

IGB's unit sells 50 pct stake in UK-based real estate company for 104.375 million pounds

KUALA LUMPUR: IGB Bhd's (IGB) indirect wholly-owned unit, Verokey Sdn Bhd, has sold its entire 50 per cent stake and shareholder debt in the UK-based Black Pearl Ltd (BPL) to HNG Blackfriars 1 Ltd for 104.375 million pounds.

BPL owns the freehold title to the land known as 18 Blackfriars Road, SE1, London.

In a filing with Bursa Malaysia, IGB said Verokey and Tower Ray Ltd, each held a 50 per cent stake in BPL, had agreed to dispose of 100 per cent of their respective equity interests in BPL, and transfer all their shareholder debt to HNG, a company associated with global real estate group Hines, for 208.75 million pounds.

It said the transaction would be settled in a combination of 120 million pound cash paid by the sellers, and the issue of loan notes with a principal value of 88.75 million pounds, which would be redeemed 24 months after the completion of the transaction.

As for the 104.375 million pounds to be received by Verokey, it said the company would receive 60 million pounds in cash upon the completion of the transaction,

and 44.375 million pounds to be received 24 months after the completion of the transaction.

"The completion payment is for part of the debt which BPL owed to Verokey, while the second payment represents the balance of the debt which BPL owed to Verokey and the value for Verokey's 50 per cent shareholding in BPL, but which has now been undertaken by the buyer and is evidenced by a loan note issued by the buyer which is secured on the property," it said.

On the rationale of the exercise, IGB said the directors considered that the transaction would be beneficial to the group as the exercise represented an opportunity for the group to realise its investment in BPL.

"The proceeds will be used for general working capital of the group, including but not limited to redeploying capital for more yield and value accretive investments," it said.

It added that the transaction would result in an increase of about 21 sen each in the group's net assets per share and earnings per share.
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