

## IGB Commercial REIT to have market cap of RM2.3b on listing

## **CORPORATE NEWS**

Thursday, 10 Jun 2021 11:14 AM MYT



KUALA LUMPUR: IGB Commercial REIT is expected to have a market capitalisation of RM2.30bil upon listing on the Market of Bursa Malaysia Securities Bhd.

It had on Thursday launched its prospectus where it will be sixth largest Malaysian REIT and the largest standalone office REIT by market capitalisation, net lettable area (NLA) and appraised value.

It had on Thursday launched its prospectus where it will be sixth largest Malaysian REIT and the largest standalone office REIT by market capitalisation, net lettable area (NLA) and appraised value.

IGB Commercial REIT said the market capitalisation of RM2.30bil is based on the restricted offer for sale (ROFS) price of RM1 per ROFS unit. It is also expected to have a free float of at least RM607.80mil based on the ROFS price.

The investment objective of IGB Commercial REIT is to provide unitholders with regular and stable distributions, sustainable long-term unit price, and distributable income and capital growth, while maintaining an appropriate capital structure.

The offering scheme of IGB Commercial REIT involves:

- 1) Restricted offering of up to 945, 000, 132 units in IGB Commercial REIT comprising:
- i) Restricted offer for sale of up to 378 million units (ROFS units) on a nonrenounceable and non-tradable basis to entitled shareholders of IGB Bhd on the basis of 2 ROFS units for every five ordinary shares in IGB Bhd held on June 4, 2021 at the price of RM1 per ROFS unit.
- ii) Distribution-in-specie of up to 567 million units (DIS units) to be distributed only to entitled shareholders who have subscribed for their entitlements to the ROFS units on the basis of three DIS units for every two ROFS units subscribed.
- 2. Institutional offering of at least 282 million units by certain shareholders of IGB Bhd and an offer for sale of all unsubscribed ROFS units with the corresponding DIS units, to institutional investors and selected investors at the institutional price being the price per offer unit to be paid by the investors which will be determined by way of bookbuilding.

"We believe that the large size and corresponding free-float can enhance the visibility of IGB Commercial REIT amongst the localand international investment community, "said Wong Khim Chon, the deputy chief executive Officer of IGB REIT Management Sdn Bhd, the management company of IGB Commercial REIT.

Elaborating on the objective, IGB REIT Management Sdn Bhd intends to achieve the objective through a proactive asset management and asset enhancement strategy and potential yield accretive investments and acquisition growth strategy and prudent capital and risk management strategy.

It also said the sponsor (IGB Bhd) and manager have extensive experience in real estate asset management and proven track records in managing and growing listed property funds, i.e. IGB REIT.

REIT, immediately following the completion of the offering, making it the largest unitholder.

The sponsor will hold substantial ownership of at least 50% of IGB Commercial

"We believe that IGB Commercial REIT will be able to leverage on IGB Bhd's track record in developing and operating commercial properties in addition to its financial strength, market reach and network of contacts to further IGB Commercial REIT's growth," said Wong.

Accordingly, the interest of the sponsor will then be aligned with other unit holders.

IGB Bhd and its group of companies have over 40 years of property development experience. Listed on Bursa Securities since May 8, 2002, IGB Bhd has a market capitalisation of about RM2.54bil as at April 20, I 2021.

In its FYE 2020, the IGB Group generated revenue of about RM1.01bil with a total asset base of RM8.58bil.

TAGS / KEYWORDS:

IGB Commercial REIT, Wong Khim Chon, IGB Bhd

TOPIC:



Subscriptions The Star Digital Access SMS Services Newsstand

Advertising Our Rate Card Classifieds

Company Info About Us Job Opportunities Investor Relations Help Contact Us **FAQs** 

**Policies** Privacy Statement Terms & Conditions













Subscribe to our FREE newsletter!

Enter Your Email Address Here

Subscribe