

Ireka sees 'significant' revenue jump in FY15

> Group expects most profits to come from its property projects

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KUALA LUMPUR: Ireka Corp Bhd, which has hit a construction order book of RM1.1 billion, expects these projects to contribute to a "significant" jump in its revenue for the financial year ending March 31, 2015 (FY15).

Its executive director and CFO Monica Lai Voon Huey said most of the projects in the order book were secured in the second half of this year, with RM590 million of projects secured only last month.

"We expect a more significant jump (in revenue) in FY15," she told a press conference after the group's AGM here yesterday.

Its construction portfolio includes the MRT Elevated Viaduct Civil Works Package V7, Imperia Puteri Harbour serviced apartments and office in Johor, Solstice @ Pan'gaea mixed office and apartment development in Cyberjaya,

KL Eco City Vogue Suites project, the RuMa Hotel and Residences project in Kuala Lumpur and Kasia Greens homes in Nilai. These projects will be completed over the next three years.

Ireka posted a net loss of RM37.42 million in FY13 from RM11.1 million the year before, largely due to a share of loss of Aseana Properties Ltd and losses incurred by its construction segment. It saw lower revenue of RM329.9 million in FY13 compared with RM429.9 million in FY12.

"With the construction contracts that we've secured, we're confident that the company will do much better going forward," said its executive director Lai Voon Hon.

"Ireka will continue to look for both local and overseas opportunities but we're not actively pursuing overseas projects at the moment. In the near future, we will concentrate on the projects in Malaysia," he added.

Meanwhile, Ireka has six to eight property development projects in the pipeline with a total gross development value (GDV) of RM2.2 billion.

Voon Hon said these projects are

located in Kajang, Nilai and Kuala Lumpur and will be launched in the next one to two years.

"On the property front, we expect quite a lot of contribution over the next few years, but not immediately. In the immediate term, we have to make sure the projects that we've secured will be executed well and in a timely manner. Our main task is to get our financial performance back over the next one year," Voon Hon said.

Ireka has a landbank of 26.3ha that will be developed over the next few years that will contribute to the RM2.2 billion GDV.

"We're looking to expand our property development activities directly, not just under our associate company Aseana. Ireka is going forward to undertake a number of projects to be launched next year," added Voon Hon.

Ireka owns 23% of Aseana, a London-listed property developer initiated by Ireka in 2007 to undertake property development activities in Malaysia and Vietnam. Ireka's subsidiary Ireka Development management Sdn Bhd is the exclusive development manager.