

Ireka to develop RM1.9b projects for next 5 years

Company at advanced planning stage for a boutique hotel and serviced residences project in Jalan Kia Peng

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IREKA Corp Bhd has stepped up its property development business with four projects worth about RM1.9 billion in gross development value, to be implemented over the next five years.

The company said it was at an advanced planning stage for a boutique hotel and 200-unit serviced residences project in Jalan Kia Peng, adjacent to the Kuala Lumpur (KL) Convention Centre.

It is a joint-venture project between Ireka and Aseana Properties Ltd with a stake ratio of 30% and 70% respectively.

"It is only natural for Ireka to return to direct investment in property development, now that we have fully implemented the investment strategy for Aseana Properties Ltd as its development manager," Ireka group managing director Lai Siew Wah said in a statement released after the company's annual general meeting in Kuala Lumpur yesterday.

Aseana is a London-listed property developer initiated by Ireka in 2007 to undertake property development activities in Malaysia and Vietnam.

Ireka said the residence component would serve the niche market for luxurious residential units with smaller built-

ups, 80% of which are 878 sq ft and 906 sq ft. The boutique hotel, designed to cater to business and leisure travellers, will be sold on a sale-and-leaseback basis and be managed by an international hotel operator.

The company said Ireka is diversifying into mid-market residential and commercial sectors, as well as modern industrial buildings, leveraging on its track record in the up-market real estate and hospitality segments.

The company said replenishment of its orderbook would remain the group's priority for the current financial year.

Ireka said its current construction orderbook stood at RM745 million, with some RM400 million remained outstanding. Ongoing construction projects include the build-

ing works package at the City International Hospital in Ho Chi Minh City, Vietnam, two office towers and a hotel block in KL Sentral as well as a high-rise serviced apartment and office project at Puteri Harbour in Nusajaya, Iskandar Johor, which Ireka secured in August 2012, it said.

For the financial year ended March 31, 2012, Ireka's revenue dropped 3% to RM429.89 million from the RM443.95 million recorded in the previous year due to lower volume of construction work completed locally and in Vietnam.

It posted a pretax profit of RM14.12 million compared to a loss of RM11.09 million in 2011 on the back of improved performance of the group's construction activities and positive results of its associate, Aseana.