

# Ireka to build RM203m AEON shopping centre

**KUALA LUMPUR:** Ireka Corp Bhd will build a shopping centre and a car park on a 8.45ha site in Senawang, Negri Sembilan, for AEON Co (M) Bhd.

The companies had sealed a RM203.14 million construction agreement, they said in separate filings to Bursa Malaysia yesterday.

Ireka said its wholly-owned Ireka Engineering & Construction Sdn Bhd would first sign a sale and purchase agreement (SPA) with landowner Ong Poh Lan to buy 8.6ha in Senawang for RM21.87 million.

From this, 8.3ha will be allocated for the construction of the shopping centre.

Concurrent with the proposed acquisition, Ireka Engineering will enter into a separate SPA with AEON for the disposal of 8.3ha for RM53.66 million, after obtaining necessary approvals from relevant authorities to allow for the construction and operation of a shopping centre.

Based on the RM21.87 million land acquisition cost and expected development cost to fulfill Ireka Engineering's obligations under the AEON SPA, the expected gross profit from the proposed disposal is about RM6.8 million, Ireka said.

The company added that its earnings are expected to benefit positively from the execution of works under the construction agreement.

AEON, meanwhile, said the land acquisition is in line with its corporate strategy of accelerating the expansion of its retail business through opening of new shopping centres and outlets.

AEON closed 11 sen higher at RM3.24 with 1.33 million shares traded.

Ireka, which was traded at RM1.02 at the beginning of the year, closed at 60 sen on December 24 for a market capitalisation of RM102.5 million.

The stock was not traded yesterday.