

# PRESS RELEASE



## **Ireka Corporation Berhad**

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# **IREKA'S FY2011 REVENUE INCREASED 13% TO RM444.5m**

**Kuala Lumpur, 31 May 2011:** Main Market-listed Ireka Corporation Berhad ('Ireka') achieved revenue of RM444.5 million for the full financial year ended 31 March 2011 (*FY2011*). This represents an increase of 13.1% from RM393.1 million revenue recorded in the preceding financial year. The higher revenue was mainly contributed by a higher volume of construction works completed during the period under review.

For the financial year ended 31 March 2011, the Group recorded an operation loss of RM0.638 million, before accounting for the share of loss in Aseana Properties Limited ("Aseana") (a 23.02% associate of Ireka) of RM7.697 million and a mark-to-market loss for share investment in Kinh Bac City Development Shareholding Corporation ("KBC") of RM2.698 million.

*Note: Aseana has announced to the London Stock Exchange that its results for financial year 2010 were mainly due to losses incurred on the disposal of its 1 Mont' Kiara retail mall and office tower and marketing expenses.*

After including the abovementioned items, the pre-tax loss stood at RM11.033 million. The current year's results were also affected by lower construction margins due to higher costs associated with delays in the completion of a significant construction project. The project has a tight construction schedule and was hampered by labour shortages, adverse weather conditions and a couple of incidents on site.

In the fourth quarter of financial year ended 31 March 2011, Ireka has recorded a 30% increase in revenue of RM135.7 million, compared with RM104.6 million in the preceding quarter; while net loss stood at RM937,000 due to the increase mark-to-market loss on KBC shares.

Group Managing Director of Ireka Corporation Berhad, Lai Siew Wah, said, ***“On the construction front, Ireka expects turnover to be maintained in the current financial year, basing on existing works on hand. We have intensified our efforts to replenish our order book in both civil and building projects. On the property development front, subject to planning and development approvals, Ireka and Aseana will be launching the Jalan Kia Peng development towards the end of this year.”***

As at end April 2011, the Group's order book stood at about RM1.14 billion, of which approximately RM470 million remained outstanding. Over the last 12 months, the Group has tendered for jobs totalling over RM1 billion and has successfully secured three projects with total contract sum of about RM400 million.

Ireka is currently undertaking the construction of SENI Mont' Kiara luxury condominium, a retail mall and Four Points by Sheraton in Sandakan, the Kulai-Second Link Expressway Interchange in Iskandar Malaysia, two office towers and an international business-class hotel at KL Sentral. Ireka's presence in Vietnam has gained greater momentum this year with its Vietnam-based Infrastructure subsidiary securing a structural works contract for a general hospital at the International Hi-Tech Healthcare Park in Binh Tan District, Ho Chi Minh City, Vietnam.

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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 three core businesses; namely **Infrastructure**, **Real Estate**, and **Technologies**.

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



In its over four decades of operation in the **Infrastructure** 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 (D'House), Technology Park Malaysia and The Westin Kuala Lumpur.

In the **Real Estate** business, Ireka began acquiring landbank in Mont' 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 Mont' Kiara, SENI Mont' 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.

Ireka 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 **Technologies** arm, i-Tech Network Solutions Sdn Bhd (i-Tech) [www.itns.com.my](http://www.itns.com.my), focuses on the provision of IT consultancy, hardware support, system integration and networking services, 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 with international IT principles such as IBM, Juniper and APC. With the support of its vast range of quality products and customer-centric services, i-Tech has now expanded to the provision of customised IT infrastructure solutions and co-location services.