

Ireka, Japanese firm to jointly develop Nilai project

KUALA LUMPUR: Ireka Corp Bhd has entered into a joint venture (JV) with Osaka-based Hankyu Hanshin Properties Corp to develop the Rimbun Kasia project in Nilai, Negeri Sembilan.

In a filing with Bursa Malaysia yesterday, Ireka said it has entered into an agreement with Hankyu to dispose of 2.31 million shares or an 8.03% stake in Meadowfield Sdn Bhd — a wholly-owned subsidiary of Ireka and owner of the land in Nilai — to Hankyu for RM6 million.

Hankyu will also subscribe to a first tranche of 9.61 million new shares in Meadowfield for RM25 million, which will give the Japanese firm a 25.06% stake in the post-subscription share capital of Meadowfield. Hankyu will then subscribe to a second tranche of 9.71 million new shares or a 20.2% stake in post-subscription share capital of Meadowfield, for RM25.25 million.

Upon completion of the share disposal and share subscriptions, Hankyu will own 45% of Meadowfield shares, while Ireka will hold the remaining 55%. Hankyu is a wholly-owned subsidiary of Tokyo-listed Hankyu Hanshin Holdings Inc.

These projects will have a combined gross development value of over RM400 million.

The share disposal is expected to increase net earnings of Ireka Group by RM3.22 million, representing a 1.72 sen per share increase for its financial year ending March 31, 2019 (FY19).

“The proposals are expected to contribute positively to the earnings of the group for FY19 and for subsequent years, once the development and sales of the Rimbun Kasia project commences in the current financial year,” said Ireka.

Barring unforeseen circumstances, the share disposal and share subscriptions are expected to be completed by end of April 2018, with the first and second subscriptions to be completed by end-April 2018 and end-April 2019 respectively.

Spanning 30.56 acres (12.37ha), the Rimbun Kasia development features five parcels of residential components and one parcel of commercial component.

In a separate statement, Ireka said as a start, the JV will focus on the development of Dwi@Rimbun Kasia project, consisting of 382 residential units (203 of them dual-key units) in a nine-storey block, and another parcel of land which will have 465 residential units in two blocks of 29 and 19 storeys developed on it.

“These projects will have a combined gross development value of over RM400 million,” it added.