

The Malaysian Reserve

PPI 1274/12/2010(026106)

Peninsula RM1.90 • Sabah & Sarawak RM2.20

MONDAY, JUNE 28, 2010

Ireka aims to boost order book by RM120m

New jobs are expected to come from local construction works as the contractor bids for RM1.2b projects

by JASON NG

IREKA Corp Bhd, a contractor and property developer, is looking to boost its order book by at least RM120 million this fiscal year mainly from construction work in Malaysia.

The group's order book presently stands at RM1.05 billion at end-March 2010. Of these, more than RM400 million remains outstanding which comprised work on condominiums, commercial properties, hotels and shopping malls, according to Ireka executive director Lai Voon Hon.

"We have submitted bids totalling RM1.2 billion for various

SEE P4 COL1

Ongoing projects to be finished in fiscal 2011

FROM P1 Ireka

works including some big ticket items. Our past success rate is at least 10%," he told *The Malaysian Reserve* in a phone interview recently.

Ireka's net profit increased 43.9% to RM8.66 million, or 761 sen per share, for the financial year (FY) ended March 31, 2010, while revenue grew 21.43% to RM393.08 million from a year ago mainly due to higher volume of completed construction works.

Most of its ongoing projects are slated for completion in fiscal 2011, but the start of the construction for a RM272 million high-end condominium at the Kuala Lumpur City Centre precinct in mid-2011 will anchor construction earnings in FY12, according to a research report by Standard & Poors (S&P).

The 10th Malaysia Plan (10MP) should boost the Malaysian property market this year and will benefit Ireka with a rebound in sentiments, Lai said.

The government launched the 10MP with an allocation of RM230 billion to boost growth, attract private investment while reducing budget deficit.

"While Ireka is not a major beneficiary of government projects, we believe that the worst is over and the recovery in the sentiment in property market will help to sustain a flow of new building contracts," S&P's Wan Kum Seng said in the research report.

Shares of Ireka closed at 73 sen on Friday. S&P has upgraded Ireka's stock to "buy" with an unchanged target price of 88 sen.