

Pharmacy News Article

3/28/07 - KPJ HEALTHCARE PLANS TO EXPAND REIT

Bernama The Malaysian National News Agency via NewsEdge Corporation :

from BERNAMA, The Malaysian National News Agency DUBAI, March 27 (Bernama) -- KPJ Healthcare Bhd, a subsidiary of JCorp, wants to increase the size of its Al-'Aqar KPJ Reit by injecting more of its hospital assets, JCorp chief executive Tan Sri Muhammad Ali Hashim says

He said the fund's size currently stood at RM340 million and this could easily be doubled

"We will be injecting particularly the hospital assets in Malaysia to increase the Reit (Real Estate Investment Trust). We can easily expand and in that manner, release our assets so that we can raise cash. Then we can do more," he told Bernama here recently

"We have only injected six of our hospitals. In Malaysia we now have 17 hospitals, three in Indonesia and one in Bangladesh," Muhammad Ali said

The six hospitals are Ampang Puteri Specialist Hospital, Damansara Specialist Hospital and Selangor Medical Centre in the Klang valley, the Johor Specialist Hospital, Puteri Specialist Hospital in Johor and the Ipoh Specialist Hospital

The Al-'Aqar KPJ Reit, Malaysia's first Islamic Healthcare Reit, listed on Bursa Malaysia's Main Board on August 10 last year, recently won the Islamic Finance News Deal of Year 2006 award for Islamic Reit category. The prize giving ceremony was held here

Muhammad Ali is confident that there is a bright prospect for the healthcare Reit to expand as it "definitely has its attraction" compared with the conventional commercial Reit

"With the KPJ Reit, income stream is assured and in a sense it is less risky as the healthcare Reit is fixed," he added

Moreover, he said that there was also a strong upward trend in terms of insured patients and this will further spur the Reit to expand

"Although the healthcare insurance industry is not well established yet in Malaysia, for example a substantial number of our patients are still paying cash individually, we observe a very strong upward trend in terms of insured patients, more and more are being insured

"This gives us confidence and with cash realised through the Reit, KPJ Healthcare will be in a better position to expand," he explained

With expansion, the group is also looking at procurement, says KPJ Healthcare managing director Datin Paduka Siti Sa'diah Sheikh Bakir

"We have more hospitals now, so we have to be looking at better procurement for the group. We have the advantage in terms of training and looking for expertise plus a proven system, such as our clinical system, which is workable in 17 hospitals in Malaysia," she said

Sa'diah said that KPJ Healthcare via its Puteri Nursing College has churned out some 5,000 nurses so far with diplomas and degrees including nurses specialising in critical care

She said that the college could accommodate more than 1,000 students at a time. The group also recruits medical practitioners worldwide, she added

Muhammad Ali said that the group intended to expand the college and was looking at the possibility of new campuses in Malaysia or even in the Middle East

KPJ Healthcare had recently signed a hospital management deal with two hospitals in Jeddah and is on an "exploratory" mission to the Middle East, he said

"There is a serious shortage of nurses and many of the Arab businessmen and corporate people we met are talking about training because they want to create more job opportunities for their people," he added

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