

IGB sells 50% stake in London real estate for RM600mil | The Star

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KUALA LUMPUR: IGB Bhd has sold its entire 50% equity interest and shareholder debt in a freehold title in London to a unit of global real estate group Hines for GBP104.375mil (RM600mil).

In a filing with Bursa Malaysia, IGB said its unit Verokey Sdn Bhd and Tower Ray Ltd each sold their 50% stakes in joint venture Black Pearl Ltd, which owns the land known as 18 Blackfriars Road, SE1, London, and transferred their shareholder debt to HNG Blackfriars 1 Ltd for GBP208.75mil.

It added that the transaction was completed via a combination of GBP120mil cash paid to the sellers and the issue of loan notes with a principal value of GBP88.75mil, which will be redeemed 24 months after the completion of the transaction.

Effectively, Verokey's portion of the sales consideration was GBP104.375mil (prior to certain deductions), comprising GBP60mil in cash at completion and GBP44.375mil 24 months after completion of the transaction.

"The completion payment is for part of the debt which Black Pearl owed to Verokey.

"The second payment represents the balance of the debt which BPL owed to Verokey and the value for Verokey's 50% shareholding in Black Pearl 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," said IGB.

The group said it considers the transaction beneficial as it represents an opportunity to realise its investment in Black Pearl.

According to IGB, the proceeds will be used for the general working capital of the group.

It added that the transaction will result in an increase of about 21 sen in its net assets per share and earnings per share.

Trading in IGB's shares was halted in the first hour of Thursday trading. It resumed trading at 10am, opening one sen or 0.5% higher to RM1.99.