

Ibraco to diversify into steel manufacturing operations

By JACK WONG

KUCHING: Property developer Ibraco Bhd is set to diversify into the steel-related business via its latest investment to set up a steel manufacturing plant here.

The group's wholly-owned subsidiary Ibraco Ascent Sdn Bhd will undertake the operation of the plant, which is expected to commence by 2023.

The steel plant is pegged to have an annual production capacity of 30,000 tonnes.

To facilitate the setting up of the steel plant, Ibraco Ascent has entered into a sale and purchase agreement with Heng Say Properties (Sarawak) Sdn Bhd to acquire a 10.32-acre vacant land in Muara Tebas for about RM7.22mil in cash in a related party transaction recently.

The purchase price represents a discount of about RM1.13mil or 13.5% to the market value of the land of RM8.35mil as appraised by independent valuer, CH Williams Talhar Wong & Yeo.

Ibraco is a property developer with major projects in Sarawak and Peninsular Malaysia while Heng Say Properties is involved in the export and import of goods, warehousing and storage services and freight forwarding.

Heng Say Properties director, Ng Cheng Chuan who is also Ibraco chairman, owns 22.49% equity interest in the property development group.

According to Ibraco, the land acquisition and venture into manufacturing and marketing of steel products is in line with the group's long-term strategy to improve its source of revenue to mitigate the risk of overdependence on its property development business.

In the financial year 2020, the property development segment contributed 66% to Ibraco's group revenue of RM308.5mil while the construction segment chipped in 30%, according to its group managing director, Datuk Chew Chiaw Han.

Currently, Ibraco is undertaking its second flagship mixed development, The NorthBank,

along Kuching-Kota Samarahan Expressway.

The NorthBank, which spanned across 123 acres, comprised of landed residential properties, high-rise residential properties, office units and commercial buildings,

Already completed and handed over to the buyers in the NorthBank include NOVA 72, a terrace and semi-detached and guarded community and an eight-storey office block. Also in operation since 2020 is the Tunku Putra-HELP School.

Ibraco has raised about RM23.6mil from a recent private placement exercise, of which RM18mil has been allocated to part fund the development of the next NorthBank project - Renna Residence, with a gross development value (GDV) of RM100mil.

The NorthBank is adjacent to the first Ibraco flagship integrated development, Tabuan Tranquility, which is now at the tail-end of completion. In Bintulu, Ibraco has an ongoing town square project involving the development of a three-storey shop houses, an eight-storey corpo-

rate office and a commercial plaza. Apart from Sarawak, Ibraco has spread its wing to Peninsula Malaysia with the launch of its maiden project - ContiNew - in Kuala Lumpur with a GDV of RM400mil in 2017.

ContiNew comprises two residential towers housing 510 units of service apartments, four units of three-storey commercial/retail shops and 30 units of retail/office space.

Riding on the success of ContiNew, Chew said Ibraco will embark on its next major affordable serviced apartment project at Bandar Petaling Jaya Selatan, Selangor. In November 2021, Ibraco was awarded with a RM375mil contract by Lestari Asiabina Sdn Bhd as the turnkey contractor for the construction of condominium and apartment units, a 20-storey office tower and shophouses in Muara Tuang.

For the construction segment, Ibraco has recently completed the new Mukah Airport and is currently implementing a turnkey project in northern Sarawak under the state Water Grid Supply Programme.