

Current deals to boost profit in 2009, says Ireka



CONSTRUCTION firm Ireka Corp Bhd is optimistic that net profit and revenue will improve for fiscal year 2009 based on the value of works in hand.

It has four on-going projects worth RM1.14 billion, which will last the company until 2011.

President and chief executive officer Lai Voon Hon said its performance will be better due to cost-effective management and also because of higher margins from its construction activities.

He told reporters after a shareholders' meeting in Kuala Lumpur yesterday that Ireka will gain from the current fall in fuel and steel prices.

"We are careful with design and engineering in managing higher construction cost. Most projects secured are new and since the contracts do not allow variation of price, we have built a healthy buffer in case the material price goes up," Lai said.

Last year, Ireka posted a net profit of RM152.9 million on revenue of RM299.7 million, driven by extraordinary gains from the sale of assets.

It sold The Westin Hotel Kuala Lumpur, Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd.

For the first three months of its current financial year ending March 31 2009, it registered a net profit of RM3 million on revenue of RM62.9 million.

Its two latest projects are Seni Mont' Kiara, a RM539 million luxury residences in Kuala Lumpur featuring four blocks of 605 condominium units; and Sandakan Harbour Square, a RM194.9 million urban development in Sabah.

Its other projects are Tiffani by i-Zen and One Mont' Kiara luxury condominiums in Kuala Lumpur.

Ireka has been prequalified to bid for two local mixed development projects worth a few hundred million ringgit.

As for overseas, Ireka may invest in Vietnam, Indonesia and China and it will look for a few profitable projects.