

Ireka secures RM27.6m Vietnam hospital deal

by JOHN GILBERT

IREKA Engineering and Construction Vietnam Company Ltd (IECVCL) a wholly-owned subsidiary of Ireka Corp Bhd, has secured a construction package to build a general hospital at the International Hi-Tech Healthcare Park (IHHP) in Binh Tan District, Ho Chi Minh City, in Vietnam.

A letter of award was received from Hoa Lam-Shangri-La Healthcare LLC, according to a press release by Ireka yesterday. The contract, valued at RM27.58 million, comprises the construction of a reinforced concrete structure and related ancillary works for the general hospital, said Ireka in a filing to Bursa Malaysia.

The general hospital is part of the 37.54ha (92.76 acres) IHHP project, which will consist of world-class private hospitals and mixed commercial, hospitality and residential developments.

"This is a significant milestone for the company as it marks Ireka's maiden construction foray into Vietnam," said the company's group managing director Lai Siew Wah in a

The company says the maiden construction foray into Vietnam marks a significant milestone

press statement.

"Ireka has built on its experience in infrastructure, building and civil engineering works, and is now ready to export its skills and know-how to Vietnam."

Lai said the company's property development management business, and its associated company, London-listed Aseana Properties Ltd, have been active in Vietnam over the past four years and it is a "natural progression" for its construction business to expand its presence there.

The contract will bring Ireka's current orderbook to about RM800 million.

"Additionally, the construction industry in Vietnam is growing in tandem with the economic development of the country. As such, we believe that the demand for contractors with expertise in the infrastructure, commercial and residential segments will continue

to rise," Lai added.

The structural works for the IHHP general hospital is expected to be completed by Sept 30, 2011, and the contract will bring Ireka's current orderbook to about RM800 million, of which approximately RM430 million remains outstanding. Currently, the company is undertaking the construction of SENI Mont' Kiara, a high-end condominium project, an integrated hotel cum office towers project at KL Sentral and the Kulai-Second Link Expressway Interchange.

The company is also involved in the construction of Phases Three and Four of Sandakan Harbour Square in Sabah, comprising a modern lifestyle mall and an international-class "Four Points by Sheraton" hotel.

"In any growing emerging market, opportunities will inevitably come with risks. Hence, we will be prudent and selective in the size and type of projects that we will pursue.

"We will look for suitably-sized projects in both building and civil engineering works, matching it with our areas of expertise and resources," Lai said.