

Ireka buys KL land for RM87m

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IREKA Corp Bhd's wholly-owned subsidiary World Trade Frontier Sdn Bhd is buying a 4,046 square metre-freehold land in Jalan Kia Peng, Kuala Lumpur for RM87.12 million from Selina Kuok Chiu Hoon, Kim Kuok Strickland and Farah Azman.

In a filing to Bursa Malaysia, Ireka said that the purchase consideration represents 4.3% from the market value of RM91 million.

Ireka is proposing to develop one tower of high-end residences on the property with an approximate net sellable area of 212,650 square feet.

The project is expected to generate a gross development value of RM272 million, with a gross profit margin of approximately RM58 million.

"As at to-date, the project is in its preliminary stages and has yet to commence and is still subject to planning and development approvals to be obtained by the company from the relevant authorities," it said.

Ireka expects the project to be completed within 18 months from the completion of the proposed acquisition.

"The property is a prime development land located in the vicinity of the Kuala Lumpur City Centre. In recent years, property development projects in the KL City vicinity have received strong interest from home owners as well as investors.

"With the property's strategic location, and reasonable value, the board believes that this is an excellent opportunity for Ireka to invest in a

property development project in a proven location," it said.

Based on the size and value of the property and due to the company's asset-light strategy, the company has decided to invite a partner to co-develop the property.

For this reason, Ireka entered into a memorandum of understanding with Aseana Properties Ltd (APL) to form a 70:30 joint venture for the ownership and development of the property.

"APL is a property development company listed on the main market of the London Stock Exchange. APL was established to take advantage of the upmarket segment of property development opportunities in Vietnam and Malaysia," it said.

Ireka added that the company and its substantial shareholders, via Legacy Essence Limited, have major shareholding interests in APL.



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