

IGB to dispose of Johor Mall to IGB REIT for RM2.65b



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IGB Bhd plans to dispose of its landmark retail asset, The Mall, Mid Valley Southkey in Johor, to IGB Real Estate Investment Trust (IGB REIT) for RM2.65 billion, in a move to unlock value and reward shareholders.

The disposal will be executed by Southkey Megamall Sdn Bhd, a 70%-owned indirect subsidiary of IGB, which has signed a conditional sale and purchase agreement with MTrustee Bhd, the trustee for IGB REIT.

The deal, comprising both cash and new IGB REIT units, will be followed by a proposed distribution-in-specie of part of these REIT units to IGB shareholders.

IGB said the transaction is aimed at enhancing capital efficiency, while offering shareholders dual exposure to both the parent company and its yield-accretive REIT vehicle.

The REIT units will be distributed in a manner that ensures IGB retains a controlling 51% stake in IGB REIT.

The mall is being sold at its fair market value of RM2.65 billion, more than double its net book value of RM1.1 billion.

Proceeds from the deal are also expected to help reduce borrowing costs as IGB REIT refinances existing mall debts under its medium-term note programme.

The proposals are subject to shareholder and unitholder approvals, and are expected to be completed by the fourth quarter of 2025.

