

# IGB Corp in JV to acquire London property with RM622m deal

by **TANU PANDEY**

**BLACK** Pearl Ltd, a 50:50 joint venture (JV) between IGB Corp Bhd unit, Verokey Sdn Bhd and Tower Ray Ltd, has announced a RM622.3 million acquisition of Blackfriars Ltd, a company that owns properties in London.

Black Pearl is targeting to undertake property investment in the UK. It will acquire Blackfriars from Panthermane Ltd and Ostingale Ltd.

The acquisition cost apart from the nominal £1 (RM5.44) for the acquisition includes settlement of £65 million (RM353.54 million) in outstanding sum owed to the National Asset Management

Agency to release its security over the property.

The acquirer will also assume loans worth £49.26 million from Panthermane to Blackfriars, IGB's exchange filing last Friday said.

"No valuation was carried out on the property. The purchase consideration for the Blackfriars acquisition was arrived at on an arms' length basis after taking into consideration the strategic location of the property, the market value of the properties in the surrounding vicinity, and the development potential of the property," IGB said.

With regard to the funding of the investment, Verokey will finance its 50% invest-

ment of the Blackfriars acquisition by advancing up to £57.13 million to Black Pearl as part payment via an offshore bank borrowing secured by first/third party assignment and charge over the ringgit fixed deposit account for the equivalent amount of £57.13 million by IGB.

While explaining the rationale for the acquisition, IGB said the property is located in a strategic and central location in the south-west of London, with good public transport links with Southwark London Underground station (Jubilee Line) approximately 400m to the south and Blackfriars station. It provides both main line and London Underground

(District and Circle Lines) services approximately the same distance to the north. In addition, numerous London bus routes operate along Blackfriars Road.

The company also has an intention to submit and obtain amendments to the current planning permission for the property and as such, no estimated gross development value and total development revenue for the property may be ascertained at this juncture.

"It is intended that Black Pearl will fund the development cost of the property by bank borrowings from financial institutions in the UK," it said.