

## 5. INDUSTRY OVERVIEW

The Ibraco Group is principally involved in property development. As such, the industry assessment below essentially concentrates on the property development sector.

### 5.1 GLOBAL ECONOMY

The world economic performance in the first half of 2003 took a dive on account of the war in Iraq and the outbreak of the Severe Acute Respiratory Syndrome ("SARS"). With the end of the Iraq war and containment of SARS, global economic performance in the second half of 2003 is expected to improve, supported by indications of an upturn in the major economies towards the end of the second quarter. The expected return of investor and consumer confidence, resulting from accommodative monetary policies and fiscal easing in major economies, will further boost demand. However, there exist downside risks arising from continued global current account imbalances, inadequate structural reforms in some economies and security concerns in several parts of the world.

World output growth is expected to improve marginally to 3.2% in 2003 (2002: 3%) given the weak economic environment. Weaknesses still persist in the euro area and Japan although some positive signs have emerged. Global growth continues to be dependent on the US, whose growth is expected to be slightly lower than the previous year at 2.2% (2002: 2.4%).

*(Source: Economic Report 2003/2004)*

The world economy is projected to perform much better in 2004 with growth in global output estimated at 4.1 percent. The US is forecast to post a GDP growth of 2.9 percent while the Euro area is expected to grow by 1.9 percent with Japan growing by 1.4 percent. The newly industrialised Asian economy is expected to grow by 4.2 percent while the developing countries at 5.6 percent.

*(Source: Year 2004 State Budget Speech dated 8th December 2003)*

### 5.2 MALAYSIAN ECONOMY

After experiencing sluggish growth in 2001, the Malaysian economy rebounded strongly in 2002. Higher growth in 2002 bolstered optimism for a stronger economic performance in 2003 in anticipation of an improved world economic outlook. The prospect for a global economic recovery was, however, affected by recent geopolitical developments, in particular the war in Iraq, sporadic incidences of militancy and outbreak of the SARS. During the second quarter, consumer and business sentiments in regional economies were particularly affected by the anxiety of a probable prolonged and widespread SARS epidemic that curtailed transport and tourism-related activities besides trade and investment flows.

Against this adverse global environment and concerns of further weakening of the already sluggish global economy, the Government has put in place a package of broad-based pro-growth measures in May 2003. The Package of New Strategies ("**Package**"), apart from providing immediate relief for the SARS-affected sectors, was to address structural and organisational issues towards sustaining economic growth in the medium and longer term. The strategic measures introduced boosted confidence necessary to stimulate domestic consumption and investment. In addition, the short war in Iraq and the quick containment of SARS provided the much-needed relief for the economy to ride over the difficult times and remain on track to a firmer growth trajectory.

Malaysia's sound economic fundamentals and expansionary fiscal and accommodative monetary policies, supplemented by the Government's proactive stimulus package, have helped to sustain high growth in the gross domestic product. After expanding 4.5% in the first half and with prospects of sustained growth in the second half, the economy is set to achieve its targeted growth of 4.5% this year, higher than the 4.1% achieved in 2002.

## 5. INDUSTRY OVERVIEW (cont'd)

The economy is expected to be driven by stronger domestic demand reinforced by a modest pick-up in external demand in the second half of the year. On the domestic front, consumer spending continues to pick up, on account of favourable export earnings and high commodity prices, positive wealth effect from better stock market performance as well as rising consumer confidence. All sectors registered positive growth with manufacturing and services driving the economy.

The economic outlook for 2004 is envisaged to be favourable. Real GDP is expected to gain momentum and register a higher rate of 5.5%-6% in 2004. Growth is expected to emanate from higher exports on account of continuing improvement in world economic prospects while domestic demand will continue to be driven by pro-growth fiscal and monetary measures. All sectors are forecast to register higher growth.

Given the better prospects of world economic growth and international trade in 2004, with firm recovery taking place in several substantial industrialised countries and regional economies, the Malaysian economy is projected to strengthen and be reinforced by more vigorous domestic economic activities. In this regard, domestic demand (excluding change in stocks) in real terms is likely to increase at a fairly strong rate of 4.7% (2003: 5%), generated largely by the private sector resuming its role as the engine of growth and supported by pro-growth fiscal and monetary measures.

*(Source: Economic Report 2003/2004)*

### 5.3 SARAWAK ECONOMY

The State GDP is expected to grow at 5% for 2003. The construction sector is expected to grow at about 6 percent in 2003. The implementation of public infrastructure, social amenities and low cost housing are major source of growth for this sector. Public investment in 2003 is estimated to increase at a moderate rate of 6.1 percent. Development expenditure, both Federal and State, is expected to increase by 14 percent from RM2.9 billion in 2002 to RM3.3 billion in 2003. The Government development expenditure remains high with a heavy bias for infrastructure, transport and communication facilities.

Private investment is expected to grow at 10.4 percent compared to 9.8 percent in 2002. All the indicators showed that private sector investment has begun to improve. The value of loans approved by the commercial banks are increasing. At the same time, the value of import for capital and intermediate goods are also increasing.

As in past years, Sarawak continues to record healthy trade surpluses. 2002 ended with a surplus of RM12 billion. Judging from the performance over the first seven months of 2003, which showed a surplus of RM9.6 billion, the overall trade surplus is expected to surpass that of 2002. Sarawak continues to be a major contributor to the national economy.

In consonance with the better performance of the national economy, the State is also expected to perform better in 2004 with projected growth of 6.0 percent in 2004 against 5.0 percent for 2003. The growth of the State's GDP in 2004 is expected to be driven by the manufacturing, agriculture, construction and services sector.

*(Source: Year 2004 State Budget Speech dated 8th December 2003)*

### 5.4 PROPERTY MARKET IN MALAYSIA

The property market was active and stable following the better performance in the Malaysian economy. Measures in the 2002 Budget which included higher disposal income from pay increases to public sector employees and tax cuts benefited, in particular the residential property sector. Low interest rates, attractive loan packages and incentives by developers encouraged more purchasers to buy houses. By end-September 2002, loans to the broad property sector continued to grow by 6.6% of which financing for purchase of residential properties formed the bulk of these loans.

## 5. INDUSTRY OVERVIEW (cont'd)

The number of transactions recorded for 2002 was 231,394 a marginal decrease of 4.6% compared to 2001. Value of transactions was maintained at RM38,643.29 million, near to the RM38,634.93 million registered for the previous year. However this does not include the residential transactions under the stamp duty waiver estimated by the Real Estate and Housing Developers Association at 85,747. The substantial number of these transactions indicated that the property market is definitely more active. The residential sector remained the main sector driving the market, contributing 70.1% in the number of transactions. In terms of value, the residential sector was still the key sector making up 54.7% of the value of transaction in the market.

In terms of the rate of growth in the volume of transaction, the situation has improved. The increase in overall transactions in year 2002 was more than the 1.1% for year 2001, on account of the substantial number of residential transactions under the stamp duty waiver. This was mirrored in the residential sector. As transactions under the waiver applied to houses only, activity enhanced by the inclusion of transactions under the waiver, would evidently be more than the increase of 3.1% in residential transactions for 2001. Higher average values were also noted for properties in the residential sector where value per transaction increased to RM130,257, an increase of 3.4% compared to the 1.8% dip in year 2001.

*(Source: Property Market Report 2002 – Ministry of Finance Malaysia)*

### 5.5 PROPERTY MARKET IN SARAWAK

Since 1997, Sarawak has suffered three (3) economic setbacks due to :-

- (a) the global 1997/1998 economic/financial crisis;
- (b) the global 2002 economic slowdown after the 2001's 911 incident at the New York's World Trade Centre; and
- (c) the 2003 economic uncertainties arising from the Iraqi war and the threat of the SARS epidemic.

*(Source: Market Study for the Housing, Commercial & Industrial Markets in Kuching dated 18 February 2004 prepared by CH Williams Talhar Wong & Yeo Sdn Bhd)*

As a result, the property market in Sarawak failed to achieve impressive growth in 2002 due to uncertainties in the economy. The total number of transactions in the first three quarters of 2002 dropped 18.4% with 17,635 transactions compared with 21,610 in 2001. From the supply side, the residential sector continued to chart an encouraging improvement to accommodate demand for new housing projects. Notwithstanding that economic conditions have yet to show promising recovery, developer's confidence on new projects renewed as evidenced by the commencement of several new projects. The commercial property was in cautious mood over the slightest increase in supply in the commercial sector of shops, purpose-built offices and shopping complexes.

Demand was rather mixed according to various property types. The residential property sector saw growing demand for newly-launched residential units. However, demand remained pessimistic in the commercial and industrial property sectors. On the whole, prices and rentals in the various property sectors were still stable compared with 2001.

The residential sector continued to remain the most active in that it contributed 51.7% to the total transaction volume. Transactions fell by 9.3% from 10,047 the previous year in 2001 to 9,110 in 2002. The drop in transaction numbers was obvious in all areas except the divisions of Kuching and Samarahan. Various incentive measures implemented by the Federal Government like the waiver of stamp duty heightened market activities. Of the transaction volume, about 30.1% were in respect of transactions under the incentive exemption scheme.

*(Source : Property Market Report 2002 – Ministry of Finance Malaysia)*



## 5. INDUSTRY OVERVIEW (cont'd)

### ***Kuching***

Notwithstanding the above-said economic setbacks, the property stock in Kuching has continued to increase substantially, as manifested in the continuous urban sprawl away from the city centre, both to the North and to the South of Sungai Sarawak. This is the result of the strong predominantly local demand from the increasing population and household and the growing prosperity of the households in Kuching.

Though there are many factors that contribute to the large increase in property stock, the most important is the high population growth of Kuching. The average annual population growth rates for Kuching of 3.28% for the period from 1991 to 2000 are higher than both the national growth rate of 2.56% and Sarawak's growth rate of 2.26%.

Due to rural-urban migrations and high level of urbanisation, fuelled further by the intra-town migration, the increases in property stock in Kuching have been concentrated in the urban area of Kuching, mainly within the jurisdiction of the Dewan Bandaraya Kuching Utara and Majlis Bandaraya Kuching Selatan. According to the 2000 census, Kuching has the highest level of urbanisation for 2000, as shown below:-

### **Number and Level of Population in Urban Area**

	State/ District	No. of population			Level of urbanisation (%)		
		1980	1991	2000	1980	1991	2000
1.	Malaysia	4,492,408	8,898,581	13,725,609	34.2	50.7	61.8
2.	Sarawak	222,529	616,837	963,232	18.0	37.5	47.9
3.	Kuching	72,555	277,905	423,873	24.2	75.3	85.5
4.	Samarahan	-	-	23,329	-	-	49.4
5.	Sibu	85,231	133,479	166,322	65.3	78.4	79.6
6.	Bintulu	-	51,862	102,761	-	60.2	74.3
7.	Miri	52,125	102,878	167,535	54.5	63.8	76.3

Source: 2000 Census Preliminary Count Report for Urban and Rural Areas

The strong growth of population coupled with the expected continuance of the current low-cost credit from the financing institutions will augur well for the property market in Kuching over the foreseeable future.

(Source: *Market Study for the Housing, Commercial & Industrial Markets in Kuching dated 18 February 2004 prepared by CH Williams Talhar Wong & Yeo Sdn Bhd*)

## 5.6 INDUSTRY PLAYERS AND COMPETITION

The success of a market player in this sector is largely dependent on the large and strategic land banks and the product type/mix of a company in having a good concept in their development projects and with a hindsight to adapt to changes in consumers demand and preference.

Ibraco Group has an edge over other competitors as it possesses strategic land bank located in prime growth areas like Tabuan Jaya, Sama Jaya, Muara Tabuan, all within 8km radius from the Kuching City centre. Ibraco's strengths lie in its reputation as innovative, quality and reliable housing developer. In addition, the Group's concept of affordable and self-contained housing schemes has enabled it to compete and excel against its competitors.

## 5. INDUSTRY OVERVIEW (cont'd)

### 5.7 GOVERNMENT POLICIES AND INCENTIVES FOR PROPERTY DEVELOPMENT INDUSTRY

Under the Package of New Strategies announced by the Government on 21 May 2003, the following are some of the measures introduced to support the industry:-

- (i) Real property gains tax will be exempted for a period of one year, effective from 1 June 2003;
- (ii) Stamp duty exemption will be given on completed loan documents related to purchase of residential houses costing not more than RM180,000 per unit from housing developers, Government agencies or cooperatives, on condition the sales and purchase agreement is executed within one-year period from 1 June 2003;
- (iii) Reducing the current contribution rate of 0.25 percent by developers to Construction Industry Development Board;
- (iv) The processing and approvals for Building Plans and the Certificate of Fitness for Occupation will be expedited;
- (v) For land alienation and land use conversion, a fast track system will be established and State Economic Planning units appointed as one-stop processing centres for such applications;
- (vi) To increase the disposable income of the Rakyat, the EPF contribution by employees will be reduced from 11 to 9 percent for a period of one year beginning 1 June 2003;
- (vii) Foreign interests will be allowed to acquire landed properties exceeding RM150,000 per unit; and
- (viii) Under the Home Ownership for the People project, for new buyers and first-time owner of houses costing below RM100,000, the Government will provide, amongst others, subsidy on housing loan interest payment while for new buyers of completed houses and first-time owners of houses costing RM100,000 to RM180,000, a tax relief on interest payments will be given to individuals.

*(Source: Press Release on the Economic Stimulus Package dated 21 May 2003)*

### 5.8 LONG TERM MARKET OUTLOOK

As both the National and the State economy have good fundamentals, the property market would in the long term continue to enjoy strong demand due to annual increases both in population and households and rising household incomes.

The average annual percentage change of housing units during the 1980-1991 and the average annual population growth rates for 1980-1991 and 1991-2000 may be adopted to indicate the possible growth rates for housing units over the study period.

#### Average Annual % Change in Housing Units and Population

Town	% Change Housing Units 1980 -1991	Average Annual Population Growth Rates 1980-1991	Average Annual Population Growth Rates 1991-2000
Sarawak	5.2%	2.59%	2.26%
Kuching	7.0%	3.11%	3.28%

Compiled by CH Williams Talhar Wong & Yeo Research (2003)

## 5. INDUSTRY OVERVIEW (cont'd)

Notwithstanding the likely increase in the average annual growth rate, the population of Kuching District (and its local authority areas) and Kuching Division for the period up to 2010 at the respective rates of 3.28% and 3.06% is set out below:-

### Forecasted Population up to Year 2010

Year	Sarawak	Kuching Division	Kuching District	Dewan Bandaraya Kuching Utara	Majlis Bandaraya Kuching Selatan	Majlis Perbandaran Padawan
2000	2,012,616	565,504	495,996	152,310	162,478	181,211
2001	2,058,624	583,074	512,536	157,388	167,895	187,253
2002	2,105,685	601,190	529,624	162,635	173,493	193,496
2003	2,153,821	619,869	547,281	168,058	179,277	199,947
2004	2,203,057	639,129	565,528	173,661	185,254	206,613
2005	2,253,419	658,986	584,382	179,450	191,430	213,501
2006	2,304,932	679,461	603,866	185,433	197,813	220,620
2007	2,357,623	700,572	623,998	191,616	204,408	227,975
2008	2,411,518	722,339	644,803	198,004	211,223	235,576
2009	2,466,645	744,782	666,300	204,606	218,265	243,430
2010	2,523,033	767,922	688,515	211,427	225,542	251,546

Deducing from the cyclical nature of economic cycles, it is expected that the current economic recovery would pick up momentum from 2005. The expected stronger economic growth in the medium term and long term will facilitate the demand of the second generation of the "1950/60's baby boomers" for the rest of this decade up to 2010.

The positive growth rates of both the economy and the households will constitute the strong base for the long term growth of the property market in Kuching and Sarawak.

With various development programme geared for Kuching, the property market of Kuching is expected to continue to enjoy long term growth.

Due to the wider demand base and the nature of housing units, the housing sector will continue to be the most important sector within the property development industry. The housing sector should therefore remain the main focus of any developer company for sustainable development business.

*(Source: Market Study for the Housing, Commercial & Industrial Markets in Kuching dated 18 February 2004 prepared by CH Williams Talhar Wong & Yeo Sdn Bhd)*

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## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 6.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

#### 6.1.1 Particulars and Shareholdings

The Promoters and Substantial Shareholders (with 5% or more shareholding after the IPO) of Ibraco are Deanna Ibrahim @ Sorayah bt Abdullah, Dr Sharifah Deborah Sophia Ibrahim, Wan Kamal Ibrahim bin Wan Alwi Ibrahim, Wan Aziz Ibrahim and IPSB.

The details of the Promoters and Substantial Shareholders of the Group and their shareholdings in Ibraco after the IPO are as follows:-

Name	Designation	Nationality/ Place of incorporation	Shareholding after Public Issue			
			Direct		Indirect	
			No of Shares	%	No. of Shares	%
Deanna Ibrahim @ Sorayah bt Abdullah	Group Chairman and Non- Independent Non-Executive Director, Promoter and Substantial Shareholder	Malaysian	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	Malaysian	14,793,334	16.44	*6,165,064	6.85
Dr Sharifah Deborah Sophia Ibrahim	Executive Director , Promoter and Substantial Shareholder	Malaysian	14,793,334	16.44	*6,165,064	6.85
Wan Aziz Ibrahim	Non- Independent Non-Executive Director , Promoter and Substantial Shareholder	Malaysian	14,793,334	16.44	*6,165,064	6.85
IPSB	Promoter and Substantial Shareholder	Malaysia	6,165,064	6.85	-	-

Note:-

\* Deemed interested by virtue of his/her substantial shareholding in IPSB

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

### 6.1.2 Profile of the Promoters and Substantial Shareholders

Profiles of Deanna Ibrahim @ Sorayah bt Abdullah, Dr Sharifah Deborah Sophia Ibrahim, Wan Kamal Ibrahim bin Wan Alwi Ibrahim and Wan Aziz Ibrahim are set out in Section 6.2.2 of this Prospectus. Brief information on IPSB are set out below:-

#### Information on IPSB

IPSB was incorporated as a private limited company on 3 September 1979 in Malaysia under the Act. IPSB has an authorised share capital of RM500,000,000 comprising 500,000,000 Shares of which RM78,310,232 comprising 78,310,232 Shares have been fully issued and paid-up. The company is principally involved in property investment and commenced business in 1979.

The particulars of the company's directors and Substantial Shareholders and their respective shareholdings in IPSB as at 31 March 2004 are as follows :-

<u>Name</u>	<u>Nationality</u>	<u>Shareholding</u>			
		<u>Direct No. of Shares</u>	<u>%</u>	<u>Indirect No. of Shares</u>	<u>%</u>
<b>Directors</b>					
Deanna Ibrahim @ Sorayah bt Abdullah	Malaysian	19,577,558	25.0	-	-
Wan Kamal Ibrahim bin Wan Alwi Ibrahim	Malaysian	19,577,558	25.0	-	-
Dr Sharifah Deborah Sophia Ibrahim	Malaysian	19,577,558	25.0	-	-
Wan Aziz Ibrahim	Malaysian	19,577,558	25.0	-	-
<b>Substantial Shareholders</b>					
Deanna Ibrahim @ Sorayah bt Abdullah	Malaysian	19,577,558	25.0	-	-
Wan Kamal Ibrahim bin Wan Alwi Ibrahim	Malaysian	19,577,558	25.0	-	-
Dr Sharifah Deborah Sophia Ibrahim	Malaysian	19,577,558	25.0	-	-
Wan Aziz Ibrahim	Malaysian	19,577,558	25.0	-	-



## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

### 6.2 BOARD OF DIRECTORS

#### 6.2.1 Particulars and Shareholdings

The details of the Directors of Ibraco and their shareholdings in Ibraco after the IPO are as follows:-

Name	Designation	Shareholding			
		Direct No. of Shares	%	Indirect No. of Shares	%
Deanna Ibrahim @ Sorayah bt Abdullah	Group Chairman and Non-Independent Non-Executive Director, Promoter and Substantial Shareholder	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	16.44	*6,165,064	6.85
Dr Sharifah Deborah Sophia Ibrahim	Executive Director, Promoter and Substantial Shareholder	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	16.44	*6,165,064	6.85
Datuk (Dr) Ting Ding Ing	Deputy Chairman and Independent Non-Executive Director	**100,000	0.11	-	-
Guido Paul Philip Joseph Ravelli	Independent Non-Executive Director	**100,000	0.11	-	-
Nesarajah a/l Chelliah	Independent Non-Executive Director	**100,000	0.11	-	-

Notes:-

\* Deemed interest by virtue of his/her substantial shareholding in IPSB

\*\* Incorporating the proposed pink form allocation pursuant to the IPO

#### 6.2.2 Profiles of the Directors

**DEANNA IBRAHIM @ SORAYAH BT ABDULLAH**, (Group Chairman and Non-Independent Non-Executive Director), aged 62, was appointed to the Board of Ibraco Group on 30 August 1971. In 1982, she was appointed as Group Chairman and Chief Executive Officer until 31 January 2003 whereupon she relinquished the Chief Executive Officer role to her youngest son namely Wan Kamal Ibrahim bin Wan Alwi Ibrahim while still retaining the role of Group Chairman.

Deanna Ibrahim @ Sorayah bt Abdullah is the matriarch of the Ibrahim Family. Since 1982, upon the death of her late husband, Wan Alwi bin Tuanku Ibrahim, she has been the driving force behind the Company's development, growth and expansion. She is actively involved in the day-to-day operations of the Company and oversees the Company's business development. She is the wife of André Ibrahim Rigolé and the mother of Dr Sharifah Deborah Sophia Ibrahim, Wan Aziz Ibrahim and Wan Kamal Ibrahim bin Wan Alwi Ibrahim, all the children sit on the Board of Ibraco Group. She also holds directorships in several private limited companies.

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

**WAN KAMAL IBRAHIM BIN WAN ALWI IBRAHIM**, (Group Managing Director/ Chief Executive Officer), aged 36, was first appointed to the Board of Ibraco Group on 20 May 1986 and promoted to Group Managing Director/ Chief Executive Officer on 1 February 2003. He received his tertiary education in England. Upon his return, he joined the Ibraco Group as an Executive Director. He is in charge of the overall business development of the Ibraco Group. He is well versed in the property business after accumulating more than 15 years of work experience in the business. In line with Ibraco's motto of "Contribution To The Community", he has been very active in the promotion of various sports in Sarawak and in particular cricket. He also holds directorships in several private limited companies.

**DATUK (DR) TING DING ING**, (Deputy Chairman, Independent Non-Executive Director), aged 52, a Malaysian was appointed to the Board of Ibraco Group on 1 April 2001.

An Australian chartered accountant by profession, he began his career in Touche Ross & Co in Australia in 1973, before joining Hanafiah Raslan & Mohamad, a firm of public accountants in Malaysia in 1976 where he served in various capacities for fifteen years including as a partner of the firm. He was Group Managing Director of conglomerate Cahya Mata Sarawak Berhad (1994 – 1998) and Chief Executive Officer of Sarawak Securities Sdn Bhd (1991 – 1994), Sarawak's first stock broking company.

Datuk (Dr) Ting holds a Bachelor of Business Degree, majoring in Accounting, from Swinburne University of Technology, Australia, as well as a Doctorate of the University (Honoris Causa) from the same university. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

He is currently an independent non-executive director of Encorp Berhad, a company listed on the Bursa Malaysia, as well as several private limited companies.

**DR SHARIFAH DEBORAH SOPHIA IBRAHIM**, (Executive Director), aged 40, was appointed to the Board of Ibraco Group on 5 July 1982. She holds a Doctorate in International Law from Harvard Law School, Massachusetts, USA (Erasmus Programme). She also holds directorship in several private limited companies.

**WAN AZIZ IBRAHIM**, (Non-Independent Non-Executive Director), aged 38, was appointed to the Board of Ibraco Group on 20 May 1986. He pursued his tertiary education in England. He is an investor in various businesses in England.

**GUIDO PAUL PHILIP JOSEPH RAVELLI**, (Independent Non Executive Director), aged 52, was appointed to the Board of Ibraco Group on 1 May 2002.

Born in the United Kingdom, he studied civil engineering at King's College, University of London. Graduating with a Bachelor of Science (Hons) degree in Civil Engineering, he further his studies at Ecole Centrale des Arts et Manufactures, Paris. Commencing his working career with a major building contractor in Paris, he soon elected to pursue an international career in the field of construction. Since joining Bouygues Construction in France in 1974, he has accumulated more than 28 years of experience in the development, implementation and management of building, public works and built-operate-transfer projects in France, Portugal, Hong Kong and Malaysia. In 2000, the President of France conferred a national honour on him by making Paul Ravelli a Chevalier de l'Ordre National du Merite, in recognition of his contribution to the profession and to Franco-Asian business relations. Amongst the significant projects with which he has been associated are in Hong Kong, the HSBC Head Office, Pacific Place development, the National Stadium and the Convention & Exhibition Centre, and, in Malaysia, the KL Sentral Station.

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

He is an independent director of Malton Berhad, a listed company on the Bursa Malaysia specialising in property development and project construction management. Prior to this, he was a director and general manager of Dragages Malaysia Berhad.

**NESARAJAH A/L CHELLIAH** (Independent, Non Executive Director) aged 64, was appointed to the Board of Ibraco on 1 February 2003. Prior to his appointment, he was engaged as an external consultant in February 2001 to advise and formulate internal control and corporate governance requirements for the Company.

Mr Nesarajah had previously worked as the Group Internal Auditor of Cahya Mata Sarawak Bhd, a listed company on the Bursa Malaysia from 1995 to 2000. Earlier on, he had retired from the public service in 1994 as Assistant Auditor General Malaysia after having served as Director of Audit Sarawak from 1985 to 1993.

### 6.2.3 Directors' Remuneration and Benefits

The aggregate remuneration and benefits paid to the Directors of Ibraco for services rendered in all capacities to the Group for the 11 months financial period ended 31 December 2003 and proposed for the current financial year ending 31 December 2004 was/is approximately RM1.53 million and RM1.82 million respectively, details as follows:-

Remuneration Band (RM)	Financial period ended 31 December 2003		Financial year ending 31 December 2004	
	Aggregate Remuneration (RM'000)	No. of Directors	Aggregate Remuneration (RM'000)	No. of Directors
Up to 50,000	88	2	96	2
50,001-100,000	90	1	98	1
100,001-200,000	-	-	-	-
200,001-500,000	213	1	250	1
Above 500,000	1,140	2	1,374	2
<b>Total</b>	<b>1,531</b>	<b>6</b>	<b>1,818</b>	<b>6</b>

Deanna Ibrahim @ Sorayah bt Abdullah and Wan Kamal Ibrahim bin Wan Alwi Ibrahim also receive the use of motor vehicles as benefits from the Ibraco Group. The value of such benefits have been included in their respective remunerations.

### 6.3 AUDIT COMMITTEE

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with the Group's auditors, review of the auditor's evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and income statement and nomination of the external auditors. Ibraco has set up an Audit Committee on 20 April 2001 which comprises the following Board members:-

Name	Responsibility	Directorship
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

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

### 6.4 KEY MANAGEMENT

#### 6.4.1 Particulars and Shareholdings

Save as disclosed in Section 1.2 of this Prospectus, none of the other key management has any shareholding in Ibraco.

#### 6.4.2 Profiles of the Key Management

The management of Ibraco is spearheaded by its Group Managing Director/ Chief Executive Officer, Wan Kamal Ibrahim bin Wan Alwi Ibrahim and comprises members of the Board and a team of dedicated and experienced professionals. Profiles of the Directors are set out in Section 6.2.2 of this Prospectus. A brief profile of the key individuals comprising the management team are as follows:-

**ANDRÉ IBRAHIM RIGOLÉ**, aged 60, is the General Project Manager of the Group. He is a French citizen with extensive experience in project management having worked for Dragages et Travaux Publics, a French international construction company for 27 years before joining the Group in 1987. Since then he has spearheaded the construction and completion of all Ibraco projects within the stipulated time frame and budget and of the highest quality.

**SII KIE WONG**, aged 53, is the Chief Operating Officer of the Group. He has a Master degree in Economics from the University of Canterbury, New Zealand. He served in Sarawak Economic Development Corporation and was Director of Building Materials Division until he resigned in 1990 to become Managing Director of Steel Industry Sarawak Sdn Bhd, a subsidiary of Cahya Mata Sarawak Group, a listed company on the Bursa Malaysia. He resigned in 1998 and worked in the academic field for a short stint before joining the Ibraco Group in 2001.

**ANTHONY YONG WEE YAW**, aged 35, is the Planning and Development Manager of the Group. He holds a Bachelor degree in Accounting and Marketing from the University of Strathclyde, Glasgow, United Kingdom and a certificate in Company Secretaryship from Universiti Malaya. After graduation, he joined an international public accounting firm before joining the Group in 1994. He was heavily involved in the running of the Finance and Development Department of the Group and was instrumental in the computerisation of its financial and sales systems. He currently heads the Planning and Development Division of the Group, overseeing projects undertaken by the Group, from planning to sales.

**STEVEN CHAI CHON BOON**, aged 38, is the Chief Financial Officer of the Group. He obtained his Master of Business Administration from Charles Sturt University, New South Wales, Australia in 2001. He is a member (Certified Public Accountant) of the Malaysian Institute of Certified Public Accountants since 1996. He is also a member (Chartered Accountant) of the Malaysian Institute of Accountants. Prior to joining Ibraco Group in late 2003, he was the Finance Manager for a local aviation company. He has also been attached as an auditor with an international public accounting firm in Kuching.

**PETER HO BOON HUAT**, aged 55, is the Marketing Manager. He has been with Ibraco Group for the past 28 years working his way up to his current position. He is well versed in all matters relating to property transaction area.

**CHAI KING SING** aged 32, is the Project Engineer of the Group. He graduated with a Bachelor of Science degree in Civil Engineering from the University of Oklahoma, USA. He worked in PS Konsultant, a local engineering and surveying consulting firm for 4 years prior to joining Ibraco Group in 2002.



## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

**LIU TOW HUA**, aged 44, is the Group Internal Auditor of Ibraco Group. He has been a member of the Institute of Internal Auditors Malaysia (IIAM) since 1995 and a passed finalist of the Chartered Institute of Management Accountants (CIMA), UK. He has extensive experience in the field of auditing both in the public and private sectors. In 1983, he worked in the Auditor General's Office Kuching until he resigned to join Cahya Mata Sarawak Berhad in 1995. He was a Senior Internal Auditor of CMSB before joining the Ibraco Group in January 2002.

**CHRISTI GOH**, aged 58, is the Land Officer of Ibraco. He joined the Group in late 2001, after retiring from the Government Civil Service. He was with the Land and Survey Department for the past 37 years dealing in land administration. He held the post of an Assistant Registrar as well as an Assistant Valuer.

In Ibraco, he is in charge of organising the land records of the Group and attends all matters relating to the administration of all landed properties.

**CHAN KWANG PING**, aged 35, is the Accountant of the Group. He is a finalist in the Malaysian Institute of Certified Public Accountants professional course of studies. He joined the Group in 1999 and is involved in the supervision of the Accounts Department. In 1988, he was attached with KPMG Peat Marwick, an international public accounting firm for five years and later worked as an Accounts Executive and Accountant for a few companies before joining the Group.

**FABIAN CHEW KENG TECK**, aged 51, is the Assistant Project Manager for the Civil Engineering Section of the Group. He has been with the Group since 1980. Before joining the Group, he has been working with the Konsotium Malaysia from 1975 – 1980 as a supervisor for civil engineering works.

**BONNIE KON KUN ENN**, aged 42, is the Assistant Project Manager for Building Works Section of the Group. Before joining Ibraco in 1989, he worked as a Site Supervisor with Jurutama Sdn Bhd for Tabuan Dusun Phase 1 Project. After the completion of the project, he then joined Malaysian Associate Architects (Sarawak) as a clerk-of-works from December 1984 until 1989 to supervise full time the construction of the MAS Catering building at Kuching International Airport, Tabuan Dusun Phase III, Hock Hua Bank Berhad (Padungan Branch) Kuching. He was also involved in the site survey for the proposed Pelagus Rapid Resort near Kapit.

**JOSEPHINE KHO HONG KIAW**, aged 52, is the Marketing Executive. She has been with the Group for the past 28 years and is involved largely in matters relating to sales, collection and customer relationship.

### 6.5 INVOLVEMENT OF EXECUTIVE DIRECTORS/ KEY MANAGEMENT IN OTHER BUSINESSES/ CORPORATIONS

Save as disclosed below, none of the other Executive Directors/ key management is involved in other businesses or corporations outside of the Group:-

<b>Wan Kamal Ibrahim bin Wan Aiwi Ibrahim (Group Managing Director/ Chief Executive Officer)</b>						
Name of Company/ Business	Principal Activities	Position Held	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
<b><i>Private companies</i></b>						
Ibraco Properties Sdn Bhd	Property investment	Director	19,577,558	25.00	-	-

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

<b>Wan Kamal Ibrahim bin Wan Alwi Ibrahim (Group Managing Director/ Chief Executive Officer)</b>						
Name of Company/ Business	Principal Activities	Position Held	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Irama Tabuan Sdn Bhd	Dealing in electrical goods	Director	499,999	99.9	-	-
Ibraco Food Sdn Bhd	Dormant	Director	100,000	25	-	-
Mixed Farm	Horticulture & animal husbandry	Director	1	-	-	-
Enterprise Sdn Bhd	Dormant	Director	1	50	-	-
SLC Housing Sdn Bhd	Dormant	Director	-	-	-	-
Ibraco General Sdn Bhd	Dormant	Director	-	-	-	-
Sun-Bear Publications Sdn Bhd	Dormant	Director	1	50	-	-
Pentas Sdn Bhd	Investment	Director	357,600	22.9	-	-
Ibraco Holdings Sdn Bhd	Dormant	Director	-	-	-	-
Madusano Sdn Bhd	Investment holding	Director	1	25	-	-
Suwheels Sdn Bhd	Dormant	Director	650	65	-	-
Syarikat Pemegang Palma Lilin Sdn Bhd	Investment holding	Director	125,000	25	-	-
Millenium IT Malaysia Sdn Bhd	Dormant	Director	50,000	25	-	-
Equator Construction Sdn Bhd	Construction	Director	15,000	10	-	-
Syarikat Cemco Sdn Bhd	Civil engineering, construction & plant hire	Director	30,000	10	-	-

<b>Dr Sharifah Deborah Sophia Ibrahim (Group Executive Director)</b>						
Name of Company/ Business	Principal Activities	Position held	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
<b>Private company</b>						
Ibraco Properties Sdn Bhd	Property investment	Director	19,577,558	25.00	-	-
Pentas Sdn Bhd	Investment	Director	257,600	16.5	-	-
Syarikat Cemco sdn Bhd	Civil engineering, construction & plant hire	Director	30,000	10	-	-
Mixed Farm	Horticulture & animal husbandry	Director	1	-	-	-
Enterprise Sdn Bhd	Dormant	Director	50,000	25	-	-
Millenium IT Malaysia Sdn Bhd	Dormant	Director	-	-	-	-
Ibraco General Sdn Bhd	Dormant	Director	-	-	-	-
Ibraco Holdings Sdn Bhd	Dormant	Director	-	-	-	-
Ibraco Food Sdn Bhd	Dormant	Director	100,000	25	-	-
Instant Development Sdn Bhd	Dormant	Director	-	-	-	-

Wan Kamal Ibrahim bin Wan Alwi Ibrahim and Dr Sharifah Deborah Sophia Ibrahim are not involved in the management of the other businesses or corporations outside the Ibraco Group and they are involved full time in the management of Ibraco Group.

## **6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)**

### **6.6 DECLARATION OF DIRECTORS AND KEY MANAGEMENT TEAM**

No Director, key management or person nominated to become a Director or key management is or was involved in the following events (whether in or outside Malaysia) :-

- (a) A petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Such person was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; and
- (c) Such person was the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### **6.7 FAMILY RELATIONSHIPS**

Save as disclosed below, there are no other family relationships among the other Promoters, Directors, Substantial Shareholders and management team :-

- (i) Wan Kamal Ibrahim bin Wan Alwi Ibrahim, Wan Aziz Ibrahim and Dr Sharifah Deborah Sophia Ibrahim are the children of Deanna Ibrahim @ Sorayah bt Abdullah; and
- (ii) André Ibrahim Rigolé is the husband of Deanna Ibrahim @ Sorayah bt Abdullah and step-father of Wan Kamal Ibrahim bin Wan Alwi Ibrahim, Wan Aziz Ibrahim and Dr Sharifah Deborah Sophia Ibrahim.

### **6.8 EXISTING OR PROPOSED SERVICE CONTRACTS**

There is no existing or proposed service agreements between the Group and its Directors and key management personnel.

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## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

### 6.9 CHANGES IN SHAREHOLDINGS IN THE COMPANY FOR THE PAST THREE (3) YEARS

The significant changes of the Promoters' and Substantial Shareholders' shareholdings in the Company for the past three (3) years preceding the date of this Prospectus are as follows:-

Name	Balance as at 31 March 2004		From 1 April 2001 to 31 March 2002			From 1 April 2002 to 31 March 2003			From 1 April 2003 to 31 March 2004					
	Direct	Indirect	Acquisition	Disposal	Direct	Indirect	Acquisition	Disposal	Direct	Indirect				
<b>Promoters and Substantial Shareholders</b>														
Deanna Ibrahim @ Sorayah bt Abdullah	14,793,334	*6,165,064	390,018	-	390,018	*2,000,002	1,261,448	-	1,651,506	*2,000,002	13,141,828	-	14,793,334	*6,165,064
Wan Kamal Ibrahim bin Wan Alwi Ibrahim	14,793,334	*6,165,064	390,018	-	390,018	*2,000,002	1,261,448	-	1,651,506	*2,000,002	13,141,828	-	14,793,334	*6,165,064
Dr Sharifah Deborah Sophia Ibrahim	14,793,334	*6,165,064	390,018	-	390,018	*2,000,002	1,261,448	-	1,651,506	*2,000,002	13,141,828	-	14,793,334	*6,165,064
Wan Aziz Ibrahim	14,793,334	*6,165,064	390,018	-	390,018	*2,000,002	1,261,448	-	1,651,506	*2,000,002	13,141,828	-	14,793,334	*6,165,064
IPSB	6,165,064	-	-	-	2,000,002	-	-	-	2,000,002	-	4,165,062	-	6,165,064	-

Note:-

\* deemed interested by virtue of his/her substantial shareholdings in IPSB



## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

### 6.10 DIRECTORSHIPS AND SUBSTANTIAL SHAREHOLDINGS IN OTHER PUBLIC CORPORATIONS FOR THE PAST TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS

Save as disclosed below, none of the Directors, Promoters and/or the Substantial Shareholders have any directorships or substantial shareholdings in other public corporations for the past two (2) years :-

Name of Directors, Promoters and/or Substantial Shareholder	Name of public corporation	Year appointed	Shareholding as at 31 March 2004				Principal activities
			Direct	%	Indirect	%	
Datuk (Dr) Ting Ding Ing	Encorp Bhd	2001	569,000	0.25	-	-	Investment holding, manufacturing and contracting
Guido Paul Philip Joseph Ravelli	Malton Berhad	2002	-	-	-	-	Property development and project construction management

### 6.11 REMUNERATION COMMITTEE

This Remuneration Committee was set up on 16 April 2003 and comprises the following Board Members:

Name	Responsibility	Directorship
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

The Remuneration Committee will be responsible for reviewing and recommending the remuneration of all the Directors of the Company, incentive schemes, employees' share option scheme, profit sharing arrangement or the like for management and employees.

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## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

### 6.12 NOMINATION COMMITTEE

This Nomination Committee was set up on 16 April 2003 and comprises the following Directors:

Name	Responsibility	Directorship
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

The Nomination Committee will be responsible for identifying and recommending new candidates to the Board and its Committees. In addition, its role will be to review the effectiveness of the Board as a whole and its members.

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