

IGB JV to develop Thai land

It is planning maiden job near Chatuchak market in Bangkok

PETALING JAYA: IGB Corp Bhd has entered into a joint venture (JV) to develop its maiden project in Thailand with several local partners.

It said in a filing with Bursa Malaysia yesterday that Majestic Path Sdn Bhd, a wholly-owned subsidiary of Pacific Land Sdn Bhd, which is in turn a wholly-owned unit of IGB, had inked a share sale and purchase agreement with Immortal Group Co Ltd to buy 49% of real estate firm Crystal Property Asia Company Ltd for RM65.6mil.

Majestic Path also signed a shareholders agreement with Immortal Group and Thai national Theekharoj Piamphongsarn to develop 19 plots of freehold land under a 49:51 JV between IGB and the Thai landowners.

IGB said it was planning a mixed-use project on the site in the Bangsue district of Bangkok, Thailand.

Bangsue is located less than 10km from the famous Chatuchak weekend market, a tourist landmark and the largest market in Thailand.

Crystal Property is the registered and beneficial owner of 13 plots of the land, which were purchased for RM78.01mil with the intention of a

further acquisition of six plots of the land at an estimated price of RM18.38mil.

No valuation was carried out on the land. The consideration was based on the prevailing market value and the development potential of the land, according to IGB.

"The land has potential for a mixed development by virtue of its location," the group pointed out.

The proposed JV, to be completed in the third quarter of 2014, is not expected to have any material impact on IGB's net assets and earnings for the current financial year ending Dec 31, 2014, and do not require shareholder approval.

In a separate filing, IGB posted a 9.05% increase in net profit to RM66.56mil for the second quarter ended June 30 from RM61.03mil a year ago, as its property development revenue more than doubled for the year.

Group revenue rose 16.39% to RM293.05mil against RM251.79mil previously, boosted by improvements across all its segments, while earnings per share stood at 4.95 sen versus 4.33 sen.