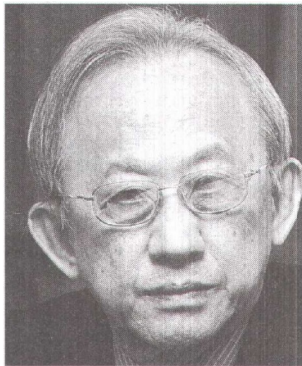


Ireka has buffer to counter material costs

Order book of RM1.14bil to keep it busy until 2011



Lai Siew Wah

KUALA LUMPUR: Ireka Corp Bhd, whose construction order book has surpassed the RM1bil mark, has a "healthy buffer against the volatile prices of raw materials," said group managing director Lai Siew Wah.

With an order book worth RM1.14bil, the company would be kept busy through to 2011.

"Since most of our contracts do not allow for a variation of price (VOP) option, we have built in a healthy buffer in case material prices go up," Lai said.

The current easing in the prices of some raw materials such as steel was a "good sign", he said, adding that "we are actively managing the

costs."

And with a healthy gearing of 0.3 and a locked-in order book, Lai said the company was in a good position to weather tough times, hence, prospects looked "quite bright" for the next two to three years.

Ireka's current portfolio of construction works include luxury condominium projects in Mont' Kiara namely, Tiffani by i-ZEN and SENI Mont' Kiara and the Sandakan Harbour Square urban renewal project.

Lai said the company would continue to bid for new projects although it was being "very selective" given these trying times.

Asked to elaborate, he said: "We

have actually pre-qualified for two (local) projects but it is too preliminary to reveal details."

As for overseas plans, he said Ireka would continue to look for opportunities in the Asian region.

"Vietnam is where we are currently focused on. We have been studying the market for the last two years and established a good network of contacts there," Lai said.

For the financial year ended March 31, the group made a net profit of RM152.9mil on revenue of RM299.7mil.

It also announced a dividend policy to distribute at least 40% of its net earnings to shareholders.