

Plans for IGB Commercial REIT to be completed by Q4

PETALING JAYA: IGB Bhd's proposed establishment and listing of IGB Commercial REIT is expected to be completed by the fourth quarter of 2020.

The proposal is already gaining traction, with the proposed disposal of a slew properties of properties in Kuala Lumpur for RM3.16bil.

In its filings, IGB said the proposed disposal of properties to IGB Commercial REIT would be satisfied via the proposed issuance of 2.31 billion undivided interest in IGB Commercial REIT and the balance via cash.

"The proposed offering of up to approximately 1.23 billion units via an initial public offering pursuant to the proposed listing, comprising a proposed restricted offering of up to approximately 945 million units to the shareholders of IGB, whose names appear in

the record of depositors as at the close of business on an entitlement date to be determined and announced later by the board and a proposed offering of at least 282 million units to institutional investors and selected investors," it said.

The properties that would be sold to IGB Commercial REIT would be Menara IGB & IGB Annexe; Centrepont South; Centrepont North; Boulevard Properties; Gardens South Tower; Gardens North Tower; Southpoint Properties; Menara Tan & Tan; Gtower; and Hampshire Place Office.

"The purpose of the proposed listing is to enhance liquidity as compared to the illiquid nature of the underlying subject properties, to gain access to capital markets in order to raise funds for future commercial real estate acquisitions as well as to provide investors an

opportunity to invest directly in a REIT which provides stable distribution of income and potential capital appreciation on investment in the units," IGB said.

Following the proposed disposals, IGB would undertake the proposed offering in conjunction with the proposed REIT establishment and listing, comprising the proposed restricted offering of up to approximately 945 million units by IGB, comprising a proposed restricted offer for sale of up to approximately 378 million units and proposed distribution-in-specie of up to approximately 567 million units to entitled shareholders; as well as a proposed offering of at least 282 million units.

IGB said the proposed disposal and corporate exercise is expected proceeds of up to RM1.2bil.

"In line with the IGB group's initiatives, the proposed disposals are undertaken in conjunction with the Proposed REIT establishment and listing to enable the IGB Group to monetise its investments in the subject properties," the group said.

"The proceeds raised from the proposed disposals would equip the IGB Group with necessary funds to capitalise on the strategic business opportunities as and when it arises, which in turn may strengthen the IGB Group's financial performance thereby maximising shareholders' return," it added.

IGB REIT Management Sdn Bhd, an indirect wholly-owned subsidiary of IGB, is the proposed management company for IGB Commercial REIT, while MTrustee Bhd is the proposed trustee for IGB Commercial REIT.