

# Ireka to focus on local property projects

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## Six developments under its belt, GDV of RM2.2b

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**KUALA LUMPUR:** Ireka Corp Bhd will focus on developing projects in the local property and construction market going forward.

“While Ireka will continue to look for overseas opportunities in the future, we’re not actively pursuing overseas projects at the moment as we are already very busy in Malaysia,” said CEO Lai Voon Hon at the company’s AGM yesterday.

Ireka currently has six projects in Malaysia, with a gross development value (GDV) of RM2.2 billion, that will be launched over the next two to three years.

Executive director Monica Lai said the company expects some contribution from its Malaysian property projects over the coming years. “We launched two projects this year — the superlink houses (Kasia Greens homes) in Nilai and the RuMa Hotel and Residences in Jalan Kia Peng in Kuala Lumpur.”

In August, Ireka’s engineering and construction unit, Ireka Engineering and Construction Sdn Bhd, received a contract worth RM298.24 million from KL Eco City

Sdn Bhd for the construction of two condominium blocks in Kampung Haji Abdullah Hukum in Bangsar, Kuala Lumpur.

Monica said the company has another three to four projects in the pipeline, which will be launched in phases next year. In the current financial year ending March 31, 2014 (FY14), Ireka has an order book of RM1.1 billion after completing the construction of several key projects, including the Harbour Mall and Four Points in Sandakan, Sabah.

“Our main task is to get ... back to good performance over the next year,” said Monica, adding that the company’s immediate concern is to

ensure its secured projects will be executed well in a timely manner.

For FY13 ended March 31, the group’s total revenue dropped 23.3% to RM329.9 million from RM429.9 million in FY12. Commenting on the dip in revenue, Monica said: “Most of the projects in our order book were secured in the latter part of the year. In fact, RM590 million was only secured over the last month or so.

“As would be expected, contribution to the current financial year will not be significant. However, we do expect the next financial year to have a big jump compared with this year’s turnover.”

Voon Hon said that going for-

ward, the company is quite confident it will perform much better with the construction contracts that have been secured.

Ireka’s sole overseas project, the City International Hospital in Ho Chi Minh City, Vietnam, was successfully completed in March and opened for business a week ago.

Ireka’s major shareholders, meanwhile, plan to privatise and delist the construction firm via a selective capital reduction and cash repayment exercise. “On the privatisation side in respect of the independent advisers report, it is still being reviewed by Securities Commission Malaysia. No timeline has been indicated yet,” said Monica.