

# PRESS RELEASE



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## IREKA SECURES OFFICE TOWERS JOB AT KL SENTRAL FOR RM233m

**Ireka's Half Year Revenue Up 20% at RM209m**

**Kuala Lumpur, 26 November 2010:** Main Market-listed construction and property developer, Ireka Corporation Berhad (Irekaø) today announced the receipt of a Letter of Intent (LOI) from Transmission Technology Sdn Bhd, to construct the 27-storey and 37-storey office towers at KL Sentral (Lot G), with a contract value of RM232.75 million.

Group Managing Director of Ireka Corporation Berhad, Lai Siew Wah, said, õWe are pleased to have secured another project this year. We will continue to actively bid for construction contracts and are hopeful of securing some of the RM1.0 billion jobs that we have tendered for over the last 6 months.

Lai added, õWith the recent roll-out of the Economic Transformation Programme, we are confident of opportunities for Ireka and the prospects for the construction and property development industries in the country.ö

Ireka had recently completed the construction of the 1 Montø Kiara development, and is currently undertaking the construction of a high-end condominium project, SENI Montø Kiara, as well as 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. With the addition of the construction works for the office towers at KL Sentral, the Group's order book now stands at RM1.06 billion, of which approximately RM460 million remain outstanding.

Today, Ireka had also announced its half-year results, reporting revenues of RM209.74 million for the 6-month period ended 30 September 2010 (*H1 FY2011*). This represents a 20% increase from RM174.61 million recorded in the corresponding period in FY2010. The increase is mainly contributed by higher volume of construction works completed during the period.

During the period under review, Ireka recorded a post-tax loss of RM3.12 million compared to a net profit of RM5.60 million in the previous corresponding period. The loss is after accounting for the share of loss in Aseana Properties Limited (*an associated company in which Ireka holds a 23% stake*) of RM7.50 million and a mark-to-market loss for its share investment in Kinh Bac City Development Shareholding Corporation of about RM1.99 million.

On the property development front, plans are underway for the launch of a high-end residential project on Jalan Kia Peng (within the Kuala Lumpur City Centre), in the second half of 2011. This project is expected to contribute positively to the earnings of Ireka, directly through its 30% stake in the project. (*The remaining 70% stake is held by Aseana Properties Limited.*)

At the Company's Annual General Meeting held recently on 23 September 2010, shareholders had approved a first and final single-tier dividend of 5% for FY2010. The dividend payout of approximately RM5.70 million, equivalent to 66% of the Group's net profit for FY2010, will be paid on 15 December 2010. The dividend entitlement date is fixed at 25 November 2010.

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## About Ireka Corporation Berhad

**Ireka Corporation Berhad** (Ireka) [www.ireka.com.my](http://www.ireka.com.my) was founded in 1967. Ireka was listed on the Second Board of Bursa Malaysia on 12 July 1993, and transferred to the Main Board (*now known as Main Market*) on 13 June 2002. Currently, the Group's activities are divided into four core businesses; namely **Construction, Property Development, Hospitality & Leisure, and E-Commerce & IT**.

*Note: The diagram below indicates key entities only.*



In its over four decades of operation in the **Construction** business, Ireka has distinguished itself by its involvement in the construction of some of the country's most notable projects; such as the Kuala Lumpur International Airport runway, Kuala Lumpur Middle-Ring Road II, North-South Expressway, Putrajaya Government Administrative Offices, Digi Corporate Office (DøHouse), Technology Park Malaysia and The Westin Kuala Lumpur.

In the **Property Development** business, Ireka began acquiring landbank in Montø Kiara since 1990s, which enabled the Group to undertake property development activities throughout 1990s and 2000s. Ireka had successfully initiated the listing of a property company, Aseana Properties Limited (Aseana) [www.aseanaproperties.com](http://www.aseanaproperties.com), on the London Stock Exchange on 5 April 2007, and injected its two property subsidiaries into Aseana. Ireka currently holds a 23% stake in Aseana. This move has allowed Ireka to undertake property development activities in Malaysia and Vietnam through its wholly-owned subsidiary, Ireka Development Management Sdn Bhd (IDM), which is the exclusive Development Manager for Aseana. Current property development projects managed by IDM include Tiffani by i-ZEN, ONE Montø Kiara, SENI Montø Kiara, Sandakan Harbour Square (Phase 3 & 4) as well as several developments in Vietnam. Some of the completed projects undertaken by Ireka previously include i-ZEN@Villa Aseana, i-ZEN@Kiara II, i-ZEN@Kiara I, Luyang Perdana (Kota Kinabalu) and Sandakan Harbour Square (Phase 1 & 2).

Building on its much-celebrated **i-ZEN** ([www.i-zen.com.my](http://www.i-zen.com.my)) brand of luxury properties in Malaysia, the Group's property development activities are also strongly supported by its property management arm, through i-ZEN Hospitality Sdn Bhd, which manages completed properties. i-ZEN Property Services Sdn Bhd undertakes sales and marketing as well as leasing services for completed i-ZEN properties.

Within the Group's **Hospitality & Leisure** business, it has previously developed, owned and managed The Westin Kuala Lumpur, an international 5-star award-winning hotel. The Westin Kuala Lumpur was opened in September 2003 and has won many highly coveted awards such as FIABCI Malaysia Property Awards 2005 (*Hotel Development category*), Prix d'Excellence Award 2006 (*Best Hotel & Resort category*) and Hospitality Asia Platinum Awards 2005 & 2006 (*The Award for Excellence – Best New Hotel*). Through The Westin Kuala Lumpur, Ireka has built on its expertise to manage serviced residences in the highest level of standards. The 443-room Westin Kuala Lumpur was sold in early 2007 for a record price of about RM1 million per room.

Ireka's **Information Technology** arm, i-Tech Network Solutions Sdn Bhd (i-Tech) [www.itns.com.my](http://www.itns.com.my), focuses on the provision of IT networking solutions, that enables business operations to be conducted in an efficient and optimum manner. Established since 2003, i-Tech has grown immensely throughout the years and formed strong alliances and partnerships with worldwide-recognised Software and Hardware principals. In recognition of these strategic partnerships, i-Tech has been conferred with numerous "Preferred Partner Award" status. With the support of its vast range of quality products and customer-centric services, i-Tech has also embarked into professional consultancy as the key business driver, providing network and security solutions that are customised to each customer's unique business requirements.