

# 3-pronged strategy to drive Ireka forward

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**KUALA LUMPUR:** Ireka Corp Bhd is "cautious but bullish" on its future as a property developer and construction player.

It has embarked on a three-pronged strategy to strengthen its financial position, going forward, said chairman Abdullah Yusof.

First, it disposed of its hotel, Westin Kuala Lumpur, to international property investment company Newwood Assets Ltd for RM455mil. The deal to sell the 452-room hotel was signed on Aug 28.

This was followed by a proposal on utilisation of the sale proceeds, which included an allocation of RM80mil to reduce the company's borrowings.

"By paying RM80mil to our lenders, our gearing will be reduced to 1.7 from 2.5 before," Abdullah told reporters after the company AGM yesterday.

He said Ireka was also looking to boost its construction business by bidding for Ninth Malaysia Plan



From left: Ireka director and group financial controller Monica Lai Voon Huey, Lai Voon Hon, chairman Abdullah Yusof and group managing director Lai Siew Wah at the AGM

projects for which it had the building experience.

"We have the skills to do that, and based on our history of successfully garnering such contracts in the past, we are confident of a good chance of winning such projects."

The company, he added, would

consider bidding for the projects under private financing initiatives as well.

Abdullah said Ireka's third strategy would be to continue growing its property business.

Currently, the company has projects in Mont Kiara and

Sandakan, and is looking for opportunities for expansion to India, China and Vietnam.

Ireka Land Sdn Bhd president and chief executive officer Lai Voon Hon said the group's overseas expansion strategy was to identify good local partners, especially those with the experience to mitigate any risks.

On the property market outlook, Lai said that there was no slowdown in niche markets and high-end properties as demand was still strong. "We don't see any oversupply of such properties in the near future," he added.

Ireka currently has an undeveloped land bank of 20 acres. Its projects are estimated to have a total gross development value (GDV) of RM1.5bil over the next three to five years.

Lai said by year-end, Ireka Land would launch a mixed development project combining boutique office suites and a "specialist's retail mall" with a total GDV of RM450mil. The office complex will have over 190 units and the retail mall will have a built-up area of 200,000 sq ft.