

## 4. INFORMATION ON IBRACO GROUP

### 4.1 INCORPORATION

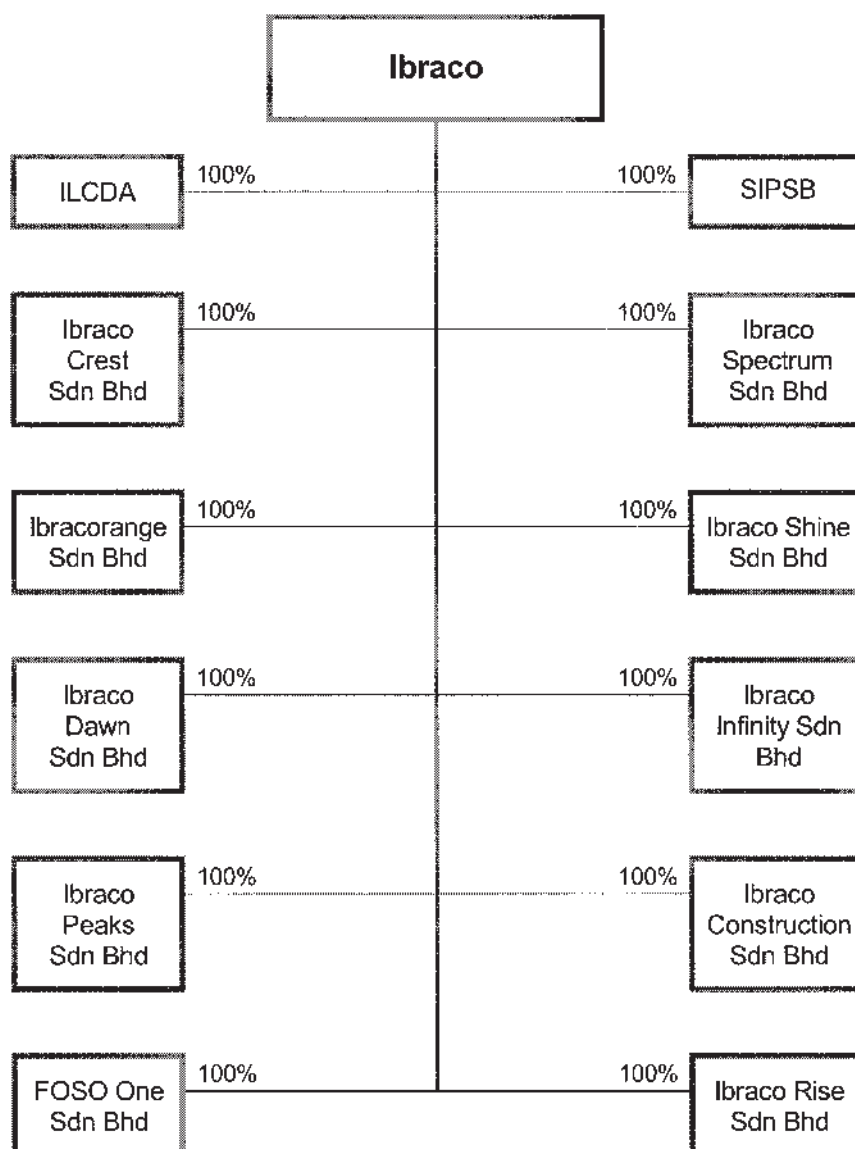
Ibraco was incorporated in Malaysia on 30 August 1971 under the Act as a private limited company under the name of Ibraco Realty Development Sdn Bhd. Subsequently on 28 July 2003, it was converted into a public limited company. In preparation for its listing on the Main Board of the Bursa Malaysia, the Company changed its name to Ibraco on 1 August 2003 and has since assumed its present name. The Company is principally involved in property development and investment holding. Ibraco commenced business in 1974.

The details of the subsidiary companies of Ibraco are as follows:-

Name	Date and Place of Incorporation	Issued and paid-up share capital RM	Equity Interest %	Principal Activities
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

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

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



#### 4.2 SHARE CAPITAL AND CHANGES IN SHARE CAPITAL

The present authorised share capital of Ibraco is RM500,100,000 comprising 500,000,000 Shares and 100,000 Preference Shares whilst its issued and paid-up share capital as at the date of this Prospectus is RM74,120,800 comprising 74,120,800 Shares. The Company has no outstanding warrants, options, convertible securities and uncalled capital.

The changes in the issued and paid-up share capital of Ibraco since its incorporation are as follows:-

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

Date of Allotment	No. of Shares	Par Value RM	Consideration	Total RM
30.08.1971	2	1.00	Cash	2
05.10.1977	500,000	1.00	Cash	500,002
04.08.1983	1,500,000	1.00	Cash	2,000,002
26.09.2001	1,560,072	1.00	Other than cash	3,560,074
28.01.2003	5,045,952	1.00	Other than cash	8,606,026
16.06.2003	361,060	1.00	Other than cash	8,967,086
25.07.2003	18,674,214	1.00	Bonus issue on the basis of about 2.0825: 1	27,641,300
25.07.2003	37,697,100	1.00	Acquisition of land	65,338,400
27.02.2004	8,776,900	1.00	Acquisitions	74,115,300
03.03.2004	5,500	1.00	Cash	74,120,800

Note:-

On 24 July 2003, the Company issued 5,500 Preference Shares to 55 employees which was subsequently redeemed on 3 March 2004. Subsequently on 3 March 2004, Ibraco issued 5,500 Shares to the 55 employees of Ibraco at an issue price of RM1.20 per Share.

#### 4.3 LISTING SCHEME

In conjunction with, and as an integral part of the listing and quotation for the entire issued and paid-up share capital of Ibraco on the Main Board of the Bursa Malaysia, the Company undertook a listing scheme which involved the following:-

##### 4.3.1 Acquisition of SIPSB

Ibraco had on 24 July 2003, entered into a conditional sale and purchase agreement of Shares with Permodalan Peremba Sdn Bhd for the acquisition of 3,613,501 Shares or approximately 39.56% of the issued and paid-up share capital of SIPSB not already owned by Ibraco, for a purchase consideration of RM5,519,704 based on the adjusted NTA of SIPSB as at 31 January 2003, adjusted for the gain on disposal of RM16.9 million arising from the disposal of its entire shareholding in IPHSB and dividend payment to shareholders of RM22.5 million, as set out below.

	NTA RM
Audited NTA of SIPSB as at 31 January 2003	19,553,921
Add : Disposal of IPHSB resulting in :-	
- gain on disposal	16,900,000
- adjustment to goodwill on consolidation	-
Less : Dividend paid	(22,500,000)
	13,953,921

The purchase consideration of RM5,519,704 was satisfied by the issuance of 4,415,800 new Ibraco Shares (fractional Shares have been disregarded), at an issue price of approximately RM1.25 per Share.

The SIPSB Shares were acquired free from all claims, charges, liens and encumbrances whatsoever together with all rights attached thereto and all dividends, rights and distribution declared, paid or made in respect thereof as from the date of completion of the Acquisition of SIPSB in accordance with the terms of the conditional sale and purchase agreement of Shares.

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**4. INFORMATION ON IBRACO GROUP (cont'd)**

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The new Ibraco Shares issued pursuant to the Acquisition of SIPSB rank pari passu in all respects with the then existing Shares except that they were not entitled to any dividends, rights, allotments or other distributions declared prior to the allotment of the new Shares.

The Acquisition of SIPSB was completed on 27 February 2004.

**4.3.2 Acquisition of ILCDA**

Ibraco had on 24 July 2003 entered into a conditional sale and purchase agreement of Shares with Pelita Holdings Sdn Bhd for the acquisition of 800,000 Shares or 40.00% of the issued and paid-up share capital of ILCDA not already owned by Ibraco, for a purchase consideration of RM5,451,286 based on the NTA of ILCDA as at 31 January 2003.

The purchase consideration of RM5,451,286 was satisfied by the issuance of 4,361,100 new Ibraco Shares (fractional Shares have been disregarded) at an issue price of approximately RM1.25 per Share.

The ILCDA Shares were acquired free from all claims, charges, liens and encumbrances whatsoever together with all rights attached thereto and all dividends, rights and distribution declared, paid or made in respect thereof as from the date of completion of the Acquisition of ILCDA in accordance with the terms of the conditional sale and purchase agreement of Shares.

The new Ibraco Shares issued pursuant to the Acquisition of ILCDA rank pari passu in all respects with the then existing Shares except that they were not entitled to any dividends, rights, allotments or other distributions declared prior to the allotment of the new Shares.

The Acquisition of ILCDA was completed on 27 February 2004.

**4.3.3 Issuance of Shares to employees**

On 3 March 2004, Ibraco issued 5,500 Shares to 55 employees of Ibraco at an issue price of RM1.20 per Share.

The new Shares issued rank pari passu in all respects with the then existing Shares except that they were not entitled to any dividends, rights, allotments or other distributions declared prior to the allotment of the new Shares.

**4.3.4 Public Issue**

The final stage in the Listing Scheme involves a Public Issue of 15,879,200 new Shares in Ibraco at an issue price of RM1.20 per Share to the Malaysian Public, payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner: -

**(i) Malaysian Public**

3,000,000 Public Issue Shares will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

##### (ii) Eligible Employees and Directors of the Group

4,494,500 Public Issue Shares will be reserved for the eligible employees and Directors of the Group.

The Shares have been allocated to 107 eligible employees and Directors of the Group based on seniority, position, length of service and contribution to the Ibraco Group as approved by the Company's Board of Directors.

Details of the Directors' pink form allocation are as follows: -

Name of Directors	Designation	Pink Form Allocation No. of Shares
<b><u>Directors of Ibraco</u></b>		
Deanna Ibrahim @ Sorayah bt Abdullah	Group Chairman and Non-Independent Non-Executive Director	-
Wan Kamal Ibrahim bin Wan Alwi Ibrahim	Group Managing Director/ Chief Executive Officer	-
Dr Sharifah Deborah Sophia Ibrahim	Executive Director	-
Wan Aziz Ibrahim	Non-Independent Non-Executive Director	-
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/l Chelliah	Independent Non-Executive Director	100,000
		300,000
<b>Other directors of Ibraco's subsidiaries</b>		90,000
<b>Total</b>		<b>390,000</b>

##### (iii) Places

8,384,700 Public Issue Shares are reserved for private placement to investors, which have been identified.

All the new Shares issued pursuant to the Public Issue will rank pari passu in all aspects with the existing Shares of Ibraco including voting rights and the rights to the dividend that may be declared, subsequent to the date of allotment of the Public Issue Share.

#### 4.3.5 Listing

The Company will make an application to the Bursa Malaysia for the admission of Ibraco to the Official List and for the listing of and quotation for the enlarged issued and fully paid-up share capital of up to 90,000,000 Shares in Ibraco on the Main Board of the Bursa Malaysia .



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## 4. INFORMATION ON IBRACO GROUP (cont'd)

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### 4.4 BUSINESS OVERVIEW

#### 4.4.1 *History and Background*

The Group commenced business in 1974 and has been involved in real estate and property development, developing and selling residential, commercial and industrial properties.

The Ibraco Group is the pioneer property developer responsible for the growth of the established Tabuan Jaya township located 7 km southeast of Kuching city centre. The township is easily accessible to government offices, port, airport, businesses, educational facilities and recreation grounds. Tabuan Jaya is a prime residential area which has been developed by the Ibraco Group since 1974.

Because of its strategic location and close proximity to the city centre, coupled with good road networks, infrastructure and amenities, demand for Ibraco's houses has always been good right from the start. Over the years, Ibraco has built up and maintained for itself a good reputation in terms of location, house design and quality construction and timely delivery, which are criterias much sought after by house buyers. Thus Ibraco has gained the confidence of house purchasers who regard Ibraco projects as choice property.

The person who first initiated this highly successful development in the Tabuan areas was the founder of Ibraco Group, the late Wan Alwi bin Tuanku Ibrahim, a lawyer and entrepreneur. It was because of his foresight and faith in this area that today one can testify to the tremendous development of the Tabuan area, which was originally secondary jungle with few inhabitants. With the strong and unwavering support of his wife, Deanna Ibrahim @ Sorayah bt Abdullah, the current Group Chairman and Non-Independent Non-Executive Director of the Ibraco Group, and active participation of their children, Ibraco is now recognized by the public as one of the premier property developers in Sarawak especially in Kuching.

Ibraco Group has to date completed more than 4,900 units of residential, commercial and industrial properties encompassing approximately 850 acres of land. 99.9% of these have been sold and handed over to the purchasers. With its distinguished track record of over 30 years experience in the property development industry, the Ibraco Group has established itself as the premier property developer in Sarawak. Ibraco is now a brand name in Kuching.

Presently, Ibraco Group has approximately 900 acres of land bank at strategic locations mainly in the Kuching area, of which, 500 acres have been approved for development. In addition to the existing land bank, Ibraco Group has entered into an option agreement with IPSB whereby IPSB has agreed to grant to Ibraco the option to purchase approximately 255 acres of land (96 acres have been approved for development) for future development. Ibraco is currently developing 184 acres of land under various on-going residential and industrial schemes all on Ibraco Group's land.

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

Ibraco Group's current projects are carried out by Ibraco, SIPSB and ILCDA as follow:-

(i) Ibraco

This is the flagship of the Ibraco Group. It has been a very active property development company. It has developed the Tabuan Heights area into a high-medium residential area incorporating well laid-out housing schemes completed with green belts, playgrounds, shops, etc., besides well designed houses. This company has also formed joint ventures with other reputable organizations like Permodalan Peremba Sdn Bhd of Peninsula Malaysia and Pelita Holdings Sdn Bhd, a wholly-owned subsidiary of the Land Custody and Development Authority of Sarawak.

Ibraco has just completed 136 properties in Tabuan Heights Phase 8 comprising double storey semi-detached, terraced houses and detached land. 99% of them were sold even before they were completed.

Ibraco has commenced works for Tabuan Heights Phase 7 project comprising mainly commercial properties. The project is expected to be completed in 2004. Ibraco has also commenced on the civil works Tabuan Jaya Baru 2 (302 units of double-storey terraced houses, semi-detached houses and detached lots). This project is expected to be completed in 2006.

More information on the on-going projects undertaken by Ibraco are disclosed in Section 4.4.2 (ii) of this Prospectus.

(ii) SIPSB

On 28 September 1974, Ibraco set up a joint venture company with Urban Development Authority ("UDA") of Kuala Lumpur called Syarikat Ibraco-UDA Sdn Bhd and took the innovative step of undertaking one of the largest housing schemes in Sarawak known as Tabuan Jaya comprising 256 acres for the development of approximately 2,100 units of various types of residential and commercial properties. The successful development of Tabuan Jaya was soon followed by Tabuan Dusun, Tabuan Heights and involvement with other developers in the Tabuan Desa and Tabuan Laru development projects all around the Tabuan Jaya area. Syarikat Ibraco-UDA Sdn Bhd was later changed to SIPSB on 10 November 1986 and on 1 August 1991, the Shares originally owned by UDA in this venture were transferred to Permodalan Peremba Sdn Bhd.

(iii) ILCDA

In 1983, in line with the Sarawak State Government's intention to compliment the development in the Tabuan areas, another joint venture company between Ibraco and the Land Custody and Development Authority ("LCDA"), a Sarawak Government statutory organization was formed to develop the vast area of land at Muara Tabuan located approximately 8km south east of Kuching city centre under the scheme name of Muara Tabuan New Township which comprised a mixed development of residential, commercial and industrial properties. Following the birth of this new township, the government proceeded to set up a free industrial zone in this area.

On 2 January 1999, LCDA transferred all its 40% stake in ILCDA to its wholly-owned subsidiary named Pelita Holdings Sdn Bhd.

The Group's principal place of business is at its Head Office at Ibraco House, No. 898 Jalan Wan Alwi, Tabuan Jaya, 93350 Kuching, Sarawak.

## 4. INFORMATION ON IBRACO GROUP (cont'd)

### 4.4.2 Property Development Projects of Ibraco Group

The main thrust of Ibraco's development strategy is to develop, construct and sell well thought out residential properties, practical commercial shophouses and industrial factory buildings and industrial lots.

#### (i) Completed Projects of the Group

Ibraco Group has developed the following housing, commercial and industrial schemes over the past 30 years.

##### a. Residential Houses

Approximately 4,700 units of houses of various types in the Tabuan Jaya, Tabuan Heights, Tabuan Dusun and Muara Tabuan areas.

##### b. Commercial Shophouses

Approximately 120 units of shophouses mainly in the Tabuan Jaya, Tabuan Heights and Muara Tabuan areas.

##### c. Industrial

Approximately 100 industrial lots and semi-detached factory buildings at Muara Tabuan Industrial Estate (inclusive of the recently completed Muara Tabuan Phase 5 Stage 3).

The completed projects comprising a total of approximately 4,900 units of various types of properties were developed on about 850 acres of land.

#### (ii) On-Going Projects of the Group

Ibraco has made further progress on the Tabuan Heights development programme with the commencement of Tabuan Heights Phase 7 (comprising 47 shophouses and 20 lock-up shops).

It has also commenced work on Tabuan Jaya Baru Phase 2, Tabuan Heights Boulevard, Heights Drive, Heights Estate and the Stutong Low-Cost mixed development scheme.

Similarly, SIPSB has also progressed further on for Tabuan Jaya Baru Phase 1 where it is expected to be completed in 2004. This is mainly a medium sized housing scheme comprising 244 units of double storey semi-detached, terraced houses and some detached lots.

ILCDA has since completed the Muara Tabuan Phase 5 Stage 3 project (comprising 14 units of semi-detached factory buildings and 5 detached industrial lots) and will be commencing on Muara Tabuan Phase 5 Stage 4 soon.

The brief write-up on the details of the on-going projects are as follows :-

##### (a) Tabuan Heights Phase 7

Construction works are currently underway on approximately 15 acres of land at the junction of Jalan Song and Jalan Urat Mata in the well populated Tabuan Heights area for a Mediterranean styled Tabuan Heights Commercial Centre. The scheme comprises 47 units of 3-storey shophouses and 20 lock-up shops.



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**4. INFORMATION ON IBRACO GROUP (cont'd)**

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The scheme is targeted to be completed by 2004 at an estimated cost of RM19 million. All 47 units of shophouses have been sold as at 31 December 2003.

(b) Tabuan Jaya Baru Phase 1

This project is estimated to cost approximately RM54 million and is sited on approximately 30 acres of land located next to SMK Tabuan Jaya. The scheme comprises 239 units of double-storey terraced and double-storey semi-detached houses and 5 units of detached lots. The whole project is expected to be completed by end of 2004.

(c) Stutong Low Cost Housing

This project is estimated to cost approximately RM23 million and is sited on approximately 26 acres of land located at Stutong, Kuching. The scheme comprises 469 units of low cost houses and 8 units of shophouses. For Phase I, 100 units will be built. Civil works have commenced in April 2003 and the first 100 units will be completed in 2004.

(d) Tabuan Jaya Baru Phase 2

Civil works are currently progressing on approximately 42 acres of land opposite the current Tabuan Jaya Baru Phase 1. The scheme comprises 290 units of double-storey terraced and double-storey semi-detached houses and 12 units of detached lots. The project is expected to be completed in 2006.

(e) Tabuan Heights Boulevard

This scheme is to be built around 15 acres of land located adjacent to Tabuan Heights Phase 1. The scheme will comprise 113 units of double-storey terraced and double-storey semi-detached houses. It is well served by sealed roads to both BDC and Tabuan Jaya commercial centres.

Earthworks for this project have commenced and building construction work is expected to commence in early 2004 and expected to be completed by 2006.

(f) Heights Drive

This mixed development scheme is to be built on approximately 37 acres land located along Jalan Stampin via Taman Satria Jaya. It is well served by tar-sealed roads to both Tabuan Jaya Baru Scheme and Taman Satria Jaya. In future, it will be accessible from Tabuan Laru scheme link by the new bridge across Stutong River, which is currently under construction, from the north of the scheme. This will add more advantage to the proposed commercial centre in terms of location and population catchment.

The scheme will comprise 194 residential properties and 36 commercial properties. Earthworks for this project have commenced and building construction work is expected to commence in the 3rd Quarter 2004 and to be completed by the 3rd Quarter 2006.

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

(g) Heights Estate

The scheme is to be built on approximately 19 acres land located along Jalan Stampin via Taman Satria Jaya. The scheme will comprise 148 residential properties.

It is well served by tar-sealed roads to both Tabuan Jaya Baru Scheme and Taman Satria Jaya. This approved development is situated opposite to the south of the proposed Heights Drive. When this scheme is completed, it will become part of a functional residential scheme that is well-served by the future commercial centre (part of Heights Drive scheme).

Earthworks for this project have commenced and building construction work is expected to commence in the 4th Quarter 2004 and to be completed by the 4th Quarter 2006.

The on-going projects comprising a total of 1,581 units of various types of properties will be developed on a total of approximately 184 acres of land.

(iii) **Future Projects of the Group**

(a) Tabuan Jaya Baru (also known as Sama Jaya)

An exciting master-plan has been prepared to bring about an orderly development of a new integrated satellite township named Tabuan Jaya Baru, 1 km south of the existing successful and bustling Tabuan Jaya commercial centre which has reached the limit of its development potential.

This new Tabuan Jaya Baru township of approximately 430 acres will be planned complete with all amenities namely, clinics, banks, schools, commercial centre, playgrounds, green belts, etc. The first part of this project will be developed into 7 phases over a period of 9 years. Phase 1 and Phase 2 of this scheme have already commenced as described in Section 4.4.2 (ii)(b) and (d) respectively of this Prospectus.

Phase	Year Commenced – Expected Year of Completion	Development briefs
Phase 1	2002-2004	Please refer Section 4.4.2(ii)(b) of this Prospectus.
Phase 2	2004-2006	Please refer Section 4.4.2(ii)(d) of this Prospectus.
Phase 3	2005-2007	428 units double-storey terraced houses, 76 units double-storey semi-detached houses, 21 detached lots
Phase 4	2007-2009	640 Strata Titles, 23 detached lots
Phase 5	2007-2009	192 strata units comprising 12 blocks of apartments, 6 Blocks of sports facilities
Phase 6	2008-2010	112 condominium units with strata titles, 1 petrol station

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

Phase	Year Commenced – Expected Year of Completion	Development briefs
Phase 7	2007-2009	184 units double-storey terraced houses, 76 double-storey semi-detached houses, 11 detached lots

When fully completed, approximately 2,300 units of purpose-built residential properties and amenities will support a population of some 10,000 residents.

Because of its proximity to a number of new strategic Government projects now under construction, e.g. Customs Centre and Sama Jaya Free Industrial Zone, University of Malaysia Sarawak (UNIMAS) permanent campus, Sarawak International Medical Centre, Institut Latihan Perindustrian Kota Samarahan etc., Tabuan Jaya Baru is well poised to enjoy the benefits of such developments.

Tabuan Jaya Baru is very strategically located along the main major highway between bustling Kuching City Centre and the fast developing educational and medical hub of Kota Samarahan. Excellent infrastructures like good road networks, electricity, water, telephone systems are all available here.

(b) Tabuan Heights Meadows

This scheme is to be built on a secluded, scenic, undulating land of around 15 acres next to Tabuan Heights Phase 8 scheme targeting the higher end segment of the market. The scheme will comprise:-

Type	Units
Double-storey terraced houses	60
Double-storey semi-detached houses	42
Detached lots	5
<b>Total</b>	<b>107</b>

Construction work is expected to commence in the 1<sup>st</sup> Quarter 2005 and the total scheme is expected to take 24 months to complete.

(c) Muara Tabuan Phase 5 Stage 4

This project is situated at the Muara Tabuan Light Industrial Estate on a 10 acre piece of land next to existing Muara Tabuan Phase 5 Stage 3 project. The scheme will comprise the following:-

Type	Units
Semi-detached factory buildings	20
Detached lots	3
<b>Total</b>	<b>23</b>

Construction work is scheduled to commence in the third quarter of 2005 and to be completed by the third quarter of 2007.

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

(d) Tabuan Heights North

This scheme will comprise the following:-

Type	Units
Double-storey terraced houses	63
Double-storey semi-detached houses	14
Detached lots	1
	78

The total scheme area is approximately 9 acres located to the north of existing Tabuan Heights Phase 6.

Construction work is expected to commence in the third quarter of 2005 and to be completed by the third quarter of 2007.

(e) Tabuan Heights Phase 9

This scheme will comprise the following:-

*Commercial*

Type	Units
Shophouses	17

This scheme is approximately 5 acres land and is an extension of the on-going project Tabuan Heights Commercial Centre (Phase 7).

Construction work is expected to commence in early 2007 and to be completed by early 2009.

(f) Next to Pusat Pembangunan Kemahiran Sarawak

This scheme will comprise the following:-

*Residential*

Type	Units
Double-storey terraced houses	32
Double-storey semi-detached houses	4
Detached lots	3
<b>Total</b>	<b>39</b>

The scheme is to be built on approximately 5 acres of land, a small-scaled residential project, located next to Pusat Pembangunan Kemahiran Sarawak and SMK Tabuan Jaya which is along the Kuching-Kota Samarahan Expressway.

Construction work is expected to commence in the 2nd Quarter 2005 and to be completed by the 2nd Quarter 2007.

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

(g) Stutong Low-cost Extension

This scheme will comprise the following:-

*Residential*

Type	Units
Low-cost terraced houses	648

*Commercial*

Type	Units
Lock-up Shops	20

This low-cost housing development will provide more houses for the lower income group. This scheme is to be built on approximately 37 acres of land as an extension development of the current Phase 1 and Phase 2. It is to be implemented in three phases.

Construction work is expected to commence in the 3rd Quarter 2006 and to be completed by the 2<sup>nd</sup> Quarter 2010.

(h) Stutong Low-cost Plus

This scheme will comprise the following:-

*Residential*

Type	Units
Low-cost plus terraced houses	80

This low-cost plus housing development will cater to the demand for affordable medium cost houses. This scheme is covering an area of approximately 7 acres of land located to the south of Stutong Low-cost (SLC) Phase 2. It will be accessible through the SLC Phase 2 or from the approved residential development to south of the scheme.

Construction work is expected to commence in early 2006 and to be completed by end of 2007.

(i) Jaya Estates Stakan Low-cost Housing

This scheme will comprise the following:-

*Residential*

Type	Units
Double-storey terraced houses	411
Double-storey semi-detached houses	54
Low-cost terraced houses	431
4 storey walk-up apartment	64
<b>Total</b>	<b>960</b>



#### 4. INFORMATION ON IBRACO GROUP (cont'd)

##### *Commercial*

Type	Units
Shophouses	26
Lock-up Shops	32
Petrol Filling Station	1
<b>Total</b>	<b>59</b>

##### *Others*

Type	Units
Multi purpose hall/Club house	1
Wet Market	1
Education Facility	1
<b>Total</b>	<b>3</b>

This mixed development scheme is to be built on approximately 103 acres of land located at Stakan, Kota Sentosa. It is accessible by tar-sealed roads from Kota Sentosa and the Kuching-Kota Samarahan Expressway.

Construction work for Jaya Estates residential scheme is expected to commence in early 2007 and to be completed by early 2009. However, the commercial scheme will commence in the 4th Quarter 2007 and to be completed by the 4th Quarter 2009. The low-cost scheme will commence earlier in the 3rd Quarter 2006 and to be completed by the 3rd Quarter 2009.

(j) Masjid Wan Alwi

This Mosque is to be built on approximately 3 acres land (including state lands) located at Jalan Bayor Bukit. Once completed, it can accommodate up to 900 persons. This is to serve the Muslim community in the Tabuan Jaya Area.

**Please refer to Sections 10.1, 10.2 and 10.3 of this Prospectus for detailed information on the completed, on-going and future projects of the Group.**

#### **4.4.3 Quality Control Procedures or Quality Management Programmes**

Quality control measures of the development projects are being established by Ibraco Group at all stages of the project development works. The Group employs a team of qualified and experienced engineers and architects to review the quality and to ensure the contractors and suppliers abide by the standards required by Ibraco. This is being conducted through constant meetings, reporting and progressive monitoring and close supervision of works carried out by the contractors and/or suppliers. Purchasers' comments are taken seriously and valid complaints are immediately attended to.

The Group has placed great emphasis on customers' feedback and verbal advice from consultants at the planning stage, to enable the Group to identify the type of development which the Group should embark on. Ibraco houses are designed with the customers needs in mind and to suit the life style of selected target market segments such as the provision of wet and dry kitchens and wide front porch to accommodate 2 cars (a growing trend among the affluent city dwellers). Other facilities are also provided such as landscaped recreational ground for the benefits of residents in its recent housing schemes.

## 4. INFORMATION ON IBRACO GROUP (cont'd)

### 4.4.4 Modes of Marketing

Ibraco Group did not encounter much difficulties in marketing its properties. All the Group's sales are made directly through its sales and marketing department. Promotion of sales are done through brochures, advertisements, property exhibitions, pre-sales registration, personal contacts, site signboards, model homes, show houses and by word of mouth. Due to Ibraco's reputation as a quality developer, most of the Group's projects were substantially sold within a fortnight of launching.

### 4.4.5 Interruption in Business for the Past Twelve (12) Months

The Group did not experience any disruption in business which has a significant impact on its operations for the past twelve(12) months prior to the date of this Prospectus.

### 4.4.6 Employees

As at 31 March 2004, Ibraco Group has total staff strength of 113. The management of the Group is of the opinion that its dedicated and efficient employees are instrumental to its success. The management of the Group enjoys a good working relationship with the employees and there has not been any industrial disputes in the past. The employees do not belong to any union.

The following sets out the breakdown of the length of service of Ibraco Group's staff :-

Category of Employees	No. of Employees			Total
	< 1 year	1 – 5 years	> 5 years	
Executive Directors	-	-	2	2
Senior Management	1	1	2	4
Managers and Executives	-	2	6	8
Non-Executives	-	-	12	12
Clerks and General Workers	13	29	45	87
<b>Total</b>	<b>14</b>	<b>32</b>	<b>67</b>	<b>113</b>

Internal and external courses are arranged from time to time to train their employees. The on-going training programmes cover technical and functional courses for relevant employees. Some of the training and development programmes undertaken in 2003 are as follows:-

Programme	Attendants	Date
1. Implementation of Code of Practice on Prevention and Management of HIV/AIDS at Workplace	Project Engineer and Assistant Project Manager	15 July 2003
2. Scaffolding – Prefabricated (Level 1)	Site supervisors	21 – 24 July 2003
3. Emerging Roles of Today's Internal Auditors	Group Internal Auditor	10 June 2003
4. Amendments to Guidelines on Assets Valuation	Planning and Development Manager, Chief Financial Officer and Management Assistant	13 November 2003

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

##### 4.4.7 Estimated Market Coverage, Position and Share

Sarawak practices an open market system whereby any developer company would have to manage and operate its business within the given external frameworks for the property development industry, i.e. legal, planning, financial, economic and market forces.

Due to the heterogeneity of property units and the diversity of the property market segments, no developer company in Sarawak has ever exercised any monopolistic control of the property market.

The major developers in Kuching are set out below:-

Developer	Project	Location	Year Project first started	Units completed up to 31 December 2003
Ibraco	Tabuan Jaya	Tabuan Jaya	1974	4,888
Advance Synergy Realty Sdn Bhd	Matang Jaya	Matang	1980	2,117
	Taman Gita Jaya	Matang	2002	244
Project Bandar Semariang Sdn Bhd	Bandar Baru Semariang	Semariang	2000	737
IJM Properties Sdn Bhd	Taman Yen Yen	Matang	1990	724
Lee Ling Construction & Development Sdn Bhd	Taman Lee Ling/ Sri Perkasa	Matang	1997	525

A major developer is defined as a company (whether as an individual company or within a group of related companies) who is engaged in the business of property development of sustainable projects. A sustainable project is a development project that has either been on-going for a few years or would be carried out in phases over a few years from commencement.

In terms of number of units completed in Kuching, Ibraco is the largest developer due to its long history in the property development business, it is followed by Advance Synergy Realty Sdn Bhd.

Each major developer has its own market segment to serve. Their respective development businesses have been sustained due to the diversified preferences of the households. Due to the location of their land banks, such major developers, notwithstanding some degree of competition among themselves, are expected to compliment each other in serving the increasing number of households in Kuching.

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

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

##### 4.4.8 Approvals, Major Licenses and Permits

Major approvals under the possession of the Group are as follows:-

Authority	Approval ref.	Approval/ issue date	Expiry date	Location of assets	Material Conditions imposed	Status of compliance
CIDB	1000825- SR057709	20.8.2003	6.5.2006	G7 registration for Ibraco Berhad	None	NA
Pusat Perkhid- matan Kontraktor	1302A2004005	16.1.2004	15.1.2006	Class B Head I, II & IV for Ibraco Berhad	None	NA
State Planning Authority ("SPA")	2/TP/1- KCS/248/95	4.1.1996	-	Master plan for Sama Jaya project	To provide 30% of the development on pro-rata basis be reserved or for sale to Bumiputera  Low-cost for the industrial workers be incorporated in the scheme	Complied/ to comply
SPA	5/TP/1- KDC/106/80	19.2.1982	-	Master Plan for Tabuan Heights project	None	NA
SPA	17/TP/1- KCS/246/95	25.8.2000	-	Layout plan for Tabuan Jaya Baru Phase 1 & 2	211 low cost houses to be built	Complied/ to comply
SPA	TP/1- KDC/106/80 (G)	29.12.2000	-	Subdivision plan for Tabuan Heights Phase 8	None	NA
SPA	TP/1- KDC/106/80 (F)	10.2.2001	-	Subdivision plan for Tabuan Heights Phase 7	None	NA
SPA	263/TP/1- KDC/24/86(B)	17.4.2001	-	Layout plan for Muara Tabuan Phase 5 Stage 3	None	NA
SPA	15/TP/1- KDC/141/99	8.5.2001	-	Layout plan for Stutong low cost scheme	50% of residential houses & 30% of shop houses reserved for Bumiputera	Complied/ to comply
SPA	13/TP/1- KCS/160/2002	26.4.2003	-	Layout plan for Tabuan Heights Boulevard	27 low cost houses to be built	Complied/ to comply

**4. INFORMATION ON IBRACO GROUP (cont'd)**

Authority	Approval ref.	Approval/ issue date	Expiry date	Location of assets	Material Conditions imposed	Status of compliance
SPA	19/TP/1- KCS/99/02	20.5.2003	-	Layout plan for Heights Estate (off Sama Jaya South)	43 low cost houses to be built	Complied/ to comply
SPA	8/TP/1- KCS/246/95(Ph. 3)	16.9.2003	-	Layout plan for Tabuan Jaya Baru Phase 3	None	NA
SPA	19/TP/1- KCS/176/02	20.10.2003	-	Layout plan for Heights Drive (off Sama Jaya North)	106 low cost houses to be built	Complied/ to comply
SPA	9/TP/1- KCS/124/03	24.12.2003	-	Layout plan for Next to Pusat Pembangunan Kemahiran Sarawak	None	NA
SPA	8/TP/1- KDS/24/86	20.2.2004	-	Layout plan for Muara Tabuan Phase 5 Stage 4	None	NA
SPA	15/TP/1- KCS/389/01	28.1.2004	-	Layout plan for Tabuan Heights Meadows	28 low cost houses to be built	Complied/ to comply

Major licenses and permits under the possession of the Group are as follows:-

Authority	Company	Type of licences/ permits	Date of issue	Date of Expiry	Equity conditions	Status of Compliance
Ministry of Housing ("MH")	Ibraco	Developer licence L0364/KP/HD/1/156 for Tabuan Heights phase 8	3.5.2003	2.5.2004	None	NA
MH	Ibraco	Advertisement & Sales Permit P0337/KP/HD/1/156 for Tabuan Heights phase 8	3.5.2003	2.5.2004	None	NA
MH	SIPSB	Developer Licence L0408/KP/HD//180 for Tabuan Jaya Baru phase 1	23.9.2003	22.9.2004	None	NA
MH	SIPSB	Advertisement & Sales Permit P0385/KP/HD/1/180 for Tabuan Jaya Baru phase 1	23.9.2003	22.9.2004	None	NA

NA – Not applicable



## 4. INFORMATION ON IBRACO GROUP (cont'd)

### 4.5 SUBSIDIARY COMPANIES

#### 4.5.1 SIPSB

##### (a) History and Background

SIPSB was incorporated on 28 September 1974 in Malaysia as a private limited company under the Act. SIPSB is a joint-venture company between Ibraco and the Urban Development Authority of Kuala Lumpur to undertake one of the largest housing schemes in Sarawak known as Tabuan Jaya. SIPSB is principally involved in residential and commercial development.

SIPSB commenced business in 1974. As at 31 March 2004, SIPSB does not have any employees.

##### (b) Share Capital

The authorised share capital of SIPSB is RM15,000,000 comprising 15,000,000 Shares. The present issued and paid-up share capital of SIPSB is RM9,135,002 comprising 9,135,002 Shares.

The changes in its issued and paid-up share capital since incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital (RM)
28.09.1974	2	1.00	Cash	2
11.06.1975	2,100,000	1.00	Other than cash	2,100,002
15.07.1975	2,467,500	1.00	Cash	4,567,502
07.11.1975	4,567,500	1.00	Other than cash	9,135,002

##### (c) Substantial Shareholders

SIPSB is a wholly-owned subsidiary of Ibraco.

##### (d) Profit and Dividend Record

The financial record of SIPSB based on its audited accounts for the past five (5) financial years ended 31 January 2003 and the eleven (11) months ended 31 December 2003 is set out in Section 13 of this Prospectus.

##### (e) Subsidiary and Associated Companies

SIPSB does not have any subsidiary or associated companies.

#### 4.5.2 ILCDA

##### (a) History and Background

ILCDA was incorporated on 7 April 1983 in Malaysia as a private limited company under the Act. ILCDA is principally involved in the development of properties.

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

ILCDA commenced business in 1983. As at 31 March 2004, ILCDA does not have any employees.

(b) **Share Capital**

The authorised share capital of ILCDA is RM4,000,000 comprising 4,000,000 Shares. The present issued and paid-up share capital of ILCDA is RM2,000,000 comprising 2,000,000 Shares.

The changes in its issued and paid-up share capital since incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital (RM)
07.04.1983	2	1.00	Cash	2
30.04.1983	799,999	1.00	Cash	800,001
30.04.1983	1,199,999	1.00	Other than cash	2,000,000

(c) **Substantial Shareholders**

ILCDA is a wholly-owned subsidiary of Ibraco.

(d) **Profit and Dividend Record**

The financial record of ILCDA based on its audited accounts for the past five (5) financial years ended 31 January 2003 and the eleven (11) months ended 31 December 2003 is set out in Section 13 of this Prospectus.

(e) **Subsidiary and Associated Companies**

ILCDA does not have any subsidiary or associated company.

#### 4.5.3 Ibraco Crest Sdn Bhd

(a) **History and Background**

Ibraco Crest Sdn Bhd was incorporated on 18 February 2003 in Malaysia under the Act, as a private limited company. The company is currently dormant and its intended principal activity is property development. Other than its 2 directors, it has no employees as at 31 March 2004.

(b) **Share Capital**

The authorised share capital of Ibraco Crest Sdn Bhd is RM100,000 comprising 100,000 Shares. The present issued and paid-up share capital of Ibraco Crest Sdn Bhd is RM2 comprising 2 Shares.

(c) **Substantial Shareholders**

Ibraco Crest Sdn Bhd is a wholly-owned subsidiary of Ibraco.

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**4. INFORMATION ON IBRACO GROUP (cont'd)**


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**(d) Profit and Dividend Record**

The company was incorporated on 18 February 2003 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

**(e) Subsidiary and Associated Companies**

Ibraco Crest Sdn Bhd does not have any subsidiary or associated company.

**4.5.4 Ibracorange Sdn Bhd****(a) History and Background**

Ibracorange Sdn Bhd was incorporated on 18 February 2003 in Malaysia under the Act, as a private limited company. The company is currently dormant and its intended principal activity is property development. Other than its 2 directors, it has no employees as at 31 March 2004.

**(b) Share Capital**

The authorised share capital of Ibracorange Sdn Bhd is RM100,000 comprising 100,000 Shares. The present issued and paid-up share capital of Ibracorange Sdn Bhd is RM2 comprising 2 Shares.

**(c) Substantial Shareholders**

Ibracorange Sdn Bhd is a wholly-owned subsidiary of Ibraco.

**(d) Profit and Dividend Record**

The company was incorporated on 18 February 2003 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

**(e) Subsidiary and Associated Companies**

Ibracorange Sdn Bhd does not have any subsidiary or associated company.

**4.5.5 Ibraco Dawn Sdn Bhd****(a) History and Background**

Ibraco Dawn Sdn Bhd was incorporated on 18 February 2003 in Malaysia under the Act, as a private limited company. The company is currently dormant and its intended principal activity is property development. Other than its 2 directors, it has no employees as at 31 March 2004.

**(b) Share Capital**

The authorised share capital of Ibraco Dawn Sdn Bhd is RM100,000 comprising 100,000 Shares. The present issued and paid-up share capital of Ibraco Dawn Sdn Bhd is RM2 comprising 2 Shares.

**(c) Substantial Shareholders**

Ibraco Dawn Sdn Bhd is a wholly-owned subsidiary of Ibraco.

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**4. INFORMATION ON IBRACO GROUP (cont'd)**


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**(d) Profit and Dividend Record**

The company was incorporated on 18 February 2003 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

**(e) Subsidiary and Associated Companies**

Ibraco Dawn Sdn Bhd does not have any subsidiary or associated company.

**4.5.6 Ibraco Peaks Sdn Bhd****(a) History and Background**

Ibraco Peaks Sdn Bhd was incorporated on 20 February 2003 in Malaysia under the Act, as a private limited company. The company is currently dormant and its intended principal activity is property development. Other than its 2 directors, it has no employees as at 31 March 2004.

**(b) Share Capital**

The authorised share capital of Ibraco Peaks Sdn Bhd is RM100,000 comprising 100,000 Shares. The present issued and paid-up share capital of Ibraco Peaks Sdn Bhd is RM2 comprising 2 Shares.

**(c) Substantial Shareholders**

Ibraco Peaks Sdn Bhd is a wholly-owned subsidiary of Ibraco.

**(d) Profit and Dividend Record**

The company was incorporated on 20 February 2003 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

**(e) Subsidiary and Associated Companies**

Ibraco Peaks Sdn Bhd does not have any subsidiary or associated company.

**4.5.7 Ibraco Spectrum Sdn Bhd****(a) History and Background**

Ibraco Spectrum Sdn Bhd was incorporated on 1 April 2003 in Malaysia under the Act, as a private limited company. The company is currently dormant and its intended principal activity is property development. Other than its 2 directors, it has no employees as at 31 March 2004.

**(b) Share Capital**

The authorised share capital of Ibraco Spectrum Sdn Bhd is RM100,000 comprising 100,000 Shares. The present issued and paid-up share capital of Ibraco Spectrum Sdn Bhd is RM2 comprising 2 Shares.

**(c) Substantial Shareholders**

Ibraco Spectrum Sdn Bhd is a wholly-owned subsidiary of Ibraco.

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

(d) **Profit and Dividend Record**

The company was incorporated on 1 April 2003 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

(e) **Subsidiary and Associated Companies**

Ibraco Spectrum Sdn Bhd does not have any subsidiary or associated company.

##### 4.5.8 Ibraco Shine Sdn Bhd

(a) **History and Background**

Ibraco Shine Sdn Bhd was incorporated on 18 February 2003 in Malaysia under the Act, as a private limited company. The company is currently dormant and its intended principal activity is property development. Other than its 2 directors, it has no employees as at 31 March 2004.

(b) **Share Capital**

The authorised share capital of Ibraco Shine Sdn Bhd is RM100,000 comprising 100,000 Shares. The present issued and paid-up share capital of Ibraco Shine Sdn Bhd is RM2 comprising 2 Shares.

(c) **Substantial Shareholders**

Ibraco Shine Sdn Bhd is a wholly-owned subsidiary of Ibraco.

(d) **Profit and Dividend Record**

The company was incorporated on 18 February 2003 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

(e) **Subsidiary and Associated Companies**

Ibraco Shine Sdn Bhd does not have any subsidiary or associated company.

##### 4.5.9 Ibraco Rise Sdn Bhd

(a) **History and Background**

Ibraco Rise Sdn Bhd was incorporated on 18 February 2003 in Malaysia under the Act, as a private limited company. The company is currently dormant and its intended principal activity is property development. Other than its 2 directors, it has no employees as at 31 March 2004.

(b) **Share Capital**

The authorised share capital of Ibraco Rise Sdn Bhd is RM100,000 comprising 100,000 Shares. The present issued and paid-up share capital of Ibraco Rise Sdn Bhd is RM2 comprising 2 Shares.

(c) **Substantial Shareholders**

Ibraco Rise Sdn Bhd is a wholly-owned subsidiary of Ibraco.



#### 4. INFORMATION ON IBRACO GROUP (cont'd)

(d) **Profit and Dividend Record**

The company was incorporated on 18 February 2003 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

(e) **Subsidiary and Associated Companies**

Ibraco Rise Sdn Bhd does not have any subsidiary or associated company.

##### 4.5.10 Ibraco Infinity Sdn Bhd

(a) **History and Background**

Ibraco Infinity Sdn Bhd was incorporated on 18 February 2003 in Malaysia under the Act, as a private limited company. The company is currently dormant and its intended principal activity is property development. Other than its 2 directors, it has no employees as at 31 March 2004.

(b) **Share Capital**

The authorised share capital of Ibraco Infinity Sdn Bhd is RM100,000 comprising 100,000 Shares. The present issued and paid-up share capital of Ibraco Infinity Sdn Bhd is RM2 comprising 2 Shares.

(c) **Substantial Shareholders**

Ibraco Infinity Sdn Bhd is a wholly-owned subsidiary of Ibraco.

(d) **Profit and Dividend Record**

The company was incorporated on 18 February 2003 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

(e) **Subsidiary and Associated Companies**

Ibraco Infinity Sdn Bhd does not have any subsidiary or associated company.

##### 4.5.11 Ibraco Construction Sdn Bhd

(a) **History and Background**

Ibraco Construction Sdn Bhd was incorporated on 10 September 2002 in Malaysia under the Act, as a private limited company. The company is principally involved in construction and commenced operation in end of 2003. Other than its 2 directors, it has no employees as at 31 March 2004.

(b) **Share Capital**

The authorised share capital of Ibraco Construction Sdn Bhd is RM100,000 comprising 100,000 Shares. The present issued and paid-up share capital of Ibraco Construction Sdn Bhd is RM2 comprising 2 Shares.

(c) **Substantial Shareholders**

Ibraco Construction Sdn Bhd is a wholly-owned subsidiary of Ibraco.

#### 4. INFORMATION ON IBRACO GROUP (cont'd)

(d) **Profit and Dividend Record**

The company was incorporated on 10 September 2002 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

(e) **Subsidiary and Associated Companies**

Ibraco Construction Sdn Bhd does not have any subsidiary or associated company.

##### 4.5.12 FOSO One Sdn Bhd (formerly known as FOSOI Sdn Bhd)

(a) **History and Background**

FOSO One Sdn Bhd was incorporated on 15 April 2003 in Malaysia under the Act, as a private limited company. The company is principally involved in construction and commenced operation in 2003.

As at 31 March 2004, the company has 3 employees.

(b) **Share Capital**

The authorised share capital of FOSO One Sdn Bhd is RM500,000 comprising 500,000 Shares. The present issued and paid-up share capital of FOSO One Sdn Bhd is RM150,000 comprising 150,000 Shares.

(c) **Substantial Shareholders**

FOSO One Sdn Bhd is a wholly-owned subsidiary of Ibraco.

(d) **Profit and Dividend Record**

The company was incorporated on 15 April 2003 and its audited results for the period ended 31 December 2003 is set out in Section 13 of this Prospectus.

(e) **Subsidiary and Associated Companies**

FOSO One Sdn Bhd does not have any subsidiary or associated company.

#### 4.6 MAJOR CUSTOMERS

The Group's housing development projects have been well-received by the middle to high income group of house buyers for self occupation and increasingly as investments. Most of the Group's customers are from Kuching and the surrounding areas. There is an increasing trend of investors from other towns in Sarawak.

In line with the Group's vision to develop and market affordable and quality housing, Ibraco Group will actively foster and maintain good relationships with all existing purchasers. Feedback and comments received from this group will assist Ibraco Group to understand the general purchasers' needs better. Ibraco Group will then try to accommodate such requests of the potential purchasers in its future development schemes. As such, the Group will continue to be able to reach to a broad spectrum of purchasers.

The Group is not over-dependent on any single customer.

## 4. INFORMATION ON IBRACO GROUP (cont'd)

### 4.7 MAJOR CONTRACTORS AND SUPPLIERS

#### (a) Own Turnkey Contractor

It has been Ibraco's recent practice to undertake all civil and building works by itself so that Ibraco can exert better control over the implementation process to ensure that the quality standard and completion time are adhered to. Ibraco is a registered contractor with CIDB G7 certification. Ibraco is also a registered contractor with Pusat Khidmat Kontraktor.

#### (b) Subcontractors And Suppliers

##### (i) Subcontractors

The practice is to engage subcontractors to undertake all civil and building works e.g. masonry, carpentry, plumbing, etc. Ibraco will purchase all the required building materials as and when required and engage these subcontractors to work on certain blocks of houses or shophouses to the specification and requirement of Ibraco.

The Group's top ten (10) subcontractors for the past 12 months ended 31 December 2003 are as follow:-

	Subcontractor	Nature of work	Contribution (% of total subcontract sum)	Length of relationship (Years)
1.	Lai Kuet Kee	Civil works	12.11	< 5 years
2.	Ho Kong Huat	Masonry	8.08	> 5 years
3.	Khiu Joon Bong	Carpentry	8.08	< 5 years
4.	Tan Khee Loi	Carpentry	7.77	> 5 years
5.	Min Wei Construction	Civil works	7.28	< 5 years
6.	Liaw Min Sang	Carpentry	7.15	> 5 years
7.	Wong Chu King	Masonry	5.11	< 5 years
8.	Chin Electrical Works	Electrician	3.37	> 5 years
9.	Lim Hong Tiang	Masonry	3.22	< 5 years
10.	Chin Kuet Pin	Masonry	3.17	< 5 years

Ibraco Group is not overly dependent on any single subcontractor as it has in the past been able to secure a steady number of subcontractors for its projects.

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#### 4. INFORMATION ON IBRACO GROUP (cont'd)

##### (ii) Suppliers

The Group's top ten (10) suppliers for the past 12 months ended 31 December 2003 are as follows:-

	Suppliers	Materials	Amount (RM '000)	Contribution (%)	Length of relationship (Years)
1.	Paragon Concrete Sdn Bhd	Concrete	5,648	19.5	> 10 years
2.	SB Hardware & Engineering	Building Materials	4,831	16.7	> 5 years
3.	Eastcom Trading	Building Materials	4,389	15.1	> 10 years
4.	Sykt Alatan Rumah Stampin Sdn Bhd	Wood (Framework)	3,028	10.4	> 5 years
5.	Smartpiles Sdn Bhd	Piling	1,712	5.9	> 10 years
6.	Kim Poh Brick Factory Sdn Bhd	Bricks	1,250	4.3	> 10 years
7.	Kingres Marketing Sdn Bhd	Tiles	1,199	4.1	> 10 years
8.	AHE Ceiling Sdn Bhd	P Ceiling	1,197	4.1	> 10 years
9.	Ang Cheng Ho Quarry Sdn Bhd	Quarry Stones	1,036	3.6	> 10 years
10.	Madaya Sdn Bhd	Sanitary wares	959	3.3	> 10 years
	Total		25,249	87.00	
	<b>Total purchases for the past 12 months</b>		<b>28,991</b>	<b>100.0</b>	

Except for Paragon Concrete Sdn Bhd, SB Hardware & Engineering, Eastcom Trading and Syarikat Alatan Rumah Stampin Sdn Bhd, who contributed 19.5%, 16.7%, 15.1% and 10.4% respectively, none of the suppliers individually contributes more than 10% of Ibraco Group's purchase. Ibraco is consistently making efforts to maintain good relationships with all its existing suppliers and increase its supplier's base so that the Group is not over dependent on any single supplier.

#### 4.8 STRATEGIES AND PROSPECTS OF THE GROUP

Ibraco Group has been focusing on the development and marketing of affordable and quality residential, commercial and industrial properties for buyers while maintaining a reasonable return for its shareholders. The Ibraco Group will continue to focus on its core business in the foreseeable future.

Importantly, with continual migration of people into Kuching, coupled with higher income levels of Kuching residents, more high quality and well planned residential and commercial schemes will be much sought after and Ibraco is well placed to deliver such properties given that it has established a good record in the development of Tabuan Jaya satellite township.

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## 4. INFORMATION ON IBRACO GROUP (cont'd)

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The main business strategies adopted by the Group to achieve its goals (which are also the main competitive edge of the Group) are as follows:-

### 4.8.1 Quality of Land Bank

Ibraco Group currently owns approximately 900 acres of mixed zone land mainly in the Kuching area. By an option agreement entered into between Ibraco and IPSB, IPSB has granted an option to Ibraco to purchase approximately 255 acres of IPSB's lands (comprised in about 78 parcels of land), such option to be exercised within the option periods for each parcel specified in the option agreement and the option price for each parcel shall be fixed based on the market price for such lands at the time of exercise of the option. There are certain development schemes planned by Ibraco for the years 2004 to 2008 on some of the aforesaid parcels of lands owned by IPSB.

In order to sustain the Group's future growth and profitability, the Group is also looking for land bank in strategic locations within Malaysia.

### 4.8.2 Marketing

The Group has placed great emphasis on customers' feedback and verbal advice from consultants at the planning stage, to enable the Group to identify the type of development which the Group should embark on. Ibraco houses are designed with the customers needs in mind and to suit the life style of selected target market segments. Facilities such as dry kitchens, wash areas/yards, large front porches to accommodate 2 or more car parks (a growing trend among the affluent city dwellers) and large rear compounds are some of the features provided in Ibraco homes. Other standard facilities include spacious built-up areas, terraces, plaster ceilings, decorative solid timber doors, selected floor and wall tiles, high grade sanitary/plumbing fittings and generous electrical points (3 phase supply for semi-detached houses). In the concept planning stage, care is taken to ensure that green areas and landscaped recreational grounds, wide road reserves, street lighting and more than adequate drainage systems are provided for the benefit of its residents. Access to nearby businesses, shopping areas, educational facilities, recreational facilities are available. The Company's emphasis on quality finishing, timely completion/ delivery as well as the localities and competitive pricing make its properties well accepted by the purchasers.

The Group has established itself as one of the most reputable property developers in Kuching. Ibraco Group enjoys a good reputation by virtue of it offering quality finishes and affordable housing to the middle-high income group of buyers. It endeavours to live up to buyers' expectations and most of its sales were done through word of mouth by satisfied customers.

All the Group's sales are made directly through its sales and marketing department. Currently, the Ibraco Group has a total of five in-house staff in its sales and marketing division. Ibraco also uses other marketing tools to enhance its sales effectiveness. Promotion of sales are done through brochures, advertisements, property exhibitions, pre-sale registration, personal contact, site signboards, model homes, show house and more importantly through having a good reputation. Personal approaches and introductions from past purchasers to potential purchasers have proven to be extremely rewarding.

Ibraco has also established a website at [www.ibraco.com](http://www.ibraco.com) which contains various information about Ibraco's activities and on-going projects. Visitors can view the types of projects which are currently undertaken by Ibraco Group including the available units for sale, their specifications, selling prices etc. The website also allows visitors to offer feedback and make enquiries.



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## 4. INFORMATION ON IBRACO GROUP (cont'd)

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### 4.8.3 Innovative and Quality Properties

In order to maintain its reputation within the property development industry, Ibraco is not only required to provide competitive pricing but also to ascertain that the quality of its products have not been compromised. As such, the planning, designing and construction of its property projects are closely administered and supervised by its team of qualified and experienced engineers and supervisors. This is being conducted through constant meetings, reporting and progressive monitoring and close supervision of works carried out by the contractors.

### 4.8.4 Customer Relations

In line with the Group's vision to develop and market affordable and quality housing, Ibraco Group will actively foster and maintain good relationships with all existing purchasers. Feedback and comments received from this Group will assist Ibraco Group to better understand the general purchasers' needs.

## 4.9 MANAGEMENT SUCCESSION PLAN

The Group recognises the importance of continuity in management to maintain its competitive edge. In this regard, the Group is committed to provide sufficient training, impart and upgrade the knowledge, skills and competency of its personnel to gradually assume the responsibilities of senior management. The Group has budgeted at least 2% of the salaries cost towards training and human resource development for the current year.

**André Ibrahim Rigolé** is the General Project Manager of the Group. He is currently in charge of 70 staff including a Project Engineer and 2 Assistant Project Managers. His department is responsible for the quality and timely completion of all residential, commercial and industrial projects. His department is also responsible for all procurement of all building materials.

**Sii Kie Wong** is the Chief Operating Officer. He coordinates all the management and board meetings and also plays a supervisory role in finance and project analysis.

**Anthony Yong Wee Yaw** heads the Planning and Development department. He oversees all projects undertaken by Ibraco, from planning to sales besides taking charge of land administration matters. He has 4 staff under him in this department.

**Steven Chai Chon Boon** is the Chief Financial Officer. He is responsible for all financial and accounting matters of the Group. He has 4 staff under his supervision.

**Peter Ho Boon Huat** heads the Marketing department. He is responsible for all promotion activities, sales and collections. He has 4 staff under him in this department.

The management of Ibraco is of the view that close supervision and guidance of its staff by each department's head is crucial step for Ibraco to groom its next generation of senior management. By having a pool of skilled and experienced staff and an established system of operation in place, the management of Ibraco is of the view that disruptions to the operations of Ibraco Group will be minimal in the event of any departure of its executive directors and/or senior management.



## 4. INFORMATION ON IBRACO GROUP (cont'd)

### 4.10 FUTURE PLANS OF THE GROUP

Backed by its invaluable experiences gained in the property development sector, Ibraco Group intends to further establish itself as one of the key players in the Malaysian property market. The Group plans to achieve its objective by implementing the following plans:-

- (a) Expanding its business operations by increasing its land bank at strategic locations in Kuching itself and other parts of Sarawak to ensure continual strong demand for its properties;
- (b) Take full advantage of the present low interest rate regime to tap purchasers from the middle income group; and
- (c) To undertake the following development projects for the next 5 years:-
  - Tabuan Jaya Baru Scheme/ Sama Jaya;
  - Tabuan Heights Meadows;
  - Heights Drive (Off Sama Jaya North);
  - Heights Estate (Off Sama Jaya South);
  - Tabuan Height Boulevard;
  - Jaya Estates & Stakan Low-Cost Housing;
  - Tabuan Heights North;
  - Tabuan Heights Phase IX;
  - Masjid Wan Alwi;
  - Muara Tabuan Phase 5 Stage 4;
  - Next to Pusat Pembangunan Kemahiran Sarawak;
  - Stutong Low-cost Extension; and
  - Stutong Low-cost Plus.

Detailed information on the future projects of the Group are disclosed in Section 10.3 of this Prospectus.

### 4.11 CORPORATE PHILOSOPHY

Ibraco Group believes in the following corporate philosophy:-

#### (1) Vision

Ibraco Group strives to be the leading conglomerate in the building industry, namely:-

- To be the market leader in housing development in Sarawak and beyond; and
- To be a leading contractor.

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#### 4. INFORMATION ON IBRACO GROUP (cont'd)

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**(2) Mission**

To provide quality homes, optimise shareholders' returns and nurture its employees.

**(3) Corporate Values**

In pursuit of its vision and mission, the Company follows the following values:-

- Responsibility and accountability;
- Excellence in service;
- Customer focus; and
- Respect for oneself and fellow colleagues.

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