

Al-Aqar REIT to cross RM1bil by year-end

KUALA LUMPUR: The Al-Aqar KPJ Real Estate Investment Trust (REIT) is set to cross its RM1bil target for total asset size by year-end.

Its 11 assets are at present worth RM651.5mil and it yesterday added nine more purchased from KPJ Healthcare Bhd. The deal will be completed by the end of the year.

Al-Aqar, Malaysia's first Islamic Healthcare REIT, previously bought over the 11 assets from KPJ Healthcare Bhd.

It is also one of only two Islamic REITs in the country. The total purchase consideration for the new acquisitions is RM392.9mil, to be satisfied partly by RM250mil in cash and through the issuance of 151,446 million new units at an issue price of 95 sen per unit.

KPJ Healthcare chairman Tan Sri Muhammad Ali Hashim said Al-Aqar would emerge as the largest Islamic REIT in the country once it crossed the RM1bil asset size target and this would appeal to foreign investors.

"It would help draw foreign direct investment into Malaysia," he said at a briefing on Al-Aqar REIT yesterday. Seven hospitals are among the new properties to be included in the REIT.

They are the Seremban Specialist Hospital, the Taiping Medical Centre, the Kota Kinabalu Specialist Hospital, the Bukit Mertajam Specialist Hospital, the KPJ Tawakal Specialist Hospital New Building, the KPJ Penang Specialist Hospital and the PNC International College of Nursing and Health in Nilai.

The two other properties are Hotel

Selesa and Metropolis Tower in Johor Baru. Al-Aqar KPJ REIT is managed by Damansara REIT Managers Sdn Bhd.

Damansara REIT Managers chief executive officer Yusaini Sidek said Al-Aqar would declare a four sen dividend per unit for its financial interim period ended June 30 compared to the previous corresponding period.

»It would help to draw foreign direct investment to Malaysia«

TAN SRI MUHAMMAD ALI HASHIM

"For 2008, Al-Aqar KPJ REIT has forecast to do better than the 732 sen dividend we paid out in 2007," he said.

Al-Aqar recorded a 27% increase in revenue of RM22.75mil for the first six months of 2008, up from the RM17.85mil in the previous corresponding period. Its net income improved 16.6% to RM14.43mil compared with RM12.38mil previously due to rentals received from the second acquisition of hospitals completed earlier as well as those from existing ones. — Bernama