



Business

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Al-Aqar KPJ Reit Acquires KPJ Healthcare Hospitals For RM170 Mln

JOHOR BAHRU, Nov 5 (Bernama) -- Al-Aqar KPJ REIT (Real Estate Investment Trust) is to acquire five hospital buildings of the country's largest listed healthcare group, KPJ Healthcare Bhd, for RM170.04 million.

The deal, approved at extraordinary general meetings of both parties here today, will see a cash payment of RM85.755 million as well as the issuance of 88.721 million new shares in the REIT at an issue price of 95 sen a unit.

The five properties are the Perdana Specialist Hospital, Kuantan Specialist Hospital, Sentosa Medical Centre, KPJ Kajang Specialist Hospital and Kedah Medical Centre.

KPJ Healthcare will distribute 14.4 million units shares in the REIT as dividend to its shareholders on the basis of seven units in REIT for every 100 ordinary RM1 shares in KPJ.

"The amount raised from the sale will be used for other investments and to reduce borrowings. With the REIT exercise, the group will also be able to focus on its core activities of managing hospital services," said KPJ Healthcare chairman Tan Sri Muhammad Ali Hashim.

He told reporters after the EGM that the disposal is part of the strategic move by KPJ Healthcare to continue to look at Islamic REIT as part of its expansion programme to unlock the true value of its properties as there will be a continuous injection of properties.

The funds raised will be used to reduce KPJ Healthcare's gearing and to seize strategic investment opportunities. The group will have more resources to mobilise as there are many offers by various international partners to manage and own hospitals overseas.

"Our foreign partners are convinced and satisfied with KPJ Healthcare's good track record and the smooth operation of our hospitals in Malaysia as we have the corporate critical mass, physical resources, financial strength and competent human capital to undertake the overseas hospital management challenge," said its managing director, Datin Paduka Siti Sa'diah Sheikh Bakir.

KPJ Healthcare which has more than 25 years track record in the private healthcare sector. It owns and manages 17 hospitals nationwide and six overseas - three in Indonesia, one in Dhaka and two in Jeddah.

It recorded RM516 million revenue for its half yearly result for 2007, up from RM391 million during the corresponding period last year.

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