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Proposal to sell Mid Valley, Gardens malls

PETALING JAYA: [KrisAssets Holdings Bhd](#) has proposed to sell Mid Valley Megamall, the Gardens Mall and their related assets to its parent [IGB Corp Bhd](#) for RM4.6bil.

It said in a filing with the stock exchange that the disposal would be satisfied via cash and the issuance of 3.4 billion units in IGB REIT, the retail real estate investment trust that the latter plans to list on the Main Market of [Bursa Malaysia](#).

It also proposed an offer for sale of 670 million consideration units by [Mid Valley City Gardens Sdn Bhd](#) via the initial public offering (IPO) of IGB REIT. The company added that it wanted to distribute 2.73 billion consideration units, as well as the remaining cash proceeds from the sale of the two properties and the IPO to its entitled shareholders at a date to be determined and announced later.

In addition, it has proposed amendments to the memorandum and articles of association of KrisAssets to alter the par value of its ordinary shares from RM1 to two sen to facilitate the proposed capital reduction and repayment.

It was earlier reported that IGB Corp, the country's third largest property developer by market value, planned to raise some RM700mil through the REIT, which may be listed in the second half.

IGB has appointed [CIMB Investment Bank Bhd](#), [Credit Suisse Group AG](#) and [Hong Leong Investment Bank Bhd](#) as joint global coordinators for the initial public offering.

KrisAssets has established a new subsidiary, [IGB REIT Management Sdn Bhd](#), to act as the proposed management company for the REIT. Following the completion of the proposed disposal of its two malls, KrisAssets will be a company without any business or operations.

The board has no intention of maintaining KrisAssets' listing status.

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