

Ireka targets RM1b jobs by year-end

It hopes to secure big project in Mont' Kiara

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KUALA LUMPUR: Ireka Corp Bhd, which will see recovery in its construction division in a year, plans to double its projects in hand to RM1bil by year-end, said executive director Monica Lai.

"We have an outstanding order book of RM500mil. We hope to secure a job to construct a 'very big' residential project in Mont' Kiara by year-end," she told reporters after the company's AGM yesterday.

The project, she said, was a high-end condominium to be developed by London Stock Exchange-listed Aseana Properties Ltd. Ireka is the project manager and a 19.6% owner of Aseana Properties, which will be

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developing properties worth US\$1.2bil in gross development value in Malaysia and Vietnam.

Lai said although Ireka had no exclusive rights to construct Aseana Properties' projects, its role as the

project manager provided a good chance of securing the jobs.

"The outstanding jobs are all set to generate better profit margin than some of the previous loss-making projects. We expect them to contribute positively to the group, going forward," she said, adding that the group planned to focus on the local construction sector.

Ireka, once a construction outfit focusing on highway projects, was hit by escalating fuel prices and higher building material costs as well as a downturn in the construction sector in recent years.

Lai was confident that the construction division would return to the black by the financial year ending March 31, 2009.

For the first quarter ended June



Monica Lai

30, Ireka posted pre-tax profit of RM153.05mil, compared with a pre-tax loss of RM5.76mil in the previous corresponding period.

The profit came mainly from the disposal of property and hotel subsidiaries, including Kuala Lumpur's Westin Hotel.

The restructuring programme not only helped Ireka to exit property development and focus on construction and high-margin property management, but also pare down borrowings.

"Ireka is now financially stable and there is a lot of potential to grow," Lai said.

The group paid an 8.8% interim dividend in March and recently announced a final dividend of 10%.