

Ireka to benefit from Aseana's divestment

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KUALA LUMPUR: Ireka Corp Bhd stands to benefit from the divestment plans of its associated company Aseana Properties Ltd, said group managing director Lai Voon Hon.

With Aseana selling its assets over the next two years, Ireka would benefit from the profit and cash realisation. Ireka has a 23 per cent stake in Aseana.

Aseana's disposal of Aloft Kuala Lumpur Sentral Hotel contributed RM28.6 million to Ireka's pre-tax profit for the quarter ended June 30.

Lai said several projects had also been lined up.

"We are looking forward to our foray into mid-market properties in Nilai and Kajang," he said after Ireka's annual general meeting, here, yesterday,

The group, which registered a significant decrease in revenue to RM263.1 million this financial year from RM426.2 million previously, hopes to turn itself around with the launch of a number of projects with gross development value of more than RM1 billion.

"Not being able to launch any developments in the last year has been a small setback but we have a cautious approach of waiting for the market to stabilise before launching projects," said Lai.

Over the next 18 months, its construction division, Ireka Engineering & Construction Sdn Bhd, will embark on projects worth a total of RM700 million.

Upcoming projects include dwi@Rimbun Kasia (five phases), Rimbun Town Villas and 10 SHopz in Nilai, Serika Residences and AS-TA Enterprise Park in Kajang and

Kiara Residences in Mont' Kiara.

The RuMa Hotel and Residences KLCC, which is owned by Aseana and Ireka, is expected to be completed by the end of next year.

Construction activities will continue to contribute significantly to Ireka's bottom line despite the soft market.

Group deputy managing director Monica Lai said the company had targeted a 50:50 revenue contribution from construction and property in about two years.

It has tendered for about RM4 billion worth of contracts over the last 12 months.

Group executive director Tan Thiam Chai said Ireka was also bidding for light rail transit infrastructure projects within the public sector space.

As at April 30, the group had an order book of RM1.1 billion.