

## IGB-Aspire Horizon acquires land

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IGB Corporation Bhd's wholly-owned subsidiary IGB International Ventures Sdn Bhd and Aspire Horizon Ltd have inked a joint-venture (JV) agreement for the establishment of a JV through an equity participation of 58:42 basis in Wilmer Link Ltd (JVC).

In a filing to Bursa Malaysia, IGB Corp said the JVC will serve as the equity pursuant to which the shareholders explore the setting up of a special purpose corporate entity in Indonesia (SPV).

The SPV is to be solely owned by or jointly with the JVC for the purpose of acquiring the title and or interest in a parcel of land in Jakarta Barat, Indonesia for US\$30.8 million and undertaking the business of owning, developing, managing and/or operating the land and/or such ancillary activities related to thereto or other activities.

"The land property has potential for development by virtue of its location and the JV is expected to contribute positively to the earnings of IGB Group in future," it said.

The JVC, presently a wholly-owned subsidiary of Aspire, will have an initial authorised capital of US\$50,000 with issued and paid-up share capital of US\$1,000 comprising 1,000 ordinary shares of US\$1 each.

"IGB International Ventures would subscribe for 58 per cent of the initial issued and paid-up share capital while Aspire would increase its shareholding to and subscribe for the balance of 42 per cent," it said.

Upon the execution of the agreement, the company said IGB International Ventures will contribute an advance of not more than US\$5 million to the JVC (IGB Advances) to be utilised by the SPV to partly satisfy the estimated purchase amount for the land.

IGB Corp said IGB International Ventures would finance its 58 per cent equity stake of US\$580 in the JVC and US\$5 million IGB Advances to the JVC in cash.

"If the SPV business is successful, IGB intends to finance its portion of the investment in the SPV through internally generated funds and/or borrowings," it added.

Meanwhile, IGB Corp's wholly-owned subsidiary Rapid Alpha Sdn Bhd (RASB) had acquired four contiguous pieces of vacant land in Ipoh from Chin Pek Soo for RM3.295 million or RM31.86 per sq m.

"The land acquisition is in line with IGB Group's direction and strategy to expand its Cititel hotel brand to further contribute to the group's recurring income base," IGB Corp added.

RASB, upon the sales and purchase agreement, will be proceeding for the development, construction and building of hotel at its own costs and expenses.

It said the funding for the development of RM32.2 million, including land costs, would be by way of a combination of internal funds and/or bank borrowings. -- Bernama

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