

IGB Commercial REIT opens IPO applications

PETALING JAYA: IGB Commercial Real Estate Investment Trust (IGB Commercial REIT) will see the listing of 2.3 billion units on Bursa Malaysia's Main Market via an initial public offering (IPO) which includes a restricted offering of 945 million units alongside 282 million units to institutional investors, as outlined in its prospectus.

Upon listing, it is expected to have a market capitalisation of RM2.3 billion based on a restricted offer price of RM1 per unit, making IGB Commercial REIT the sixth largest

Malaysian REIT and the largest standalone office REIT by market capitalisation, net lettable area and appraised value.

According to the trust's Bursa filing,

applications for the units will be open from yesterday to July 6, 2021 with a tentative listing date of July 30, 2021.

Of the 945 million restricted offering, it stated that an offer of 378 million units will be made to entitled shareholders of IGB Bhd on the basis of 2-restricted offer units for every 5-ordinary shares in IGB alongside a distribution-in-specie (DIS) of up to 567 million units on the basis of 3-units for every 2-offer units subscribed.

Unsubscribed offer units and the corresponding DIS units will be placed to institutional investors and selected investors at a price to be determined by book-building.

IGB Commercial REIT is expected to have a free float of at least RM607.8 million

based on the offer price.

Its management, IGB REIT Management Sdn Bhd deputy CEO, Wong Khim Chon believes its large size and corresponding free-float can enhance the visibility of the REIT amongst the local and international investment community.

Under the offer, its sponsor IGB Bhd will hold at least 50% interest in the trust following the completion of the offering, making it the largest unitholder.

"We believe that IGB Commercial REIT will be able to leverage on IGB's track record in developing and operating commercial properties in addition to its financial strength, market reach and network of contacts to further IGB Commercial REIT's growth," said Wong in a statement.