

# Ireka signs demerger agreement with Aseana Properties

Areeshya Thevamanohar  
theedgemarkets.com  
July 16, 2020 12:50 pm +08



KUALA LUMPUR (July 16): Ireka Corp Bhd has signed definitive agreements with London Stock Exchange-listed Aseana Properties Ltd to undertake a demerger exercise which involves separating the interests of Ireka Group from Aseana, where the former held a 23% stake in Aseana.

In a statement today, Ireka said the demerger sees a complete separation of interests between the two companies.

The agreement sees Aseana buying back Ireka's shares in Aseana and agreeing to the distribution of certain assets owned by Aseana to Ireka.

For Ireka, the eventual distribution of the assets will comprise stakes in the RuMa Hotel and Residences in the heart of Kuala Lumpur, a parcel of the land owned by Aseana in Kota Kinabalu, Sabah and certain residual assets from past developments.

This demerger from Aseana is part of Ireka's corporate strategy of concentrating its management effort on its four core businesses — construction, real estate development, IT and urban transportation.

Ireka group managing director Datuk Lai Voon Hon said the demerger exercise is an important step forward to do what is right for their respective shareholders and organisations.

"In the 13 years that we have worked together, I am proud of what Aseana and Ireka have achieved and created together, including developing a first-class City International hospital in Vietnam, the award winning Aloft Kuala Lumpur Sentral, Nu Sentral 1 and 2, 1MK Mall, Wisma Mont' Kiara and Menara 1MK, Harbour Mall Sandakan and Four Points Sheraton Sandakan, among others," said Lai.

At 12.07pm, Ireka rose 1.33% or 0.5 sen to 38 sen, valuing it at RM70.95 million.