



Nor Mohamed (second left), KPJ Healthcare Bhd & Al-'Aqar KPJ REIT chairman Tan Sri Muhammad Ali Hashim (left), Siti Sa'diah (second right) and AmBank Group chairman Tan Sri Azman Hashim at the launching of the prospectus yesterday

KPJ launches IPO for world's first Islamic REIT

KPJ Healthcare Bhd (KPJ) scored a first yesterday with the launch of the initial public offering for the world's first Islamic real estate investment trust (REIT), the Al-'Aqar KPJ REIT.

The REIT would enable KPJ to unlock the value of its properties and raise funds to reduce its borrowings and expand its business, said KPJ managing director Datin Paduka Siti Sa'diah Sheikh Bakir.

Speaking at the launch of the prospectus by Second Finance Minister Tan Sri Nor Mohamed Yakcop, Siti Sa'diah said it was expected to yield about 7% annually from income rental and possible capital appreciation.

"We foresee the potential of growing and injecting KPJ's nine other hospitals into this trust in the future and enlarge the trust fund to yield better returns," she said.

KPJ has the largest hospital network in the country with 15 specialist hospitals and a private nursing college, while its overseas operations include three specialist

hospitals in Indonesia and one in Bangladesh.

The Al-'Aqar KPJ REIT is managed by Damansara REIT Manager Sdn Bhd, while AmMerchant Bank Bhd is the adviser, managing underwriter and sole placement agent.

Under the IPO, a total of 340 million units will be issued. Of these, KPJ will hold 160 million units or 47%, while 165 million units will be issued to institutional investors at RM1 per unit and 15 million units to the public at 95 sen each.

About RM180 million is expected to be raised from the IPO. A total of RM167.25 million will be used to part-fund the acquisition of assets and another RM5.13 million will be used to finance the renovation and expansion of the properties.

Pursuant to the exercise, KPJ will sell its Ampang Puteri Specialist Hospital, Damansara Specialist Hospital, Johor Medical Hospital, Ipoh Specialist centre, Puteri Specialist Hospital building and Selangor Medical Centre.

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