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Ireka, Aseana in Viet projects

**By SABRY TAHIR**

KUALA LUMPUR: Ireka Corp Bhd and Aseana Properties Ltd (ASPL) are expected to kick off three property projects with a gross development value of US\$210mil in Vietnam by year-end.

Ireka executive director Lai Voon Hon said ASPL and Ireka – via wholly-owned unit Ireka Development Management Sdn Bhd (IDMSB) – were finalising the plan, which included office buildings and a hotel.

IDMSB, which is currently ASPL's development manager, is involved in, among other things, implementing real estate strategy for the latter.

ASPL, a London Stock Exchange-listed developer, focuses on properties in Malaysia and Vietnam.

“We expect the Vietnam projects to impact our bottomline in the financial year ending March 31, 2009,” Lai said after the EGM yesterday.

Ireka shareholders endorsed the group's disposal of 100% and 60% stakes in property units Ireka Land Sdn Bhd and ICSD Venture Sdn Bhd respectively to ASPL for RM215mil, comprising RM50mil cash and ASPL shares.

Of the total cash proceeds, RM10mil will be set aside for future dividends, RM30mil to cut debts and RM10mil for working capital.

Upon completion of the exercise next week, Ireka will own 20% stake in ASPL, whose market capitalisation stood at some US\$275mil as on Monday.

The group's net asset per share will increase to RM2.74 from RM1.33 and gearing will improve to 0.18 time from 1.58 times.

Lai said annual dividends from ASPL and IDMSB fees would provide the same level of earnings as that generated by Ireka's property division previously.

For the next financial year, Ireka expects equal contribution from property investment and construction.

Managing director Lai Siew Wah said with lower gearing, the group had a stronger footing to undertake major construction jobs abroad.

“We are eyeing overseas projects, especially in Vietnam. With a bigger borrowing capacity, it is timely for us to start looking abroad,” he said.

Lai said Ireka now had an order book valued at RM750mil for the next five years. It is bidding for two Ninth Malaysia Plan projects worth RM400mil.

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