

# KPJ Healthcare aims to raise RM179m from Islamic REIT

KPJ Healthcare Bhd, the healthcare subsidiary of Johor Corp (JCorp), plans to raise RM179.3 million in the world's first Islamic real estate investment trust (REIT) called Al-Aqar KPJ REIT on Bursa Malaysia next month.

A total of 340 million units will be issued, out of which KPJ will take up 160 million units, or 47.06 per cent. The balance will be allocated to institutional and selected investors (48.53 per cent) as well as the public (4.41 per cent).

It is selling shares to institutions at RM1 apiece and to the public at 95 sen. Shares of the trust will begin trading on August 10.

For a start, KPJ Healthcare managing director Datin Paduka Siti Sa'diah Sheikh Bakir said KPJ will sell six of its properties, with a total gross market value of RM481 million.

The six hospitals are Johor Specialist Hospital and Puteri Specialist Hospital in Johor; Ampang Puteri Specialist Hospital and Damansara Specialist Hospital in Kuala Lumpur; Selangor Medical Centre in Selangor; and Ipoh Specialist Hospital in Perak.

"There is also the possibility for future injection of other hospital properties under the KPJ

## IPO Watch

group," Siti Sa'diah said during launch of KPJ REIT's prospectus in Putrajaya yesterday.

Apart from the six hospitals, KPJ, listed on Bursa Malaysia in 1994, also manages nine other specialist hospitals, including in Indonesia and Bangladesh.

Siti Sa'diah said Al-Aqar KPJ REIT is expected to yield a competitive market rate of more than 7 per cent for financial years ending December 31 2007 and December 31 2009.

"Al-Aqar investors are expected to enjoy consistent income returns due to several key factors which include stable and consistent income rental from the properties, 100 per cent occupancy rates, minimum risk and single exposure in healthcare business," he said.

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

New Straits Times, July 25, 2006