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Property Portfolio Listing To Boost Ireka's Financial Position

KUALA LUMPUR, April 4 (Bernama) -- Ireka Corporation Bhd's listing of its property development portfolio in the main market of the London Stock Exchange (LSE) will help reduce its borrowings and strengthen its financial position, group managing director Lai Siew Wah said today.

Ireka is disposing its entire shareholdings in Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd to Aseana Properties Ltd (APL).

APL is a property development fund due to be listed on the main board of the LSE with a targeted market capitalisation of US\$250 million at 4pm Malaysian time tomorrow.

"These proposed disposals and the listing exercise enable the Ireka group to unlock the value of its property portfolio at market value in the form of cash and APL shares," Lai said in a statement here.

"This allows Ireka to streamline its financial position and focus on its long-standing expertise in the construction and property sector," he said.

According to Lai, the group's financial position will be enhanced.

"This will enable us to tap into the vast opportunities present in Malaysia's construction sector that is buoyed by the Ninth Malaysia Plan," he said.

Upon completion of the listing exercise, Ireka will be a major shareholder in APL, participating in the future earnings of APL by retaining a 20 percent stake in the company.

Ireka will also be the sole manager of APL, thus enabling it to earn recurring income from the services provided.

APL aims to provide shareholders with an attractive overall total return achieved mainly through capital appreciation by investing in Malaysia and Vietnam, being two of the fastest growing economies in Asia.

Properties under Ireka Land Sdn Bhd which are to be included in APL's portfolio include One Mont Kiara by i-Zen, Tiffani by i-Zen and i-Zen @ Kiara 1.

One Mont Kiara is a mixed-development project comprising a retail mall and two office tower while Tiffani by i-Zen comprises three blocks of luxury condominiums and i-Zen @ Kiara 1 is a 35-storey luxury serviced residence.

All three developments are designed to reflect the epitome of modern living and are located in the heart of Mont Kiara here, Ireka said.

The Sandakan Harbour Square project by ICSD Ventures will also be included in APL. This is a mixed-development project consisting of a central market, retail mall, hotel and shop offices located in the coastal city north of Sabah.

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