

Ireka expects turnaround by March 2007



BIGGER CROWD: Ireka expects its Westin to experience higher occupancy rate.

■ **By PRESENNA NAMBIAR**

PROPERTY and construction group Ireka Corp Bhd says it will return to making profits by fiscal year ending March 31 2007 following favourable contributions from the company's hotel, property and offshore construction businesses.

The Westin Kuala Lumpur owner, Ireka, incurred a RM12.4 million net loss on a RM434.2 million revenue for fiscal year ended March 31 2005, the first in its the 12 years as a public-listed entity.

It attributed the poor financial performance to Westin hotel, which incurred a RM14.8 million depreciation loss, and the construction sector's slowdown that resulted in a lower contribution from the division.

Managing director Lai Siew Wah said depreciation cost is expected to be offset by the hotel's increased revenue in coming years.

The drop in contribution from its construction division is expected to be cushioned by the group's effort to have a more diversified front, he added.

"Even though our (overall) revenue has fallen, our business scope has widened. We are not

depending on construction alone. We had planned two to three years ago to turn to other sectors," he told reporters after the company's annual general meeting in Kuala Lumpur yesterday.

Ireka's construction projects are all in Malaysia with 50 per cent of the work coming internally from its property development.

Lai said the group is receiving a higher contribution from its property development division and the trend is expected to continue.

The Westin has for the last three months been recording more than 80 per cent occupancy rate. It is expected to register an average of 70 per cent occupancy rate by the end of the year.

Ireka recently signed a memorandum of understanding with Geo Fusion Sdn Bhd to be the main contractor in four projects in the province of West Java, Indonesia, worth RM750 million.

One of the jobs is to design and build a US\$125 million (US\$1 = RM3.77) Bogor Ring Road toll highway which is expected to come in next year.