

# IGB shares hit record-high for second day

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**PETALING JAYA:** Shares of IGB Bhd, the developer of Mid Valley Megamall, touched a new all-time-high for the second consecutive day following the plan to dispose of its joint-venture (JV) firm in the United Kingdom.

The stock, which emerged as the biggest gainer on Bursa Malaysia yesterday, rose by 15.29% or 52 sen to RM3.92. About 485,900 shares changed hands.

Earlier on Dec 3, the share price also hit a record-high of RM3.40.

IGB announced on Dec 3 that its 50:50 JV company, Black Pearl Ltd, which owns a plot of freehold London land, will be sold for £235mil or RM1.27bil.

Verokey Sdn Bhd, a wholly-owned subsidiary of IGB Corp Bhd, which in turn is wholly-owned by IGB, together with its partner Tower Ray Ltd, have signed a non-binding heads of terms to sell the entire stake in Black Pearl.

A sale and purchase agreement for the deal will be signed on a later date.

The IGB counter has been rallying for the past two weeks, up by 45.2% since Nov 21 and has added over RM830mil to its market value.

With a current market capitalisation of RM2.67bil, IGB is Malaysia's seventh largest listed property player by market value.

Year-to-date, the stock has risen in value by over 58.06%.

The strong investor interest in the stock came about after IGB proposed on Nov 21 to undertake its second real estate investment trust (REIT) listing of its assets.

The property player said it plans to list its commercial REIT on the Main Market of Bursa Malaysia by lumping its commercial assets located in Kuala Lumpur.

The properties include Menara IGB, Centrepont South, Centrepont North, The Gardens South Tower, The Gardens North Tower, Menara Southpoint excluding the residential units, Boulevard Offices (Blocks 25 and 27) in Mid Valley City, as well as Menara Tan & Tan and GTower on Jalan Tun

Razak.

"The proposed REIT establishment and listing will allow IGB to unlock the value of its commercial property portfolio

"The proposed REIT establishment and listing will be subject to, amongst others, valuation of the subject properties to be conducted, finalisation of the structure, terms and conditions, the necessary approvals, waivers and/or consents from the relevant authorities and the approval of the shareholders of IGB," the group said in a stock exchange filing two weeks ago.

IGB listed its first REIT - IGB REIT - which is retail-based, in Sept 2012. IGB REIT owns the Mid Valley Megamall and The Gardens Mall.

According to Bloomberg data, IGB is valued at 10.22 times, in terms of price-to-earnings (PE) ratio. In comparison, the median PE ratio for the Bursa Malaysia Property Index is 8.91 times.

Currently, only PublicInvest Research covers the IGB stock. The research firm recommends a "buy" rating, with a 12-month target price of RM4.70 per share.