

# Ireka to embark on three-prong financial strategy

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PROPERTY and construction firm, Ireka Corp Bhd, wants to embark on a three-prong strategy to strengthen its financial footing from this year onwards.

The first step is to sell Westin Hotel and use the money to pay debts, expand its business and reward shareholders.

"The extra cash that we have can be used for property development. We have a total gross development value (of undeveloped land) of RM1.2 billion, spreading over three to five years," chairman Abdullah Yusof told reporters after the shareholders' meeting in Kuala Lumpur.

The company is also hoping for a string of jobs under the Ninth Malaysia Plan.

Ireka is also in talks with local partners in Vietnam to venture there.

It is also eyeing China and India, executive director Lai Voon Hon said.

The third strategy is to bid for private financing initiative projects as Lai believes that the firm has the necessary skills to deliver them.

Lai remains "cautiously bullish" on the property



market, particularly in the niche and high-end sectors.

Ireka made a net loss of RM4.5 million on RM399.76 million revenue for the year ended March 31.

In August, it inked a deal to sell Westin Hotel to Thailand's Newwood Assets Ltd for RM455 million.

Ireka has proposed to use up to RM15mil of the net cash proceeds of RM204.6 million for future dividends, up to RM80 million to repay borrowings, RM96.5 million as working capital and RM13.1 million for other estimated expenses.

Its gearing ratio will be reduced to 1.7 times from 2.5 times, excluding the hotel, said director and group financial controller Monica Lai.

Ireka will launch a RM450 million mixed development project in Mont Kiara by the end of the year. It comprises a 200,000 sq ft shopping mall and some 190 units of office suites.