

## KPJ Healthcare set to raise REIT size

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KPJ Healthcare Bhd, the healthcare subsidiary of Johor Corp (JCorp), plans to increase the size of Malaysia's first Islamic Real Estate Investment Trust (REIT).

The Al-'Aqar KPJ REIT, which was listed yesterday, now comprises six hospital buildings worth RM461.25 million.

Its chairman Tan Sri Muhammad Ali Hashim said the group may add nine more local hospitals and four from overseas into the REIT.

"We will be liquidating our other assets to have access to more funds. It is a business decision that will depend on the market situation. It is already on the cards," he said after the Al-'Aqar KPJ REIT listing in Kuala Lumpur yesterday.

### AL-'AQAR KPJ REIT

Year-end Dec 31	*2006e	2007f	2008f	2009f
Revenue (RMm)	35.48	35.70	36.43	39.96
Net profit (RMm)	24.79	25.02	25.75	26.28
Dividend yield @ IPO = 0.95 (%)	7.63	7.71	7.92	8.11
Dividend yield @ IPO = 1.00 (%)	7.25	7.32	7.52	7.70

\* Annualised figures Source: OSK Securities

KPJ Healthcare manages 19 specialist hospitals locally and abroad, and a private nursing college. Its overseas operations include three specialist hospitals in Indonesia and one in Bangladesh.

On the prospects of private healthcare, Muhammad Ali said there is tremendous room for growth and this opportunity should be seized whilst ensuring that Malaysian ownership is well

represented in the industry.

He also said that it is possible to develop the South Johor Economic Region into a major healthcare hub.

Damansara REIT Managers Sdn Bhd is the manager of the REIT. AmMerchant Bank Bhd is the lead adviser, managing underwriter and sole placement agent while Amanah Raya Bhd is the trustee.

KPJ will hold 160 million units

of the REIT while the balance 165 million units were offered to institutional investors at RM1 per unit and 15 million units to retail investors at RM0.95 sen each.

The REIT was oversubscribed by 4.13 times for retail and 1.42 times for institutional investors. In addition to the Muslim and Bumiputera investors, the Islamic REIT managed to draw 5,115 non-Muslim and non-Bumiputera investors.

The Al-'Aqar KPJ REIT opened at RM0.99, a premium of 4.2 per cent, or 4 sen, over its retail offer price of RM0.95. There were 30,810 units done at the opening bell.

It closed 3.5 sen up at RM0.985.

The REIT raised RM167.25 million, most of which will be used to partly fund the acquisition of the six assets.