



APPLIED BUSINESS PROJECT

**"CHARTING THE STRATEGIC FOCUS
FOR
ORICON SDN BHD"**

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1.0 Introduction

1.1 The State of Sarawak

Sarawak is located on the island of Borneo, and is one of the two states that make up East Malaysia. Both Sarawak and Sabah are separated from Peninsula Malaysia by the South China Sea. With an area of 124,449.51 square kilometres, Sarawak is the largest state in Malaysia, making up some 37.5% of the country's total area. The State is divided into eleven Administrative Divisions. Each Division (or Administration Region) is headed by a Resident and subdivided into between 2 to 4 districts. Kuching is the State capital and the administrative centre for the First Division of Sarawak. It is home to some 458,300 people making it the highest populated city in Sarawak and the 7th highest populated city in Malaysia.

1.2 Brief Information on the Property Industry In Sarawak

Under the 8th Malaysia Plan, the outlook of the property development industry in the state looks bright and promising with the many mega projects being in progress, among others:-

- i. The RM300 million allocations to link Tanjung Manis to Sibul.
- ii. The 200 km coastal highway linking Kuching and Kota Kinabalu.
- iii. Sarawak's 3,000 hectare timber township of Tanjung Manis.
- iv. The Sarawak SEDC RM9 million refurbishment programme for its chain of Holiday Inn hotels.

2.0 Industry Overview

Oricon is principally involved in property development and construction. Hence, we have undertaken an industry review to determine the current state of the property development and construction sectors in Malaysia in general and Sarawak in particular.

2.1 The Malaysian Economy

Malaysia enjoyed higher economy growth in 2003 compared to 2002, which bolstered optimism for a stronger economic performance in 2004 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. (MIER, 2004)

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, apart from providing immediate relief for the SARS-affected

3.0 Research Methodology

In line with the objectives of this study we have employed two theoretical components. The first component covers information and data collection from primary and secondary sources, followed by data analysis and strategic analysis of the company. The second component is the use of strategic matrix which will determine the formulation and selection of alternatives strategies.

Although we knew that it would be beneficial to employ the use of other tools in doing the project, due to time factor, unavailability of data and the relevance of the data or information to the industry, we were only able to use only a selected number of tools.

3.1 Data Collection

Two types of data were gathered:-

Secondary Data

Information sourced from Oricon's audited financial reports, statutory report from Companies Commission of Malaysia, National and State level property market reports and related business and industry articles.

Primary Information.

To support the secondary information and for additional clarification, interviews with company's key personnel were conducted. Several interview sessions were held particularly with Tuan Haji Zamahari Bin Ahmad, the
