



MUDAJAYA GROUP BERHAD

(Company No.: 605539-H)
(Incorporated in Malaysia under the Companies Act, 1965)

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P R O S P E C T U S



MUDAJAYA GROUP BERHAD

(Company No.: 605539-H)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 15,400,000 NEW ORDINARY SHARES OF RM0.50 EACH COMPRISING:

- (I) 8,600,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC
- (II) 6,800,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY ELIGIBLE DIRECTORS AND EMPLOYEES OF MUDAJAYA GROUP BERHAD AND ITS SUBSIDIARIES

AND

OFFER FOR SALE OF 22,600,000 ORDINARY SHARES OF RM0.50 EACH COMPRISING:

- (I) 13,096,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY
- (II) 9,504,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY PRIVATE PLACEMENT TO IDENTIFIED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM1.28 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION IN CONJUNCTION WITH THE LISTING OF MUDAJAYA GROUP BERHAD ON THE MAIN BOARD OF MALAYSIA SECURITIES EXCHANGE BERHAD

Adviser, Underwriter and Placement Agent



Commerce International Merchant Bankers Berhad
(Company No. 18417-M)

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 5 HEREOF.

Certain photographs depicted on the cover of this Prospectus are for the purpose of illustration only and do not purport to indicate that the assets depicted in the photographs belong to Mudajaya Group Berhad or its subsidiaries

This Prospectus is dated 10 April 2004

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF MUDAJAYA GROUP BERHAD (605539-H) ("MUDAJAYA") AND THE OFFERORS (AS HEREINAFTER DEFINED) 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 STATEMENTS OR OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST HAVE BEEN PREPARED BASED ON THE ASSUMPTIONS MADE.

COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD (18417-M), BEING THE ADVISER, 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 ISSUE (AS HEREINAFTER DEFINED) AND OFFER FOR SALE (AS HEREINAFTER DEFINED) AND IS SATISFIED THAT THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF MUDAJAYA ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS OF MUDAJAYA AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THIS PUBLIC ISSUE AND OFFER FOR SALE AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE OR OFFER FOR SALE, WHICH IS THE SUBJECT OF THIS PROSPECTUS.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF MUDAJAYA 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.**

MALAYSIA SECURITIES EXCHANGE BERHAD ("MSEB") SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF MUDAJAYA 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 OF THE MAIN BOARD OF MSEB IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, MUDAJAYA OR OF ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. 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 MSEB ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE PUBLIC ISSUE AND OFFER FOR SALE FOR WHICH THE PERSONS SET OUT IN SECTION 45 OF THE SC ACT, 1993 ARE RESPONSIBLE.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for Mudajaya's entire enlarged issued and paid-up share capital on the Main Board of MSEC is set out below:

Event	Tentative Date
Opening of application for the IPO Shares (as defined herein)	10 April 2004
Closing of application for the IPO Shares	23 April 2004*
Balloting for applications for the IPO Shares	27 April 2004
Allotment of the IPO Shares	5 May 2004
Listing	7 May 2004

Note:

- * *The Directors of Mudajaya and the Underwriter may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the allotment of the IPO Shares and the listing of and quotation for the entire enlarged issued and paid-up share capital of Mudajaya on the Main Board of MSEC would be extended accordingly.*

Where the closing date of the application for the IPO Shares is extended from the original closing date, the notice of such extension(s) will be advertised in a widely circulated Bahasa Malaysia and English newspaper in Malaysia.

DEFINITIONS

Unless otherwise indicated, the following abbreviations shall apply throughout this Prospectus:

Acquisition	:	Acquisition of the entire issued and paid-up share capital of MJC comprising 30,150,000 MJC Shares by Mudajaya for a purchase consideration of RM75,175,320 which was satisfied wholly by the issuance of 120,598,000 new Mudajaya Shares, credited as fully paid-up, at an issue price of approximately RM0.62 per Mudajaya Share
ADA	:	Authorised Depository Agent
ADSB	:	Assar Development Sdn Bhd (381580-X)
Angsana	:	Angsana Fajar Sdn Bhd (218630-V)
Application	:	Application for the Issue Shares by way of the Application Form or Electronic Share Application
Application Form	:	Printed application form for the application of the Issue Shares
ATM	:	Automated Teller Machine
BMQuar	:	Binamin MJC Quarry Sdn Bhd (244289-A)
Board	:	Board of Directors of Mudajaya
BQuar	:	Binamin Quarry Sdn Bhd (160043-T)
CDS	:	Central Depository System
CIDB	:	Construction Industry Development Board
CIMB	:	Commerce International Merchant Bankers Berhad (18417-M)
DSM	:	Dataran Sentral (M) Sdn Bhd (491436-U)
Electronic Share Application	:	Application for the Issue Shares through the ATM of the Participating Financial Institutions
EPS	:	Earnings per share
FIC	:	Foreign Investment Committee
GDP	:	Gross domestic product
GDV	:	Gross development value
IPO	:	Initial public offering of Mudajaya Shares comprising the Public Issue and Offer for Sale
IPO Shares	:	Issue Shares and Offer Shares, collectively
Issue Shares	:	15,400,000 new Mudajaya Shares to be issued pursuant to the Public Issue
Issuing House	:	Malaysian Issuing House Sdn Bhd (258345-X)

DEFINITIONS *(cont'd)*

Listing	:	Admission to the Official List of the Main Board of MSEC and the listing of and quotation on the Main Board of MSEC for 136,000,000 Mudajaya Shares, representing the entire issued and paid-up share capital of Mudajaya after the IPO
Listing Requirements	:	Listing Requirements of MSEC
LPD	:	5 March 2004, being the latest practicable date prior to the registration of this Prospectus
Market Day	:	Day (other than Saturday, Sunday and public holiday) on which the MSEC is open for trading in securities
MCD	:	Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary of MSEC
MCity	:	MJC City Development Sdn Bhd (302039-U)
MDev	:	MJC Development Sdn Bhd (316945-V)
MI	:	Minority interests
MIH	:	Malaysian Issuing House Sdn Bhd (258345-X)
MInd	:	MJC Industries Sdn Bhd (310636-T)
MITI	:	Ministry of International Trade and Industry
MJC	:	Mudajaya Corporation Berhad (6307-K)
MJC Group	:	MJC and its subsidiaries
MJC Shares	:	Ordinary shares of RM1.00 each in MJC
MPow	:	Mudajaya Power International Sdn Bhd (457859-H)
MPre	:	MJC Precast Sdn Bhd (349859-K)
MProp	:	MJC Properties Sdn Bhd (316941-X)
MSEC	:	Malaysia Securities Exchange Berhad (635988-W)
MSer	:	MJC Services Sdn Bhd (324145-M)
MTrad	:	MJC Trading Sdn Bhd (244359-H)
Mudajaya or Company	:	Mudajaya Group Berhad (605539-H)
Mudajaya Group or Group	:	Mudajaya and its subsidiaries
Mudajaya Shares	:	Ordinary shares of RM0.50 each in Mudajaya
Mulpha	:	Mulpha International Bhd. (19764-T)
MW	:	Megawatts
NTA	:	Net tangible assets

DEFINITIONS (cont'd)

Offer for Sale	:	Offer for sale of the Offer Shares by the Offerors to Bumiputera investors approved by the MITI and identified investors at an offer price of RM1.28 per Mudajaya Share												
Offer Shares	:	22,600,000 Mudajaya Shares to be offered for sale by the Offerors pursuant to the Offer for Sale												
Offerors	:	Existing shareholders of Mudajaya who are offering for sale the Offer Shares as follows:												
		<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: right;">No. of Offer Shares</th> <th style="text-align: right;">% of the enlarged share capital</th> </tr> </thead> <tbody> <tr> <td>DSM</td> <td style="text-align: right;">14,125,000</td> <td style="text-align: right;">10.39</td> </tr> <tr> <td>UF</td> <td style="text-align: right;">8,475,000</td> <td style="text-align: right;">6.23</td> </tr> <tr style="border-top: 1px solid black;"> <td>Total</td> <td style="text-align: right;">22,600,000</td> <td style="text-align: right;">16.62</td> </tr> </tbody> </table>	Name	No. of Offer Shares	% of the enlarged share capital	DSM	14,125,000	10.39	UF	8,475,000	6.23	Total	22,600,000	16.62
Name	No. of Offer Shares	% of the enlarged share capital												
DSM	14,125,000	10.39												
UF	8,475,000	6.23												
Total	22,600,000	16.62												
Participating Financial Institution(s)	:	Participating financial institution(s) for electronic share application as listed in Section 15.5(ii)(o) of this Prospectus												
PAT	:	Profit after taxation												
PBT	:	Profit before taxation												
PE Multiple	:	Price earnings multiple												
Public Issue	:	Public issue of the Issue Shares at an issue price of RM1.28 per Mudajaya Share to the Malaysian public and eligible Directors and employees of the Mudajaya Group												
RM and sen	:	Ringgit Malaysia and sen respectively												
SC	:	Securities Commission												
SC Guidelines	:	Policies and Guidelines on Issue/Offer of Securities of the SC												
Substantial Shareholder	:	Person who has an interest or interests in one (1) or more voting shares in a company and the nominal amount of that share or the aggregate nominal amounts of those shares is not less than 5.0% of the aggregate of the nominal amounts of all the voting shares in the company												
Tiararibu	:	Tiararibu (M) Sdn Bhd (255641-X)												
UF	:	United Flagship Sdn Bhd (529724-M)												
U.K.	:	United Kingdom												
Underwriter	:	Commerce International Merchant Bankers Berhad (18417-M)												
U.S.A.	:	United States of America												
WSC	:	Wimmers Spectrum Construction Sdn Bhd (216232-V)												

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1. CORPORATE DIRECTORY

Board of Directors

Name	Address	Profession	Nationality
Ng Ying Loong (Managing Director)	5, Jalan 16/12 46350 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Anto A/L SF Joseph (Executive Director)	6, Lorong 11/8D 46200 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Wee Teck Nam (Executive Director)	44, Jalan SS 3/60 University Garden 47300 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Aminodin bin Ismail (Non-Independent Non-Executive Director)	21, Jalan USJ 18/3A 47630 UEP Subang Jaya Selangor Darul Ehsan	Company Director	Malaysian
Henry Choo Hon-Fai (Independent Non-Executive Director)	A-25-01 Suasana Sentral Condominium 2, Jalan Stesen Sentral 5 50470 Kuala Lumpur	Company Director	Malaysian
Yee Swee Choon (Independent Non-Executive Director)	39, Jalan Sri Petaling 3 Sri Petaling 57000 Kuala Lumpur	Company Director	Malaysian

Audit Committee

Name	Responsibility	Directorship
Yee Swee Choon	Chairman of the Committee	Independent and Non-Executive
Henry Choo Hon-Fai	Member of the Committee	Independent and Non-Executive
Aminodin bin Ismail	Member of the Committee	Non-Independent and Non-Executive

Company Secretary

Tan Siak Chuang (MIA 8804)
137, Jalan BU 2/2
Bandar Utama Damansara
47800 Petaling Jaya
Selangor Darul Ehsan

Registered Office and Management Office

17, Jalan Semangat
46100 Petaling Jaya
Selangor Darul Ehsan
Telephone no. : 03-7958 7899
E-mail: mjcsb@po.jaring.my
Website: www.mudajaya.com

1. **CORPORATE DIRECTORY** (cont'd)

<i>Principal Bankers</i>	<p>Bumiputra-Commerce Bank Berhad Menara Choy Fook On Jalan Yang Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Telephone no. : 03-7954 7535</p> <p>Malayan Banking Berhad Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Telephone no. : 03-2070 8833</p> <p>HSBC Bank Malaysia Berhad 17-23, Jalan Sultan 46200 Petaling Jaya Selangor Darul Ehsan Telephone no. : 03-7956 0177</p>
<i>Auditors and Reporting Accountants</i>	<p>Ernst & Young (AF : 0039) Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Telephone no. : 03-2087 7000</p>
<i>Solicitors</i>	<p>Zaid Ibrahim & Co Level 19, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Telephone no. : 03-2087 9999</p>
<i>Registrar</i>	<p>Signet Share Registration Services Sdn Bhd 11th Floor, Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no. : 03-2142 1341</p>
<i>Issuing House</i>	<p>Malaysian Issuing House Sdn Bhd 27th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no. : 03-2693 2175</p>
<i>Adviser, Underwriter and Placement Agent</i>	<p>Commerce International Merchant Bankers Berhad 7th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Telephone no. : 03-2084 8888</p>
<i>Listing Sought</i>	<p>Main Board of MSEP</p>

2. INTRODUCTION

This Prospectus is dated 10 April 2004.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the Application Form, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

An application will be made to MSEB within 3 Market Days from the date of this Prospectus for admission to the Official List of the Main Board of MSEB and for permission to deal in and the listing of and quotation for the entire issued and fully paid-up ordinary shares of RM0.50 each in the Company, including the IPO Shares, which are the subject of this Prospectus. The ordinary shares of the Company will be admitted to the Official List of the Main Board of MSEB and official quotation will commence after 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.

Acceptance of applications will be conditional upon permission being granted by MSEB for the listing of the entire issued and fully paid-up ordinary shares of the Company, including the IPO Shares, within six (6) weeks from the date of this Prospectus or such longer period as may be specified by the SC, provided the Company is notified by or on behalf of MSEB within that six (6) weeks or such longer period as may be specified by the SC. Accordingly, monies paid in respect of any application accepted will be returned in full without interest if the said permission from MSEB is not granted.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, MSEB has prescribed Mudajaya as a CDS counter. In consequence thereof, the IPO Shares through this Prospectus will be deposited directly with MCD and any dealings in these shares will be carried out in accordance with the Securities Industry (Central Depositories) Act, 1991 and the Rules of MCD.

Pursuant to the Listing Requirements, at least 25% of the enlarged issued and paid-up share capital of the Company needs to be in the hands of public shareholders and a minimum number of 1,000 public shareholders holding not less than 100 shares each upon completion of the IPO. The Company is expected to achieve this at the point of Listing. In the event that the above requirement is not met pursuant to the IPO, the Company may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be returned in full without interest if the said permission is not granted.

Applicants of the IPO Shares must have a CDS account. In the case of an application by way of Application Form, an applicant must state his CDS account number in the space provided in the Application Form and he shall be deemed to have authorised MCD to disclose information pertaining to the CDS account to MIH and the Company for the purpose of crediting the IPO Shares allotted to him to his CDS account. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account number to the Participating Financial Institution by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application require him to do so. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application.

No person is authorised to give any information or to make any representation not contained herein in connection with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by Mudajaya and/or CIMB. Neither the delivery of this Prospectus nor any IPO made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Group since the date hereof.

The distribution of this Prospectus and the sale of the IPO Shares are subject to Malaysian law and the Company takes no responsibility for the distribution of this Prospectus and/or sale of the IPO Shares outside Malaysia. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or invitation of an offer to buy any IPO Shares in any jurisdiction in which such offer is not authorised or lawful or to any person to whom it is unlawful to make such offer.

2. INTRODUCTION *(cont'd)*

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.

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3. INFORMATION SUMMARY

The following is only a summary of the salient information about the Mudajaya Group and of the IPO. Investors should read and understand the whole Prospectus prior to deciding whether to invest in the IPO Shares.

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus.

3.1 History and Business

Mudajaya was incorporated in Malaysia on 6 February 2003 under the Companies Act, 1965 as a public limited company. Mudajaya is an investment holding company.

The Mudajaya Group is an integrated group of companies principally involved in the construction industry. The core company of the Mudajaya Group is MJC which has been registered as a Class "A" contractor with Pusat Khidmat Kontraktor, Kementerian Pembangunan Usahawan since 1993. In addition, MJC is also a registered contractor under Grade G7 category with the CIDB.

The principal activities of the companies comprising the Mudajaya Group and its associated companies are as follows:

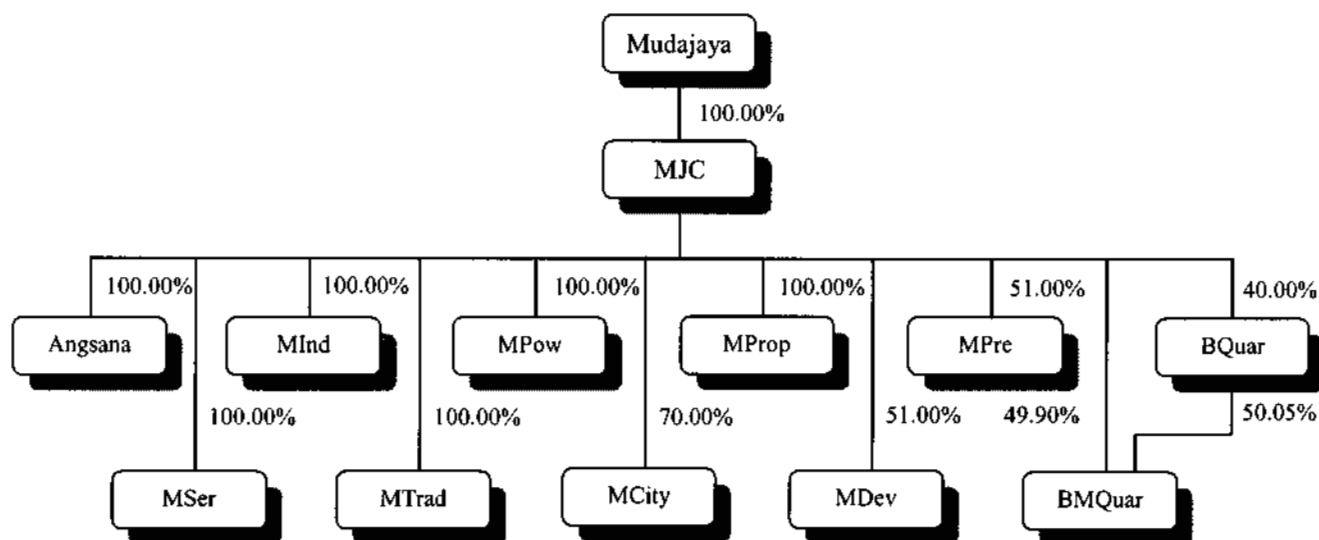
Name of company	Effective interest held by Mudajaya %	Principal activities
<i>Subsidiaries</i>		
MJC	100.00	Civil engineering and building construction
MCity	70.00	Property management and development
Angsana	100.00	Property development
MInd	100.00	Manufacture of concrete products and building materials
MPow	100.00	Civil engineering and building construction
MSer	100.00	Dormant
MTrad	100.00	Hire of plant and machinery and trading of construction related materials
MProp	100.00	Dormant
MDev	51.00	Property management, development and construction
MPre	51.00	Manufacturing of precast concrete and other related products
<i>Associated companies</i>		
BMQuar	69.92 ⁽¹⁾	Production and sale of quarry products
BQuar	40.00	Investment holding

Note:

⁽¹⁾ Although Mudajaya has 69.92% effective equity interest in BMQuar, BMQuar is deemed as an associated company of Mudajaya as Mudajaya has no control over the financial and operating policies of BMQuar.

3. INFORMATION SUMMARY (cont'd)

The group structure of the Mudajaya Group and its associated companies is set out below:



Further information on the Mudajaya Group and its associated companies is set out in Section 8 of this Prospectus.

3.2 Substantial Shareholders, Promoters, Directors and Key Management

The shareholdings of the Substantial Shareholders, promoters, Directors and key management of Mudajaya after the IPO, based on their respective shareholdings in Mudajaya as at the LPD are as follows:

Name	Designation	After the IPO			
		No. of Mudajaya Shares held			
		Direct	%	Indirect	%
DSM	Substantial Shareholder	46,174,000 ⁽¹⁾	33.95	-	-
UF	Substantial Shareholder	27,704,400 ⁽¹⁾	20.37	-	-
Tiararibu	Substantial Shareholder	23,519,600	17.29	-	-
Datin Hasmah binti Abdul Rahman	Substantial Shareholder	-	-	27,704,400 ⁽²⁾	20.37
Aminodin bin Ismail	Substantial Shareholder, promoter and Non-Executive Director	200,000 ⁽⁹⁾	0.15	27,704,400 ⁽²⁾	20.37
Ng Ying Loong	Substantial Shareholder, promoter and Managing Director	1,596,000 ⁽⁹⁾	1.17	46,178,000 ⁽³⁾	33.95
First Positive Sdn Bhd	Substantial Shareholder	-	-	46,174,000 ⁽⁴⁾	33.95
Wee Teck Nam	Substantial Shareholder, promoter and Executive Director	500,000 ⁽⁹⁾	0.37	46,174,000 ⁽³⁾	33.95
Mulpha	Substantial Shareholder	-	-	23,519,600 ⁽⁶⁾	17.29
Law Chin Wat	Substantial Shareholder	-	-	23,519,600 ⁽⁸⁾	17.29
WSC	Substantial Shareholder	4,000 ⁽⁷⁾	*	46,174,000 ⁽⁴⁾	33.95
Nautical Investments Limited	Substantial Shareholder	-	-	23,519,600 ⁽⁷⁾	17.29
Anto A/L SF Joseph	Executive Director	600,000 ⁽⁹⁾	0.44	-	-
Henry Choo Hon-Fai	Non-Executive Director	-	-	-	-
Yee Swee Choon	Non-Executive Director	-	-	-	-
Ng Chee Kin	General Manager, Special Projects	400,000 ⁽⁹⁾	0.29	-	-
Yong Yee Coi	General Manager, Engineering and Procurement	400,000 ⁽⁹⁾	0.29	-	-
Wong Hock Beng	General Manager, Precast Division	400,000 ⁽⁹⁾	0.29	-	-

3. INFORMATION SUMMARY (cont'd)

Name	Designation	-----After the IPO-----			
		No. of Mudajaya Shares held Direct	%	Indirect	%
Tan Siak Chuang	Financial Controller and Company Secretary	400,000 ⁽⁹⁾	0.29	-	-
Loo Lai Yee	Senior Manager, Human Resource and Administration	180,000 ⁽⁹⁾	0.13	-	-
Ng Hong Yan	Senior Project Manager, Construction Division	100,000 ⁽⁹⁾	0.07	-	-
Chia Peng Huang	Senior Project Manager, Property Division	100,000 ⁽⁹⁾	0.07	-	-
Samantha Lee Tze Liu	Senior Marketing and Sales Manager	162,000 ⁽⁹⁾	0.12	-	-
Ashraff Hon Abdullah	Plant Manager	50,000 ⁽⁹⁾	0.04	-	-
Mah See Mun	Contracts Administration Manager	30,000 ⁽⁹⁾	0.02	-	-

Notes:

* Negligible.

⁽¹⁾ The Mudajaya Shares are held through a nominee company.

⁽²⁾ Deemed interest by virtue of his/her interest in UF pursuant to Section 6A of the Companies Act, 1965.

⁽³⁾ Deemed interest by virtue of his interest in WSC pursuant to Section 6A of the Companies Act, 1965.

⁽⁴⁾ Deemed interest by virtue of its interest in DSM pursuant to Section 6A of the Companies Act, 1965.

⁽⁵⁾ Deemed interest by virtue of his interest in First Positive Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

⁽⁶⁾ Deemed interest by virtue of its interest in Tiararibu pursuant to Section 6A of the Companies Act, 1965.

⁽⁷⁾ Deemed interest by virtue of its interest in Mulpha pursuant to Section 6A of the Companies Act, 1965.

⁽⁸⁾ Deemed interest by virtue of his interest in Nautical Investments Limited pursuant to Section 6A of the Companies Act, 1965.

⁽⁹⁾ Assuming full subscription of the Mudajaya Shares offered to the eligible Directors and employees of the Mudajaya Group under the Public Issue.

Detailed information on the Substantial Shareholders, promoters, Directors and key management of Mudajaya is set out in Section 9 of this Prospectus.

3. INFORMATION SUMMARY (cont'd)

3.3 Financial Highlights

3.3.1 Proforma Consolidated Income Statements

The following is a summary of the proforma audited consolidated results of Mudajaya for the past five (5) financial years ended 31 December 1998 to 2002 and the ten (10)-month period ended 31 October 2003, which have been prepared based on the audited financial statements of the companies comprising the Mudajaya Group, for illustrative purposes, on the assumption that the current structure of the Group had been in existence throughout the financial years/period under review:

	-----Financial year ended 31 December-----					10-month period ended 31 October
	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000	2002 RM 000	2003 RM 000
Revenue	136,518	168,246	183,804	321,803	288,384	242,222
Profit before depreciation, amortisation, interest and taxation	10,716	15,558	18,011	25,289	27,283	29,212
Depreciation and amortisation	(4,224)	(4,376)	(3,666)	(2,919)	(3,049)	(2,887)
Interest expense	(1,040)	(96)	(7)	-	(44)	(503)
PBT, MI and exceptional items	5,452	11,086	14,338	22,370	24,190	25,822
Exceptional items	-	-	-	(3,565)	-	-
PBT and MI	5,452	11,086	14,338	18,805	24,190	25,822
Taxation	(2,140)	(85)	(3,309)	(5,363)	(6,835)	(7,205)
PAT but before MI	3,312	11,001	11,029	13,442	17,355	18,617
MI	(305)	(620)	(1,578)	(2,259)	(1,345)	(684)
Profit attributable to shareholders	3,007	10,381	9,451	11,183	16,010	17,933
No. of Mudajaya Shares assumed in issue (000)	120,600	120,600	120,600	120,600	120,600	120,600
Gross EPS (sen)	4.17	8.68	10.07	12.99	18.51	20.62
Net EPS (sen)	2.49	8.61	7.84	9.27	13.28	14.87
Gross dividend per share (sen)	-	4.15	4.15	-	-	76.01

Detailed information on the proforma consolidated income statements is set out in Section 11.3 of this Prospectus.

3. INFORMATION SUMMARY (cont'd)

3.3.2 Proforma Consolidated Balance Sheets

The following is a summary of the proforma consolidated balance sheets of Mudajaya as at 31 October 2003, prepared for illustrative purposes only, to show the effects of the Acquisition, IPO and the proposed utilisation of proceeds from the Public Issue in conjunction with the Listing, on the assumption that these transactions were completed on 31 October 2003:

	As at 31.10.03 RM 000	After the Acquisition RM 000	After the IPO and the proposed utilisation of proceeds from the Public Issue RM 000
Property, plant and equipment	-	14,415	14,415
Associated companies	-	2,156	2,156
Investments in jointly controlled entities	-	3,767	3,767
Long term investments	-	1,134	1,134
Deferred expenditure	562	562	-
Current assets	1	138,293	155,505
Current liabilities	562	57,730	57,168
Net current (liabilities)/assets	(561)	80,563	98,337
	1	102,597	119,809
Financed by:			
Share capital	1	60,300	68,000
Retained profits	-	32,214	32,214
Non-distributable reserve	-	595	595
Share premium	-	-	9,512 ⁽¹⁾
Shareholders' equity	1	93,109	110,321
MI	-	8,118	8,118
Hire purchase payables	-	654	654
Deferred taxation	-	716	716
	1	102,597	119,809
No. of ordinary shares (000)	2	120,600	136,000
(Net liabilities)/NTA per ordinary share (RM)	(280.50)	0.77	0.81

Note:

⁽¹⁾ After deducting the estimated listing expenses of approximately RM2.5 million.

3.3.3 Audit Qualifications

The accounts of the Mudajaya Group were not subject to any audit qualification for the financial years/period under review.

3. INFORMATION SUMMARY *(cont'd)*

3.4 Principal Statistics Relating to the IPO

3.4.1 Share Capital	RM
<i>Authorised</i>	
500,000,000 ordinary shares of RM0.50 each	250,000,000
<i>Issued and fully paid-up as at the LPD</i>	
120,600,000 ordinary shares of RM0.50 each	60,300,000
<i>To be issued pursuant to the Public Issue</i>	
15,400,000 new ordinary shares of RM0.50 each	7,700,000
	<u>68,000,000</u>
<i>To be offered pursuant to the Offer for Sale</i>	
22,600,000 ordinary shares of RM0.50 each	<u>11,300,000</u>

3.4.2 Classes of Shares and Rights

There is only one (1) class of shares in the Company, being ordinary shares of RM0.50 each. The Issue Shares will rank *pari passu* in all respects with one another and the other existing issued and paid-up ordinary shares of the Company including voting rights and will be entitled to all rights, dividends and distributions the entitlement date of which is subsequent to the date of allotment of the said Issue Shares.

Detailed information on the share capital of the Company is set out in Section 4.3 of this Prospectus.

3.4.3 IPO Price of RM1.28 per Mudajaya Share

The factors taken into consideration in the pricing of the IPO Shares are set out in Section 4.7 of this Prospectus.

3.4.4 Proforma Group NTA

Proforma Group NTA as at 31 October 2003 <i>(after the Acquisition, IPO and the proposed utilisation of proceeds from the Public Issue)</i> (RM 000)	110,321
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Proforma Group NTA per ordinary share <i>(based on the enlarged share capital of 136,000,000 Mudajaya Shares)</i> (RM)	0.81
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Detailed information on the proforma NTA of the Mudajaya Group is set out in Section 11.8 of this Prospectus.

3. INFORMATION SUMMARY (cont'd)

3.4.5 Consolidated Profit Estimate and Forecast

The Directors of Mudajaya estimate and forecast that the consolidated PAT and MI for the financial year ended 31 December 2003 and year ending 31 December 2004 respectively will be as follows:

Financial year ended/ending 31 December	Estimate	Forecast
	2003	2004
	RM 000	RM 000
Consolidated PBT	31,052	35,276
Taxation	(8,333)	(9,727)
Consolidated PAT but before MI	22,719	25,549
MI	(1,591)	(1,197)
Consolidated PAT and MI	21,128	24,352
Gross EPS (sen)	23.92 ⁽¹⁾	25.73 ⁽³⁾
Gross PE Multiple (times)	5.35 ⁽⁵⁾	4.97 ⁽⁵⁾
Net EPS (sen)	17.52 ⁽²⁾	18.64 ⁽⁴⁾
Net PE Multiple (times)	7.31 ⁽⁵⁾	6.87 ⁽⁵⁾

Notes:

- ⁽¹⁾ The gross EPS is computed based on the PBT but after MI of RM28.84 million divided by 120,600,000 Mudajaya Shares, assuming the current structure of the Mudajaya Group has been in existence throughout the financial year.
- ⁽²⁾ The net EPS is computed based on the PAT and MI divided by 120,600,000 Mudajaya Shares, assuming the current structure of the Mudajaya Group has been in existence throughout the financial year.
- ⁽³⁾ The gross EPS is computed based on the PBT but after MI of RM33.61 million divided by the weighted average number of ordinary shares in issue of 130,614,208 Mudajaya Shares.
- ⁽⁴⁾ The net EPS is computed based on the PAT and MI divided by the weighted average number of ordinary shares in issue of 130,614,208 Mudajaya Shares.
- ⁽⁵⁾ Based on the issue price of RM1.28 per Mudajaya Share.

The principal bases and assumptions upon which the consolidated profit estimate and forecast of Mudajaya have been made are set out in Section 11.4 of this Prospectus.

3.4.6 Dividend Estimate and Forecast

No dividend is or will be proposed for the financial year ended 31 December 2003 for Mudajaya. The dividend forecast for the financial year ending 31 December 2004 is as follows:

Financial year ending 31 December	Forecast 2004
Final gross dividend per Mudajaya Share (sen)	2.50
Final gross dividend yield based on the issue/offer price of RM1.28 per Mudajaya Share (%)	1.95
Final net dividend per Mudajaya Share (sen)	1.80
Net dividend cover based on final net dividend of 1.80 sen per Mudajaya Share (times)	9.95

Further information on the dividend estimate and forecast of Mudajaya is set out in Section 11.7 of this Prospectus.

3. INFORMATION SUMMARY (cont'd)

3.5 Risk Factors

The following are some of the main risk factors (which may not be exhaustive), as extracted from Section 5 of this Prospectus, which applicants for the IPO Shares should carefully consider, in addition to other information contained elsewhere in this Prospectus, before applying for the IPO Shares:

3.5.1 Risks Relating to the Mudajaya Shares and the IPO Shares**(a) No Prior Market for Mudajaya Shares**

Prior to the Listing, there was no public market for Mudajaya Shares. There can be no assurance that an active market for Mudajaya Shares will develop upon the Listing or, if developed, that such market will be sustained. In addition, there can be no assurance that the issue/offer price of the IPO Shares will correspond to the price at which the Mudajaya Shares will be traded on the Main Board of MSEC upon or subsequent to the Listing.

(b) Failure/Delay in the Listing

The occurrence of certain events may cause a delay in or the abortion of the Listing. Although the Directors of Mudajaya and the Offerors will endeavour to ensure compliance by Mudajaya of the Listing Requirements, there can be no assurance that events will not occur which would cause a delay in or abortion of the Listing.

(c) Termination of the Underwriting Agreement

The Underwriting Agreement contains certain provisions which allows the Underwriter to terminate the Underwriting Agreement if the Underwriter is of the reasonable opinion that the success of the IPO is likely to be materially and adversely affected by certain events.

(d) Subscription of Shares Reserved for Eligible Directors and Employees

5,800,000 of the 6,800,000 Mudajaya Shares reserved for the eligible Directors and employees of the Mudajaya Group are not underwritten and no assurance can be given that the said reserved shares will be fully subscribed. If they are not fully subscribed, the Public Issue will not be completed.

(e) Delay between Settlement and Trading of Mudajaya Shares

There may be a delay in the admission and commencement of trading of the Mudajaya Shares on the Main Board of MSEC after the Mudajaya Shares are allotted to investors' CDS accounts with the MCD. There can be no assurance that investors' monies in respect of the IPO Shares can be recovered within a short period of time if the Mudajaya Shares are not admitted on the Main Board of MSEC.

(f) Sale or Possible Sale of a Substantial Number of Mudajaya Shares could Adversely Affect Price

If any shareholder sells or is perceived as intending to sell a substantial amount of Mudajaya Shares, the market price for Mudajaya Shares may be adversely affected.

3. INFORMATION SUMMARY (cont'd)

(g) Company's Share Price may be Volatile

The price of Mudajaya Shares may fluctuate as a result of variations in its operating results and news regarding the gain or loss of significant customers, cost overruns, changes in key personnel, and changes in securities analysts' estimates of its financial results or recommendations.

(h) Company may not be Able to Realise Dividends from its Subsidiaries

An important factor in the Company's ability to pay dividends on the Mudajaya Shares is dividends and other distributions received from its subsidiaries. The Company's subsidiaries' ability to pay dividends and make other distributions are subject to certain restrictions. In the event of a subsidiary's liquidation, the Company may not be able to recoup its investment.

(i) Investors in this IPO will Suffer Immediate Dilution

As the IPO Price is higher than the proforma NTA per share before the Public Issue, investors applying for the Mudajaya Shares in this IPO will incur immediate dilution.

(j) Change in Dominant Shareholder of the Business

The dominant shareholder of MJC, through which all the Mudajaya Group's business operates either directly or indirectly, changed from Mulpha to DSM in February 2003.

No assurance can be given that the above change will not have any material adverse impact on the Group's future performance.

3.5.2 Risks Relating to the Group

(a) Business Risks

The Group is subject to certain risks inherent in the construction and property development sectors.

(b) Political and Economic Factors

Changes in the political and economic environment and uncertainties in Malaysia could materially and adversely affect the financial and business prospects of the Group.

(c) Customer Concentration

For the ten (10)-month period ended 31 October 2003, the top ten (10) customers of the Mudajaya Group account for approximately 72.3% of its total turnover. There can be no assurance that the Mudajaya Group will be able to continue sourcing work from its existing customer base or maintain or expand its customer base in the future.

(d) Suppliers' and Subcontractors' Contracts

The long-term viability of the Mudajaya Group depends significantly on its ability to continue to secure supplies or services from its suppliers or subcontractors respectively in the future.

3. INFORMATION SUMMARY (cont'd)

(e) Delay in Completion of Projects

Any delay in the completion of any projects undertaken by the Group and claims for liquidated damages for late completion may significantly and adversely affect the Group's cash flow and profitability.

(f) Cost of Construction Materials

There can be no assurance that any change to the cost of construction materials will not have any material adverse impact on the Group's financial performance.

(g) Competition from Existing Competitors and New Entrants

The Mudajaya Group operates in a competitive market with a large number of players. No assurance can be given that the Group will be able to compete effectively with current and new entrants into the construction and property development sectors in the future.

(h) Regulatory Framework

The Group's operations are subject to regulations by several governmental ministries and agencies and are governed by various legislation. No assurance can be given that any change to the present legal and regulatory framework in which the Group operates or the introduction of new regulations will not have a material impact on the Group's business and financial performance.

(i) Operations in India

Mudajaya's operations in India are subject to certain risks which includes but are not limited to the general conditions of the Indian economy, its political environment, changes in legal and tax legislation in India affecting the industry in which Mudajaya operates, fluctuations in exchange rates and fluctuations in costs of construction. No assurance can be given that any change to the above factors will not have a material impact on the operations of the Mudajaya Group in India.

(j) Defects Liability

Construction contracts commonly stipulate a defects liability period for work done, which range from 12 to 24 months from the date of official hand over of the completed projects. There is no assurance that any repair, reconstruction or rectification works during the defects liability period will not have a material impact on the Group's financial performance.

(k) Adequacy of Insurance Coverage on the Group's Assets

There can be no assurance that the insurance coverage would be adequate for the replacement cost of the assets of the Group or any consequential loss arising therefrom.

(l) Covenants on Borrowings

The covenants in the Mudajaya Group's credit facility agreements may limit the Mudajaya Group's future operating and financial flexibility.

3. INFORMATION SUMMARY *(cont'd)*

(m) Control by Substantial Shareholders

Upon Listing, DSM, UF and Tiararibu will have a shareholding of 33.95%, 20.37% and 17.29% respectively in the Company's enlarged issued and paid-up share capital. Although DSM, UF and Tiararibu are not related to each other, they are the existing three (3) largest shareholders of the Company, and individually has significant influence on the outcome of matters requiring the vote of the Company's shareholders, unless they are required to abstain from voting by law and/or the relevant authorities.

(n) Dependence on Key Personnel

The Group believes that its continued success will depend, to a significant extent, upon the abilities and continued efforts of its existing Directors and key management. Any material changes in the Group's Directors or members of its key management may adversely affect the Group's performance.

(o) Other General Risks

The business of the Mudajaya Group is also subject to other general risks which may affect the operations and financial performance of the Group.

3.5.3 Risks Relating to Future Information

(a) Profit Estimate and Forecast

The profit estimate and forecast in this Prospectus are based on reasonable assumptions that are nevertheless subject to uncertainties and contingencies. Accordingly, as events and circumstances may not occur as expected, there can be no assurance that the profit estimate and forecast contained herein will be realised.

(b) Forward-looking Statements

Certain statements in this Prospectus are based on historical data which may not be reflective of future results while others are forward-looking in nature which are subject to uncertainties and contingencies.

3.6 Future Prospects of the Mudajaya Group

The Directors of Mudajaya hold a positive view on the future prospects of the Group. In addition to the reasonably favourable prospects of the construction sector as mentioned in Section 6.2 of this Prospectus, the Directors of the Company are of the opinion that the following factors place the Group's future in good stead:

- (i) Capability to diversify;
- (ii) Capability to design and build;
- (iii) Capability to construct power plants and tall chimneys;
- (iv) Established relationships with consultants, suppliers and subcontractors;
- (v) Experienced management and skilled workforce;
- (vi) Ability to withstand an economic slowdown; and
- (vii) Emphasis on business development.

3. INFORMATION SUMMARY *(cont'd)*

Details of the Group's prospects are set out in Section 7.1 of this Prospectus.

3.7 Utilisation of Proceeds

The gross proceeds of RM19,712,000 to be raised from the Public Issue will be utilised in the following manner:

	RM
Working capital	17,212,000
Estimated listing expenses	<u>2,500,000</u>
	<u>19,712,000</u>

The estimated expenses and fees, including brokerage and underwriting commission relating to the Issue Shares and incidental to the Listing amounting to approximately RM2.5 million will be borne by the Company.

Details of the utilisation of proceeds are set out in Section 4.8 of this Prospectus.

3.8 Working Capital, Material Litigation and Arbitration, Borrowings, Contingent Liabilities and Material Commitments

3.8.1 Working Capital

The Directors of Mudajaya are of the opinion that, after taking into account the consolidated cash flow position, banking facilities available and the gross proceeds from the Public Issue, the Group will have adequate working capital for a period of 12 months from the LPD.

3.8.2 Material Litigation and Arbitration

Save as disclosed in Section 14.5 of this Prospectus, the Mudajaya Group is not engaged in any litigation and arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Mudajaya Group, and the Directors of Mudajaya 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.

3.8.3 Borrowings

Save as disclosed in Section 11.1.3 of this Prospectus, there are no other outstanding borrowings of the Group as at the LPD.

3.8.4 Contingent Liabilities

There are no contingent liabilities incurred by the Mudajaya Group as at the LPD other than performance guarantees and indemnities given to its clients in the ordinary course of the business of the Group.

3.8.5 Material Commitments

As at the LPD, there are no material commitments for capital expenditure contracted or known to be contracted by the Mudajaya Group which, upon becoming enforceable, may have a material impact on the profits or net assets value of the Group.