

SATURDAY, MAY 19, 2007

## KPJ to sell 5 hospitals to REIT for RM170m

By **BUSINESS TIMES**

**KPJ HEALTHCARE Bhd** is selling five of its hospitals to the Al-'Aqar Real Estate Investment Trust (REIT) for RM170 million to reduce its debt.

The hospitals are located in Kuala Lumpur, Selangor, Kedah, Kelantan and Pahang.

The purchase price will be satisfied through a combination of RM85.8 million in cash and the issue of 88.7 million new units in Al-'Aqar REIT at an issue price of 95 sen per unit.

KPJ Group said it will realise a capital gain of RM10.47 million from the sale of the properties.

The group plans to use RM56.2 million from the sale to reduce its existing borrowings.

By doing this, it will save some RM3.91 million a year in interest payment.

KPJ Group said the deal will allow the group to participate in the local REIT market, which is expected to have high growth prospects.

The group intends to hold the units in the Al-'Aqar REIT as a long-term investment.

POSTED BY BERNARD YONG AT 8:32 PM

LABELS: REIT/PROPERTY INVESTMENT