

Ireka upbeat on Aseana's plans

KUALA LUMPUR: Ireka Corp Bhd is upbeat on the divestment plan of its 23%-owned associate company Aseana Properties Ltd in Vietnam due to the positive market conditions there now.

Aseana's investment objective is to provide shareholders with an attractive overall total return achieved primarily through capital appreciation by investing in property in Vietnam and Malaysia.

"As you know, Aseana is going through a divestment phase so we will be disposing off our landbank in Vietnam. The condition there has improved so it should be good now for us for divestment. The divestment plan is over the next three years. In fact, Aseana just announced a disposal," group deputy managing director Monica Lai told reporters at its AGM yesterday.

London-listed Aseana, has assets in Malaysia and Vietnam. In Vietnam, it has 38 ha of land, of which 25 ha is available for sale.

Group managing director Lai Voon Hon (*pix*) said there is a lot of demand for some of its land and assets in Vietnam now.

Last week, Aseana announced the sale of its 55% stake in Waterside Estate in Vietnam. The stake was sold to its joint venture (JV) partner Nam Long Corp for US\$9.3 million (RM41.5 million).

In Malaysia, Aseana has three operating assets namely Aloft Hotel in Kuala Lumpur and Four Points Sheraton and a shopping mall in Sandakan.

Voon Hon said Aloft Hotel is performing well and he does not see any difficulty in disposing it off over time as it is already generating interest.

"For Sandakan Four Points Sheraton and the shopping mall, we are still at the beginning of nurturing the two properties to stabilise.



There's no urgency to dispose of those two now," he said.

Monica said the divestment plan is for the next three years but if there are still assets under Aseana at the end of the third year, shareholders will vote on whether to extend the fund or not.

On the weakening ringgit, Voon Hon said its investment in

Aseana may have an impact as it is denominated in US dollars but most of its operations are in Malaysia.

"We also don't have any foreign currency borrowings so that's a blessing at the moment. The only impact is on Aseana, because 70% of the properties are based in Malaysia so when you translate that to US dollar, there will be an unrealised translation loss. It will affect our income statement for sure," said Monica. — by **Eva Yeong**