

## RESPONSIBILITY STATEMENTS

This Prospectus has been seen and approved by the Directors and Promoters of Ibraco Berhad ("Ibraco" or the "Company") and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading. The Directors hereby accept full responsibility for the profit forecast included in this Prospectus and confirm that the profit forecast has been prepared based on assumptions made.

AmMerchant Bank Berhad being the Adviser, Managing Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public offering, and are satisfied that the profit forecast (for which the Directors are fully responsible) prepared for inclusion in the Prospectus have been stated by the Directors of Ibraco Berhad after due and careful enquiry and reviewed by the Reporting Accountants.

## STATEMENTS OF DISCLAIMER

The Securities Commission has approved the public issue in respect of the initial public offering on 23 December 2003 and 22 April 2004 and that the approvals shall not be taken to indicate that the Securities Commission recommends the initial public offering.

The Securities Commission shall not be liable for any non-disclosure on the part of Ibraco Berhad and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

The Bursa Malaysia Securities Berhad shall not be liable for any non-disclosure on the part of Ibraco Berhad and takes no responsibility for the contents of this Prospectus, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of Ibraco Berhad or of its securities.

A copy of this Prospectus has been registered with the Securities Commission. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Securities listed on the Bursa Malaysia Securities Berhad are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in Section 45 of the Securities Commission Act, 1993, e.g. directors and advisers, are responsible.

## TENTATIVE TIMETABLE

The indicative timing of events leading to the listing of and quotation for Ibraco's entire issued and paid-up share capital of RM90,000,000 comprising 90,000,000 ordinary shares of RM1.00 each on the Main Board of the Bursa Malaysia Securities Berhad is set out below :-

<u>Date</u>	<u>Event</u>
12 May 2004	→ Date of Prospectus/ Opening of Application
26 May 2004	→ Closing of Application
28 May 2004	→ Tentative Balloting Date
11 June 2004	→ Tentative Allotment Date
16 June 2004	→ Tentative Listing Date

**THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 26 MAY 2004 OR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS AND/OR PROMOTERS OF IBRACO TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE. SHOULD THERE BE AN EXTENSION OF THE CLOSING DATE, THE DATE OF LISTING WILL BE EXTENDED.**

**WHERE THE CLOSING DATE OF APPLICATION IS EXTENDED FROM THE ORIGINAL CLOSING DATE, THE NOTICE OF SUCH EXTENSION(S) WILL BE ADVERTISED IN A WIDELY CIRCULATED ENGLISH AND BAHASA MALAYSIA NEWSPAPER NOT LESS THAN ONE (1) MARKET DAY BEFORE THE ORIGINAL CLOSING DATE.**

## DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings:-

<b>Acquisition of ILCDA</b>	- Acquisition by Ibraco of 800,000 Shares in ILCDA representing approximately 40.00% of the issued and paid-up share capital of ILCDA for a purchase consideration of RM5,451,286 satisfied by the issuance of 4,361,100 Shares (fractional Shares have been disregarded) at an issue price of RM1.25 per Share
<b>Acquisition of SIPSB</b>	- Acquisition by Ibraco of 3,613,501 Shares in SIPSB representing approximately 39.56% of the issued and paid-up share capital of SIPSB for a purchase consideration of RM5,519,704 satisfied by the issuance of 4,415,800 Shares (fractional Shares have been disregarded) at an issue price of RM1.25 per Share
<b>Acquisitions</b>	- Acquisition of ILCDA and SIPSB collectively
<b>Act</b>	- Companies Act, 1965 of Malaysia
<b>ADA</b>	- Authorised Depository Agent
<b>ADA Code</b>	- ADA (Broker) Code
<b>AmMerchant Bank or Adviser</b>	- AmMerchant Bank Berhad (23742-V)
<b>Application</b>	- Refers to application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
<b>Application Form</b>	- Application for IPO Shares by way of a printed Application Form
<b>ATM</b>	- Automated Teller Machine
<b>Board or Directors</b>	- The Board of Directors of Ibraco
<b>Bursa Malaysia</b>	- Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad) (635998-W), a wholly-owned subsidiary of the Bursa Malaysia Berhad (formerly known as Kuala Lumpur Stock Exchange Berhad) (30632-P)
<b>CCM</b>	- Companies Commission of Malaysia
<b>CDS</b>	- Central Depository System
<b>Central Depositories Act</b>	- The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
<b>CIDB</b>	- Construction Industry Development Board
<b>Depositor</b>	- A holder of Securities Account
<b>Electronic Share Application</b>	- Application for IPO Shares through a Participating Financial Institution's ATM

**DEFINITIONS (cont'd)**

<b>EI</b>	-	Extraordinary Items
<b>EPS</b>	-	Earnings Per Share
<b>FIC</b>	-	Foreign Investment Committee
<b>GDP</b>	-	Gross Domestic Product
<b>Ibraco Group or Group</b>	-	Ibraco and its subsidiary companies
<b>Ibraco or the Company</b>	-	Ibraco Berhad (011286-P) <i>(formerly known as Ibraco Realty Development Berhad a public limited company which was previously a private limited company by the name of Ibraco Realty Development Sdn. Bhd.)</i>
<b>Ibrahim Family</b>	-	Comprising Deanna Ibrahim @ Sorayah bt Abdullah, Dr Sharifah Deborah Sophia Ibrahim, Wan Aziz Ibrahim and Wan Kamal Ibrahim bin Wan Alwi Ibrahim
<b>ILCDA</b>	-	Ibraco-LCDA Sendirian Berhad (99809-T)
<b>IPHSB</b>	-	Ibraco-Peremba Holdings Sdn Bhd, in Members' Voluntary Liquidation (285894-P)
<b>IPSB</b>	-	Ibraco Properties Sdn Bhd (50260-K)
<b>IPO</b>	-	Initial Public Offering, namely, the Public Issue
<b>IPO Shares</b>	-	Public Issue Shares
<b>Issuance of Shares to Employees</b>	-	Issuance of 5,500 Shares to 55 employees of Ibraco at an issue price of RM1.20 per Share after the Acquisitions and before the Public Issue
<b>Listing</b>	-	Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of Ibraco of RM90,000,000 comprising 90,000,000 Shares on the Main Board of the Bursa Malaysia
<b>Listing Scheme</b>	-	The Acquisitions, Issuance of Shares to Employees, Public Issue and Listing collectively
<b>Malaysian Public</b>	-	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
<b>MCD or Central Depository</b>	-	Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary company of Bursa Malaysia
<b>MI</b>	-	Minority Interest
<b>MIH or Issuing House</b>	-	Malaysian Issuing House Sdn Bhd (258345-X)
<b>NBV</b>	-	Net Book Value
<b>NTA</b>	-	Net Tangible Assets

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**DEFINITIONS (cont'd)**


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<b>Participating Financial Institution(s)</b>	- Refers to the Participating Financial Institutions for Electronic Share Application as listed in Section 17 of this Prospectus
<b>PAT</b>	- Profit After Tax
<b>PBT</b>	- Profit Before Tax
<b>PE Multiple</b>	- Price Earnings Multiple
<b>Preference Shares</b>	- Redeemable preference shares of RM1.00 each.
<b>Promoters</b>	- Ibrahim Family and IPSB collectively
<b>Public Issue</b>	- Public Issue of 15,879,200 new Ibraco Shares at an issue price of RM1.20 per Share payable in full upon application, subject to the terms and conditions of this Prospectus
<b>Public Issue Shares</b>	- The 15,879,200 new Shares in Ibraco which are the subject of the Public Issue
<b>Record of Depositors</b>	- A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules
<b>RM and sen</b>	- Ringgit Malaysia and sen respectively
<b>Rules</b>	- Rules of the Central Depository
<b>SC</b>	- Securities Commission
<b>SC Guidelines</b>	- SC's Policies and Guidelines on Issue/ Offer of Securities
<b>Securities Account</b>	- An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
<b>Share(s)</b>	- Ordinary share(s) of RM1.00 each
<b>SIPSB</b>	- Syarikat Ibraco-Peremba Sdn Bhd (20491-M)
<b>Substantial Shareholder(s)</b>	- Any person who has an interest or interests in one or more voting Shares in the company (or any other company which is its subsidiary or holding company or a subsidiary of its holding company) and the nominal amount of that Share, or the aggregate of the nominal amounts of those Shares, is not less than five per centum (5%) of the aggregate of the nominal amounts of all the voting Shares in the company. For the purpose of this definition, "interest in Shares" shall have the meaning given in section 6A of the Act

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**CORPORATE DIRECTORY**


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**BOARD OF DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Occupation</b>	<b>Nationality</b>
Deanna Ibrahim @ Sorayah bt Abdullah (Group Chairman and Non-Independent Non-Executive Director)	Lot 58, Tabuan Jaya Tengah 'Treetops', 93350, Kuching, Sarawak	Company Director	Malaysian
Wan Kamal Ibrahim bin Wan Alwi Ibrahim (Group Managing Director/ Chief Executive Officer)	Lot 50A, Tabuan Jaya Tengah, Off Jalan Urat Mata, 93350, Kuching, Sarawak	Company Director	Malaysian
Datuk (Dr) Ting Ding Ing (Deputy Chairman and Independent Non-Executive Director)	Fairway Villa, Jalan Siol Kanan, Petra Jaya, 93050, Kuching, Sarawak	Company Director	Malaysian
Dr Sharifah Deborah Sophia Ibrahim (Executive Director)	Lot 50A, Tabuan Jaya Tengah, Off Jalan Urat Mata, 93350, Kuching, Sarawak	Company Director	Malaysian
Wan Aziz Ibrahim (Non-Independent Non-Executive Director)	Lot 58, Tabuan Jaya Tengah 'Treetops', 93350, Kuching, Sarawak	Company Director	Malaysian
Guido Paul Philip Joseph Ravelli (Independent Non-Executive Director)	C-3-1 Sri-Kenny Condominium, 28 Jalan Tun Ismail, 50480, Kuala Lumpur	Civil Engineer	British
Nesarajah A/L Chelliah (Independent Non-Executive Director)	O1, KTS Village, Jalan Permata, 93200, Kuching, Sarawak	Company Director	Malaysian

**AUDIT COMMITTEE**

<b>Name</b>	<b>Responsibility</b>	<b>Directorship</b>
Datuk (Dr) Ting Ding Ing	Chairman	Deputy Chairman and Independent Non-Executive Director
Dr Sharifah Deborah Sophia Ibrahim	Member	Executive Director
Guido Paul Philip Joseph Ravelli	Member	Independent Non-Executive Director
Nesarajah A/L Chelliah	Member	Independent Non-Executive Director

**REMUNERATION COMMITTEE**

<b>Name</b>	<b>Responsibility</b>	<b>Directorship</b>
Guido Paul Philip Joseph Ravelli	Chairman	Independent Non-Executive Director
Datuk (Dr) Ting Ding Ing	Member	Deputy Chairman and Independent Non-Executive Director
Nesarajah A/L Chelliah	Member	Independent Non-Executive Director

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**CORPORATE DIRECTORY (cont'd)**

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**NOMINATION COMMITTEE**

<b>Name</b>	<b>Responsibility</b>	<b>Directorship</b>
Deanna Ibrahim @ Sorayah bt Abdullah	Chairman	Group Chairman and Non Independent Non-Executive Director
Datuk (Dr) Ting Ding Ing	Member	Deputy Chairman and Independent Non-Executive Director
Guido Paul Philip Joseph Ravelli	Member	Independent Non-Executive Director
Nesarajah A/L Chelliah	Member	Independent Non-Executive Director

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**CORPORATE INFORMATION**

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- COMPANY SECRETARY** : Yeo Puay Huang (LS 000577)  
453 Jalan Jelutong  
93350 Kuching  
Sarawak
- REGISTERED OFFICE** : IBRACO HOUSE  
No. 898 Jalan Wan Alwi  
Tabuan Jaya,  
93350 Kuching  
Sarawak  
Tel: 082-361111  
Fax:082-361188
- HEAD OFFICE** : IBRACO HOUSE  
No. 898 Jalan Wan Alwi  
Tabuan Jaya,  
93350 Kuching  
Sarawak  
Tel: 082-361111  
Fax:082-361188
- WEB SITE** : [www.ibraco.com](http://www.ibraco.com)
- REGISTRARS & TRANSFER OFFICE** : Securities Services (Holdings) Sdn Bhd (036869-T)  
Level 7, Menara Milenium, Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 03- 20849000  
Fax : 03- 20949940
- ADVISER, MANAGING  
UNDERWRITER AND PLACEMENT  
AGENT** : AmMerchant Bank Berhad (23742-V)  
22<sup>nd</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur
- AUDITORS & REPORTING  
ACCOUNTANTS** : Ernst & Young (AF:0039)  
3<sup>rd</sup> Floor  
Wisma Bukit Mata Kuching  
Jalan Tunku Abdul Rahman  
93100 Kuching  
Sarawak
- SOLICITOR FOR IPO** : Reddi & Co Advocates  
Lane Building  
No. 29, Kai Joo Lane  
93000 Kuching  
Sarawak
- INDEPENDENT MARKET RESEARCH  
CONSULTANT AND VALUER** : CH Williams Talhar Wong & Yeo Sdn Bhd (24706-T)  
(VE(1)0082)  
No. 9 (1<sup>st</sup> Floor)  
Jalan Song Thian Cheok  
93100 Kuching  
Sarawak

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**CORPORATE INFORMATION (cont'd)**

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- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)  
27<sup>th</sup> Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur
- PRINCIPAL BANKERS** : AmMerchant Bank Berhad (23742-V)  
22<sup>nd</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur
- HSBC Bank Malaysia Berhad (127776-V)  
Bangunan Binamas  
Lot 138, Section 54 KTL D  
Jalan Padungan  
93100 Kuching  
Sarawak
- RHB Bank Berhad (6171-M)  
Lot 363, 1<sup>st</sup> Floor  
Jalan Kulas  
93400 Kuching  
Sarawak
- Hong Leong Bank Berhad (97141-X)  
2<sup>nd</sup> Floor, 42, Jalan Pending  
93450 Kuching  
Sarawak
- Malayan Banking Berhad (3813-K)  
4<sup>th</sup> Floor Crown Towers,  
88 Jalan Pending  
93450 Kuching  
Sarawak
- UNDERWRITER** : AmMerchant Bank Berhad (23742-V)  
22<sup>nd</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur
- LISTING SOUGHT** : Main Board of the Bursa Malaysia

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**IBRACO BERHAD**(Company No.: 011286-P)  
(Incorporated in Malaysia under the Act)

**THE FOLLOWING INFORMATION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE IBRACO GROUP, AND INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN THE SHARES OF THE COMPANY. THE INFORMATION SUMMARY SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS**

**1. INFORMATION SUMMARY****1.1 HISTORY AND BUSINESS**

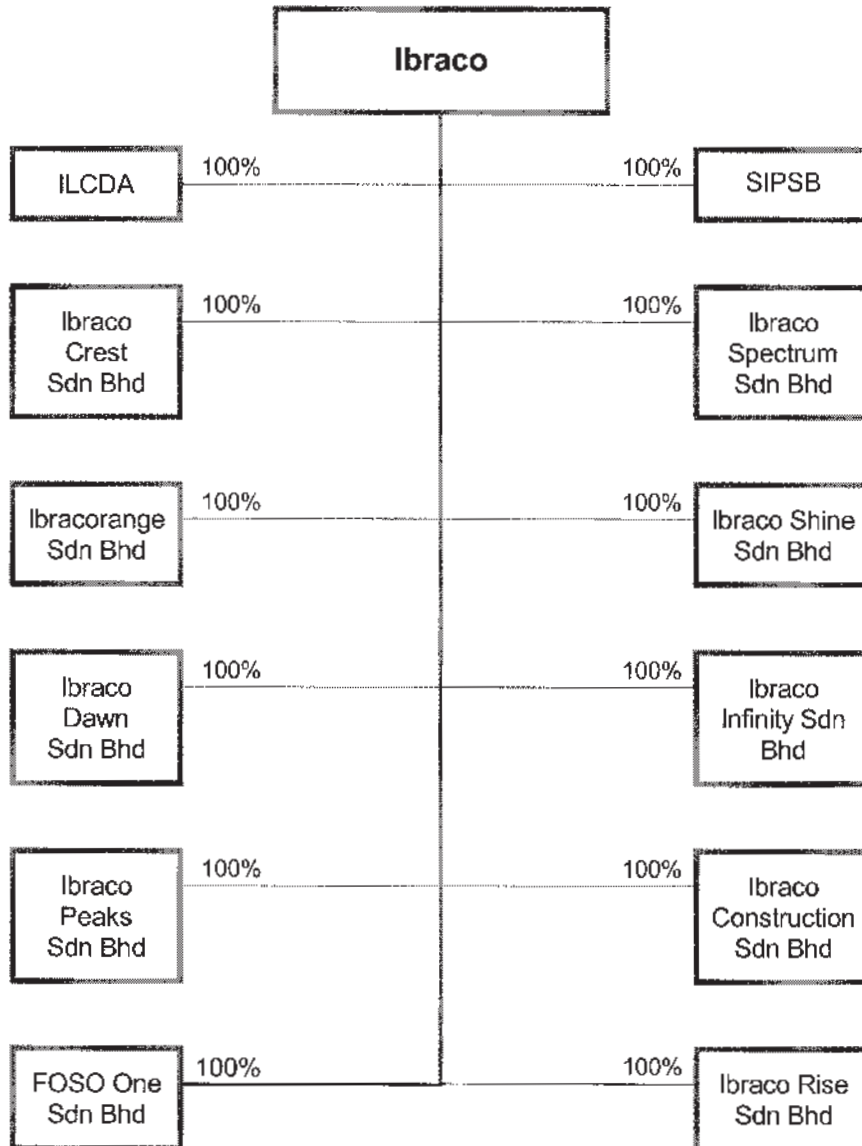
Ibraco was incorporated in Malaysia on 30 August 1971 under the Act as a private limited company under the name of Ibraco Realty Development Sdn Bhd. Subsequently on 28 July 2003, it was converted into a public limited company. In preparation for its listing on the Main Board of the Bursa Malaysia, the Company changed its name to Ibraco on 1 August 2003 and has since assumed its present name. The principal activities of the Company are property development and investment holding.

The principal activities of the subsidiary companies of Ibraco are as detailed below:-

<b>Name</b>	<b>Date and Place of Incorporation</b>	<b>Issued and paid-up share capital RM</b>	<b>Equity Interest %</b>	<b>Principal Activities</b>
SIPSB	28 .09.1974 Malaysia	9,135,002	100.0	Property development
ILCDA	07.04.1983 Malaysia	2,000,000	100.0	Property development
Ibraco Crest Sdn Bhd	18.02.2003 Malaysia	2	100.0	Dormant
Ibracorange Sdn Bhd	18.02.2003 Malaysia	2	100.0	Dormant
Ibraco Dawn Sdn Bhd	18.02.2003 Malaysia	2	100.0	Dormant
Ibraco Shine Sdn Bhd	18.02.2003 Malaysia	2	100.0	Dormant
Ibraco Rise Sdn Bhd	18.02.2003 Malaysia	2	100.0	Dormant
Ibraco Infinity Sdn Bhd	18.02.2003 Malaysia	2	100.0	Dormant
Ibraco Peaks Sdn Bhd	20.02.2003 Malaysia	2	100.0	Dormant
Ibraco Spectrum Sdn Bhd	01.04.2003 Malaysia	2	100.0	Dormant
Ibraco Construction Sdn Bhd	10.09.2002 Malaysia	2	100.0	Construction
FOSO One Sdn Bhd (formerly known as FOSOI Sdn Bhd)	15.04.2003 Malaysia	150,000	100.0	Construction

**1. INFORMATION SUMMARY (cont'd)**

An overview of the Ibraco Group's corporate structure is set out as below:-



Detailed information on the history and business of the Group and the Group's property developments, locations and land banks are set out in Sections 4.1, 4.4, 9 and 10 of this Prospectus.

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## 1. INFORMATION SUMMARY (cont'd)

## 1.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OF IBRACO

The direct and indirect shareholdings of the Promoters, Substantial Shareholders, Directors and key management of the Group are as follows:-

Name	Designation	No. of Shares held in Ibraco before the IPO		No. of Shares held in Ibraco after the IPO	
		No. of Direct Shares	% Indirect	No. of Direct Shares	% Indirect
<b><u>Promoters/ Substantial Shareholders</u></b>					
Deanna Ibrahim @ Sorayah bt Abdullah	Group Chairman and Non-Independent Non-Executive Director, Promoter and Substantial Shareholder	14,793,334	19.96	14,793,334	16.44
				*6,165,064	6.85
Wan Kamal Ibrahim bin Wan Alwi Ibrahim	Group Managing Director/ Chief Executive Officer, Promoter and Substantial Shareholder	14,793,334	19.96	14,793,334	16.44
				*6,165,064	6.85
Dr Sharifah Deborah Sophia Ibrahim	Executive Director, Promoter and Substantial Shareholder	14,793,334	19.96	14,793,334	16.44
				*6,165,064	6.85
Wan Aziz Ibrahim	Non-Independent Non-Executive Director, Promoter and Substantial Shareholder	14,793,334	19.96	14,793,334	16.44
				*6,165,064	6.85
IPSB	Promoter and Substantial Shareholder	6,165,064	8.32	6,165,064	6.85
				-	-
<b><u>Directors</u></b>					
Deanna Ibrahim @ Sorayah bt Abdullah	Group Chairman and Non-Independent Non-Executive Director, Promoter and Substantial Shareholder	14,793,334	19.96	14,793,334	16.44
				*6,165,064	6.85
Wan Kamal Ibrahim bin Wan Alwi Ibrahim	Group Managing Director/ Chief Executive Officer, Promoter and Substantial Shareholder	14,793,334	19.96	14,793,334	16.44
				*6,165,064	6.85

## 1. INFORMATION SUMMARY (cont'd)

Name	Designation	No. of Shares held in Ibraco before the IPO		No. of Shares held in Ibraco after the IPO	
		Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
Dr Sharifah Deborah Sophia Ibrahim	Executive Director, Promoter and Substantial Shareholder	14,793,334	*6,165,064	14,793,334	*6,165,064
Wan Aziz Ibrahim	Non-Independent Non-Executive Director, Promoter and Substantial Shareholder	14,793,334	*6,165,064	14,793,334	*6,165,064
Datuk (Dr) Ting Ding Ing	Deputy Chairman and Independent Non-Executive Director	-	-	**100,000	-
Guido Paul Philip Joseph Ravelli	Independent Non-Executive Director	-	-	**100,000	-
Nesarajah a/ Chelliah	Independent Non-Executive Director	-	-	**100,000	-
<b><u>Key Management Team</u></b>					
Andre Rigole	General Project Manager	-	-	**400,000	-
Sii Kie Wong	Chief Operating Officer	-	-	**61,000	-
Anthony Yong Wee Yaw	Planning and Development Manager	-	-	**240,000	-
Steven Chai Chon Boon	Chief Financial Officer	-	-	**20,000	-
Peter Ho Boon Huat	Marketing Manager	100	-	**330,100	-
Chai King Sing	Project Engineer	-	-	**20,500	-
Liu Tow Hua	Group Internal Auditor	100	-	**20,600	-
Fabian Chew Keng Teck	Assistant Project Manager	100	-	**265,100	-
Bonnie Kon Kun Enn	Assistant Project Manager	-	-	**170,000	-
Christi Goh	Land Officer	100	-	**30,600	-
Josephine Kho Hong Kiaw	Marketing Executive	100	-	**330,100	-



**1. INFORMATION SUMMARY (cont'd)**

Name	Designation	No. of Shares held in Ibraco before the IPO		No. of Shares held in Ibraco after the IPO	
		Direct No. of Shares	% Indirect Shares	Direct No. of Shares	% Indirect Shares
Chan Kwang Ping	Accountant	100	#-	**50,600	0.06
					-

**Notes:-**

- \* Deemed interest by virtue of his/her substantial shareholding in IPSB
- \*\* Incorporating the pink form allocation pursuant to the IPO
- # less than 0.01%

**Further details on the Promoters, Substantial Shareholders, Directors and key management of Ibraco Group are set out in Section 6 of this Prospectus.**

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## 1. INFORMATION SUMMARY (cont'd)

### 1.3 FINANCIAL STATISTICS FOR THE PAST FIVE (5) FINANCIAL YEARS

The following table sets out a summary of the proforma consolidated results of the Group for the past five (5) financial years ended 31 January 1999 to 2003 and for the eleven (11) months period ended 31 December 2003, prepared on the assumption that the Group has been in existence throughout the period under review. The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 13 of this Prospectus. The financial year end of the Group has been changed from 31 January to 31 December effective in 2003.

Financial year ended 31 January	1999 (RM'000)	2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	11 months period ended 31 December 2003 (RM'000)
Revenue	50,755	34,071	28,630	52,002	48,907	69,198
Profit before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	5,468	5,914	4,034	16,901	17,671	16,863
Gain on disposal of subsidiary	-	-	-	-	-	16,900
Finance cost	(10)	(52)	(27)	(35)	(22)	(87)
Depreciation	(349)	(248)	(298)	(486)	(645)	(725)
PBT	5,109	5,614	3,709	16,380	17,004	32,951
Taxation	98	(1,484)	(1,588)	(4,580)	(5,638)	(4,371)
PAT	5,207	4,130	2,121	11,800	11,366	28,580
MI	-	-	-	-	-	-
PAT after MI	5,207	4,130	2,121	11,800	11,366	28,580
No. of Shares assumed in issue ('000)	74,121	74,121	74,121	74,121	74,121	74,121
Gross EPS (RM)	0.07	0.08	0.05	0.22	0.23	*0.46
Net EPS (RM)	0.07	0.06	0.03	0.16	0.15	**0.40

**Notes:-**

- (i) The proforma consolidated results are based on the audited financial statements of Ibraco and its subsidiary companies.
- (ii) There were no exceptional or EI for the financial years under review other than the gain on disposal of IPHSB that amounted to approximately RM16.9 million during the 11 months period ended 31 December 2003.
- (iii) The net EPS have been calculated based on the PAT and the number of Shares assumed in issue after the Acquisitions and Issuance of Shares to Employees but before the Public Issue.
- \* Based on annualised PBT of approximately RM34.41million.
- \*\* Based on annualised PAT after MI of approximately RM29.64 million.

The financial statements of Ibraco Group for the years under review were not subjected to any audit qualification.

**1. INFORMATION SUMMARY (cont'd)****1.4 PROFORMA CONSOLIDATED BALANCE SHEETS OF IBRACO GROUP AS AT 31 DECEMBER 2003**

The Proforma Consolidated Balance Sheets as at 31 December 2003 set out below has been prepared for illustrative purposes only to show the effects on the audited balance sheet of Ibraco Group had the Listing Scheme been effected on that date.

	Audited as at 31 December 2003 RM'000	Proforma I After the Acquisitions and Issuance of Shares to Employees RM'000	Proforma II Proforma I and Proposed Public Issue and utilisation of proceeds RM'000
PROPERTY, PLANT AND EQUIPMENT	3,193	3,193	3,193
LAND AND DEVELOPMENT EXPENDITURE	71,330	71,330	71,330
INVESTMENT IN SUBSIDIARIES	-	-	-
<b>CURRENT ASSETS</b>			
Inventories and work-in-progress	75,337	75,337	75,337
Trade receivables	2,349	2,349	2,349
Other receivables, prepayments and deposits	6,610	6,610	6,610
Amount due from holding company*	7,936	7,936	7,936
Fixed deposits, cash and bank balances	15,706	15,706	15,706
	<u>107,938</u>	<u>107,938</u>	<u>107,938</u>
<b>CURRENT LIABILITIES</b>			
Amount due to bankers	42,762	42,762	26,207
Trade payables	7,542	7,542	7,542
Other payables and accruals	5,634	5,634	5,634
Amount due to holding company	3	3	3
Term loan	3,419	3,419	3,419
Lease payables	262	262	262
	<u>59,622</u>	<u>59,622</u>	<u>43,067</u>
<b>NET CURRENT ASSETS</b>	<u>48,316</u>	<u>48,316</u>	<u>64,871</u>
	<u>122,839</u>	<u>122,839</u>	<u>139,394</u>
<b>FINANCED BY:-</b>			
SHARE CAPITAL	65,338	74,121	90,000
SHARE PREMIUM	-	2,194	2,870
RESERVE ON CONSOLIDATION	2,475	3,481	3,481
REVENUE RESERVE	23,275	23,275	23,275
SHAREHOLDERS' FUND	<u>91,088</u>	<u>103,071</u>	<u>119,626</u>
MI	11,977	-	-
DEFERRED AND LONG TERM LIABILITIES	19,774	19,768	19,768
	<u>122,839</u>	<u>122,839</u>	<u>139,394</u>
<b>NET TANGIBLE ASSET</b>	91,088	103,071	119,626
NTA PER SHARE (RM)	1.39	1.39	1.33

Note:-

\* This amount was fully settled subsequent to the financial period end.

The Proforma Consolidated Balance Sheets as at 31 December 2003 together with the Reporting Accountant's Letter thereon are set out in Section 11.11 of this Prospectus.

## 1. INFORMATION SUMMARY (cont'd)

### 1.5 SUMMARY OF MATERIAL RISK FACTORS

An investment in the shares listed/to be listed on the Bursa Malaysia involves a number of risks, some of which, including market, industry, liquidity, credit, operational, legal and regulatory risks could be substantial and inherent in the business of the Group.

Prospective investors should rely on their own evaluations and to carefully consider the investment considerations before buying any of the Public Issue Shares, which are the subject of this Prospectus. The risk factors that should be considered includes, but not limited to, the following: -

- (i) **Business and Economic Risks** – As in any other businesses, Ibraco Group is subject to risks inherent in the property development industry;
- (ii) **No Prior Market for Ibraco Shares** – There can be no assurance of an active market for Ibraco shares upon its listing on the Main Board of the Bursa Malaysia ;
- (iii) **Capital Market Risks** – The performance of Bursa Malaysia is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various sectors of the economy;
- (iv) **Quality and Quantity of Land Bank** – The success of every development company is very much dependent on the locality and size of its land bank in order to achieve successful property launches which will in turn sustain its future profitability. Around 78% of Ibraco's land bank of approximately 900 acres are situated within the vicinity of Tabuan Jaya, a prime housing area in Kuching;
- (v) **Competition from Other Property Developers** – Increasing competition from other property developers would require the Group to launch successful development projects. However, most competitors are small and the high cost of entry into the industry has deterred many would be competitors. In addition, Ibraco Group has also taken pro-active measures to mitigate these risks which include constantly reviewing its development and marketing strategies in response to the ever changing market conditions and to adopt different development concepts and marketing strategies that will correctly position itself to meet the needs of the target market;
- (vi) **Delay in Completion of Projects** – Completion of a development project on time is dependent on many external factors which may be beyond the control of the Group. To mitigate this risk, the Directors and management of the Group monitors the project schedule closely to minimise any delay in completion of projects;
- (vii) **Cost of Development for Property Projects and Demand Risks** – Appreciation of land cost and fluctuations of construction cost, are inherent risks in the property development and construction industry. The Group has a land bank of approximately 900 acres which is expected to sustain the property development activities of the Group for more than ten (10) years;
- (viii) **Fluctuations in Interest Rates** – Ibraco's property sales and working capital costs are predominantly relying on bridging facilities and conventional banking facilities and are hence sensitive towards interest rates fluctuations;
- (ix) **Political and Government Regulations and Controls** – The property development industry is governed by various government policies and regulations;

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**1. INFORMATION SUMMARY (cont'd)**

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- (x) **Ownership and Control of the Group** – After the IPO, the Promoters will collectively own approximately 72.6% of the Company's enlarged issued and paid-up share capital. They will be able to effectively control the outcome of certain matters requiring voting of shareholders;
- (xi) **Dependence on Key Personnel and Continuity of Management** – The Group's success will depend to a significant extent upon the abilities and continued efforts of its existing Directors and key management staff;
- (xii) **Achievability of Forecast** – There can be no assurance that the profit forecast contained herein will be realised and investors will be deemed to have read and understood the assumptions and underlying uncertainties in the profit forecast that are contained herein;
- (xiii) **Potential Conflict of Interest** – Certain Directors and Substantial Shareholders of Ibraco have interests in companies carrying out similar business activities as the Ibraco Group. Details on the potential conflict of interest and mitigating factors are set out in Section 3.13 of this Prospectus;
- (xiv) **Forward Looking statements** – Certain information in this Prospectus is based on the historical experience of the Group and may not be reflective of future results;
- (xv) **Dependence on Contractors/ Sub-Contractors** – The Group adopts various measures to minimise excessive dependency on any single contractor/ supplier;
- (xvi) **Insurance Coverage on Assets** – The Group reviews and ensures adequate coverage for its assets and projects on a continuous basis;
- (xvii) **Risks associated with the Environment** – Adverse weather conditions may result in delays in the completion of the Group's projects and affect the operations of Ibraco Group. Based on past experience, there is minimal effect of adverse weather conditions on Ibraco Group's activities. While threat from adverse weather conditions is beyond the control of Ibraco Group, steps are taken to minimise its impact;
- (xviii) **Restrictive Covenants on Borrowings** – Certain borrowings of the Group are bound by certain positive and negative covenants which are commonly contained in credit facility agreements in Malaysia. The Board shall take all precautions necessary to prevent any breach; and
- (xix) **Failure/ Delay in the Listing** – The success of the listing exercise is also exposed to the risk that it may fail or be delayed should certain events occur.

Further details of the risk factors and the respective mitigating factors are set out in Section 3 of this Prospectus.

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## 1. INFORMATION SUMMARY (cont'd)

### 1.6 PROFIT AND DIVIDEND FORECAST

#### Consolidated Profit Forecast

Financial Year Ending 31 December	Forecast 2004 (RM'000)
Revenue	145,289
Consolidated PBT	29,152
Less: Taxation	(7,090)
Consolidated PAT	22,062
<i>Based on number of Shares assumed in issue ('000)*</i>	90,000
Gross EPS (sen)	32.39
Net EPS (sen)	24.51
Gross PE Multiple (times) (based on Public Issue price of RM1.20 per Share)	3.70
Net PE Multiple (times) (based on Public Issue price of RM1.20 per Share)	4.90

Note: -

\* Based on enlarged paid-up share capital upon listing

The consolidated profit forecast of Ibraco together with the Reporting Accountant's Letter thereon are set out in Section 11.5 and 11.6 of this Prospectus.

#### Dividend Forecast

Financial Year Ending 31 December	Forecast 2004
Gross dividend per Share (sen)	5.00
Net dividend per Share (sen)	3.60
Gross dividend yield (%) *	4.17
Net dividend yield (%) *	3.00
Net dividend cover (times)	6.81

Note: -

\* Based on the IPO price of RM1.20 per Share

Further details on the dividend forecast and policy are set out in Section 11.8 of this Prospectus.

### 1.7 PROFORMA GROUP NTA AND NTA PER SHARE AS AT 31 DECEMBER 2003

**Proforma Group NTA (RM'000)** \*119,626  
(after the Acquisitions, Issuance of Shares to Employees, IPO and deducting estimated listing expenses of RM2.5 million)

**Proforma consolidated NTA per Share (RM)** \*RM1.33  
(based on enlarged share capital of 90,000,000 Shares)

\* Consistent with the present accounting policies of the Group, revaluation surplus of the Group's properties as set out in Section 9 of this Prospectus was not booked into the accounts of the Ibraco Group. The revaluation surplus arising from the revaluation of the properties (net of deferred taxation) amounted to approximately RM44.24 million. For illustrative purpose, after taking into consideration the revaluation surplus, the proforma consolidated NTA of the Ibraco Group after the Public Issue will be increased to approximately RM163.87 million or RM1.82 per Share.

## 1. INFORMATION SUMMARY (cont'd)

### 1.8 PRINCIPAL INFORMATION RELATING TO THE IPO

#### 1.8.1 Share Capital

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

	No. of Shares	Share capital (RM)
<b>AUTHORISED SHARE CAPITAL</b>		
• Shares	500,000,000	500,000,000
• Preference Shares	100,000	100,000
<b>ISSUED AND FULLY PAID-UP SHARE CAPITAL</b>		
• Shares as at date of this Prospectus	74,120,800	74,120,800
• New Shares to be issued pursuant to Public Issue	15,879,200	15,879,200
<b>ENLARGED SHARE CAPITAL</b>	<b>90,000,000</b>	<b>90,000,000</b>

The Issue Price is RM1.20 per Share payable in full upon application, subject to the terms and conditions of this Prospectus.

#### 1.8.2 Class of Shares

There is only one class of shares in issue in the Company, namely Shares.

The Public Issue Shares to be issued pursuant to this Prospectus will rank pari passu in all respect with the existing Shares of the Company including voting rights and rights to all dividends that may be declared subsequent to the date of allotment of the Public Issue Shares.

### 1.9 UTILISATION OF PROCEEDS FROM PUBLIC ISSUE

The aggregate gross proceeds of the Public Issue of approximately RM19.055 million shall accrue entirely to Ibraco. Ibraco will bear all expenses incidental to the listing and quotation of Ibraco's Shares on the Main Board of the Bursa Malaysia which includes underwriting commission, brokerage, registration fee, professional fees, SC fees, advertising, listing expenses and other fees the aggregate of which is estimated to be approximately RM2.5 million.

The proceeds from the Public Issue of approximately RM19.055 million will be utilised as follows:-

	Estimated timeframe of utilisation from receipt of listing proceeds	RM'000
Repayment of borrowings	within 3 months	8,000
Payment of estimated listing expenses	within 3 months	2,500
Working capital	within 1 year	8,555
<b>Total</b>		<b>19,055</b>

*Further details on the utilisation of proceeds are set out in Section 2.6 of this Prospectus.*

## 1. INFORMATION SUMMARY (cont'd)

### 1.10 WORKING CAPITAL, MATERIAL LITIGATION, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

#### 1.10.1 Working Capital

The Directors of Ibraco are of the opinion that, after taking into consideration the cash flow position, the banking facilities available and the net proceeds from the Public Issue, the Group will have adequate working capital for a period of twelve(12) months from the date of this Prospectus.

#### 1.10.2 Material Litigation

As at 31 March 2004, (being the latest practicable date prior to the printing of this Prospectus), the Group is 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 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 Ibraco and its subsidiaries.

#### 1.10.3 Borrowings

As disclosed in Section 2.6 of this Prospectus, as at 31 March 2004 (being the last practicable date prior to the printing of this Prospectus), the total bank borrowings amounted to approximately RM55.36 million. The borrowings can be analysed further as follows: -

Borrowings	Amount (RM'000)	Amount (RM'000)
Long Term borrowings		
• Interest bearing	1,800	
• Non-interest bearing*	15,500	
		17,300
Short Term borrowings		
• Interest bearing	36,312	
• Non-interest bearing*	1,750	
		38,062
<b>Total Borrowings</b>		<b>55,362</b>

Note:-

\* Islamic facilities

The Group has no foreign currency borrowings and has not defaulted in payment of either principal or interest or both.

#### 1.10.4 Contingent Liabilities

As at 31 March 2004 (being the latest practicable date prior to the printing of this Prospectus), there are no contingent liabilities incurred by the Group.

#### 1.10.5 Material Commitments

As at 31 March 2004 (being the latest practicable date prior to the printing of this Prospectus), there are no material contingent commitment for capital expenditure incurred or known to be incurred by the Group, which may have a substantial impact on the financial position of the Group.