

# IGB scaling up hotel portfolio

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**KUALA LUMPUR:** IGB Corp Bhd will invest up to RM2 billion to acquire or construct hotels in Europe, Africa and Asia.

Group managing director Datuk Seri Robert C.M. Tan said IGB will inject RM500 million for this purpose.

"With the capital injection, we can acquire up to RM2 billion worth of properties as we can borrow from banks. We will build from scratch or take over existing hotels. Buying would be faster as we get immediate revenues. But in Europe, I'd rather build."

Tan said the company may also consider acquiring troubled hotels in the Middle East.

IGB is scaling up its hotel portfolio, which currently contributes 20

per cent to its revenue and profit.

The group operates around 6,500 hotel rooms. It will add more than 1,500 rooms when it opens Cititel Express and Wembley-St Giles Premier Hotel in Penang, Cititel Express Ipoh and St Giles Hotel in Sydney within six to 24 months.

Tan is not ruling out the possibility of launching a hotel and commercial real estate investment trust (REIT) in the future.

"We have sufficient properties to launch a hotel or commercial REIT but the environment is not suitable now because of the United States tapering and high interest rates.

"REIT is not the end-game as we have recurring income and assets to raise bonds. It is cheaper to also borrow from banks to expand," he said after the company's shareholders meeting, here, yesterday.