforma consolidated NTA as at 31 October 2001.

1.7 Utilisation of Proceeds

All proceeds of the Rights Issue, Restricted Public Issue and the Restricted Issue after deducting the relevant expenses will accrue to MGDB. The gross proceeds of the Rights Issue, Restricted Public Issue and Restricted Issue are approximately RM6.3 million, RM12.0 million and RM30 million respectively. MGDB will bear all expenses incidental to the listing of and quotation for MGDB's Shares on the Main Board of the KLSE which include underwriting commission, brokerage, registration fee, professional fees, SC fees, advertising, listing expenses and other fee aggregate of which is estimated to be approximately RM2.5 million.

None of the gross proceeds from the Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS will be receivable by MGDB as the gross proceeds from the Restricted Offer Shares and Restricted Offer ICULS amounting to RM8,400,000 and RM100,000 respectively will accrue entirely to the Offerors and GMM respectively.

I. SUMMARY INFORMATION (CONT'D)

The summary of the utilisation of proceeds of the Rights Issue, Restricted Public Issue and Restricted Issue are as follow:-

Description of Usage	Amount (RM'000)
Proceeds	
Rights Issue	6,300
Restricted Issue#	30,000
Restricted Public Issue	12,000
	48,300
Utilisation	
Partial settlement of PBM syndicated loan	30,000
Settlement of loans	7,728
Estimated expenses in relation to the Proposals	2,500
Acquisition of fixed assets from GMM	1,200
Working capital	6,872
	48,300

The Restricted Issue is expected to be completed prior to the Closing Date of this Prospectus.

The Company shall bear all expenses such as brokerage and underwriting commission, registration and share transfer fee relating to the Restricted Public Issue and Rights Issue together with all other expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of MGDB on the Main Board of KLSE, estimated at RM2.5 million.

The Offerors and GMM shall bear the underwriting commission, brokerages and stamp duty (if any) relating to the Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS estimated at approximately RM122,000.

For a detail commentary of the above mentioned proceeds utilisation, please refer to Section 2.6 of this Prospectus.

1.8 Basis of determining the issue/ offer price of MGDB Shares and ICULS in relation to the Rights Issue, Restricted Public Issue, Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS

(i) Restricted Public Issue/Restricted Offer for Sale of Shares

The issue/offer price of RM1.20 per Share was determined and agreed upon by the Company and Arab-Malaysian as Adviser and Managing Underwriter after taking into account, inter-alia, the following factors:-

(a) PE Multiple and Forecast Earnings

The forecasted profit after tax of MGDB, for the financial year ending 30 April 2003 is RM16,892,000. Based on the enlarged share capital of 162,806,000 Shares (prior to the conversion of the ICULS), its net EPS would be approximately 10.38 sen. Accordingly, an Issue/Offer price of RM1.20 per share represents a forecast net PE multiple of approximately 11.56 times.

(b) Dividend Forecast

Barring any unforeseen circumstances, the Directors of MGDB anticipate that the Company would be in a position to propose a gross dividend of 3% for the financial year ending 30 April 2003 (based on issued and paid-up share capital of 162,806,000 Shares). This represents a gross dividend yield of 2.5% based on the issue/offer price of RM1.20 per share. The final net dividend will be paid in the financial year following that in which it is declared.

I. SUMMARY INFORMATION (CONT'D)

(c) *Proforma Group NTA as at 31 October 2001*

The proforma audited NTA of MGDB as at 31 October 2001 is approximately RM172.074 million (assuming no conversion of ICULS).

Based on the proposed enlarged issued and paid-up share capital of MGDB of RM162,806,000 comprising 162,806,000 ordinary shares of RM1.00 each, the proforma NTA per share of MGDB is at RM1.06. The issue/offer price of RM1.20 per share represents a premium of approximately RM0.14 or 13.21% of the proforma NTA per share of MGDB.

(d) *Prospects of MGDB*

The information and prospects of MGDB is as set out in Section 4 of this Prospectus.

The Directors of MGDB and Arab-Malaysian are of the opinion that the issue/offer price is fair and reasonable after careful consideration of the abovementioned factors.

However, shareholders should also note that the market price of MGDB's Shares upon listing on the KLSE are subject to the vagaries of the market forces and other uncertainties which may affect the price of MGDB's Shares being traded.

Investors should form their own views on the valuation of the securities and the reasonableness of the bases used.

(ii) **Rights Issue**

The Rights Issue price of RM1.00 per Share was arrived at after taking into consideration the following factors:-

- a. The proforma consolidated NTA as at 31 October 2001 of MGDB of RM1.06 per Share upon completion of the Proposals; and
- b. The minimum issue price of RM1.00, i.e. the par value of MGDB Shares.

(iii) **Restricted Offer for Sale of ICULS**

The ICULS are offered at 100% of its nominal value i.e RM1.00 for every RM1.00 nominal value of the ICULS.

Please refer to Section 2 of this Prospectus for further details on the Rights Issue, Restricted Public Issue, Restricted Offer for Sale of Shares and Restricted Offer for Sale of ICULS.

1.9 **Material Litigations**

Save as disclosed below and in Section 14.8, the MGDB Group is presently not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the MGDB Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

a) **Bank Pembangunan & Infrastruktur Malaysia Berhad ("BPIMB") vs MGDB**

BPIMB has filed in a Writ of Summons in the High Court of Malaya at Kuala Lumpur against MGDB and its director En. Ishak Bin Mohamad dated 17th June 1998 to recover the sum of RM2,416,822.40 with interest and cost.

1. SUMMARY INFORMATION (CONT'D)

Judgement was obtained against MGDB and En Ishak Bin Mohamad on 22 July 1998. However, BPIMB has agreed to withhold the execution of the Judgement pending settlement of the aforementioned debt.

As a result of an appeal made by MGDB's solicitors BPIMB has agreed in its letter dated 8 November 2000 to reduce the redemption and/or settlement sum to RM1,500,000 and its solicitors cost of approximately RM10,000. BPIMB has also agreed to extend the period for repayment of the redemption and/or settlement sum by MGDB to 14 June 2002.

The Company has provided approximately RM2,952,000 from part of the proceeds to be raised from the Rights Issue and Restricted Public Issue, to settle the debt owing to BPIMB.

b) Bumiputra - Commerce Bank Berhad ("BCBB") vs MGDB

- (i) BCBB on 20 October 1992 had obtained a judgement against MIT-RBM Sdn Bhd (a subsidiary of MGDB which had since been de-registered), as the 1st defendant named therein and MGDB, as the 2nd defendant named therein under Kuala Lumpur High Court Civil Suit No. C3-23-3552-86 for defaulting on a loan facility granted by BCBB to MIT-RBM Sdn Bhd.

MIT-RBM Sdn Bhd has been ordered by the Court to pay the sum of RM1,349,390 together with interest thereon at the rate of 13% per annum on a monthly rest basis from 1 May 1992 until the date of full settlement.

Whereas MGDB has been ordered by the Court to pay the sum of RM535,000 together with interest as follows:-

- (a) on the sum of RM204,000 at the rate of 12.5% per annum; and
(b) on the balance sum of RM331,500 at the rate of 13% per annum.

Both the amount are calculated on a monthly rest basis from 1 May 1986 until the date of full settlement and costs to the sum of RM365.

- (ii) BCBB on 21 August 1989 had obtained judgement against MIT Construction Sdn Bhd (a subsidiary of MGDB, which had since been de-registered) as the 1st defendant named therein and MGDB, as the 2nd defendant named therein under Kuala Lumpur High Court Civil Suit No. D2-22-815-89 for defaulting on a loan facility granted by BCBB. MIT Construction Sdn Bhd and MGDB have been ordered by the Court to pay the sum of RM362,987 as at 14 February 1989 and interest accruing thereon on the said sum at the rate of 10.75% per annum on a monthly rest basis until full settlement and cost to the sum of RM225.
- (iii) BCBB on 21 August 1989 had obtained judgement against MIT Properties Sdn Bhd (a subsidiary of MGDB, which had since been de-registered) as the 1st defendant named therein and MGDB, as the 2nd defendant under Kuala Lumpur High Court Civil Suit No D2-22-814-89 for defaulting on a loan facility granted by BCBB. MIT Properties Sdn Bhd and MGDB have been ordered by the Court to pay the sum of RM268,000 as at 14 February 1989 and interest accruing thereon on the said sum at the rate of 10.75% per annum on a monthly rest basis until full settlement and cost to the sum of RM225.

The litigation suits mentioned under items (i), (ii), and (iii) herein above shall collectively be referred to as "the Suits".

1. SUMMARY INFORMATION (CONT'D)

Pursuant to the Suits, BCBB then presented a Winding-Up Petition against MGDB for failure to comply with the aforementioned judgements. Subsequently, BCBB had agreed to withdraw the winding-up petition upon the agreement of one of its Director, Dato' Dr. Abdul Razak bin Abdul to furnish to BCBB an irrevocable and unconditional undertaking stipulating that until such time as the amount indebted to BCBB has been discharged in full, Dato' Dr. Abdul Razak bin Abdul shall pledge his shares in MGDB and execute a Memorandum of Deposit with BCBB. The aforementioned undertaking letter has since been executed by Dato' Dr. Abdul Razak bin Abdul on 6 January 1999.

On 7 May 1999, MIT Construction Sdn Bhd, MIT-RBM Sdn Bhd, MIT Properties Sdn Bhd and MGDB were informed by BCBB that all BCBB's rights title and interest pertaining to the loan facilities granted by BCBB has been sold to Danaharta Urus Sdn Bhd ("Danaharta").

On 6 October 2000, pursuant to an appeal made by MGDB, Danaharta has agreed to accept as settlement for the Suits the sum of RM3,000,000 on the following conditions:-

- (i) payment be made to Danaharta in one lump sum on or before 31 January 2001;
- (ii) MGDB provides a written confirmation to Danaharta with supporting evidence that application for the listing on the KLSE has been submitted to the relevant approving authorities; and
- (iii) A Guarantee & Indemnity to be executed by Dato' Dr. Abdul Razak bin Abdul in favour of Danaharta securing the payment of the Judgement Debt.

Danaharta in its letter dated 8 January 2002 has subsequently agreed to extend the deadline to 30 April 2002 with all other terms remain unchanged.

The Guarantee and Indemnity has since been executed by Dato' Dr. Abdul Razak bin Abdul and Danaharta on 18 January 2002 and has been forwarded to Danaharta.

The Company has provided approximately RM4,776,000 from part of the proceeds to be raised from the Rights Issue and Restricted Public Issue, to settle the debt owing to Danaharta.

1.10 Material Commitments

Save for the material contracts referred to in Section 14.5 and as disclosed below, the Group does not have any other material commitment as at 18 March 2002, being the latest practicable date at which such amounts could be calculated prior to the printing of this Prospectus.

1.11 Material Contingent Liabilities

Save for the material litigation referred to in Section 14.8 and as disclosed below, the Group does not have any other material contingent liabilities as at 18 March 2002, being the latest practicable date prior to printing of this Prospectus.

- (i) On 9 February 2000, a Deed of Assignment was entered into by PN to assign absolutely to RHB Bank Berhad ("RHB") all its rights, title and interest in the said property consisting of a 13 storey office building identified as Block B, Kelana Centre Point erected on a piece of land measuring approximately 340,060 sq ft held under Master Title HS(M) 8544 PT No. 5134 in the Mukim of Damansara, District of Petaling, State of Selangor in consideration of an overdraft facility for the sum of RM12,000,000 granted by RHB to PK pursuant to a Loan Agreement of even date.
- (ii) On 16 March 2001, DLSB had agreed to guarantee the sum of RM11,000,000 including any interest, banking charges, legal and other costs payable on demand to Alliance Bank Malaysia Berhad (formerly known as Multi-Purpose Bank Berhad) in consideration of the latter making and continuing to make advances and providing banking facilities to RF.