

BANKING & FINANCE

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# Banking on healthcare property

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**Al-'Aqar Healthcare REIT is a Malaysia-based real estate and investment trust formed to invest into Shariah compliant properties. It was listed on the Main Board of the Bursa Malaysia in 2006 and is managed by Damansara REIT Managers Sdn Bhd. Today, it is one of the most successful Islamic REITs in Malaysia with dividend yields of above six per cent.**

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Ampang Puteri Hospital, one of Al-'Aqar REIT's core assets in Malaysia

Among the 15 listed REITs in Malaysia, Al-'Aqar plays an outstanding role. When it was listed in August 2006 as Al-'Aqar KPJ Real Estate Investment Trust, it provided the basis for all Islamic REITs today. Al-'Aqar KPJ REIT, with underlying assets in the hospital, medical centre and healthcare industry, was considered the first Islamic REIT in Asia as well as in the world. Later, the fund has been rebranded Al-'Aqar Healthcare REIT by Damansara. As of June 8, 2012, market

capitalisation of Malaysian REITs stood at RM17,561 million. Among the 15 traded REITs at Bursa Malaysia are only three based on Shariah compliant principles. These Islamic REITs account for 18.6 per cent of the total market capitalisation

The dividend yields of these Islamic investment instruments are at the standard average of the Malaysian REITs market. Based on 2011's fiscal year results, Al-'Aqar Healthcare REIT was ranked 11th in terms of dividend yield,

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**MALAYSIA REITS DIVIDEND YIELD**

**Dividend Yield**

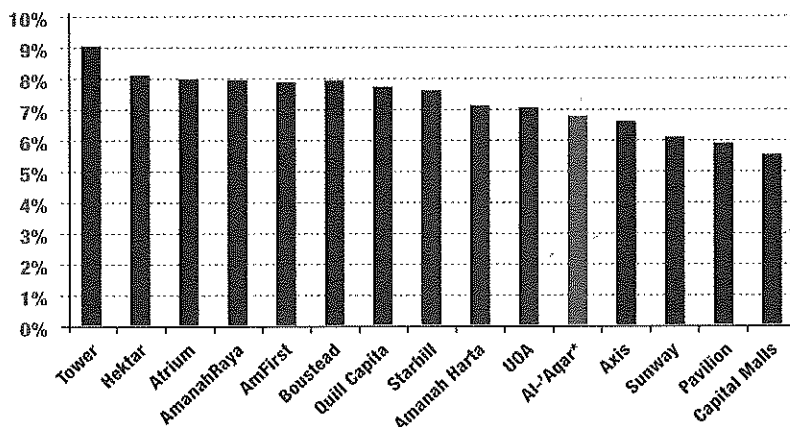


Figure 1. Source: Companies 2011 Annual Reports, Bursa Malaysia  
\* Islamic Malaysian REITs

but its 6.69 per cent placed it as the REIT with the second highest dividend yield among all three Islamic REITs. (See figure 1)

Al-Aqar Healthcare REIT also had the highest number of shares outstanding and the biggest value of property among all three Islamic REITs in Malaysia at the end of 2011. Its property value stood at RM1.36 billion, and the number of shares outstanding was 639.59 million.

As of June 8, 2012, its portfolio comprised of 25 properties, of which 19 hospital and medical centres and three health care related properties are located in Malaysia, and two additional hospitals in Indonesia and an age care and retirement centre in Australia.

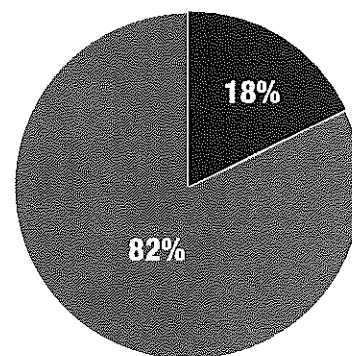
Al-Aqar Healthcare REIT's property value as well as shares outstanding outnumbered the respective figures among all Islamic Malaysian REITs as

of the end of 2011. The REIT's property value was ranked 4th out of the 15 Malaysian REITs, and it had the 5th biggest number of shares outstanding in the market.

Property values as well as number of shares outstanding of Islamic Malaysian REITs accounted for 18 per cent and 13 per cent respectively of the total figures for Malaysian REITs at the end of 2011. Considering that only three out of 15 Malaysian REITs are Shariah compliant, the figures imply a relevant position of such Islamic instruments. (See figure 2).

Al-Aqar Healthcare REIT has also achieved an outstanding performance across Malaysian REITs in terms of net property income and earnings per unit, ranking it 4th and 3rd respectively among Malaysian REITs.

**PROPERTY VALUE MALAYSIAN REITS (RM 21.04 BN)**



■ Non-Shariah compliant REITs  
■ Shariah compliant REITs

Figure 2. Source: Companies 2011 Annual Reports, Bursa Malaysia

Net property income is an important factor to value Shariah compliant REITs. The three Islamic REITs in Malaysia account together for as much as 32 per cent out of the total RM786.736 million in net property value of all REITs, which shows the importance of underlying assets linked to the respective Islamic Malaysian REIT.

**FACTS AL-'AQAR HEALTHCARE REIT**

- Al-'Aqar Healthcare REIT**
  - First Islamic REIT in the world.
  - First REIT in Asia with underlying assets in the hospital, medical centre and healthcare industry.
- Across Islamic Malaysian REITs.**
  - Second highest dividend yield across all Islamic Malaysian REITs.
  - Highest property value across all Islamic Malaysian REITs.
  - Highest number of shares outstanding across all Islamic Malaysian REITs.
- Across Malaysian REITs**
  - 4th highest property value across all Malaysian REITs.
  - 5th highest number of shares outstanding across all Malaysian REITs.
  - 4th highest Net Property Income value across all Malaysian REITs.
  - 3rd highest EPU value across all Malaysian REITs.

Source: Companies 2011 Annual Reports, Company Al-'Aqar, Bursa Malaysia