

# Ireka banking on RM1b orderbook

By Hakim Hassan

**KUALA LUMPUR** — Ireka Corporation Bhd (Ireka) expects to be busy for the next 12 to 18 months as the company is set to complete its orderbook for internal and external projects valued at over RM1 billion.

Group managing director Lai Voon Hon said the company will be expanding its property business to contribute more revenue.

“Over the last year, the group has focused its activities on securing approvals from the relevant authorities for its mid-market developments in the Nilai and Kajang areas, and will be ready to launch them when the economic climate improves,” he told the press corps after Ireka’s annual general meeting in Kuala Lumpur yesterday.

Over same 12 to 18-month period, its construction subsidiary, Ireka Engineering & Construction Sdn Bhd, expects to commence a number of internal projects with a total construction value of RM700 million over the next year and a half.

Currently, construction constitutes around 90% of the company’s total revenue, while the remainder is from its property division.

In terms of construction, Ireka is focused on activities such as building works, road works, public utility works and public transportation, among others.

Lai said the company is looking at improving the numbers as Ireka targets to balance the percentage of both businesses at 50% each in the next few years.

He added despite the soft property market, the company confidently launched its first and only freehold, multi-functional industrial units — Asta Enterprise Park in Kajang.

Located in the established industrial area of Bukit Angkat and Jade Hills, the township development has already seen take-up of 45%.

“There is no doubt that not being able to launch any developments in the last year has been a small setback, but we are confident that our cautious approach of waiting for the market to stabilise before launching our upcoming projects will pay off,” Lai said.

The group registered a decrease in revenue for the first quarter ended June 30 at RM63.71 million, compared to the same quarter recorded last year at RM66.42 million.

However, it recognised pre-tax profit of RM28.06 million, a massive improvement from the RM3.87 million loss seen in the first quarter of last year.

This was mainly due to the share profit from Asean Properties Ltd (a 23.07% associate of Ireka) after the completion of the sale of the Aloft Kuala Lumpur Sentral hotel in June.