

Ireka's construction segment to remain main earning contributor for next two years

KUALA LUMPUR: Ireka Corp Bhd's construction segment, which currently contributed 90 per cent of its earnings, will remain its main contributor for the next two years.

President/Chief Executive Officer, Lai Voon Hon, said the company's construction order book was healthy and stood at RM1.4 billion with RM760 million still outstanding.

He said the construction tender book over the last 12 months was valued about RM500 million to RM600 million worth of jobs.

"We are selective and targets more profitable projects with higher margins," Lai told reporters after the company's annual general meeting here today.

On property business, Lai said, the company would be cautious in choosing the right time to launch new projects as the segment faced challenges due to economic uncertainty.

However, Ireka would proceed with its link-house development projects in Nilai and multi-functional industrial office as well as warehouse development in Kajang amid good response, he said.

Moving forward, he said, earning contribution from property business would increase to 50:50 ratio against the construction sector by 2017, leveraging on its land bank gross development value worth RM2 billion.

On its property investment in Vietnam via 23 per cent stake in associated company, Aseana Properties Ltd (ASPL), Lai said,

the investment was doing well.

He hoped that Ireka would start realising its investment in ASPL during the current financial year ending March 31, 2016.

Meanwhile, he said, Aseana, the London listed company, was now going through divestment phase for the next three years.

Aseana had recently announced a disposal of 55 per cent stake in a joint-venture development of Waterside Estate in Ho Chi Minh City, and was expected to generate US\$9.3 million (US\$1=RM4.46).

— Bernama



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