CHESTON INTERNATIONAL

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25 March 2025

KPJ HEALTHCARE BERHAD
Level 15, Menara KPJ,
Jalan Tun Razak,
50400 KUALA LUMPUR

Dear Sirs,

CERTIFICATE OF VALUATION OF

i. **KPJ PENANG SPECIALIST HOSPITAL ("Property No. 1" / "PSH")**
ii. **KPJ SEREMBAN SPECIALIST HOSPITAL ("Property No. 2" / "SSH")**
iii. **TAIPING MEDICAL CENTRE & TMC HEALTH CENTRE ("Property No. 3" / "TMC" & "TMCHC")**
iv. **KPJ HEALTHCARE UNIVERSITY (PHASE 1 OF NILAI CAMPUS) ("Property No. 4" / "KPJUC")**
v. **KPJ INTERNATIONAL COLLEGE OF NURSING AND HEALTH SCIENCE ("Property No. 5" / "KPJIC")**

("SUBJECT PROPERTIES")

We were instructed by KPJ Healthcare Berhad ("**KPJHB**") to conduct valuation of the Subject Properties for the purposes of submission to Bursa Malaysia Securities Berhad in relation to the proposed renewal of the existing leases between AmanahRaya Trustees Berhad ("**ART**") as trustee of Al-Aqar Healthcare REIT (the "**Lessor**") and Penang Specialist Hospital Sdn Bhd ("**PSHSB**") (formerly Bukit Mertajam Specialist Hospital Sdn Bhd) of Property No. 1 Maharani Specialist Hospital Sdn Bhd ("**MSHSB**") (formerly Seremban Specialist Hospital Sdn Bhd) of Property No. 2, Penang Specialist Hospital Sdn Bhd ("**PSHSB**") (formerly Taiping Medical Centre Sdn Bhd) of Property No. 3, KPJ Healthcare University College Sdn Bhd ("**KPJHUCSB**") (formerly Puteri Nursing College Sdn Bhd) of Property No. 4 and KPJ Healthcare University College Sdn Bhd ("**KPJHUCSB**") (formerly Bukit Mertajam Specialist Hospital Sdn Bhd) of Property No. 5 (the "**Lessees**") for a further term of 15 years in respect of PSH, SSH and TMC & TMCHC, 3 years in respect of THC, KPJUC and KPJIC and the details of the valuations are contained in our Valuation Reports bearing reference nos. V/KPJ6P4H2UC/SCB/7139924/i to V/KPJ6P4H2UC/SCB/7139924/v (inclusive), all dated 25 March 2025.

We have prepared this Certificate of Valuation for inclusion in the circular to the shareholders of KPJHB in conjunction with the proposed renewal of the leases.

The salient details of the Subject Properties are attached as Appendix 'A'.

The relevant dates of valuations are taken to be as at the dates of our inspections.

The Reports and Valuations and this Certificate of Valuation have been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

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1.0 VALUATION METHODOLOGY

In arriving at our opinion of the market values of the Subject Properties, we have adopted the Income Approach by Profits Method (Discounted Cash Flow / "**DCF**") as the primary valuation methodology and Cost Approach comprising the Comparison and Depreciated Replacement Cost ("**DRC**") Methods as check for Properties Nos. 1, 2 and 3, whilst, we have adopted the Cost Approach as the sole valuation methodology for Properties Nos. 4 and 5.

1.1 Income Approach by Profits Method (DCF) – Properties Nos. 1, 2 and 3

This method is adopted where revenues/earnings, expenses and profits are the essence to the value of the property (property-based business) and capitalises future net revenue (profit) as a basis for estimating the market values of the Subject Properties on a going concern basis inclusive of goodwill, hospital operating equipments, furniture, fittings, plant, machinery and equipments.

We have adopted a 5-year DCF and have forecasted the profits for a 5-year period, after which we have calculated the terminal value based on the fifth year's net profit for the remaining term of the tenure. We have obtained Profit and Loss statements of Properties Nos. 1, 2 and 3 from years 2016 to 2024 (inclusive). We were also made available with the future projections of the medical centres by the entities/companies. We have forecasted the 5-year revenues and operating expenditures of Properties Nos. 1, 2 and 3 based on the analysis of the integrated operation of Properties Nos. 1, 2 and 3 in years 2023 and 2024 which were noted to be consistent with the past operating performances of the entities/companies prior to coronavirus disease 2019 ("**Covid-19**") pandemic. We have taken into consideration of the projections of the entities/companies, made necessary due diligence and have arrived at our independent projections as per the practice in the industry.

We note that the Subject Properties had been affected by the global economic crisis caused by the Covid-19 pandemic between years 2020 to 2022 (inclusive). The gross revenues and occupancy rates of Properties Nos. 1, 2 and 3 had been impacted due to the Movement Control Order ("**MCO**"), Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("**RMCO**") announced by the Malaysian government to control the spread of the virus in years 2020, 2021 and to the lesser extent in year 2022. We have taken into consideration of the above factor in our projections of the 5-year DCF.

In arriving at the past years' performances of Properties Nos. 1, 2 and 3, we note that the revenues and expenses of years 2020, 2021 and 2022 had been impacted by the Covid-19 pandemic. The performances of Properties Nos. 1, 2 and 3 had been fully impacted in years 2020 and 2021 whilst had been partially affected in year 2022. Recovery MCO was still effective up to the 1H 2022 and the international borders were only officially opened on 1st April 2022.

In light of the above, we have taken cognisance of the performances of years 2020, 2021 which had been substantially hampered and partially affected in year 2022 by the Covid-19 pandemic. We note that the performances in year 2022 were inconsistent among the medical centres and it is strenuous to establish reliable and reasonable performance measurement. Amongst the factors affected comprise all the KPJ Specialist Medical Centre had been conducting Covid-19 tests which resulted in higher number of outpatients and higher revenue from laboratory services. Also noted was higher fees charged for nursing procedures during Covid-19 pandemic which required stringent processes and procedures to avoid Covid-19 virus to spread to patients. Therefore, the performances of years 2020, 2021 and 2022 had been excluded from the analysis of historical performances as they do not reflect the actual / real performance of Properties Nos. 1, 2 and 3 in the normal circumstances.

Our analysis revealed that the performances of Properties Nos. 1, 2 and 3 had been consistent between years 2017 to 2019 (inclusive) prior to the Covid-19 pandemic with the performances of years 2023 and 2024, post Covid-19 pandemic.

In year 2023, the performances of all the KPJ Specialist Medical Centres were on the recovery phase by the management action plan to boost up the revenues of the hospitals post Covid-19 pandemic impact. Our analysis revealed that the performances of Properties Nos. 1, 2 and 3 from year 2023 onwards were on track with similar to years 2016 to 2019 (inclusive). In light of above, we have adopted the average analysis of revenues and expenses of years 2023 and 2024 which are consistent with the performance of Properties Nos. 1, 2 and 3 prior to the Covid-19 pandemic as well as the year of integrated operation of the old blocks/wings and new blocks/wings as reasonable and reflective of the performance of Properties Nos. 1, 2 and 3.

We also have analysed the occupancy rates of similar types of private medical centres ("**PMC**") as follows:-

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Analysis of occupancy rates of Properties Nos. 1, 2 and 3 and other similar types of PMC.

No.	Name of Hospital	Age (Year)	Occupancy Rate (%)									
			Pre Covid-19				During Covid-19				Post Covid-19	
			Year 2017	Year 2018	Year 2019	Average 3 Years (2017-2019)	Year 2020	Year 2021	Year 2022	Average 3 Years (2020-2022)	Year 2023	Year 2024
1	KPJ Pasir Gudang SH	13	71.34	75.87	77.96	**75.06**	60.68	40.78	65.30	**55.59**	74.98	78.00
2	KPJ Johor SH	44	75.14	69.95	72.62	**72.57**	48.73	40.30	54.20	**47.74**	64.60	69.70
3	KPJ Puteri SH	39	72.07	73.88	82.19	**76.05**	59.71	45.80	57.10	**54.20**	71.88	73.30
4	KPJ Selangor SH	29	66.19	64.21	75.16	**68.52**	46.27	46.30	66.70	**53.09**	70.64	69.10
5	KPJ Ampang Puteri SH	33	80.21	73.24	71.29	**74.91**	44.74	45.80	59.70	**50.08**	69.77	65.90
6	KPJ Ipoh SH	44	91.37	84.84	79.29	**85.17**	73.74	52.30	68.50	**64.85**	76.50	79.70
7	Kedah Medical Centre	37	55.76	54.36	55.22	**55.11**	31.21	29.67	48.43	**36.44**	61.72	57.00
8	KPJ Perdana SH	27	68.62	69.12	73.43	**70.39**	56.72	50.09	71.03	**59.28**	63.71	70.10
9	KPJ Kajang SH	19	70.97	68.18	73.02	**70.72**	42.40	37.16	55.35	**44.97**	66.18	67.40
10	KPJ Penang SH	16	75.00	78.49	80.38	**77.96**	51.88	41.38	67.13	**53.46**	70.03	63.45
11	KPJ Seremban SH	20	71.18	70.37	53.65	**65.07**	43.25	41.24	54.81	**46.43**	62.79	61.47
12	Taiping Medical Centre and TMC Health Centre	24	44.69	43.32	43.51	**43.84**	34.66	32.40	54.24	**40.43**	62.35	59.86

Source: KPJHB (Note: SH = Specialist Hospital)

We note that the average occupancy rates of Properties Nos. 1, 2 and 3 from years 2017 to 2019 (inclusive) which were unaffected by the Covid-19 pandemic ranged between 43.84% to 77.96% (40.43% to 53.46% from years 2020 to 2022 during the Covid-19 pandemic) whilst similar medical centres ranged between 55.11% to 85.17% (36.44% to 64.85% from years 2020 to 2022 during the Covid-19 pandemic).

In our projections of the occupancy rates of Properties Nos. 1, 2 and 3, we have taken cognisance of the impact of the Covid-19 pandemic which had resulted in the decline in the Malaysian economic growth and the occupancy rates of Properties Nos. 1, 2 and 3. The occupancy rates had declined in year 2020 (GDP: -5.6%) and year 2021 (GDP: 3.1%), however, improved in year 2022 when the Malaysian economy rebounded to 8.7% with the gradual normalisation of the economic activity, reopening of the international borders and recovery in the labour market.

In year 2023, the occupancy rates of Properties Nos. 1, 2 and 3 noted to be recovered to their pre Covid-19 pandemic levels. However, in year 2024, we noted that the occupancy rates of Properties Nos. 1 and 2 have declined due to opening of new wards in new wing (new block) which have expanded number of operational beds.

We have adopted the following parameters in arriving at the market values of Properties Nos. 1, 2 and 3 using the Investment Approach by Profits Method (DCF).

Summary of Parameters Adopted (Common)

Beds Available	The number of beds available in a year is derived by multiplying operational beds available for the year with 365 days and 366 days for leap year.
Occupancy Rate of Beds	The occupancy rate is derived based on the historical occupancy rates achieved by the medical centres since years 2016 to 2024 (inclusive). The occupancy rates had declined in years 2020, 2021 and rebounded in year 2022 due to the impact of the Covid-19 pandemic on the world and Malaysian economy mainly in years 2020 and 2021 and with the lesser impact in year 2022. In year 2023, post Covid-19 pandemic, the occupancy of the integrated operation of both old and new buildings/wings have normalised to pre Covid-19 level with a higher number of operational beds. Therefore, we have maintained the occupancy rate of year 2024 for year 1 of our projections for year 2025 to commensurate with the anticipated moderate world and Malaysian economic growth amid the moderate prospects and fiscal policy challenges and gradually increased the occupancy rate to reflect the highest and best possible occupancy rates achievable with the expanded number of operational beds over the 5-year projections.

No. of Inpatients Admitted Days	The numbers of inpatients admitted days in a year is derived from the total beds occupied divided by the numbers of inpatients admitted. We have adopted the average from years 2016 to 2019 (inclusive). However, in years 2023 and 2024, the average numbers have increased due to expanded numbers of beds available in hospital and due to completion of the new wing (new block). Thus, in arriving at our 5-year DCF projections, we have adopted the average numbers of inpatient admitted days based on average of years of 2023 and 2024 which is reflective of the performance of Properties Nos. 1, 2 and 3 post covid-19 pandemic with integrated operation of the new wing (new block).
Ratio of No. of Outpatients / Inpatients	We have adopted average ratio of no. of outpatients / inpatients of years 2023 and 2024 which was considered reasonable and consistent with the past performance from years 2016 to 2019 (inclusive) to project the number of outpatients for the 5-year DCF projections.
Revenue	
Consultant Inpatient Revenue Per Occupied Bed ("**CRPOB**")	The revenue is derived by multiplying the total beds occupied for the year with the estimated revenue per occupied bed. We have analysed CRPOB and adopted inpatient revenue per occupied bed based on average of years 2023 and 2024 as fair and reasonable which was consistent with the past performances from years 2016 to 2019 (inclusive).
Consultant Outpatient Revenue (COR)	The revenue is derived by multiplying the total outpatients visited for the year with the outpatient revenue per patient per year. We have adopted revenue per person based on average of years 2023 and 2024 as revenue trend reflection of the escalation of the current prices as fair and reasonable.
Hospital Inpatient Revenue Per Occupied Bed	The revenue is derived by multiplying the total beds occupied for the year with the revenue per occupied bed. We have adopted revenue per occupied bed person based on average of years 2023 and 2024 as revenue trend for reflecting escalation in the current prices as fair and reasonable.
Hospital Outpatient Revenue	The revenue is derived by multiplying the total outpatients visited for the year with the outpatient revenue per patient per year. We have adopted revenue per person person based on average of years 2023 and 2024 as which was the latest revenue trend for reflecting escalation in the current prices as fair and reasonable.
Expenses	
Cost Of Sales	We have generally analysed the past nine years cost of sales i.e. material, direct staff cost, operating overhead and adopted the average percentage of years 2023 and 2024 as fair and reasonable representation of the business going forward. From our analysis of the historical cost of sales, we note that the material cost moved in tandem with the hospital inpatient and outpatient revenues whilst the direct staff cost and operating overhead moved in tandem with the gross operating revenue before hospital discount and appropriation to consultant. As the occupancy of the medical centre increases, so does the cost of sales, thus, both the revenue and cost of sales have a direct relationship.
Undistributed Operating Expenses	We have analysed the past nine years expenses i.e. administrative & general, sales & marketing, property operations maintenance & energy cost ("**POMEC**") and adopted the average of expenses of years 2023 and 2024 as fair and reasonable representation of the business going forward. From our analysis of the historical expenses, we note that the undistributed operating expenses moved in tandem with the gross operating revenue after hospital discount and appropriation to consultant. As the occupancy of the medical centre increases, so does the undistributed operating expenses, thus, both the revenue and undistributed operating expenses have a direct relationship.
Hospital Management Fee ("**HMF**")	We have adopted the actual rate of gross operating revenue after hospital discount and before appropriation to consultant as HMF based on the latest year 2024 which KPJHB has implemented new mechanism/formula on management fee chargable to all subsidiaries under KPJ Group. The new approach is to ensure that the fees are adequately reflected on the actual cost incurred by KPJHB to cover their operational and administrative expenses from their subsidiaries.
Quit Rent & Assessment	We have adopted the actual quit rent and assessment of the medical centres for the current year of 2025 in our 5-year projections.
Insurance	To insure against total and partial damage / loss caused by fire ("**F**") and other insurable perils i.e. burglary ("**B**"), plate glass ("**PG**"), machinery breakdown ("**MB**"), public liability ("**PL**"), consequential loss ("**CL**"), all risk ("**AR**") and medical malpractice ("**MM**"). We have adopted the insurance premium payable for the current year of 2025, throughout our 5-year projections.
Incentive Management Fee	The incentive management fee is to reflect the operator's risk, management advisory and skill to operate the various income generating resources of the medical centres. It is also often referred as tenant's share / operator's profit in the profit based assets and adopted based on the percentage of gross operating profit (GOP) of the medical centres.
Capital Reserve Fund For The Replacement Of Furniture Fitting Equipment ("**FFE**"), Hospital Operating Equipment ("**HOE**") And Capital Expenditure ("**CAPEX**")	We have analysed historical expenditures incurred by the medical centres over the past 5 years. We have adopted the average of the past 5 years as fair expenditure for FFE, HOE and CAPEX in line with our 5-year DCF projections.

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Terminal Capitalisation Rate / All Risk Yield	In arriving at the terminal value, the resultant net revenue (profit) of the fifth year projection is capitalised by an appropriate capitalisation rate / rate of return (an 'all risk yield') to arrive at the terminal value of the Subject Properties. The capitalisation rate adopted is the rate which reflects the investor's / entrepreneur's expected investment rate of return of the Subject Properties over the investment horizon. We wish to inform that we have adopted a market corroborated capitalisation rate to arrive at the capital value of the Subject Properties. The market based rate is the most frequently adopted methodology by the property industry in Malaysia as it reflects the inherent risk associated with the investment. In arriving at our opinion of the appropriate capitalisation rate using the above methodology, thorough examination and analysis of several recent sales of private specialist medical centre buildings were carried out. We note that there is a dearth of transaction of private specialist medical centres in Malaysia except for KPJ Batu Pahat Specialist Hospital (transacted in year 2019) and Sunway Medical Centre (transacted in year 2012). Based on our yield analysis, we note that the yields of the abovementioned private specialist medical centres are 9.79% and 7.19%, respectively. Exercising judgment based on our experience in the industry, we have compared the relative investment characteristics of the Subject Properties and the sales. We have made necessary diligent adjustments to arrive at the capitalisation rate of the Subject Properties. We have given emphasis on the time, location, quality, characteristics and tenure of the Subject Properties. We have also taken into account the current economic condition as impacted by the weaker global growth, volatility in the capital markets and geo political concern, the existing and future demand and supply of the private specialist medical centre segment in arriving at the capitalisation rate. The rate is adopted after taking into consideration the risk involved in the operation of the medical centre to obtain the net revenue (profit). We have reflected the above factors accordingly and have adopted fair capitalisation rates to capitalise the net revenue (profit) to arrive at the terminal value of Subject Properties which are also derived from comparison of yields of the abovementioned private specialist medical centres and the broad spectrum of various types of residential, commercial, industrial and agricultural properties.
Discount Rate	The discount rate is based on the perceived risk on the future projections and the return on the investment. We have made upward adjustment of 200 basis points (bps) on the capitalisation/all risk yield rate to reflect the higher risk on the future business and revenue of the Subject Properties, the prospect of the Malaysian healthcare industry and the Malaysian economy and the future revenue. The discount rates adopted are within the range of the industry averages of medical centres in Malaysia and reflective of all the physical and investment characteristics of the Subject Properties.

1.2 Cost Approach comprising the Comparison and DRC Methods – Properties Nos. 1, 2 and 3 (as Check Methodology), 4 and 5 (as Sole Valuation Methodology)

In essence, this approach entails the summation of the market value of land and DRC of the building. Cost Approach is the most common method as it can be applied to wide range of assets. The Cost Approach estimates value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. It is based on the principle of substitution, i.e. that unless undue time, inconvenience, risk or other factors are involved, the price that a buyer in the market would pay for the asset being valued would not be more than the cost to construct an equivalent asset. In assessing what he might be prepared to pay for a property, a potential purchaser may consider as an alternative to acquiring the Subject Properties by buying a similar type of land and constructing a similar building having the same utility and function. This represents the maximum that a potential purchaser would be prepared to pay for the property.

In arriving at the Market Value of the land, we have adopted the Market/Comparison Approach which is premised on the principle that comparison is made of the property under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made.

In determining the value of the commercial land by this method, a survey was made of property sales that have occurred in the localities of the Subject Properties or similar areas within the recent past. These comparable sale prices are then adjusted for comparability to reflect differences in time, location and accessibility, corner/end premium, category of land use/express condition, size/quantum allowance, tenure, restriction in interest in the the title and conversion premium from development land to commercial land to render the sold properties as similar as possible with the Subject Properties.

The building value is arrived at by the DRC Method which is derived from the Gross Current Reproduction / Replacement Cost New ("**GCRCN**") and deducting therefrom the accrued depreciation comprising physical, functional and economical obsolescences. We also made reference to various contracts awarded, made enquiries with the contractors and quantity surveyors and made reference to JUBM Group Construction Cost Handbook Malaysia. We have adopted straightline depreciation at a rate of 2% per annum and the estimated life span of the buildings adopted is about 50 years as per the practice in the industry for similar type of properties after consultation with Contractors and Quantity Surveyors which is a fair representation.

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In arriving at the GCRCN of the Subject Properties, the following construction cost of government hospitals and private hospitals / medical centres, are noted, amongst others: -

No.	Description	Year of Construction	Construction Cost (RM Mil)	Analysis (RM psf over total GFA)
A	**Government Hospital**			
	Public Sector in Kuala Lumpur	-	-	377 to 550
B	**Private Hospital / Medical Centre**			
1	An annexed 10 storey private specialist medical centre together with a 2 storey mechanical and electrical ("M&E") building and a single storey guard house (buildings only) (South Wing) being the expansion/ new development of KPJ Penang Specialist Hospital	2019 - 2022	105.87 *1 & *2	463.41
2	A 15 storey private specialist medical centre (incorporating 4 levels of elevated car parks) together with 2 levels of basement oncology department cum car parks and a single storey refuse chamber (buildings only) (West Wing) being the expansion/new development of KPJ Ampang Puteri Specialist Hospital *3	2015 – 2019	89.56 *1 & *2	361.64
3	An 8 storey private consultant block, an annexed 6 storey private medical centre with a ground floor car park, a 2 storey M&E building, a single storey medical gas storage building and a single storey refuse chamber building which being the expansion/new development of KPJ Seremban Specialist Hospital	2016 - 2018	87.85 *1 & *2	408.03
4	An ambulatory care centre known as TMC Health Centre	2016 - 2017 / 2019 - 2020 (Extension)	14.56 *1 & *2	448.04
5	KPJ Kluang Specialist Hospital	2017	79.32	427.65
6	KPJ Miri Specialist Hospital	2016	71.00	563.36
7	KPJ Bandar Dato' Onn Specialist Hospital, Johor	2016	204.00	374.51
8	KPJ Batu Pahat Specialist Hospital *□	2016	64.94	374.00
9	KPJ BDC (Kuching) Specialist Hospital	2015	94.73	375.88
10	KPJ Pasir Gudang Specialist Hospital	2013	68.20	319.76
11	KPJ Pahang Specialist Hospital	2013	90.00	278.47
12	KPJ Bandar Maharani Specialist Hospital	2012	51.07	269.56

Source: Bursa Malaysia Securities Berhad's website / JUBM Group Construction Cost Handbook Malaysia / KPJ's Annual Reports / Cheston's Research

Note: *1 *The construction cost is excluding lessee's/tenant's improvements.*

*2 *The construction cost is excluding elevated car parks.*

*3 *As at the date completion, levels 11 and 12 were retained as 'shell and core' and reserved for future development.*

*□ *As at the date of completion, the finishes of the interior floor, ceiling and wall of level 7 were still unfinished whilst level 5 were partly finished.*

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1.3 Summary and Reconciliation of Values / Valuation Rationale

Properties Nos. 1, 2 and 3

A private specialist medical centre is a specialised property of providing quality, highly skilled healthcare services utilising technologically advanced medical equipment with various sources of revenues generated from operating the property as a business entity and where revenues/earnings, expenses and profits are the essence to the value of the property. As such, we have given greater emphasis on the Income Approach by Profits Method (DCF) as a more reliable and appropriate method of valuation. The Income Approach by Profits Method (DCF) is able to capture the annual income and expenses over the investment horizon of the investment asset and reflects its investment characteristics, thus appropriate to arrive at the fair and accurate market value of a private specialist medical centre.

The other suitable methodology which can be adopted as it takes into consideration of the nature of a private specialist medical centre which is designed and developed according to the specific use of a particular business and operational requirements is the Cost Approach which comprises summation of the land value and depreciated replacement cost of the building. It is the commonly adopted methodology in the industry for valuation of specialised assets. Based on our investigation and analysis, we note that there are adequate sale evidences of similar type of commercial land in the immediate vicinities and larger neighbourhoods with similar locational benefits of Properties Nos. 1, 2 and 3 which can be relied upon to arrive at the accurate market values of the land component using the Market/Comparison Approach. The details of the sale evidences are easily available from the Valuation And Property Services Department, Ministry Of Finance. The building component is derived from the DRC where the development cost of medical centres are easily available. The summation of the land and building values is adopted as the market value.

Based on our research and investigation, we note that there are either infrequent or very limited sale or rental evidences of private specialist medical centres in Malaysia as the medical centres are often constructed for owner operation, seldom held as an investment asset and are rarely transacted or leased/tenanted. Therefore, in the absence of sufficient sale and rental comparables, the Market/Comparison Approach and Income Approach by Investment Method may not be suitable approaches to determine the accurate market value of the private specialist medical centre. The capital and rental Market/Comparison Approach is an appropriate method to be adopted for homogeneous properties with minimal dissimilarities which require less complicated adjustments. However, for specialised profit orientated properties which are physically, functionally and economically heterogeneous where adjustments are numerous and more difficult to quantify, it will be difficult to make accurate adjustments using the Market/Comparison Approach. Thus, a fair and reasonable approach to determine accurate market rental values of the Subject Properties is to arrive at the open market capital value of the Subject Properties and applying current market based rental yield by benchmarking against similar types of income-generating PMC and commercial properties.

The market value of an income generating commercial property is a function of the future income stream derived from its operation and is best reflected in the Income Approach by Profits Method (DCF). The cash flows are subject to the specific nature of the particular business operation. It will be strenuous to make all the relevant qualitative and quantitative adjustments accurately for such properties using Market/Comparison Approach.

In light of the above, we have considered the Income Approach by Profits Method (DCF) and Cost Approach as the suitable valuation methodologies to arrive at the market value of Properties Nos. 1, 2 and 3. Nevertheless, the Cost Approach is derived from the market value of the land and DRC of the building which does not reflect the investment characteristics of Properties Nos. 1, 2 and 3. However, the Cost Approach can provide a good guide on the market value of Properties Nos. 1, 2 and 3 due to easily available comparables for the land component and availability of accurate cost of development of the specifically designed and constructed private medical centre. Hence, we have considered the market value derived from the Income Approach by Profits Method (DCF) as fair and accurate representation of the market value of Properties Nos. 1, 2 and 3 supported by the Cost Approach comprising Comparison and Depreciated Replacement Cost Methods.

Properties Nos. 4 and 5

The existing uses of Properties Nos. 4 and 5 are private institutional centres (PIC), thus, adopting Market/Comparison and Investment Approaches may result in distorted market value which does not reflect the true market value of Properties Nos. 4 and 5 as an institutional centres. The Cost Approach is the best alternative valuation methodology to arrive at market value of Properties Nos. 4 and 5 due to easily available comparables for the land component and availability if accurate cost of development of the specifically designed and constructed private institutional centre.

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We were also unable to assess the market value of Properties Nos. 4 and 5 using the Income Approach by Investment Method as Properties Nos. 4 and 5 are specifically designed for a particular use and we are unable to obtain comparable rental evidences of similar type of properties in the locality. Institutional premises in the locality are generally owner occupied or operated and are seldom purchased for investment purposes. Thus, rental comparables are rare. If tenanted, the rental comparables are also subject to various covenants and responsibilities of landlords and tenants which the details of the covenants are not available and require further complicated analysis. Institutional premises are often developed accordingly to the specific use of a particular business or industrial requirement and are rarely leased / tenanted.

Therefore, taking into consideration of the nature of Properties Nos. 4 and 5 which are often developed according to the specific use of a particular industry and requirement, the market values of Properties Nos. 4 and 5 derived from the Cost Approach are considered as fair and accurate representation of the market values of Properties Nos. 4 and 5.

In light of the above, we have relied upon the Cost Approach as the best alternative method to arrive at the fair market values of Properties Nos. 4 and 5.

2.0 MARKET PROSPECT

The Malaysian economy expanded by 5.1 percent ("%") in year 2024 (2023: 3.6%) supported by continued expansion in domestic demand, growth in the exports, stronger household spending reflecting favourable labour market conditions and strong expansion in investment activities. The International Monetary Fund ("**IMF**") in January 2025, in its world economic outlook has projected the Malaysian economy to grow at 4.5% in year 2025 and the World Bank ("**WB**") in January 2025 in its global economic prospects, in congruent with IMF, has estimated the Malaysian economic growth to 4.5% amid moderate global economic prospects and fiscal policy challenges.

The Malaysian property market performance revived in year 2022 after devastated by the Covid-19 pandemic impact in years 2020 and 2021, with 389,107 transactions worth RM179.07 billion exhibiting an increase of 29.5% in volume and 23.6% in value compared to year 2021 in concordant with the sturdy economic growth of 8.7%. In year 2023, despite the moderate economic growth of 3.6%, the Malaysian property market sustained with the total of 399,008 transactions worth RM196.83 billion, an increase of 2.5% in volume and 9.9% in value compared to previous year. The Malaysian property market has strengthened in year 2024, with 420,545 transactions worth RM232.30 billion exhibiting an increase of 5.4% in volume and 18.0% in value. As Malaysia aims to transform its economic landscape via digitalisation and infrastructure projects, in year 2025, the Malaysian property market is expected to synchronise the growth momentum supported by various initiatives, multi-year investment projects and several on-going new infrastructure and mega projects outlined and implemented by government and private sectors.

Malaysia adopts a two-tiered healthcare system comprising government operated network of nationwide public hospitals and clinics co-exists with a private healthcare system. Malaysia, as one of the Asia's most recognized developing countries, has risen to its immense potential as a preferred healthcare travel destination for the world. Healthcare in Malaysia is an attractive proposition, offering quality healthcare, which is easily accessible and competitively affordable, for patients' peace of mind. The entrenched private healthcare facilities supported by internationally recognised professional doctors and well-trained medical officers/staffs have made Malaysia a top destination for medical travellers. Malaysia is a thriving medical tourism destination for particularly fertility, oncology, cardiology, orthopaedics and aesthetics.

There is a dearth of rental evidence of private medical centres (PMC) in Malaysia as such assets are rarely leased/tenanted. As such, there is insufficient sale and rental comparables that can be relied upon to value the Subject Properties by using the Comparison Approach and Income Approach by Investment Method. In addition, we further affirm that specialised assets like the Subject Properties are physically, functionally and economically heterogeneous which are designed and constructed for the particular business nature. Thus, it will be arduous to make all the necessary adjustments accurately using Market/Comparison Approach to arrive at fair Market Value and Market Rental Value.

Nevertheless, as for general guide, we have compiled rental evidences of office space within the locality of the Subject Properties are located as tabulated below.

Property No.	State	Locality	Rental Range Of Office Building Over Net Lettable Area
1	Penang	Bandar Baru Perda	RM1.61 psf to RM3.41 psf
2	Negeri Sembilan	Seremban	RM1.79 psf to RM3.27 psf
3	Perak	Taiping	RM1.45 psf to RM2.50 psf
4	Negeri Sembilan	Nilai	RM1.30 psf to RM1.98 psf
5	Penang	Bukit Mertajam	RM0.32 psf to RM0.98 psf

Source: Jabatan Pemilaian dan Perkhidmatan Hartanah (JPPH) / Valuation and Property Services Department, Ministry of Finance

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We wish to highlight that the abovementioned rental evidences are office space which has vast differences in terms of functional utility and investment characteristics compared to the Subject Properties. The rental evidences are tenanted to multiple tenants in smaller sizes compared to the Subject Properties which are tenanted to a single tenant on an en bloc basis. The office space is tenanted on net lettable area (NLA) basis whilst the Subject Properties are tenanted on a gross floor area ("GFA") basis.

Based on our analysis of the rental yields of the investment properties transacted in years 2019 and 2020 comprising UOA Corporate Tower, The Pinnacle Sunway and Menara Guoco, the net rental yields ranged between 4.96% to 6.28% whilst the net rental yields of IGB Commercial REIT which was launched in April 2021 ranged between 3.16% to 5.47%. The analysed rental yield (net) of the buyback of Sunway Medical Centre by Sunway Medical Sdn Bhd (Purchaser) from Sunway Real Estate Investment Trust (Vendor) was 6.15%. The rental yield on the sale of Menara CelcomDigi by Malaysian Resources Corp Berhad (MRCB) to Sentral Real Estate Investment Trust (Sentral REIT) in July 2023 was 6.50%.

The rental rates of the renewed 6 medical centres in the mid of 2021, between Al-Aqar Healthcare REIT (Lessor) and KPJ (Lessee) comprising KPJ Ampang Puteri Specialist Hospital, KPJ Damansara Specialist Hospital, KPJ Johor Specialist, KPJ Puteri Specialist Hospital, KPJ Selangor Specialist Hospital and KPJ Ipoh Specialist Hospital, ranged between RM1.52psf to RM2.09psf based on GFA (RM2.17psf to RM2.98psf based on the estimated net lettable area) which translated to the net rental yield of about 5.30%. The rental rate of KPJ Pasir Gudang Specialist Hospital vide Sale and Leaseback arrangement in year 2022 was RM2.13psf over GFA (RM3.04psf over estimated net lettable area) with the net rental yield of about 5.30%. Whilst the newly renewed 5 medical centres in the mid of 2023, between the Lessor and the Lessee comprising KPJ Kajang Specialist Hospital, KPJ Perdana Specialist Hospital, KPJ Sentosa KL Specialist Hospital, Kuantan Care & Wellness Centre and Kedah Medical Centre ranged between RM1.62psf to RM1.94psf based on GFA (RM2.21psf to RM2.90psf based on the estimated net lettable area) which translated to the net rental yield ranging from 5.10% to 5.93% and/or overall of about 5.69%.

In light of the above, taking into consideration of the current state of the subdued global economy, moderate Malaysian economy, sustained Malaysian property market, potential healthcare industry, the current cost of financing, short to long term securities rates and after making comparisons with the broad spectrum of yields of various types of residential, commercial, industrial and agricultural properties in Malaysia, as well as taking into consideration of the age, current physical condition, the current viability and feasibility of each property to the present state of commercial market requirement due to changes in the evolution of the commercial industry, existing surroundings, location and infrastructure, we are of the view that the fair net rental yields of the Subject Properties are between 5.50% to 6.50%.

3.0 OPINION OF VALUE

Having regard to the foregoing, taking into consideration of all pertinent factors and based upon our analysis of relevant market data, we are of the opinion that the market values of the Subject Properties, on a going concern basis as fully operational private specialist medical centres in respect of Properties Nos. 1, 2 and 3, whilst on an as-is basis in respect of Properties Nos. 4 and 5 and subject to the titles being free of all encumbrances, good, marketable and registrable are as follows: -

Property No.	Subject Property	Market Value (RM)
1	KPJ Penang Specialist Hospital (PSH)	177,500,000
2	KPJ Seremban Specialist Hospital (SSH)	165,000,000
3	Taiping Medical Centre (TMC) and TMC Health Centre (TMCHC)	23,000,000
4	KPJ Healthcare University (Phase 1 of Nilai Campus) (KPJUC)	25,700,000
5	KPJ International College Of Nursing And Health Sciences (KPJIC)	15,350,000
	TOTAL	**406,550,000**

For And On Behalf Of
CHESTON INTERNATIONAL (KL) SDN BHD

G PAREMES SIVAM, FRISM, MRICS, MIACVS, MPEPS
CHARTERED SURVEYOR
REGISTERED VALUER, V-480

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APPENDIX 'A' – SALIENT DETAILS OF THE SUBJECT PROPERTIES

Property No. 1

a. Salient Details

Date of Inspection and Valuation:	26 February 2025
Identification / Type of Property / Property Address:	A private specialist medical centre known as KPJ Penang Specialist Hospital ("PSH") identified as Lot 10150 (formerly PT No. 799), Mukim 7, District of Seberang Perai Tengah, Pulau Pinang, held under Title No. Geran Mukim 1453 (formerly H.S.(M)) 375, bearing postal address No. 570, Jalan Perda Utama, Bandar Perda, 14000 Bukit Mertajam, Pulau Pinang.
Title Particulars:	

Tenure:	Interest in perpetuity
Title Land Area:	17,738.00 square metres ("sq. m.") (190,930.24 square feet ("sq. ft."))
Registered Proprietor:	ART (as Trustee)
Category of Land Use:	Building
Encumbrance:	Nil
Endorsement:	A private caveat has been entered by Maybank Investment Bank Berhad, registered on 5 May 2021.

Location

PSH is located within Bandar Perda, a self-contained township sited along the southern (right) side of Jalan Perda Utama, travelling from Seberang Perai towards Bukit Mertajam town. Georgetown, the state capital of Penang is located about 23.0 kilometres ("km") to the north-west of PSH whilst Bukit Mertajam town is located about 7.0 km to the south-east of PSH. The Penang Bridge which connects Seberang Perai on the mainland and Gelugor on the island of Penang is located about 7.5 km to the west of PSH. Penang International Airport is located about 25.0 km to the south-west of PSH.

PSH fronts Jalan Perda Utama and is accessible from North-South highway via exiting at the Perai Interchange, Jalan Baru and Jalan Permatang Pauh. In the immediate vicinity of KPJSSH are 'PETRONAS' and 'Caltex' petrol filling and service stations which are located about 750 metres and 1 km, respectively, to the west of PSH.

Majlis Bandaraya Seberang Perai is located about 650 metres to the north of the subject property. Other office buildings in the vicinity include Bangunan Lembaga Hasil Dalam Negeri (LHDN) Bukit Mertajam Branch, Central Seberang Perai District Headquarters. Prominent hotel development of The Lights Hotel and Sunway Hotel Seberang Jaya are located about 8.1 km to the north-west. Mydin Mall Bukit Mertajam is located about 3.0 km to the west of the subject property. AEON Mall Bukit Mertajam and Lotus's Bukit Mertajam are located at about 8 km to 10 km to the south-east of the subject property whilst Sunway Carnival Mall and Megamal Penang are located at about 7.6 km and 5.3 km to the north-west of the subject property. University Technology Mara UiTM Seberang Perai and the Seberang Perai Polytechnic are located about 3.0 km to the north-west of PSH.

Prominent private medical centres and government hospitals located in the neighbourhood are as follows: -

Name	Capacity (bed)	Location	Distance from PSH (km)
Private Medical Centre			
KS Wan & Liow Specialist Maternity Centre Sdn Bhd	4	No. 17 & 19, Lorong Tembikai 6, Pusat Komersial Sri Rambai, 14000 Bukit Mertajam, Pulau Pinang	3.0
Questra Bio-Clinical Research Centre	20	No. 6, Jalan Desa Pauh, Taman Desa Pauh, 13500 Permatang Pauh, Pulau Pinang	3.1
DBM Hospital	4	No. 18 & 20, Jalan Cermai 1, Taman Cermai, Jalan Sama Gagah, Permatang Pauh, 13500 Seberang Perai, Pulau Pinang	7.3
Sunway Medical Centre Penang	132	3106, Lebuh Tenggiri 2 Pusat Bandar Seberang Jaya, 13700 Perai, Pulau Pinang	8.3
Bagan Specialist Centre	178	Jalan Bagan 1, 13400 Butterworth, Penang	10.8
Lam Wah Ee Hospital	417	141, Jalan Tan Sri Teh Ewe Lim, 11600 Georgetown, Pulau Pinang	22.2
Optimax Eye Specialist Hospital	4	223, Jalan Masjid Negeri, 11600 Pulau Pinang.	22.9
Pantai Hospital Penang	204	82, Jalan Tengah, 11900 Bayan Lepas, Pulau Pinang	24.3
Georgetown Specialist Hospital (formely known as Carl Corrynton Medical Centre)	20	No. 12-A, Jalan Masjid Negeri, 11600 Pulau Pinang	24.5
Loh Guan Lye Specialist Centre	205	238, Macalister Road, 10400 Pulau Pinang	25.9
Peace Medical Centre	4	81, Lorong Selamat, 10400 Georgetown, Pulau Pinang	26.2
Hospital Kebajikan Kek Lok Si	22	No. 623, Jalan Balik Pulau, Ayer Itam, 11500 Pulau Pinang	26.6
Island Hospital	399	No. 308, Macalister Road, 10450 Pulau Pinang	27.0
Hope Children Hospital -Gottlieb	10	25B, C & D, Jalan Gottlieb, 10350 Georgetown, Pulau Pinang	27.3
Penang Adventist Hospital	261	465, Jalan Burmah, 10350 Georgetown, Pulau Pinang	27.4
Gleneagles Medical Centre Penang	333	1, Jalan Pangkor, 10050 Pulau Pinang	27.9
Mount Miriam Cancer Hospital	40	23, Jalan Bulan, Fettes Park, 11200 Tanjung Bungah, Pulau Pinang	30.8

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Name	Capacity (bed)	Location	Distance from PSH (km)
Government Hospital			
Bukit Mertajam Hospital	242	Jalan Kulim, 14000 Bukit Mertajam, Penang	5.3
Hospital Seberang Jaya	393	Jalan Tun Hussein Onn, Seberang Jaya, 13700 Perai, Penang	7.2
Hospital Sungai Bakap	105	Sungai Jawi, 14200 Seberang Perai Selatan, Pulau Pinang	21.1
Hospital Kepala Batas	134	Jalan Bertam, Kepala Batas, 13200 Sebarang Perai Utara, Pulau Pinang	25.7
Hospital Pulau Pinang	1,163	Jalan Residensi, 10990 Timur Laut, Pulau Pinang	25.9
Hospital Balik Pulau	81	Balik Pulau, 11000 Barat Daya, Pulau Pinang	34.4

Source: Ministry of Health ("MOH")

The Site

The subject site is a parcel of corner plot, trapezoidal in shape and enjoys dual frontages onto Jalan Perda Utama and Jalan Perda Utara.

The Buildings

Brief details of the development, extension and renovation of PSH are as follows: -

Year of Construction / Approval	Development / Extension / Renovation	Date / Reference No. of the Approved Plans / Certificate of Fitness for Occupation ("CF") / Certificate of Completion and Compliance ("CCC")
2006 / 2009	The original 5 storey private specialist medical centre building	Building plans bearing reference no. MPSP 40/30-36/36 Bil. Pelan 24(A-K), and Bil. Pelan 51(A-K) and were approved by Majlis Perbandaran Seberang Perai ("MPSP") on 16th November 2006, and 14th January 2009, respectively. CF bearing certificate no. 50/T/09 was issued by MPSP on 27 March 2009.
2008 / 2009	Renovation / Extension of the original 5 storey private specialist medical centre building as follows:- i. Caféria ii. Chiller Plant Room iii. Trash Room (bilik sampah)	Building plans bearing reference no. 163864/5 were approved by the Fire and Rescue Department Malaysia (Jabatan Bomba dan Penyelamat Malaysia / "BOMBA") on 29th April 2009. N/A
2010 / 2011	Renovation / Extension of the original 5 storey private specialist medical centre building as follows:- i. Kitchen on the ground floor. ii. Additional 8 wards (22 beds) and supporting area on level 2.	Building plans bearing reference no. MPSP 40/40-36/242 were approved by MPSP on 21st October 2011. N/A
2013 / 2014	Renovation / Extension of the original 5 storey private specialist medical centre building	Building plans bearing reference no. MPSP 40/40-37/88 were approved by MPSP on 19th November 2014. N/A
2019 / 2022	An annexed 10 storey private specialist medical centre building together with a 2 storey M&E building and a single storey guard house.	Building plans bearing reference no. Bil.28/2/12 dlm. MBSP 40-37/88 (PRI) were approved by Majlis Bandaraya Seberang Perai ("MBSP" / formerly MPSP) on 25th February 2022. CCC bearing certificate no. LAM/PP/No. 7403 was issued by MBSP on 08 August 2022.

All the above mentioned buildings are of similar construction and the details of the specification are as follows: -

Buildings:	Constructed of reinforced concrete frame, beam and column with brick infills plastered internally and rendered externally partly supporting steel roof trusses and purlins laid over with colorbond lysaght steel roofing sheets underlaid with fibreglass wool on double sided aluminium foil on wire netting.
Ceilings:	Generally of gypsum plaster boards with cornices incorporating downlights, mineral fibre boards incorporating fluorescent lights and centralised air-conditioning ducts with the exception of the toilets which are of cement plaster.
Internal Walls:	Generally of gypsum boards and gypsum boards incorporating glass panels. The internal walls of the lift lobbies are generally lined with glazed wall tiles up to ceiling height whilst the waiting area on the ground floor is lined with glazed wall tiles up to a height of about 0.915 metre (3 feet) and up to the ceiling height. The male and female toilets are lined with glazed wall tiles up to the ceiling height.
Doors:	Generally, the main entrance to the reception area on the ground floor is fitted with an electronically operated double leaf frameless glass panelled door. Other doors are generally of fire rated timber door, timber flush door, timber panelled door incorporating glass panels, solid timber, an electronically operated double leaf frameless glass panelled door and PVC doors.
Windows:	Generally of powder coated aluminium casements incorporating tinted/ clear glass panels and top hung units.
Floors:	Generally of ceramic tiles, glazed ceramic tiles, homogenouos tiles and cement screed.

Generally, the buildings are equipped with centralised air-conditioning system, with some rooms are fitted with additional split-unit air conditioners. Vertical movement between floors is by means of:-

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South Wing	
3 units of staircases	Reinforced concrete staircase, serving all levels
5 units of passenger's lifts	Type of 'Fujihd' with a capacity of 1,630 kilogrammes ("kg") / 24 persons, serving all levels
1 unit of BOMBA lift	Type of 'Fujihd' with a capacity of 1,630 kg / 24 persons, serving all levels
1 unit of service/cargo lift	Type of 'Fujihd' motorless with a capacity of 1,600 kg / 24 persons, serving all levels
2 units of indoor escalators	Type of 'Fujihd' with a capacity of 6,000 kg / 90 persons, serving ground to 1st levels
North Wing	
5 units of staircases	Reinforced concrete staircase, serving all levels
3 units of passenger's lifts	Type of 'Fuji' with a capacity of 1,630 kg / 24 persons, serving all levels
1 unit of BOMBA lift	Type of 'Fuji' with a capacity of 1,630 kg / 24 persons, serving all levels

Generally, all the buildings are equipped with the required fire fighting systems.

Car Park Bays

There are 69 surface and covered car park bays provided within PSH. 63 car park bays are located on the ground floor/level 1 of the annexed five (5) storey private specialist medical centre (old block / north wing) and 6 car park bays located on the ground floor/level 1 of the annexed ten (10) storey private specialist medical centre (new block / south wing). There are 496 car park bays provided within the adjoining PT No. 1031 which belong to KPJ are excluded from the valuation.

Gross Floor Area ("GFA")

The GFA of the buildings computed by aZH Architects Sdn Bhd and provided to us by Penang Specialist Hospital Sdn Bhd ("**PSHSB**") are in line with our measurement in accordance with the Uniform Method of Measurement of Buildings, The Royal Institution of Surveyors, Malaysia ("**RISM**"). The GFA and age of each building are tabulated as follows: -

Building	GFA		Age
	sq. m.	sq. ft.	(Year)
South Wing			
An annexed ten (10) storey private specialist medical centre	19,643.10	211,436.61	2.56
Overlapping area connecting new block (South Wing) annexed with old block (North Wing)	1,174.46	12,641.80	
A double (2) storey mechanical and electrical (M&E) building and a vie tank farm	410.90	4,422.87	
A single storey guard house	6.19	66.61	
Sub-Total	**21,234.65**	**228,567.89**	
North Wing			
A five (5) storey private specialist medical centre	15,545.84	167,333.98	15.93 /
Two (2) units of single storey guard houses	12.38	133.22	2.56
Sub-Total	**15,558.21**	**167,467.20**	
Grand Total	**36,792.87**	**396,035.09**	

Beds

Vide a licence to operate bearing licence no. 130701-00240-01/2023 (Borang 7 No. Siri: 004841) with 0.88 year validity from 16 January 2025 to 02 December 2025 as approved by MOH on 27 January 2025, we note that PSH has been permitted to operate 319 beds (inclusive isolation room, intensive care unit ("**ICU**"), high dependency unit ("**HDU**")), 4 operation theatre ("**OT**"), 6 basinets, 2 cots, a phototherapy cot, 20 dialysis chairs (19 non-Hepatitis and a Hepatitis C) and a dental chair. From the circular of Al-'Aqar Healthcare REIT dated 04 February 2009, we note that originally there were 120 operational beds. Between years 2017 to 2022 (inclusive), the operational beds had increased to 184 beds (excluding 6 ICU and 3 HDU). The increase of the 64 beds was from old block (north wing) with decrease of 1 unit of 1-bedded of VVIP (-1), decrease of 4 units of 1-bedded of VIP (-4), decrease of 3 units of 3-bedded of daycare (-9), decrease of an open ward for 3-bedded of HDU (-3), addition of 4 units of 1-bedded of isolation (+4), addition of 18 units of 1-bedded (+18), addition of 2 units of 2-bedded (+4), addition of 9 units of 3-bedded (+27), addition of 2 units of 4-bedded (+8) and an addition of a unit of 6-bedded (+6). Overall, between years 2017 to 2022 (inclusive), the beds had increased from 120 to 184. In years 2023 and 2024, there were increase of 63 beds of the expansion/new development of an annexed ten (10) storey private specialist medical centre (south wing) which was completed in year 2022 comprising 13 units of 1-bedded (+13), 2 units of 1-bedded of isolation (+2), 16 units of 2-bedded (+32) and 4 units of 4-bedded (+16). Therefore, the operational beds at 247 beds from 184 beds. In year 2024 with the expansion of additional 33 operational beds at level 8 (7th floor) and in year 2025 with the expansion of 12 beds at level 3 (2nd floor) and 30 operational beds at level 9 (8th floor) of the south wing (new wing), contributed to the total operational beds from 247 beds to 322 beds (+75). Henceforth, we have reflected the total 322 operational beds throughout our projections. The configuration of operational beds and number of rooms in respect of both north and south wings as per licence are tabulated below: -

Description	North Wing (2nd to 4th Floors) (Inclusive)		South Wing (5th to 8th Floors) ((Inclusive)		Total	
	R	B	R	B	R	B
1-bedded (including VVIP/VIP)	35	35	26	26	61	61
2-bedded	13	26	32	64	45	90
3-bedded	27	81	-	-	27	81
4-bedded	8	32	8	32	16	64
6-bedded	1	6	-	-	1	6
Isolation	4	4	4	4	8	8
Total Operational Beds	**88**	**184**	**70**	**126**	**158**	**310**
ICU (including isolation)	3	6	-	-	3	6
HDU	1	3	-	-	1	3
Total	**4**	**9**	**0**	**0**	**4**	**9**
Total Licenced Beds	**92**	**193**	**70**	**126**	**162**	**319**

Notes: R = No. of Room / B = No. of Bed

The beds are classified into VVIP / VIP suite, 1-bedded (deluxe and standard), 2-bedded (deluxe and standard), 3-bedded (deluxe and standard), 4-bedded (deluxe and standard) and 6-bedded.

The configuration of hospital beds, number of rooms and rates are as follows: -

Description	Rate Per Bed Per Night		North Wing		South Wing		Total	
	North Wing	South Wing	R	B	R	B	R	B
VVIP Suite	RM600 - RM688	-	35	35	26	26	61	61
VIP Suite	RM400	-						
1-Bedded Deluxe Standard	 RM350 RM250	 RM200						
2-Bedded Deluxe Standard	 RM200 RM150	 RM350	13	26	32	64	45	90
3-Bedded Deluxe Standard	 RM150 RM100	 -	27	81	-	-	27	81
4-Bedded Deluxe Standard	 RM100 RM 80	 RM100	8	32	8	32	16	64
6-Bedded	RM 60	-	1	6	-	-	1	6
Isolation	RM150 - RM250	-	4	4	4	4	8	8
Total Operational Beds			**88**	**184**	**70**	**126**	**158**	**310**
ICU	RM250	-	3	6	-	-	3	6
HDU	RM150	-	1	3	-	-	1	3
Total			**4**	**9**	**-**	**-**	**4**	**9**
Total Licenced Beds			**92**	**193**	**70**	**126**	**162**	**319**

Source: PSHSB

Facilities and Services:

Other medical facilities provided in PSH comprise as follows: -

Other medical facilities	No. of Room / Bed / Bassinet / Cot	
	North Wing	South Wing
Operation Theatre (OT) Room	5	-
Treatment Room	1	-
Resusitation Room	1	-
Endoscopy, Holding and Recovery	-	4 / 3 / 6
Nursery	6	-
Special Care Nursery (SCN)	3	-
Dental	1	-
Dailysis	20	-

Source: PSHSB

PSH also provides the following services: -

Clinical Disciplines	Facilities and Services
• Radiology • Ophthalmology Critical Care • Cardiology • Otorhinolaryngology • Nephrology • Gastroenterology & Herpetology • Upper Gastrointestinal (GIT) Surgery • Oral & Maxillofacial Surgery • General Surgeon • Neurosurgery • Obstetrics & Gynaecologist • Orthopaedic • Paediatric • Respiratory Medicine • Medication • Psychiatry • Cardiothoracic Surgeon • Endoscopy • Haemodialysis	• 24-hour Accident & Emergency Services • Ambulatory • Anaesthesia • Radiology & Imaging (Mobile Radiography, General Radiography, Magnetic Resonance Imaging (MRI), Mammography, Ultrasound, General X-Ray, Mobile C-arm, CT Scanner, Fluoroscopy, Angiography) • Pharmaceutical • Recovery • Sterilisation • Dietetic Counselling Service • Nursing Care • Health Screening Unit (Treatment, Stress Test, Electrocardiogram (ECG), Lung Function Test, PAP Smear) • Intensive Care Unit (ICU) / Cardiac Care Unit (CCU) / High Dependency Care Unit (HDCU) • Delivery Suites • Laboratory

Source: PSHSB

Consultants: As at the date of valuation, as provided to us by the client, PSH is supported by 54 consultants / doctors.

Planning Details: PSH is located within an area designated for commercial use.

All the buildings, extension and renovation works are issued with CF/CCC as per the details in the description of the buildings.

Occupancy Status / Lease Details: A lease agreement has been duly executed in respect of the North Wing of PSH dated 14 October 2009 made between Al-'Aqar KPJ REIT (now known as Al-'Aqar Healthcare REIT) (being represented by its trustee ART) as a Lessor, Penang Specialist Hospital Sdn Bhd (formerly Bukit Mertajam Specialist Hospital Sdn Bhd) (the Lessee) and JLG REIT Sdn Bhd ("JLG REIT") (formerly Damansara REIT Managers Sdn Berhad) (the Manager) for an initial term of fifteen (15) years commencing from 14 October 2009 with an option to renew for another fifteen (15) years, subject to the terms and conditions to be agreed by the parties. The Lease commenced on 14 October 2009 and expires on 13 October 2024 ("Contractual Term").

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Occupancy Status / Lease Details:	Vide a letter of extension of renewal of leases from KPJHB (as Lessee) to ART (as Trustee) of Al-Aqar Healthcare REIT (as Lessor) and JLG REIT (as Manager) dated 5 July 2024, we note that KPJHB has requested the parties to extend the Contractual Term of North Wing of PSH which will expire on 13 October 2024 to a new commencement date of 1st January 2025 (New Extended Commencement Date). Vide a memorandum of extension ("MOE") in respect of the date of renewal of the lease of the North Wing had expired on 13 October 2024 has been executed between the parties to extend the Contractual Term commencing from 14 October 2024 and expiring on 31 December 2024. The parties also agreed to revise the New Extended Commencement Date to 1st January 2025 in order to facilitate on the negotiation of the commercial terms of the new agreements. However, we were informed by the client that the commencement of the Contractual Term has been further extended to 31 July 2025. This valuation is carried out pursuant to the proposed renewal of the abovementioned lease for a further term of fifteen (15) years in respect of the North Wing of PSH. The lease agreement for the South Wing of PSH will be executed for a similar term of fifteen (15) years to commence concurrently with the lease of the North Wing.

b. Valuation

1. Income Approach by Profits Method (DCF)

Parameters Adopted

The parameters adopted for PSH are as follows:-

a) Occupancy Rate Adopted

The occupancy rate is derived based on the historical occupancy rates achieved by PSH since years 2016 to 2024 (inclusive) as per the table below:

Historical Occupancy Rate of PSH

Description	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Beds In Operation	181	181	184	184	184	184	184	247	280
Beds Available	66,246	66,065	67,160	67,160	67,344	67,160	67,160	90,155	102,480
No. of Inpatient Admitted	18,029	18,816	20,148	20,375	13,440	11,389	17,529	22,350	23,651
Total Occupied Beds	48,881	49,546	52,716	53,984	34,939	27,790	45,087	63,134	65,022
Occupancy Rate (%)	73.79	75.00	78.49	80.38	51.88	41.38	67.13	70.03	63.45

Source: PSHSB

We note that the occupancy rates for years 2016 to 2019 (inclusive) had been ascended from 73.79% to 80.38%. The occupancy rates had declined to 51.88% in year 2020 and 41.38% in year 2021 and rebounded to 67.13% in year 2022 due to the impact of the Covid-19 pandemic on the world and Malaysian economy mainly in years 2020 and 2021 with the lesser impact in year 2022. In year 2023, post Covid-19 pandemic, the occupancy of the integrated operation of the north wing (old block) and south wing (new block) of PSH has achieved 70.03% occupancy with a higher number of operational beds. In year 2024, we note that the occupancy rate of PSH has declined to 63.45% due to opening of a new ward in south wing (new block) which has expanded number of operational beds from 247 beds to 280 beds.

Occupancy Rate Adopted

Year	1	2	3	4	5
	2025	2026	2027	2028	2029
Occupancy Rate Adopted	63.50%	66.00%	68.50%	71.00%	73.50%

The occupancy rates forecasted are fair, reasonable and in line with the occupancy rates of other similar private medical centres.

b)	No. of Inpatient Admitted Days	2.79
c)	Ratio of No. of Outpatient / Inpatient	6.04

Revenue

a)	Consultant Inpatient Revenue Per Occupied Bed	RM 692
b)	Consultant Outpatient Revenue Per Person	RM 112
c)	Hospital Inpatient Revenue Per Occupied Bed	RM2,373
d)	Hospital Outpatient Revenue Per Person	RM 309

Expenses

a)	Cost of Sales		
	i) Material Cost	28.0%	of hospital inpatient and outpatient revenues
	ii) Direct Staff Cost	14.8%	of gross operating revenue before hospital discount and appropriation to consultant
	iii) Operating Overhead	We have adopted the average percentage of years 2023 and 2024 of 8.0% over gross operating revenue before hospital discount and appropriation to consultant as direct staff cost throughout our projection as fair and reasonable representation of the business going forward	
b)	Undistributed Operating Expenses		
	i) Administrative & General	12.24%	of gross operating revenue after hospital discount and appropriation to consultant
	ii) Sales & Marketing	0.25%	
	iii) POMEC	5.20%	
c)	Quit Rent & Assessment Per Annum (Actual)		RM292,074
d)	Insurance Premium to cover F, B, PG, MB, PL, CL, AR and MM Per Annum (Actual)		RM380,058

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e)	Capital Reserve Fund For The Replacement Of FFE, HOE And CAPEX Adopted in Valuation Per Annum (RM per bed)		Year 2025	Year 2026	Year 2027	Year 2028	Year 2029
			45,200	50,200	55,200	60,200	65,200
f)	Terminal Capitalisation Rate	8.00%	PSH has an interest in perpetuity				
g)	Discount Rate	10.00%					

2. Cost Approach comprising the Comparison and DRC Methods

In arriving at the Market Value of the land, we have adopted the Market/Comparison Approach. The following sale evidences, amongst others, are considered suitable comparables and adopted: -

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Particulars of Title Lot/PT No. / Mukim / District / State:	Lot 1282 / Mukim 06 / District of Seberang Perai Tengah / Pulau Pinang	Lot 10127 / Mukim 07 / District of Seberang Perai Tengah / Pulau Pinang	Lot 6264 Section 3 / Town of Butterworth / District of Seberang Perai Utara / Pulau Pinang	Lots 10650 & 10648 / Mukim 6 / District of Seberang Perai Tengah / Pulau Pinang
Title No.:	Geran Mukim 1167	Geran Mukim 1193	Geran 115320	Geran Mukim 2728 & Geran Mukim 2730
Property Type:	A parcel of development land (Intermediate)	A parcel of commercial land (Corner))	A parcel of development land (Intermediate)	Two (2) adjoining parcels of development land (Intermediate)
Location:	LB 3832, Jalan Permatang Pauh, Permatang Pauh, Pulau Pinang	PT 805, Jalan Perda Selatan, Bukit Mertajam, Pulau Pinang	PMT 5119, Lorong Sungai Nyior Indah, Butterworth	Lots 10650 & 10648, Jalan Permatang Pauh, Permatang Pauh
Category Of Land Use / Planning:	First Grade / Commercial	First Grade / Commercial	First Grade / Commercial	First Grade / Commercial
Tenure:	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity	Interests in perpetuity, in respective of all titles
Land Area (sq. ft.):	71,329.38	84,367.53	16,652.00	82,107.00
Consideration (RM):	8,000,000	9,280,428	2,993,736	9,442,318
Date of Transaction:	21 June 2024	18 October 2023	11 November 2022	19 May 2022
Vendor:	Hup Soon Mechanical Works Sdn Bhd	Darul Ikon (M) Sdn Bhd	Praicon Corporation Sdn Bhd	Panglima Sejati Sdn Bhd
Purchaser:	Subaidah Holding Sdn Bhd	Jadem White Sdn Bhd	Eik Seng Machinery Sdn Bhd	Loyal Greenworld Sdn Bhd
Analysis (RM per sq. ft. / "psf"):	**112.16**	**110.00**	**179.78**	**115.00**
Adjustment Factors Considered:	Market condition (time), location and accessibility, corner/end premium, shape, category of land use/planning, size/quantum allowance, tenure and restriction in interest.			
Adjusted Value of Land (RMpsf)	122.50	122.24	135.34	132.88
Market Value Of Land:	In arriving at the market value of the subject land using the Market/Comparison Approach, we have emphasized upon Comparable 1 which is the latest transaction and has the least dissimilarities against the subject property as fair representation of the market value of the land, as per practice in the industry. We have adopted the adjusted value of **RM122.50 psf** from the adjustments of Comparable 1 as fair representation which translates into a market value of the commercial land of **RM23,388,547.46**.			

Source: Valuation and Property Services Department, Ministry of Finance, Malaysia

We note from the JUBM Group Construction Cost Handbook Malaysia, the construction cost of government hospital ranged from RM377 psf to RM550 psf. Our analysis of the development cost of private medical centres from years 2012 to 2022 revealed within the range of RM269.56 psf to RM563.36 psf.

In arriving at GCRCN of the subject property, we have adopted RM5,704.87 psm (RM530.00 psf) and RM1,722.23 psm (RM160.00 psf), respectively, in respect of the South Wing comprising an annexed 10 storey private specialist medical centre together with a 2 storey M&E building and a single storey guard house, whilst RM4,090.29 psm (RM380.00 psf) and RM645.83 psm (RM60.00 psf), in respect of the North Wing comprising a 5 storey private specialist medical centre and 2 units of guard houses.

The GCRCN of the buildings is RM180,079,930.24. Depreciation is adopted at a rate of 2% per annum. The depreciation of the buildings is RM26,349,360.50. The DRC of the buildings is RM153,730,569.75. Thus, the market value of the subject property derived from the Cost Approach is RM177,119,117.21 and we have rounded down to RM177,000,000.00.

3. Reconciliation and Opinion of Value

Method of Valuation	Market Value Derived	Market Value Adopted	
Income Approach by Profits Method (DCF)	RM177,500,000	**RM177,500,000**	We have considered the market value derived from Income Approach by Profits Method (DCF) as fair and accurate representation of the market value of PSH supported by the Cost Approach comprising Comparison and DRC Methods.
Cost Approach	RM177,000,000		

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Property No. 2

a. Salient Details

Date of Inspection and Valuation:	27 February 2025
Identification / Type of Property / Property Address:	A private specialist medical centre known as KPJ Seremban Specialist Hospital ("SSH"), identified as Lot 50604, Section 2, Pekan Bukit kepayang, District of Seremban, Negeri Sembilan Darul Khusus, held under Title No. Geran 277698, bearing postal address Jalan Toman 1, Kemayan Square, 70200 Seremban, Negeri Sembilan Darul Khusus.
Title Particulars:	

Tenure:	Interest in perpetuity
Title Land Area:	22,470 sq. m. / 241,865 sq. ft.
Registered Proprietor:	ART (as Trustee)
Category of Land Use:	Building
Encumbrance:	Charged by ART to CIMB Islamic Bank Berhad, registered on 31 March 2023
Endorsements:	Two private caveats have been entered by CIMB Islamic Bank Berhad, both registered on 13 December 2022

Location

The subject property is located within the commercial area of Kemayan Square and is sited along the south-eastern side of Jalan Sungai Ujong, one of the primary and main access road to the Seremban city centre travelling from Seremban exit of North-South Expressway towards Seremban city centre. It is located about 2.5 km to the south-west of Seremban city centre and 0.65 km to the north-east of Seremban exit of North-South Expressway.

SSH fronts onto Jalan Sungai Ujong and Jalan Toman 1 and is easily accessible from Seremban city and Seremban exit of North-South Expressway via Jalan Sungai Ujong. In the immediate vicinity of SSH are SHELL and BHP petrol filling and service stations along Jalan Sungai Ujong whilst Seremban Gateway and McDonald's & McCafé restaurant with drive-through facility are 600 metres to the south-west.

Prominent private medical centres and government hospitals located in the neighbourhood are as follows: -

Name	Capacity (bed)	Location	Distance from PSH (km)
Private Medical Centre			
Columbia Asia Hospital	149	292 & Lot PT 1904, Jalan Haruan 2, Oakland Commercial Centre, 70300 Seremban	2.0
Chinese Maternity Specialist Hospital (NSCMH)	66	Lot 3900, Jalan Tun Dr. Ismail, 70200 Seremban	4.0
Mawar Medical Centre	57	No. 71, Jalan Rasah, 70300 Seremban	4.5
Salam Senawang Specialist Hospital	95	No. 234-243, Jalan Lavender Height 2, Lavender Business Square, 70450 Senawang	14.0
Government Hospital			
Tuanku Ja'afar Hospital	1,070	Jalan Rasah, Bukit Rasah, 70300 Seremban	4.0

Source: MOH

The Site

The subject site is a parcel of corner plot, irregular in shape and enjoys frontage onto Jalan Sungai Ujong.

The Building

Brief details of the development, extension and renovation of SSH are as follows: -

Year of Construction / Approval	Development / Extension / Renovation	Date / Reference No. of the Approved Plan / CF / CCC
2004	A 5 storey private specialist medical centre with a basement level	Building plans bearing plan no. 165/2000 were approved by Majlis Perbandaran Seremban ("MPS") on 29 August 2000. CF bearing certificate no. 599/2004 was issued on 14 October 2004.
2010	A 5 storey private specialist medical centre with a basement level	Building plans bearing plan nos. 314/2009, 314(A)/2009 to 314(G)/2009 (inclusive) were approved by MPS on 17 July 2009. CCC bearing certificate no. LAM/WP/No. 0299 was issued on 12 March 2010.
2018	An 8 storey private consultant block, an annexed 6 storey private specialist medical centre with a ground floor car park, a 2 storey mechanical & electrical building, a single storey medical gas storage building and a single storey refuse chamber building	Building plans bearing plan nos. KB MPS/OSC/0071/18/02/PB were approved by MPS on 17 July 2018. CCC bearing certificate no. LAM/WP/No. 3982 was issued on 26 November 2018.

All the above mentioned buildings are of similar construction and the details of the specification are as follows: -

Buildings:	Constructed of reinforced concrete frame with brick infills rendered externally and plastered internally partly supporting reinforced concrete flat roof concealed behind parapet walls and partly of steel roof trusses and purlins laid over with concrete roofing tiles.
Ceilings:	Generally of plaster boards with down light and air-conditioning ducting, mineral fibre boards incorporating fluorescent lights and cement plaster.
Internal Walls:	Generally of gypsum boards, gypsum boards incorporating glass panels. The lift lobbies, kitchen and the male and female toilets are lined with glazed wall tiles up to the ceiling height. The corridor on the 7th floor (level 8) is lined with laminated timber and glazed wall tiles up to the ceiling height.

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Doors:	Generally, the main entrance to the reception area on the ground floor (level 1) is fitted with an electronically operated double leaf frameless glass panelled door. Other doors are generally of timber flush, magnetic timber panelled, timber and aluminium framed sliding door, glass door and fire rated door.
Windows:	Generally of aluminium casements incorporating glass panels, aluminium framed powder coated fixed glass panels and top hung units.
Floors:	Generally of ceramic tiles, glazed ceramic tiles, limited timber (6th and 7th floors of the 8 storey private consultant block) and cement screed.

Generally, the buildings are equipped with centralised air-conditioning system, with some rooms are fitted with additional split-unit air conditioners. Vertical movement between floors is by means of:

A five (5) storey private specialist medical centre with a basement level	
2 units of staircases	Reinforced concrete staircase, serving all levels.
4 units of passenger/service lift	1 unit of lift of type of 'Eita' with a capacity of 1,630 kg / 24 persons, serving all levels.
An eight (8) storey private consultant block	
2 units of staircases	Reinforced concrete staircases finished with ceramic tiles incorporating metal hand rail, serving all levels and a reinforced concrete staircase finished with ceramic tiles incorporating stainless steel hand rail with tampered glass, serving ground floor (level 1) to first floor (level 2).
3 units of passenger lift	1 unit of lift of type of 'Hyundai' with a capacity of 1,635 kg / 24 persons, serving all levels whilst 2 units of lifts of type of 'Hyundai' with a capacity of 1,635 kg / 24 persons, serving ground floor (level 1) to sixth floor (level 7).
1 unit of Bomba lift	Of type of 'Hyundai' with a capacity of 1,635 kg or 24 persons, serving to all levels.
An annexed six (6) storey private specialist medical centre with a ground floor car park	
2 units of staircases	Reinforced concrete staircase finished with ceramic tiles incorporating metal hand rail, serving all levels.
1 unit of Bomba lift	Of type of 'Hyundai' with a capacity of 1,635 kg / 24 persons, serving all levels as well as the seventh floor (level 8) of the eight (8) storey private consultant block.
1 unit of dirty lift	Of type of 'Hyundai' with a capacity of 615 kg / 10 persons, serving all levels. Dirty lift is to transport waste, dirty linen and equipments.
A double (2) storey mechanical & electrical building	
A unit of staircase	Metal staircase with metal steps incorporating metal hand rail and serving all levels.

Generally, all the buildings are equipped with the required fire fighting systems.

Car Park Bays

There are 214 surface car park bays within Lot 50604 and 13 car park bays located on the ground floor/level 1 of the annexed six (6) storey private medical centre. The surface car park area within Lot 50604 is located at the southern portion and partly at the periphery of the site.

GFA

The GFA computed by Arkitek Saifullizam Osman and provided by Seremban Specialist Hospital Sdn Bhd ("**SSHSB**") are in line with our measurement in accordance with the Uniform Method of Measurement of Buildings, RISM. The GFA and age of each building are tabulated as follows: -

Building	GFA		Age
	sq. m.	sq. ft.	(Year)
A five (5) storey private specialist medical centre with a basement level	16,909.47	182,012.00	20.39
An eight (8) storey private consultant block	13,191.32	141,990.14	6.26
An annexed six (6) storey private specialist medical centre with a ground floor car park	6,054.58 1,260.46	65,171.00 13,567.53	
A double (2) storey mechanical & electrical building	669.18	7,203.00	
A single storey medical gas storage building	65.03	700.00	
A single storey refuse chamber building	23.23	250.00	
Total	**38,173.27**	**410,893.67**	

Beds

Vide a licence to operate bearing licence no. 130505-00024-01/2023 (Borang 7 No. Siri: 004838) with 0.18 months validity from 01 January 2025 to 25 March 2025 as approved by MOH on 27 January 2025, we note that SSHSB has been permitted to operate 217 beds (inclusive isolation room, ICU, CICU and HDU), 4 OT, 9 basinets, 1 cot and 34 dialysis chairs (32 non-Hepatitis, a Hepatitis B and a Hepatitis C).

From the circular of Al-'Aqar Healthcare REIT dated 04 February 2009, we note that originally there were 107 operational beds. In years 2017 and 2018, the operational beds had increased to 140 beds (excluding 4 ICU, 3 CICU and 4 HDU). The increase of the 33 beds was from old block with decrease of 2 units of 1-bedded (VIP and isolation) (-2), addition of 7 units of 1-bedded (+7), addition of 5 units of 2-bedded (+10) and an addition of an open ward for 8-bedded (+8). In years 2019 and 2020, the operational beds had increased from 140 beds to 188 beds. The increase of the 48 beds (48 units of 1-bedded) (+48) was from the expansion/new development of an annexed six (6) storey private specialist medical centre which was completed in year 2018. In years 2021 and 2022, the operational beds had increased further from 188 beds to 195 beds. The increase of 7 beds was due to the decrease of 3 units of VIP / isolation beds, each (-6) and 3 units of 2-bedded (-6) whilst addition of 6 units of 1-bedded (+6) in old block and addition of 13 units of 1-bedded (+13) of the annexed six (6) storey private specialist medical centre. In year 2024, there was an increase of 11 units of 1-bedded (+11) of the annexed six (6) storey private specialist medical centre. Therefore, the current operational beds have increased to 206 beds from 195 beds. As at the end of year 2024, we note that there were additional 17 operational beds located at level 6 of the annexed six (6) storey private specialist medical centre which were currently already opened and in operational. Thus, as at the date of valuation, all these operational beds have been fully opened and in operation. Therefore, we were reflected 223 operational beds throughout our projections.

The beds are classified into VIP suite, executive suite including Azalea executive suite and Azalea single executive, deluxe room, single standard (Type A), single standard room, two bedded room, three bedded room, four bedded room, isolation room and day ward room.

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A five (5) storey specialist medical centre with a basement level

Description	1st Floor		2nd Floor		3rd Floor (Level 4)				4th Floor (Level 5)				Total	
	Sri Tanjung		Sri Delima		Sri Menanti		Sri Selasih		Sri Angkasa		Sri Cempaka			
Type of Room	R	B	R	B	R	B	R	B	R	B	R	B	R	B
VIP Suite							1	1			1	1	2	2
1-bedded			10	10	10	10	7	7	10	10	10	10	47	47
2-bedded					4	8	5	10	5	10	3	6	17	34
4-bedded			2	8	2	8	4	16	1	4	1	4	10	40
8-bedded	1	8											1	8
Isolation					1	1			1	1	1	1	3	3
Total Operational Beds	1	8	12	18	17	27	17	34	17	25	16	22	80	134

Notes: R = No. of Room / B = No. of Bed

An annexed six (6) storey private specialist medical centre with a ground floor car park

Description	1st Floor		2nd Floor		3rd Floor		4th Floor		5th Floor		Total	
	Sakura		Anggerik		Ward		Tulip		Premier			
	R	B	R	B	R	B	R	B	R	B	R	B
VIP Suite												
1-bedded	23	23	23	23			23	23			69	69
2-bedded												
3-bedded												
Isolation	1	1	1	1			1	1			3	3
Total Operational Beds	24	24	24	24	-	-	24	24	-	-	72	72

The combined details of the existing operations beds

Grand Total Operational Beds											152	206
ICU			-	4							-	4
CCU			-	3							-	3
HDU			-	4							-	4
Total Beds	-	-	-	11	-	-	-	-	-	-	-	11
Grand Total (Licenced Beds)											152	217

The configuration of hospital beds, number of rooms and rates are as follows: -

Description	Rate per Bed per night		A 5 storey specialist medical centre		An annexed 6 storey private specialist medical centre		Total	
	A 5 storey specialist medical centre	An annexed 6 storey private specialist medical centre	R	B	R	B	R	B
VIP Suite	RM300 - RM600	-	2	2	-	-	2	2
1-bedded	RM200 - RM300	RM200 - RM300	47	47	69	69	116	116
2-bedded	RM130 - RM150	-	17	34	-	-	17	34
4-bedded	RM100	-	10	40	-	-	10	40
8-bedded	RM280	-	1	8	-	-	1	8
Isolation	RM250 - RM280	-	3	3	3	3	6	6
Total Operational Bed			80	134	72	72	152	206
ICU/CICU	RM350	-	-	4	-	-	-	4
HDU	RM350	-	-	3	-	-	-	3
Day Care	RM80	-	-	4	-	-	-	4
Total			-	11	-	-	-	11
Total Licenced Bed			79	144	72	72	152	217

Source: MSHSB

Facilities and Services:

Other medical facilities provided in SSH comprise as follows: -

Other medical facilities	No. of Room / Bassinet / Chair
Operation Theatre (OT) Room	4
Labour Room	2
Nursery	1
Bassinet	9
Dialysis Centre	34

Source: MSHSB

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Facilities and Services:

SSH provides the following services: -

Clinical Disciplines	Facilities and Services
• Anaesthesiology • Clinical Oncology • Dermatology • ENT, Head & Neck Surgeon • General Surgeon • General & vascular Surgeon • Physician & neurologist • Neuro Surgeon • Obstetrician & Gynaecology • Orthopaedic • Ophthalmologist • Paediatrics • Paediatrics (Paediatric Infectious Diseases) • General Physician • Physician Nephrologist • Physician Respiratory & Internal Medicine • Physician & Cardiologist • Psychiatrist • Urologist • Cardiothoracic Surgeon	• 24 Hours Accident & Emergency Services • Delivery Suites • Diagnostic Imaging which includes Magnetic Resonance Imaging (MRI), Mammography, X-Ray and Ultrasound • Ultrasound Endoscopy & OGDS, Colonoscopy and ERCP procedure • Catheterization Laboratory equipped with Angiogram for Angioplasty and other Interventional Cardiology such as Echocardiogram Test, Trans Oesophagus Echo, Electrocardiogram (ECG), Stress ECG & etc • Dietetic Counselling Service • 3D Ultrasound • Heart Centre • Home Nursing, Physiotherapy & Nursing Care • Intensive Care Unit/Cardiac Care Unit/High Dependency Care Unit • Immunization and Vaccination • In House 24 Hour Pharmacy • 24 Hours Laboratory Services • Neonate ICU/Neonate HDU • Operation Theatres and Day Care Surgery • Premier Screening & Wellness Centre • Rehabilitation Medicine • Renal & Dialysis Centre • Special Care Nursery • Special Diagnostic Centre • Special Outpatient Centre • Bone Mineral Densitometry

Source: MSHSB

Consultants:

As at the date of valuation, as provided to us by the client, SSH is supported by 58 consultants / doctors.

Planning Details:

SSH is located within an area designated for commercial use.

All the buildings and renovation works are issued with CF/CCC as per the details in the description of the buildings.

Occupancy Status / Lease Details:

The lease agreements have been duly executed in respect of SSH's Existing Buildings dated 14 October 2009, New Land dated 05 November 2015 and New Buildings dated 23 December 2022, made between Al-'Aqar KPJ REIT (now known as Al-'Aqar Healthcare REIT) (being represented by its trustee ART) as a Lessor, Maharani Specialist Hospital Sdn Bhd (MSHSB) (formerly Seremban Specialist Hospital Sdn Bhd / SSHSB) (the Lessee) and JLG REIT (the Manager) for an initial term of fifteen (15) years commencing from 14 October 2009 in respect of 5 storey private specialist medical centre with a basement level, 05 November 2015 in respect of the Land (Lot 50459 (formerly PT No. 2466)) and 23 December 2022 in respect of the 8 storey private consultant block, an annexed 6 storey private specialist medical centre with a ground floor car park, a 2 storey mechanical & electrical building, a single storey medical gas storage building and a single storey refuse chamber building with an option to renew for another fifteen (15) years, subject to the terms and conditions to be agreed by the parties. The Lease commenced on 14 October 2009, 05 November 2015 and 23 December 2022, respectively, and all will expire on 13 October 2024 (Contractual Term).

Vide a letter of extension of renewal of leases from KPJHB (as Lessee) to ART (as Trustee) of Al-Aqar Healthcare REIT (as Lessor) and JLG REIT (as Manager) dated 5 July 2024, we note that KPJHB has requested the parties to extend the Contractual Term of SSH's Existing Buildings, New Land and New Buildings which had expired on 13 October 2024 to a new commencement date of 1st January 2025 (New Extended Commencement Date). Vide three MOEs of the date of renewal of the leases of SSH which had expired on 13 October 2024 has been executed between the parties to extend the Contractual Terms commencing from 14 October 2024 and expiring on 31 December 2024. The parties also agreed to revise the New Extended Commencement Date to 1st January 2025 in order to facilitate the negotiation of the commercial terms of the new agreements.

However, we were informed by the client that the commencement of the Contractual Term has been further extended to 31 July 2025.

This valuation is carried out pursuant to the proposed renewal of the abovementioned leases of SSH for a further term of fifteen (15) years.

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b. Valuation

1. Income Approach by Profits Method (DCF)

Parameters Adopted

The parameters adopted for SSH are as follows:-

a) Occupancy Rate Adopted

The occupancy rate is derived based on the historical occupancy rates achieved by SSH since years 2016 to 2024 (inclusive) as per the table below:

Historical Occupancy Rate of SSH

Description	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Beds In Operation	140	140	140	188	188	195	195	195	206
Beds Available	51,240	51,100	51,100	68,620	68,808	71,175	71,175	71,175	75,396
No. of Inpatient Admitted	14,760	14,270	14,486	15,196	11,822	11,852	14,301	16,597	17,669
Total Occupied Beds	37,264	36,372	35,957	36,813	29,759	29,351	39,009	44,688	46,344
Occupancy Rate (%)	72.72	71.18	70.37	53.65	43.25	41.24	54.81	62.79	61.47

We note that the occupancy rates for years 2016 and 2017 were about 72.72% and 71.18%, respectively. In years 2018 and 2019, the occupancy rate had declined to 70.37% and 53.65%, respectively, due to the increased number of operational beds in SSH. The occupancy rates had further declined to 43.25% in year 2020 and 41.24% in year 2021 and recorded 54.81% in year 2022 due to the impact of the Covid-19 pandemic on the world and Malaysian economy mainly in years 2020 and 2021 with the lesser impact in year 2022. In year 2023, post Covid-19 pandemic, the occupancy of the integrated operation of the old and new buildings of SSH has achieved 62.79% with a higher number of operational beds. In year 2024, we note that the occupancy rate of SSH has declined to 61.47% due to opening of a new ward in the annexed block (new block) which has expanded the number of operational beds from 195 beds to 206 beds.

Occupancy Rate Adopted

Year	1	2	3	4	5
	2025	2026	2027	2028	2029
Occupancy Rate Adopted	61.50%	66.50%	71.50%	76.50%	81.50%

The occupancy rates forecasted are fair, reasonable and in consonant with the occupancy rates of other similar private medical centres.

b)	No. of Inpatient Admitted Days	2.66
c)	Ratio of No. of Outpatient / Inpatient	9.35

Revenue

a)	Consultant Inpatient Revenue Per Occupied Bed	RM1,006
b)	Consultant Outpatient Revenue Per Person	RM 108
c)	Hospital Inpatient Revenue Per Occupied Bed	RM2,895
d)	Hospital Outpatient Revenue Per Person	RM 276

Expenses

a)	Cost of Sales		
	i) Material Cost	27.55%	of hospital inpatient and outpatient revenues
	ii) Direct Staff Cost	15.30%	of gross operating revenue before hospital discount and appropriation to consultant
	iii) Operating Overhead	We have adopted the average percentage of years 2023 and 2024 of 6.65% over gross operating revenue before hospital discount and appropriation to consultant as direct staff cost throughout our projection as fair and reasonable representation of the business going forward	
b)	Undistributed Operating Expenses		
	i) Administrative & General	12.20%	of gross operating revenue after hospital discount and appropriation to consultant
	ii) Sales & Marketing	0.20%	
	iii) POMEC	7.40%	
c)	Quit Rent & Assessment Per Annum (Actual)		RM319,961
d)	Insurance Premium to cover F, B, PG, MB, PL, CL, AR and MM Per Annum (Actual)		RM239,644
e)	Capital Reserve Fund For The Replacement Of FFE, HOE And CAPEX Adopted In Valuation Per Annum (RM per bed)		Year 2025: 55,000; Year 2026: 60,000; Year 2027: 65,000; Year 2028: 70,000; Year 2029: 75,000
f)	Terminal Capitalisation Rate	8.00%	SSH has an interest in perpetuity
g)	Discount Rate	10.00%	

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2. Cost Approach comprising the Comparison and DRC Methods

In arriving at the Market Value of the land component, we have adopted the Market/Comparison Approach. The following sale evidences, amongst others, are considered suitable comparables and adopted: -

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Particulars of Title Lot/PT No. / Mukim / District / State: Title No.:	Lot 51512 / Mukim of Rasah / District of Seremban / Negeri Sembilan Darul Khusus Geran 258382	PT No. 10217 (Lot 21309) / Mukim of Rasah, District of Seremban, Negeri Sembilan Darul Khusus HS(D) 97370	PT No. 3178 (Lot 22178) / Pekan Bukit Kepayang, District of Seremban, Negeri Sembilan Darul Khusus HS(D) 230616	Lot 33692 / Town of Seremban Utama, District of Seremban, Negeri Sembilan Darul Khusus Geran 175307
Property Type:	A parcel of commercial land (Corner)	A parcel of commercial land (Corner)	A parcel of commercial land (Corner)	A parcel of commercial land (Corner)
Location:	Lot 51512, Jalan SP 2, Pusat Komersial Saujana (Plazo)	PT No. 10217 (Lot 21309), Persiaran Rasah Kemayan 1, Rasah Kemayan (Kemayan Country Township)	PT No. 3178 (Lot 22178), Jalan Haruan 5, Oakland Commercial Centre	Lot 33692, Persiaran Utama S2/1, Garden Homes @ Seremban 2
Category Of Land Use / Town Planning:	Building / Commercial	Building / Commercial	Building / Commercial	Building / Commercial
Tenure:	Interest in Perpetuity	Interest in Perpetuity	Interest in Perpetuity	Interest in Perpetuity
Land Area (sq. ft.):	45,650	238,204	46,443.75	65,305
Consideration:	RM4,108,317	RM19,800,000.00	RM5,000,000.00	RM5,877,400.00
Date of Transaction:	31 March 2024	7 November 2023	29 August 2023	11 May 2022
Vendor:	Seremban Two Holdings Sdn Bhd	PHJ Realty Sdn Bhd	DSO Holdings Berhad	Seremban Two Properties Sdn Bhd
Purchaser:	Ggate Sdn Bhd	Sunshine Haven Sdn Bhd	S2 Frozen Food Sdn Bhd	Anzac Properties Sdn Bhd
Analysis (psf):	**RM90.00**	**RM83.12**	**RM107.66**	**RM90.00**
Adjustment Factors Considered:	Market condition (time), location and accessibility, corner/end premium, shape, category of land use/planning, size/quantum allowance, tenure and restriction in interest.			
Adjusted Value Of Land (psf):	**RM104.66**	**RM107.20**	**RM112.45**	**RM114.50**
Market Value Of Land:	In arriving at the market value of the subject land using the Market/Comparison Approach, we have emphasized upon Comparable 3 which has the least dissimilarities against the subject property as fair representation of the market value of the land, as per practice in the industry. We have adopted the adjusted value of **RM112.45 psf** from the adjustments of Comparable 3 as fair representation which translates into a market value of the commercial land of **RM27,198,357.71**.			

Source: Valuation and Property Services Department, Ministry of Finance

We note from the JUBM Group Construction Cost Handbook Malaysia, the construction cost of government hospital ranged from RM377 psf to RM550 psf. Our analysis of the development cost of private medical centres from years 2012 to 2022 revealed within the range of RM269.56 psf to RM563.36 psf.

In arriving at GCRCN of the subject property, we have adopted RM4,197.92 psm (RM390.00 psf), RM4,736.12 psm (RM440.00 psf), RM5,489.59 psm (RM510 psf), RM1,937.50 psm (RM180.00 psf), RM699.65 psm (RM65.00 psf), RM645.83 psm (RM60.00 psf) and RM538.20 psm (RM50.00 psf), respectively, in respect of the 5 storey private specialist medical centre with a basement level, an 8 storey private consultant block, an annexed 6 storey private specialist medical centre with a ground floor car park, a 2 storey mechanical & electrical building, a single storey medical gas storage building and a single storey refuse chamber building.

The GCRCN of the buildings is RM170,508,546.85. Depreciation is adopted at a rate of 2% per annum. The depreciation of the buildings is RM41,403,235.05. The DRC of the buildings is RM129,105,311.80. Thus, the market value of the subject property derived from the Cost Approach is RM156,303,669.52 and we have rounded down to RM156,000,000.00.

3. Reconciliation and Opinion of Value

Method of Valuation	Market Value Derived	Market Value Adopted	
Income Approach by Profits Method (DCF)	RM165,000,000	**RM165,000,000**	We have considered the market value derived from the Income Approach by Profits Method (DCF) as fair and accurate representation of the market value of the SSH supported by the Cost Approach comprising the Comparison and DRC Methods.
Cost Approach	RM156,000,000		

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Property No. 3

a. Salient Details

Date of Inspection and Valuation:	25 February 2025
Identification / Type of Property / Property Address:	A four storey private medical centre known as Taiping Medical Centre ("TMC") and a four storey ambulatory care centre known as TMC Health Centre ("TMCHC"), identified as Lots 3102 to 3107 (inclusive) and Lot 3140, all within Town of Taiping, District of Larut & Matang, Perak Darul Ridzuan, held under Title Nos. Pajakan Negeri 235465 to 235471 (exclusive Pajakan Negeri 235469) and Pajakan Negeri 361304, bearing postal addresses Premises Nos. 39, 41, 43, 45, 47 and 49, Jalan Medan Taiping 2, Medan Taiping, 34000 Taiping, Perak Darul Ridzuan and Lot 3140, Medan Taiping, 34000 Taiping, Perak Darul Ridzuan.
Title Particulars:	

Tenure:	99-year leasehold interest expiring on 25 July 2088 (unexpired term of about 63.45 years), in respect of all the titles
Title Land Area:	

Lot No.	Title Land Area	
	sq. m.	sq. ft.
3102 to 3107	891.00	9,590.00
3140	3,554.00	38,255.00
Total	**4,445.00**	**47,845.00**

Registered Proprietor:	ART (as Trustee)
Category of Land Use:	Building
Encumbrance:	Charged by ART Berhad to CIMB Islamic Bank Berhad, registered on 04 April 2023, in respect of all the titles.
Endorsements:	A private caveat has been entered by CIMB Islamic Bank Berhad, registered on 13 December 2022, in respect of all the titles.

Location

The subject property is located within Medan Taiping, Taiping town and is sited about 1.5 km to the south-west of the famous Jalan Simpang/Taiping (Jalan Simpang), Jalan Taming Sari, Jalan Kota and Jalan Stesen junction. KPJTMC is situated about 300 metres due north-east of TMCHC. Lot 3140 within which TMCHC is sited enjoys triple frontages onto Jalan Medan Taiping 1, 2 and 5 and is easily accessible from Jalan Simpang via Jalan Raja Sulong or Jalan Stesen. Taiping is easily accessible via the Federal Route and the North-South Expressway (PLUS highway). The town has two highway exits. The Taiping north exit and Changkat Jering exit from the North-South Expressway (PLUS highway) are located about 16 km and 12 km to the north-west and south-west of Taiping town, respectively. Ipoh town the state capital of Perak is located about 67 km to the south-east of Taiping town whilst Kuala Lumpur city centre is located about 269 km to the south-east of Taiping town.

Prominent buildings in the vicinity include Pusat Giatmara Taiping, Wisma Palaniappa, Wisma Persekutuan, Bangunan Majlis Perbandaran Taiping, Medan Mara, Taiping Central and Wisma Hasil. Prominent private medical centres and government hospitals located in the neighbourhood are as follows: -

Name	Capacity (bed)	Location	Distance from TMC/TMCHC (km)
Private Medical Centre			
Columbia Asia Hospital	62	5, Jalan Perwira, 34000 Taiping	3.0
Apollo Medical Centre	20	271, Jalan Taming Sari, Kampung Jambu, 34000 Taiping	1.5
Government Hospital			
Taiping General Hospital	608	Jalan Taming Sari, 34000 Taiping	1.5

Source: MOH

The Sites

KPJTMC is sited on six (6) contiguous parcels of terraced commercial plots consist of 5 intermediate plots and a corner plot (Lots 3102 to 3107 (inclusive)), almost rectangular in shape and enjoy frontage onto Jalan Medan Taiping 2. Lot 3140, a parcel of commercial plot, near triangular in shape and enjoys frontage onto Jalan Medan Taiping 1, 2 and 5.

The Buildings

Brief details of the development, extension and renovation of TMC and TMCHC are as follows: -

Year of Construction / Approval	Development / Extension / Renovation	Date / Reference No. of the Approved Plan / CF / CCC
1992 / 1993	A four (4) storey private medical centre known as TMC	Building plans bearing plan no. (2A) dim.M.P.T 52/16 were approved by Majlis Perbandaran Taiping ("MPT") on 13 June 1993. CF was issued by MPT in year 1993.
1999 / 2000 / 2001	Extension and renovation works of the four (4) storey private medical centre	Building plans bearing plan nos. 1A-F dim.MPT.G5/C/4/1999, 11A-B (Pindaan) and 27A-F (Pindaan) were approved by MPT on 09 July 1999, 13 July 2000 and 23 January 2001, respectively. CF bearing certificate no. 31/2001 was issued by MPT on 05 April 2001.
2016 / 2017 (Phase 1) *	A 4 storey ambulatory care centre known as TMC Health Centre (TMCHC). The M&E building accommodating a main switch board room, a generator set ("genset") room, a telephone room and a metre room A medical gas building	Building plans bearing plan no. M.P.T G4/C/6/2015 were approved by MPT on 28 September 2017. CCC bearing certificate no. LAM/Pk/No. 11581 was issued by MPT on 18 September 2018.

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2019 / 2020 (Extension and Renovation) (Phase 2) *	Extension and renovation works comprising preliminaries, M&E services, demolition works, provisional sum, staircase and fit out of level 4	Building plans bearing plan no. M.P.T G5/C/12/2019 were approved by MPT on 13 May 2019. Vide a letter of certification on completion and compliance of extension and renovation works bearing reference no. Bil.(3) dlm.MPT.G4/C/12/2019 dated 1st June 2020 from Ou Yang Architect to Unit Pusat Setempat (OSC) and Jabatan Bangunan of MPT, we note that the extension and renovation works have been endorsed by MPT on 3rd June 2020. Our enquires with En. Helmi (Officer In Charge of the subject property) of MTP (Jabatan Bangunan) revealed that such extension and renovation works are considered minor renovation works and therefore do not require CCC.

* Phase 1 was completed on 18 September 2018 whilst Phase 2 was completed in June 2020.

All the above mentioned buildings are of similar construction and the details of the specification are as follows: -

Buildings:	Constructed of reinforced concrete frame with brick infills rendered externally and plastered internally partly supporting a reinforced concrete flat roof concealed behind parapet walls and partly of metal roof trusses and purlins laid over with metal deck roofing sheets.
Ceilings:	Generally of plaster boards incorporating downlights, plaster boards incorporating fluorescent lights and cassette type air-conditioning system, plaster boards incorporating downlights and air-conditioning duct, with the exception of the toilets which are of flat ceiling sheets incorporating fluorescent lights.
Internal Walls:	Generally of gypsum boards and gypsum boards incorporating glass panels. The staff's pantry & male and female toilets are lined with glazed wall tiles up to the ceiling height.
Doors:	Generally, the main entrance to the reception area on the ground floor is fitted with an automatically operated double leaf frameless glass panelled door. Other doors are generally of fire rated timber door, timber flush door, timber panelled door incorporating glass panels, double leaf frameless glass panelled door, an automatically operated sliding door, aluminium framed foldable door incorporating decorative glass panel doors and metal roller shutters.
Windows:	Generally of aluminium casements incorporating glass panels and top hung units.
Floors:	Generally finished with glazed ceramic slabs, ceramic tiles, vinyl tiles, homogeneous tiles and cement screed.

Generally, the buildings are equipped with centralised air-conditioning system, with some rooms are fitted with additional split-unit air conditioners. Vertical movement between floors is by means of:-

TMCHC	
2 units of staircases	Serving all levels
1 unit of passenger lift	Type of ThyssenKrupp with a capacity of 1,365 kg / 24 persons, serving all levels
1 unit of service lift	Type of ThyssenKrupp with a capacity of 1,365 kg / 19 persons, serving all levels
TMC	
2 units of staircases	Serving all levels
1 unit of passenger lift	Type of ThyssenKrupp with a capacity of 1,365 kg / 24 persons, serving all levels
1 unit of service lift	Type of ThyssenKrupp with a capacity of 1,365 kg / 19 persons, serving all levels

Generally, all the buildings are equipped with the required fire fighting systems.

Car Park Bays

There are 81 car park bays, 2 bays for disabled person (OKU) and 34 surface motorcycle park bays provided within TMCHC.

GFA

The GFA of the buildings computed by Ou Yang Architect and provided by Penang Specialist Hospital Sdn Bhd ("PSHSB") are in line with our measurement in accordance with the Uniform Method of Measurement of Buildings, RISM. The GFA and age of the buildings are tabulated as follows: -

Building	GFA		Age (Year)
	sq. m.	sq. ft.	
TMCHC			
A 4-storey private ambulatory care centre	2,927.68	31,513.28	6.44
M&E building accommodating a main switch board room, a genset room, a telephone room and a metre room	56.21	605.00	
A medical gas building	14.40	155.00	
Total	**2,998.29**	**32,273.28**	
TMC			
A 4 storey private medical centre	3,795.82	40,858.00	23.91
Total	**3,795.82**	**40,858.00**	
Grand Total	**6,794.11**	**73,131.28**	

Beds

Vide a licence to operate bearing licence no. 130806-00118-01/2024 (Borang 4 No. Siri: 007499) with 2 years validity from 19 February 2024 to 18 February 2026 as approved by MOH on 16 April 2024, we note that TMC has been permitted to operate 48 beds (inclusive of isolation room, ICU and HDU), 2 OT, 2 labour rooms, 10 bassinets and 11 dialysis chairs (10 non-Hepatitis and a Hepatitis C) whilst licence no. 930806-00182-03/2025 (Borang 4 No. Siri: 008064) with 2 years validity from 04 January 2025 to 03 January 2027 as approved by MOH on 31 December 2024, we note that TMCHC has been permitted to operate 5 beds for daycare, a minor OT, a treatment room and an endoscopy room. Notwithstanding, these 5 beds for daycare ward have been excluded from the operational beds as the beds are being daycare bed not utilised for overnight stay as per the hospital operation practice.

From the Circular of Al-Aqar Healthcare REIT dated 04 February 2009, originally, there were 48 operational beds within TMC. However, in year 2024, we note that there have been changes in the internal layout of TMC (old building). The original treatment room at the multidiscipline ward on the first floor have been converted into a single bedded room.

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Meanwhile, a 6-bedded room at the O&G ward on the second floor have been reduced to 5 beds. Other than that, original 2 of 3 rooms of 3-bedded rooms in paediatric ward have been converted into a 2-bedded room and a 4-bedded room. Despite the above internal changes, overall, the total operational beds in year 2024 have remained as 48 beds. Thus, we have adopted the 48 beds in our projections. Conversion from original operational beds to current operational beds of TMC are as follows:-

Description	Original Operational (2009)		Current Operational (2024)		Additional / Reduce	
	R	B	R	B	R	B
Multidiscipline Ward (First Floor)						
1-bedded (Executive Suite) room	1	1	1	1	0	0
Conversion from treatment room to 1-bedded room	-	-	1	1	1	1
2-bedded room	2	4	2	4	0	0
4-bedded room	3	12	3	12	0	0
HDU ward	1	4	1	4	0	0
Sub-Total	**7**	**21**	**8**	**22**	**1**	**1**
O&G Ward (Second Floor)						
2-bedded room	1	2	1	2	0	0
5-bedded room	-	-	1	5	1	5
6-bedded room	1	6	-	-	-1	-6
Sub-Total	**2**	**8**	**2**	**7**	**0**	**-1**
Paediatric Ward (Third Floor)						
1-bedded (Executive Suite) room	2	2	2	2	0	0
2-bedded room	-	-	1	2	1	2
3-bedded room	3	9	1	3	-2	-6
4-bedded room	2	8	3	12	1	4
Sub-Total	**7**	**19**	**7**	**19**	**0**	**0**
Total Operational Beds	**16**	**48**	**17**	**48**	**1**	**0**
Total Licenced Beds		**48**		**48**		

Source: PSHSB

Notes: R = No. of Room / B = No. of Bed

The configuration of hospital beds, number of rooms and rates are as follows: -

Description	Rate Per Bed Per Night	TMC		TMCHC		Total	
		R	B	R	B	R	B
Executive Suite	RM298.00	3	3	-	-	3	3
1-bedded	RM188.00	1	1	-	-	1	1
2-bedded	RM150.00	2	4	-	-	2	4
3-bedded	RM120.00	1	3	-	-	1	3
4-bedded	RM 98.00	7	28	-	-	7	28
5-bedded	RM 78.00	1	5	-	-	1	5
HDU	RM120.00	1	4	-	-	1	4
Total Operational Beds		**16**	**48**	**-**	**-**	**16**	**48**
Daycare	RM 98.00	-	-	1	5	1	5
Total		**-**	**-**	**1**	**5**	**1**	**5**
Total Licenced Beds		**16**	**48**	**1**	**5**	**17**	**53**

Source: PSHSB

Facilities and Services:

Other medical facilities provided in TMC and TMCHC comprise as follows: -

Description	No. of Room / Cot / Bassinet / Chair	
	TMC	TMCHC
Operation Theatre (OT)	3	-
Labour	2	-
Nursery	1	-
Bassinet	5	5
Dialysis Centre	11	-

Source: PSHSB

TMC and TMCHC also provides the following services: -

Clinical Disciplines	Facilities and Services
• Anaesthesiology • Ear, Nose & Throat, Head & Neck –Surgery • General Surgery • Internal Medicine • Nephrology • Orthopaedics • Obstetrician & Gynaecology • Ophthalmology • Paediatrics • Radiology	• 24 hours Accident & Emergency Services • Diagnostic Imaging which includes General Diagnostic Radiology / Computed Tomography (CT Scan) • 3D Ultrasound • Immunization and Vaccination • In House 24 Hour Pharmacy • Operation Theatres and Day Care Surgery • Health Screening • Renal & Dialysis Centre • Speech Delay Therapy

Source: PSHSB

Consultants:	As at the date of valuation, as provided to us by the client, TMC and TMCHC is supported by 22 consultants / doctors.
Planning Details:	Both TMC and TMCHC are located within an area designated for commercial use. All the buildings and extension and renovation works are issued with CF/CCC as per the details in the description of the buildings.
Occupancy Status / Lease Details:	The lease agreements have been duly executed in respect of TMC dated 1 May 2009 and TMCHC dated 23 December 2022 made between Al-'Aqar KPJ REIT (now known as Al-'Aqar Healthcare REIT) (being represented by its trustee ART) as a Lessor, Taiping Medical Centre Sdn Bhd for TMC and Penang Specialist Hospital Sdn Bhd (PSHSB) (formerly Taiping Medical Centre Sdn Bhd / TMCSB) for TMCHC (the Lessee) and JLG REIT (the Manager) for an initial term of fifteen (15) years commencing from 1 May 2009 for TMC and 23 December 2022 for TMCHC with an option to renew for another fifteen (15) years, subject to the terms and conditions to be agreed by the parties. The Lease commenced on 1 May 2009 for TMC and 23 December 2022 for TMCHC and both expired on 30 April 2024 (Contractual Term). Vide a letter of extension of renewal of leases from KPJHB (as Lessee) to ART (as Trustee) of Al-Aqar Healthcare REIT (as Lessor) and JLG REIT (as Manager) dated 5 July 2024, we note that KPJHB has requested the parties to extend the Contractual Term which had expired on 30 April 2024 to a new commencement date of 1st January 2025 (New Extended Commencement Date). Vide two MOEs of the date of renewal of the leases of TMC and TMCHC which had expired on 30 April 2024 have been executed between the parties to extend the Contractual Terms commencing from 1 May 2024 and expiring on 31 December 2024. The parties also agreed to revise the New Extended Commencement Date to 1st January 2025 in order to facilitate the negotiation of the commercial terms of the new agreements. However, we were informed by the client that the commencement of the Contractual Term has been further extended to 31 July 2025. This valuation is carried out pursuant to the proposed renewal of the abovementioned leases of TMC and TMCHC for a further term of fifteen (15) years, each.

b. Valuation

1. Income Approach By Profits Method (DCF)

Parameters Adopted

The parameters adopted for TMC and TMCHC are as follows:-

a) Occupancy Rate Adopted

The occupancy rate is derived based on the historical occupancy rates achieved by TMC and TMCHC since years 2017 to 2024 (inclusive) as per the table below:

Historical Occupancy Rate of TMC and TMCHC

Description	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Beds In Operation	48	48	48	48	48	48	48	48
Beds Available	17,520	17,520	17,520	17,568	17,520	17,520	17,520	17,568
No. of Inpatient Admitted	3,041	3,043	3,409	2,970	2,848	4,080	4,634	4,406
Total Occupied Beds	7,830	7,590	7,623	6,089	5,677	9,503	10,923	10,517
Occupancy Rate (%)	44.69	43.32	43.51	34.66	32.40	54.24	62.35	59.86

Source: PSHSB

We note that the occupancy rates for years 2017, 2018 and 2019 were about 44.69%, 43.32% and 43.51%, respectively. The occupancy rates had declined to 34.66% in year 2020, 32.40% in year 2021 and recorded 54.24% in year 2022 due to the impact of the Covid-19 pandemic on the world and Malaysian economy mainly in years 2020 and 2021 with the lesser impact in year 2022. In years 2023 and 2024, post Covid-19 pandemic, the occupancy rate of the integrated operation of the old and new buildings of TMC and TMCHC has achieved 62.35% and 59.86%, respectively which seem higher than performances in years 2017 to 2019 (inclusive) and post Covid-19 pandemic years (years 2020 to 2022 (inclusive)).

Occupancy Rate Adopted

Year	1	2	3	4	5
	2025	2026	2027	2028	2029
Occupancy Rate Adopted	63.00%	68.00%	73.00%	78.00%	83.00%

The occupancy rates forecasted are fair, reasonable and in line with the occupancy rates of other similar private medical centres.

b)	No. of Inpatient Admitted Days	2.38
c)	Ratio of No. of Outpatient / Inpatient	11.80

Revenue

a)	Consultant Inpatient Revenue Per Occupied Bed	RM 821
b)	Consultant Outpatient Revenue Per Person	RM 67
c)	Hospital Inpatient Revenue Per Occupied Bed	RM2,102
d)	Hospital Outpatient Revenue Per Person	RM 124

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Expenses

a)	Cost of Sales		
	i) Material Cost	22.22%	of hospital inpatient and outpatient revenues
	ii) Direct Staff Cost	17.50%	of gross operating revenue before hospital discount and appropriation to consultant
	iii) Operating Overhead	We have adopted the average percentage of years 2023 and 2024 of 7.4% over gross operating revenue before hospital discount and appropriation to consultant as direct staff cost throughout our projection as fair and reasonable representation of the business going forward	
b)	Undistributed Operating Expenses		
	i) Administrative & General	15.75%	of gross operating revenue after hospital discount and appropriation to consultant
	ii) Sales & Marketing	0.15%	
	iii) POMEC	4.35%	
c)	Quit Rent & Assessment Per Annum (Actual)		RM40,968
d)	Insurance Premium to cover F, B, PG, MB, PL, CL, AR and MM Per Annum (Actual)		RM72,013
e)	Capital Reserve Fund For The Replacement Of FFE, HOE And CAPEX Adopted in Valuation Per Annum (RM per bed)		Year 2025: 45,100; Year 2026: 47,600; Year 2027: 50,100; Year 2028: 52,600; Year 2029: 55,100
f)	Terminal Capitalisation Rate	9.50%	TMC and TMCHC have an unexpired leasehold interest of about 63.45 years
g)	Discount Rate	11.50%	

2. Cost Approach comprising the Comparison and DRC Methods

In arriving at the Market Value of the land component, we have adopted the Market/Comparison Approach. The following sale evidences, amongst others, are considered suitable comparables and adopted: -

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Particulars of Title Lot/PT No. / Mukim / District / State: Title No.:	Lot 2298 / Town of Taiping / District of Larut & Matang / Perak Darul Ridzuan Geran 48246	Lot 313398 / Mukim of Asam Kumbang / District of Larut & Matang / Perak Darul Ridzuan Pajakan Negeri 379152	Lot 1729 / Town of Taiping / District of Larut & Matang / Perak Darul Ridzuan Pajakan Negeri 154960	Lot 20197 / Town of Taiping / District of Larut & Matang / Perak Darul Ridzuan Geran 182263
Property Type:	A parcel of commercial land	A parcel of commercial land	A parcel of development land with potential for commercial use	A parcel of commercial land
Location:	Located along Jalan Convent, 34000 Taiping, Perak Darul Ridzuan	Located along Jalan Simpang, 34000 Taiping, Perak Darul Ridzuan	Located along Jalan Asam Kumbang, 34000 Taiping, Perak Darul Ridzuan	Located along Jalan Toh Khay Beng, 34000 Taiping, Perak Darul Ridzuan
Category Of Land Use / Town Planning:	Building / Commercial	Building / Commercial	Nil / Commercial	Building / Commercial
Tenure:	Interest in Perpetuity	99-year leasehold interest expiring on 14 January 2112 (unexpired term of about 88 years)	999-year leasehold interest expiring on 14 September 2896 (unexpired term of about 873.2 years)	Interest in Perpetuity
Land Area (sq. ft.):	27,062	22,863	18,783	33,110
Consideration:	RM3,000,000.00	RM2,291,637.00	RM1,878,525.00	RM4,000,000.00
Date of Transaction:	31 March 2023	22 March 2023	7 January 2021	14 December 2020
Vendor:	Syarikat Ban Aik Auto Supply Sdn Bhd	Anggun Tulen Sdn Bhd	K.H Lim Holdings Sdn Bhd	KL The Land & Development Sdn Bhd
Purchaser:	Ong Teng Joo	Taiping Premier Cars (TPC) Sdn Bhd	Cheong Eye Specialist Centre (Taiping) Sdn Bhd	Taiping Latex Products Sdn Bhd
Analysis (psf):	**RM110.86**	**RM100.24**	**RM100.01**	**RM120.81**
Adjustment Factors Considered:	Market condition (time), location and accessibility, corner/end premium, shape, category of land use/planning, size/quantum allowance, tenure and restriction in interest.			
Adjusted Value Of Land (psf):	**RM81.22**	**RM83.75**	**RM83.99**	**RM88.20**
Market Value Of Land:	In arriving at the market value of the subject land using the Market/Comparison Approach, we have emphasized upon Comparable 3 which has the least dissimilarities against the subject property as fair representation of the market value of the land, as per practice in the industry. We have adopted the adjusted value of **RM83.99 psf** from the adjustments of Comparable 3 as fair representation which translates into a market value of the commercial land of **RM4,018,535.66**.			

Source: Valuation and Property Services Department, Ministry of Finance

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We note from the JUBM Group Construction Cost Handbook Malaysia, the construction cost of government hospital ranged from RM377 psf to RM550 psf. Our analysis of the development cost of private medical centres from years 2012 to 2022 revealed within the range of RM269.56 psf to RM563.36 psf.

In arriving at the GCRCN of the Subject Property, we have adopted RM5,489.59 psm (RM510.00 psf), RM699.65 psm (RM65.00 psf) and RM645.83 psm (RM60.00 psf), respectively, in respect of TMCHC comprising a 4 storey private ambulatory care centre together with the M&E building accommodating a main switch board room, a generator set (genset) room, a telephone room and a metre room and a medical gas building, whilst RM2,314.24 psm (RM215.00 psf), in respect of the TMC comprising a 4 storey private medical centre.

The GCRCN of the buildings is RM25,058,092.80. Depreciation is adopted at a rate of 2% per annum. The depreciation of the buildings is RM6,297,952.36. The DRC of the buildings is RM18,760,140.44. Thus, the market value of the subject property derived from the Cost Approach is RM22,778,676.11 and we have rounded up to RM22,800,000.00.

3. Reconciliation and Opinion of Value

Method of Valuation	Market Value Derived	Market Value Adopted	
Income Approach by Profits Method (DCF)	RM23,000,000	**RM23,000,000**	We have considered the market value derived from the Income Approach by Profits Method (DCF) as fair and accurate representation of the market value of TMC and TMCHC supported by the Cost Approach comprising the Comparison and DRC Methods.
Cost Approach	RM22,800,000		

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Property No. 4

a. Salient Details

Date of Inspection and Valuation:	21 February 2025
Identification / Type of Property / Property Address:	An institutional premises comprising part of a parcel of commercial land erected with a three (3) storey administrative cum academic block, two double (2) storey lecture halls, a single storey cafeteria, a guard house and a refuse compartment and part of a parcel of residential land erected with a five (5) storey walk-up apartment block (students' hostel), two (2) guard houses and a refuse compartment (Phase 1 of Nilai Campus) known as KPJ Healthcare University ("KPJUC"), identified as part of Parent Lots PT No. 552 (New Lot 60705) and PT No. 551 (New Lot 60706), all within Town of Bandar Baru Kota Sri Mas, District of Seremban, Negeri Sembilan Darul Khusus, held under Title Nos. HS(D) 246827 and 246826, respectively, bearing postal address PT 17010, Persiaran Seriemas, Kota Seriemas, 71800 Nilai, Negeri Sembilan Darul Khusus.
Title Particulars:	

Parent Title Land Area of Old Nilai Campus:

Lot No.	Parent Title Land Area		Phase 1 of Nilai Campus	
	sq. m.	sq. ft.	sq. m.	sq. ft.
PT No. 552 (New Lot 60705)	69,394	746,951	12,664	136,314
PT No. 551 (New Lot 60706)	22,007	236,881	6,557	70,579
Total	**91,401**	**983,832**	**19,221**	**206,893**

Tenure:	Interest in perpetuity, in respect of all the titles
Registered Proprietor:	ART (as Trustee), in respect of all the titles
Category of Land Use:	Building, in respect of all the titles

Encumbrances:

PT No. 552 (New Lot 60705)	PT No. 551 (New Lot 60706)
Nil.	Charged by ART to OCBC Al-Amin Berhad, registered on 10 March 2020.

Endorsements:

PT No. 552 (New Lot 60705)	PT No. 551 (New Lot 60706)
A private caveat has been entered by OCBC Al-Amin Bank Berhad, registered on 25 November 2020.	A private caveat has been entered by OCBC Al-Amin Bank Berhad, registered on 11 December 2019.

Location

The Phase 1 of Nilai campus of KPJUC is located within Kota Seriemas and off the southern (left) side of Persiaran Negeri, travelling from Bandar Baru Nilai towards Bandar Baru Salak Tinggi and off the eastern (right) side of Bandar Baru Salak Tinggi – Sepang main road, travelling from Pekan Sepang towards Bandar Baru Salak Tinggi. It is located about 60 km to the south-east of Kuala Lumpur city centre and 32 km to the north-west of Seremban town centre. The Nilai interchange of the North-South Highway is located about 13.5 km to the north-east. Bandar Baru Enstek is located about 5.2 km to the south-west, Bandar Baru Nilai is located about 9 km to the north and Bandar Baru Salak Tinggi is located about 8.5 km to the north north-west. The Government's Administrative Centre of Putrajaya is located about 35 km to the north-west of Phase 1 of Nilai Campus. The Phase 1 of Nilai campus fronts onto Persiaran Seriemas and is accessible from North-South Expressway via exiting at Nilai Interchange, Persiaran Negeri, Persiaran Korporat, Jalan BBN 6/1R, Jalan Pajam – Nilai – Salak and Persiaran Seriemas 2. Prominent developments in the immediate vicinity comprises Kota Seriemas Golf & Country Club, Mydin Kota Seriemas, PETRONAS Quarters KLIA, The National Audit Academy and EPSOM College Malaysia. AEON Mall Nilai, Lotus's Putra Nilai, Giant Hypermarket Nilai are located about 9.5 km to the north-east of Phase 1 of Nilai Campus, The Aurelius Hospital Negeri Sembilan is located about 8 km to the north and The Nilai Springs Golf and Country Club is located about 9 km to the north.

Prominent private and government institutionals located in the neighbourhood are as follows: -

Name	Distance from Phase 1 of Nilai Campus (km)
INTI International University	6.5
Nilai University	8.5
University Sains Islam Malaysia (USIM)	12.0
Manipal International University	9.0
ELMU University	3.7
Institut Latihan Keselamatan Perlindungan Malaysia	4.5
Akademi Kepimpinan Penganjian Tinggi Malaysia (AKEPT)	8.0
Institut Kepimpinan dan Pembangunan Universiti Teknologi MARA (UiTM)	
Nilai Education Complex comprise Tuanku Kurshiah College, Nilai Polytechnic and Institut Aminuddin Baki	

The Sites

The subject sites comprise two (2) parcels of corner plots, trapezoidal in shape and enjoy frontages onto Persiaran Seriemas.

The Buildings

Brief details of the development, extension and renovation of Old Nilai Campus are as follows: -

Year of Construction / Approval	Development / Extension / Renovation	Date / Reference No. of the Approved Plan / CF / CCC
2006	An institutional premises comprises a three (3) storey administrative cum academic block, two double (2) storey lecture halls, a five (5) storey walk-up apartment block (students' hostel), single storey cafeteria, three (3) guard houses and two (2) refuse compartments.	Building plans bearing plan no. 59/2005-59U/2005 were approved by Majlis Perbandaran Nilai ("MPN") on 03 March 2005. CF bearing certificate no. 0563 was issued by MPN on 08 March 2006.

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2013	Internal renovation works for the Clinical Laboratory on the 2nd floor of the three (3) storey administrative cum academic block.	building plans bearing plan no. 199/2013 were approved by MPN.
2017	Internal renovation works for the five (5) storey walk-up apartment block (students' hostel).	The building plans bearing plan no. AE.KPJUC-5914 were approved by MPN on 11 October 2017.

All the above mentioned buildings are of similar construction and the details of the specification are as follows: -

Description:	3 storey administrative cum adacemic block	5 storey walk-up block (students' hostel)
Buildings:	Constructed of reinforced concrete frame with brick infills plastered on both sides supporting timber pitched concrete roof laid over with concrete roofing tiles.	Constructed of reinforced concrete frame with brick infills plastered on both sides supporting timber pitched concrete roof laid over with concrete roofing tiles.
Ceilings:	Generally of plaster boards incorporating down light, mineral fibre boards incorporating fluorescent lightings, mineral fibre boards, cement plaster and flat ceiling sheets.	Generally of cement plaster
Internal Walls:	Generally of gypsum boards, gypsum boards incorporating glass panels and timber boards. Internal walls of the male and female toilets are lined with glazed wall tiles up to 1.52 metres (5 feet) high.	Generally of gypsum boards and gypsum boards incorporating glass panels. The internal walls of the male and female toilets are lined with glazed wall tiles up to 1.52 metres (5 feet) high.
Doors:	Generally of double leaf frameless glass panelled door, fire rated door, double leaf timber framed door incorporating tinted glass panels, sliding timber framed door incorporating glass panels, timber framed door incorporating glass panels and timber flush.	Generally of timber panelled door and timber flush.
Windows:	Generally of timber and aluminium casements incorporating tinted glass panels and top hung units.	Generally of aluminium casements incorporating tinted glass panels and top hung units.
Floors:	Generally of with glazed ceramic slabs, ceramic tiles, wall-to-wall carpeting and cement screed.	Generally of with ceramic tiles and cement screed.

The buildings are equipped with cassette type and split air conditioning systems. Vertical movement between floors is by means of reinforced concrete staircases for each building. Generally, the buildings are installed with fire fighting systems.

GFA

The GFA computed by Focus Architects and Alma Architects & Partner Sdn Bhd and provided to us by KPJ Healthcare University College Sdn Bhd (formerly known as Puteri Nursing College Sdn Bhd) (KPJHCSB) are in line with our measurement in accordance with the Uniform Method of Measurement of Buildings, RISM. The GFA and age of each building are tabulated as follows: -

Building	GFA		Age
	sq. m.	sq. ft.	(Year)
A three (3) storey administrative cum academic block	3,965.81	42,688.00	19
A two double (2) storey lecture halls	1,384.70	14,905.00	
A single storey cafeteria	261.52	2,815.00	
A five (5) storey walk-up apartment block (students' hostel)	5,537.95	59,610.00	
Three (3) guard houses	48.50	522.00	
Two (2) refuse compartments	21.46	231.00	
Total	**11,219.94**	**120,771.00**	

Occupancy Status / Lease Details:	A lease agreement has been duly executed in respect of the Phase 1 of Nilai Campus of KPJ Healthcare University (KPJUC) dated 1 May 2009 made between Al-'Aqar KPJ REIT (being represented by its trustee ART) as a Lessor, KPJ Healthcare University College Sdn Bhd (formerly known as Puteri Nursing College Sdn Bhd) (PNCSB/Lessee) and JLG REIT (Manager) for an initial term of fifteen (15) years commencing from 1 May 2009 with an option to renew for another fifteen (15) years, subject to the terms and conditions to be agreed by the parties. The Lease commenced from 1 May 2009 and expired on 30 April 2024 (Contractual Term). Vide a letter of extension of renewal of leases from KPJHB (as Lessee) to AmanahRaya Trustees Berhad (as Trustee) on behalf of Al-Aqar Healthcare REIT (as Lessor) and JLG REIT (as Manager) dated 5 July 2024, we note that KPJHB has requested the parties to extend the Contractual Term of Phase 1 of Nilai Campus of KPJUC which expired on 30 April 2024 to a new commencement date of 1st January 2025 (New Extended Commencement Date). However, we were informed by the Client that the commencement of the Contractual Term has been further extended to 31 July 2025. This valuation is carried out pursuant to the proposed renewal of the abovementioned lease of Phase 1 of Nilai Campus of KPJUC for a further term of three (3) years.

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b. Valuation

1. Cost Approach comprising the Comparison and DRC Methods

In arriving at the Market Value of the commercial and residential land components, we have adopted the Market/Comparison Approach. The following sale evidences, amongst others, are considered suitable comparables and adopted: -

a) Commercial Land

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Particular of Title Lot No. / Mukim/Town / District / State: Title No.:	Lot 20961 / Town of Nilai Utama / District of Seremban / Negeri Sembilan Darul Khusus Geran 144987	Lot 33612 / Town of Nilai Utama / District of Seremban / Negeri Sembilan Darul Khusus Geran 193370	Lot 18781 / Town of Nilai Utama / District of Seremban / Negeri Sembilan Darul Khusus Geran 209405	Lot 16071 / Town of Nilai Utama / District of Seremban / Negeri Sembilan Darul Khusus Geran 239675
Property Type:	A parcel of commercial land (corner)	A parcel of commercial land (corner)	A parcel of commercial land (intermediate – dual frontage)	A parcel of commercial land (intermediate)
Location:	Along Jalan BBN 1/3A, off Persiaran Pusat Bandar, Negeri Sembilan Darul Khusus	Along Jalan Square Utama, Nilai, Negeri Sembilan Darul Khusus	Along Jalan Nilai – Salak, Nilai, Negeri Sembilan Darul Khusus	Along Persiaran Perbandaran, Nilai, Negeri Sembilan Darul Khusus
Category of Land Use / Town Planning:	Commercial / Commercial	Building / Commercial	Commercial / Commercial	Commercial – Petrol Station Use / Commercial
Tenure:	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Land Area:	21,732 sq. ft.	42,270 sq. ft.	33,702 sq. ft.	32,292 sq. ft.
Consideration:	RM1,847,248/-	RM3,800,000/-	RM2,292,000/-	RM2,900,000/-
Date Of Transaction:	3 September 2024	23 June 2023	5 September 2022	30 June 2022
Vendor:	N/A	Arus Ikhlas Sdn Bhd	Nilai Resources Properties Sdn Bhd	NS Township Development Sdn Bhd
Purchaser:	N/A	Soon Chong Motors (Nilai) Sdn Bhd	Prima Kembara Sdn Bhd	Azhar Bin Ismail
Analysis (psf):	**RM85.00**	**RM89.90**	**RM68.01**	**RM89.81**
Adjustments Factors Considered:	Market condition (time), location and accessibility, corner/end premium, shape, category of land use/planning, size/quantum allowance, tenure and restriction in interest.			
Adjusted Value of the Land (psf.):	**RM61.13**	**RM67.66**	**RM66.99**	**RM72.93**
Market Value Of Commercial Land:	In arriving at the market value using the Market/Comparison Approach, we have emphasized upon Comparable 3 which has the least dissimilarities against the subject property as fair representation of the market value of the land, as per practice in the industry. We have adopted the adjusted value of **RM66.99 psf** from the adjustments of Comparable 3 as fair representation which translates into a market value of the commercial land of **RM9,131,636.67**.			

Source: Valuation and Property Services Department, Ministry of Finance

b) Residential Land

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Particular of Title Lot No. / Mukim/Town / District / State: Title No.:	Lot 4646 / Setul / Seremban / Negeri Sembilan Darul Khusus Geran Mukim 770	Lot 4645 / Setul / Seremban / Negeri Sembilan Darul Khusus Geran Mukim 788	Lot 1056 / Setul / Seremban / Negeri Sembilan Darul Khusus Geran Mukim 2206	Lot 1490 / Setul / Seremban / Negeri Sembilan Darul Khusus Geran Mukim 2314
Property Type:	A parcel of development land with potential for residential use (corner)	A parcel of development land with potential for residential use (intermediate)	A parcel of development land with potential for residential use (corner)	A parcel of development land with potential for residential use (intermediate)
Location:	Off Pajam – Nilai main road, Nilai, Negeri Sembilan Darul Khusus	Off Pajam – Nilai main road, Nilai, Negeri Sembilan Darul Khusus	Along Jalan Mantin, off Jalan Besar, Mantin, Negeri Sembilan Darul Khusus	Along Jalan Pajam – Mantin, Mantin, Negeri Sembilan Darul Khusus

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Category of Land Use / Town Planning:	Agricultural / Residential	Agricultural / Residential	Agricultural / Residential	Agricultural / Residential
Tenure:	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Land Area:	86,632 sq. ft.	89,607 sq. ft.	251,832 sq. ft.	57,146 sq. ft.
Consideration:	RM2,555,290/-	RM2,557,210/-	RM6,675,000/-	RM1,480,000/-
Date Of Transaction:	10 June 2024	29 September 2023	6 April 2023	1 June 2022
Vendor:	Midas Dragon Sdn Bhd	Midas Dragon Sdn Bhd	Lee Ong Oon @ Lee Ah Ng	Aluran Harapan Sdn Bhd
Purchaser:	Bagan Hasrat Sdn Bhd	Bagan Hasrat Sdn Bhd	Lat Loy & Sons Sdn Bhd	Hogyan Wire Metal Industry Sdn Bhd
Analysis (psf):	**RM29.50**	**RM28.54**	**RM26.51**	**RM25.90**
Adjustments Factors Considered:	Market condition (time), location and accessibility, corner/end premium, shape, category of land use/planning, size/quantum allowance, tenure and restriction in interest.			
Adjusted Value (psf):	**RM38.20**	**RM39.40**	**RM37.24**	**RM35.99**
Market Value Of Residential Land:	In arriving at the market value using the Market/Comparison Approach, we have emphasized upon Comparable 1 which has the least dissimilarities against the subject property as fair representation of the market value of the land, as per practice in the industry. We have adopted the adjusted value of **RM38.20 psf** from the adjustments of Comparable 1 as fair representation which translates into a market value of the commercial land of **RM2,696,404.13.**			

Source: Valuation and Property Services Department, Ministry of Finance

We note from the JUBM Group Construction Cost Handbook Malaysia, the construction of primary and secondary schools range from RM113.00 psf to RM145.00 psf, average standard apartments (highrise) range from RM135.69 psf to RM171.64 psf and standard offices range from RM270.88 psf to RM356.96 psf. In arriving at the GCRCN of the academic block, we have adopted RM2,206.60 psm (RM205.00 psf) in respect of the three (3) storey administrative cum academic block, RM2,098.96 psm (RM195.00 psf) in respect of the two (2) storey lecture halls, RM1,076.39 psm (RM100.00 psf) in respect of the single storey cafeteria, RM861.11 psm (RM80.00 psf) in respect of the guard house, RM538.20 psm (RM50.00 psf) in respect of the refuse compartment and RM53.82 psm (RM5.00 psf) in respect of the site improvement.

Whilst the construction of student hostels range from RM135.69 psf to RM171.64 psf and low cost flats (highrise) (<15 levels) range from RM107.34 psf to RM141.26 psf. In arriving at the GCRCN of the residential block, we have adopted RM1,829.86 psm (RM170.00 psf) in respect of the five (5) storey apartment block, RM861.11 psm (RM80.00 psf) in respect of 2 units of guard houses, RM538.20 psm (RM50.00 psf) in respect of the refuse compartment and RM53.82 psm (RM5.00 psf) in respect of the site improvement.

Parameter Adopted	Academic Block	Residential Block
Land Value	RM 9,131,636.67	RM 2,696,404.13
GCRCN	RM12,100,685.00	RM10,226,005.00
Depreciation is adopted at a rate of 2% per annum	RM 4,591,629.79	RM 3,880,278.61
DRC	RM 7,509,055.21	RM 6,345,726.39
Market Value	**RM16,640,691.89**	**RM 9,042,130.52**
Total Market Value	**RM25,682,822.40**	

Thus, the market value of the subject property derived from the Cost Approach is RM25,682,822.40 and we have rounded up to RM25,700,000.00.

2. Reconciliation and Opinion of Value

Method of Valuation	Market Value Adopted	
Cost Approach	**RM25,700,000**	We have considered the market value derived from the Cost Approach comprising the Comparison and DRC Methods as sole valuation methodology.

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Property No. 5

a. Salient Details

Date of Inspection and Valuation:	24 February 2025
Identification / Type of Property / Property Address:	A six (6) storey institutional building together with a basement level known as KPJ International College Of Nursing And Health Science ("KPJIC"), identified as Lots 10093 & 55, both within Section 5, Town of Bukit Mertajam, District of Seberang Perai Tengah, Pulau Pinang, held under Title Nos. Geran 179267 and Geran 41544, respectively, bearing postal address No. 565, Jalan Sungai Rambai, 14000 Bukit Mertajam, Pulau Pinang.
Title Particulars:	

Title Particulars	
Title Land Area:	

Lot No.	Title Land Area	
	sq. m.	sq. ft.
10093 Section 5	9,197.0000	98,995.68
55 Section 5	2,530.8747	27,242.11
Total	**11,727.8747**	**126,237.79**

Tenure:	Interest in perpetuity, in respect of both titles
Registered Proprietor:	ART (as Trustee), in respect of both titles
Category of Land Use:	Building, in respect of all the titles
Encumbrances:	Nil
Endorsements:	A private caveat has been entered by OCBC Al-Amin Bank Berhad registered on 25 November 2020, in respect both titles

Location

KPJIC is located within Bukit Mertajam town and is sited along the southern (left) side of Jalan Sungai Rambai, travelling from Perai towards Bukit Mertajam. George Town, the state capital of Penang is located about 28.1 km to the north-west of KPJIC whilst Bukit Mertajam town is located about 1.2 km to the south-east of KPJIC, respectively. Penang Bridge which connects Seberang Perai on the mainland and Gelugor on the island of Penang is located about 8.6 km to the east of KPJIC. Penang International Airport is located about 31.3 km to the south-west of KPJIC. Bukit Mertajam railway station is the nearest station of Electrified Double Track Railway Line station providing alternative access other than by road and air from Gemas to Bangkok is located about 1.2 km to the north-west of KPJIC and further to the next railway station within Penang Sentral. Penang Sentral is located about 13.5 km to the north-west of KPJIC. The Jetty / Ferry Terminal Butterworth is located about 14.9 km to the north-west of KPJIC. The Port of Penang and the North Butterworth Container Terminal (NBCT) are located about 14.8 km and 15 km, respectively, to the north-west of KPJIC. KPJIC fronts onto Jalan Sungai Rambai and is easily accessible from North-South Expressway by exiting at the Perai Interchange, thence continuing onto Jalan Baru, Jalan Permatang Pauh and Jalan Padang Lalang. Alternatively, it is also easily accessible from Bukit Mertajam town via Jalan Kulim and Jalan Datuk Ooh Chooi Chong. Majlis Bandaraya Seberang Perai / MBSP Sport and Recreational Complex, Mahkamah Majistret Daerah Bukit Mertajam, Mahkamah Rendah Syariah Daerah Seberang Perai Tengah are located about 1.6 km, 1.8 km, 2 km, respectively, to the south-west of KPJIC. Prominent hotel developments in vicinity include Golden Wheel Hotel, Sri Indar Hotel (OYO 510), The Summit Hotel and BG Business Hotel. Other shopping destination of the locality is The Summit shopping centre which houses the Econsave is located about 4.7 km to the south-east of KPJIC. Sunway Carnival Mall, Billion Shopping Centre, Megamall/Pacific Shopping Centre, Carrefour Hypermarket, Tesco Hypermarket and Giant Hypermarket are located at the Seberang Jaya Town. The 'BHP' petrol filling and service stations are located about 200 metres to the north-west of KPJIC.

Prominent private medical centres and government hospitals located in the neighbourhood are as follows: -

Name	Capacity (bed)	Location	Distance from KPJIC (km)
Private Medical Centre			
KS Wan & Liow Specialist Maternity Centre Sdn Bhd	4	No. 17 & 19, Lorong Tembikai 6, Pusat Komersial Sri Rambai, 14000 Bukit Mertajam, Pulau Pinang.	2.4
KPJ Penang Specialist Hospital	256	570, Jalan Perda Utama, Bandar Perda, 14000 Bukit Mertajam, Pulau Pinang.	3.1
Questra Bio-Clinical Research Centre	20	No. 6, Jalan Desa Pauh, Taman Desa Pauh, 13500 Permatang Pauh, Pulau Pinang.	7.6
DBM Hospital	4	No. 18 & 20, Jalan Cermai 1, Taman Cermai, Jalan Sama Gagah, Permatang Pauh, 13500 Seberang Perai, Pulau Pinang.	10.1
Sunway Medical Centre Penang	132	3106, Lebuh Tenggiri 2 Pusat Bandar Seberang Jaya, 13700 Perai, Pulau Pinang.	12.5
Bagan Specilist Centre	153	Jalan Bagan Satu, 13400 Butterworth, Pulau Pinang.	14
Lam Wah Ee Hospital	417	141, Jalan Tan Sri Teh Ewe Lim, 11600 Georgetown, Pulau Pinang.	22.8
Georgetown Specialist Hospital (formely known as Carl Corrynton Medical Centre)	20	No. 12-A, Jalan Masjid Negeri, 11600 Pulau Pinang.	23.7
Optimax Eye Specialist Hospital	4	223, Jalan Masjid Negeri, 11600 Pulau Pinang.	23.8
Island Hospital	445	No. 308, Macalister Road, 10450 Pulau Pinang.	25.8
Pantai Hospital Penang	204	82, Jalan Tengah, 11900 Bayan Lepas, Pulau Pinang.	26.7
Gleneagles Medical Centre Penang	348	1, Jalan Pangkor, 10050 Pulau Pinang.	27.2
Loh Guan Lye Specialist Centre	205	238, Macalister Road, 10400 Pulau Pinang.	27.3
Penang Adventist Hospital	261	465, Jalan Burmah, 10350 Georgetown, Pulau Pinang.	27.6
Peace Medical Centre	4	81, Lorong Selamat, 10400 Georgetown, Pulau Pinang.	29.4
Hospital Kebajikan Kek Lok Si	45	No. 623, Jalan Balik Pulau, Ayer Itam, 11500 Pulau Pinang.	30.3
Hope Children Hospital -Gottlieb	10	25B, C & D, Jalan Gottlieb, 10350 Georgetown, Pulau Pinang.	30.5
Mount Miriam Cancer Hospital	30	23, Jalan Bulan, Fettes Park, 11200 Tanjung Bungah, Pulau Pinang.	30.7

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Government Hospital			
Hospital Bukit Mertajam	242	Jalan Bukit, Bukit Mertajam, 14000 Seberang Perai Tengah, Pulau Pinang.	3.8
Hospital Seberang Jaya	413	Jalan Tun Hussein Onn, 13700 Seberang Perai Tengah, Pulau Pinang.	9.2
Hospital Pulau Pinang	1,163	Jalan Residensi, 10990 Timur Laut, Pulau Pinang.	26.2
Hospital Kepala Batas	134	Jalan Bertam, Kepala Batas, 13200 Sebarang Perai Utara, Pulau Pinang.	27.3
Hospital Sungai Bakap	105	Sungai Jawi, 14200 Seberang Perai Selatan, Pulau Pinang	29.6
Hospital Balik Pulau	81	Balik Pulau, 11000 Barat Daya, Pulau Pinang.	44.9

The Sites

The subject sites comprise two (2) contiguous parcels of plots, irregular in shape and enjoy frontages onto Jalan Sungai Rambai along its northern site boundary in respect of Lot 10093 and onto Lorong Manggis 7 along part of its south-eastern site boundary in respect of Lot 55.

The Buildings

Brief details of the development, extension and renovation of Old Nilai Campus are as follows: -

Year of Construction / Approval	Development / Extension / Renovation	Date / Reference No. of the Approved Plan / CF / CCC
1995	A 6 storey institutional building together with a basement level	Building plans were approved by Majlis Perbandaran Seberang Perai ("MPSP"). However, the said building plans were not made available to us. CF bearing certificate no. 40/T/95 was issued by Majlis Perbandaran Seberang Perai on 23 March 1995.
2013	Amendment and extension to approved building for internal upgrading and refurbishment works.	Building plans bearing plan no. (23A) dlm.MPSP/40/40-56/56 were approved by MPSP on 7 November 2012. CCC bearing certificate no. LAM/PP/No. 0934 was issued by Lembaga Arkitek Malaysia on 8 April 2013.
2018	Permit of minor renovation for the six storey institutional building and motocycle bays	Building plans bearing plan no. (35A) dlm.MPSP/40/40-56/56 were approved by MBSP on 10 July 2018.

All the above mentioned buildings are of similar construction and the details of the specification are as follows: -

Buildings:	Constructed of reinforced concrete frame with brick infills rendered externally and plastered internally partly supporting a reinforced concrete flat roof concealed behind parapet walls and partly steel frame and purlins laid over with metal deck roofing sheets. Majority of the northern (front) and southern (rear) and partly of eastern and western elavations are clad with metal strips.
Ceilings:	Generally of plaster boards with cornices incorporating downlights, plaster boards incorporating downlights, plaster boards, air-conditioner ductings, smoke detector and sprinklers, mineral fibre boards incorporating fluorescent lightings, cement plaster and flat ceiling sheets.
Internal Walls:	Generally of gypsum boards and gypsum boards incorporating glass panels. The internal walls of the lift lobbies and all the toilets are lined with glazed wall tiles up to the ceiling height.
Doors:	Generally, the main entrance to the reception area on the ground floor is fitted with an automatically operated double leaf frameless glass panelled door. Other doors are generally of fire rated timber door, timber flush door, timber panelled door, timber panelled door incorporating glass panels, automatically operated single and double leaf frameless glass panelled door and PVC foldable doors.
Windows:	Generally of aluminium casements incorporating clear/tinted glass panels, top hung units as well as adjustable and fixed glass louvers in timber frames.
Floors:	Generally of glazed ceramic slabs, ceramic tiles, cement screed, carpeted, parquet.

The buildings are equipped with centralised air-conditioning system, with some rooms fitted with additional split-unit air conditioners. Vertical movement between floors is by means of reinforced concrete staircases for each building. Generally, the buildings are installed with fire fighting systems.

GFA

The GFA computed by Ar Ooi Chean Hong, Arkitek Profesional and provided to us by Puteri Nursing College Sdn Bhd (PNCSB) are in line with our measurement in accordance with the Uniform Method of Measurement of Buildings, RISM. The GFA and age of each building are tabulated as follows: -

Building	GFA		Age
	sq. m.	sq. ft.	(Year)
A 6 storey institutional building together with a basement level	3,993.81	42,989.00	29.95
Total	**3,993.81**	**42,989.00**	

Occupancy Status / Lease Details:	A lease agreement has been duly executed in respect of the KPJIC dated 14 October 2009 made between Al-'Aqar KPJ REIT (now known as Al-'Aqar Healthcare REIT) (being represented by its trustee ART) as a Lessor, Puteri Nursing College Sdn Bhd (Lessee) and JLG REIT (Manager) for an initial term of fifteen (15) years commencing from 14 October 2009 with an option to renew for another fifteen (15) years, subject to the terms and conditions to be agreed by the parties. The lease commenced on 14 October 2009 and expires on 13 October 2024 (Contractual Term). Vide a letter of extension of renewal of leases from KPJHB (as Lessee) to ART (as Trustee) of Al-Aqar Healthcare REIT (as Lessor) and JLG REIT (as Manager) dated 5 July 2024, we note that KPJHB has requested the parties to extend the Contractual Term of KPJIC which will expire on 13 October 2024 to a new commencement date of 1st January 2025 (New Extended Commencement Date). However, we were informed by the Client that the commencement of the Contractual Term has been further extended to 31 July 2025. This valuation is carried out pursuant to the proposed renewal of the abovementioned lease of the KPJIC for a further term of one (1) year.

CHESTON INTERNATIONAL

b. Valuation

1. Cost Approach comprising the Comparison and DRC Methods

In arriving at the Market Value of the commercial land component, we have adopted the Market/Comparison Approach. The following sale evidences, amongst others, are considered suitable comparables and adopted: -

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Particulars of Title Lot No. / Town / District / State:	Lot 609, Section 6 / Bandar Bukit Mertajam / District of Seberang Perai Tengah / Pulau Pinang	Lot 4061 / Mukim 06 / District of Seberang Perai Tengah / Pulau Pinang	Lot 1373 / Mukim 15 / District of Seberang Perai Tengah / Pulau Pinang	Lot 1543 / Mukim 15 / District of Seberang Perai Tengah / Pulau Pinang
Title No.:	Geran 33526	Geran Mukim 1461	Geran 14956	Geran Mukim 904
Property Type:	A parcel of development land (Intermediate)	A parcel of development land (Intermediate)	A parcel of development land (Intermediate)	A parcel of development land (Intermediate)
Location:	Lot 609, Off Jalan Maju, 14000 Bukit Mertajam, Pulau Pinang	Lot 4061, Off Jalan Pengkalan, 14000 Bukit Mertajam, Pulau Pinang	Lot 6892, Fronts Jalan Rozhan, 14000 Bukit Mertajam, Pulau Pinang	Located off Jalan Kulim, 14000 Bukit Mertajam, Pulau Pinang
Category of Land Use / Town Planning:	First Grade / Commercial	First Grade / Commercial	First Grade / Commercial	First Grade / Commercial
Tenure:	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Land Area (sq. ft.):	61,553.98	49,567.81	30,791.69	34,285.69
Consideration:	RM4,616,549.00	RM5,700,297.00	RM4,000,000.00	RM3,427,299.00
Date of Transaction:	12 September 2024	22 March 2024	30 January 2024	17 January 2023
Vendor:	Ng Yam Huat Fishery Sdn Bhd	Yew Chew Eng & Yee Sek Phoy	Tan Mooi Kim & Yeoh Lin Teik	Teh Hock Guan +1
Purchaser:	Beukitch Cabinet Sdn Bhd	Translace Logistics Sdn Bhd	Lau Chee Khim & Lee Kim Hong	Victions Malaysia Sdn Bhd
Analysis (psf)	RM75.00	RM115.00	RM129.91	RM99.96
Adjustment Factors Considered:	Market condition (time), location and accessibility, corner/end premium, shape, category of land use/planning, size/quantum allowance, tenure and restriction in interest.			
Effective Adjusted Value (psf)	**RM92.96**	**RM92.77**	**RM103.00**	**RM90.63**
Market Value Of Commercial Land:	In arriving at the market value using the Market/Comparison Approach, we have emphasized upon Comparable 4 which is has the least dissimilarities against the subject property as fair representation of the market value of the land, as per practice in the industry. We have adopted the adjusted value of **RM90.63 psf** from the adjustments of Comparable 4 as fair representation which translates into a market value of the commercial land of **RM11,441,158.01**.			

Source: Valuation and Property Services Department, Ministry of Finance

We note from the JUBM Group Construction Cost Handbook Malaysia, the construction of primary and secondary schools range from RM113.00 psf to RM145.00 psf and standard offices range from RM270.88 psf to RM356.96 psf. In arriving at the GCRCN of the subject property, we have adopted RM2,432.64 psm (RM226 psf) in respect of the six (6) storey institutional building together with a basement level.

The GCRCN of the buildings is RM9,765,514.00. Depreciation is adopted at a rate of 2% per annum. The depreciation of the buildings is RM5,849,141.56. The DRC of the buildings is RM3,916,372.44. Thus, the market value of the subject property derived from the Cost Approach is RM15,357,530.45 and we have rounded down to RM15,350,000.00.

2. Reconciliation and Opinion of Value

Method of Valuation	Market Value Adopted	
Cost Approach	**RM15,350,000**	We have considered the market value derived from the Cost Approach comprising the Comparison and DRC Methods as sole valuation methodology.

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and our Directors collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

All information relating to Al-`Aqar as set out in Section 6 of Part A of this Circular has been obtained from publicly available documents. The sole responsibility of our Board has been to ensure that the said information has been reproduced accurately.

2. CONSENT

2.1 AmInvestment Bank Berhad

AmInvestment Bank, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of its name, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmInvestment Bank has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposals.

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future may have interests or take actions that may conflict with the interests of KPJ.

As at the LPD, the AmBank Group has extended credit facilities of which the amount outstanding is approximately RM101.6 million, to KPJ Group.

AmInvestment Bank is of the view that its role as the Principal Adviser for the Proposals is not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:-

(i) AmInvestment Bank's role in the Proposals is undertaken in the ordinary course of business; and

(ii) AmInvestment Bank undertakes each of its roles on an arm's length basis and its conduct is regulated by Bank Negara Malaysia and the Security Commission Malaysia and governed under, *inter alia*, the Financial Services Act 2013, the Capital Markets and Services 2007, and AmBank Group's Chinese Wall policy and internal controls and checks.

Premised on the above, AmInvestment Bank confirms that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposals.

2.2 BDO Capital Consultant Sdn. Bhd.

BDOCC, being the Independent Adviser for the Proposals, confirmed that it has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of its name, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular. BDOCC has also given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser in respect of the Proposals.

2.3 Cheston International (KL) Sdn. Bhd.

Cheston, being the Independent Valuer for the Proposals, confirmed that it has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the valuation certificates in respect of the Disposal Properties and Lease Renewal Properties as set out in Appendix IV(A) and (B) respectively of this Circular and all references thereto in the form and context in which they so appear in this Circular.

Cheston has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Independent Valuer for the Proposals.

3. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by KPJ Group, which, upon becoming due or enforceable, may have a material impact on the financial position or business of KPJ Group:-

	Amount (RM'000)
Capital Expenditure	
- Approved by the Directors and contracted	73,730
- Approved by the Directors but not contracted	339,524
Total	**413,254**

4. CONTINGENT LIABILITIES

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by KPJ Group as at the LPD, which, upon becoming due or enforceable, may have a material impact on the financial position or business of KPJ Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of KPJ at Level 13, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia following the date of this Circular from Monday to Friday (except public holidays) during business hours up to the date of the EGM:-

(i) the Constitution of KPJ;

(ii) the SPAs;

(iii) the Lease Agreements for Proposed Leaseback and Lease Agreements for Proposed Lease Renewal (executed in escrow);

(iv) Principal Lease Agreements;

(v) Memorandums of Extension and Second Memorandums of Extension;

(vi) the Valuation Reports and Valuation Certificates of the Disposal Properties and Lease Renewal Properties;

(vii) the audited consolidated financial statements of KPJ for FY 31 December 2023 and FY 31 December 2024, and the latest unaudited consolidated financial statements of KPJ for 3-month FP 31 March 2025; and

(viii) the letters of consent and declaration of conflict of interests referred to in Section 2 of Appendix V above.

KPJ HEALTHCARE BERHAD
(Registration No. 199201015575 (247079-M))
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of KPJ Healthcare Berhad ("**KPJ**" or the "**Company**") will be held at Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Thursday, 26 June 2025 at 12:30 p.m. or immediately after the conclusion of the Thirty-Second Annual General Meeting ("**32nd AGM**") of KPJ scheduled to be held at the same venue and on the same day at 10:00 a.m., whichever is later, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following ordinary resolutions:-

ORDINARY RESOLUTION 1

PROPOSED SALE OF PROPERTIES BY THE SUBSIDIARIES OF KPJ TO AMANAHRAYA TRUSTEES BERHAD (FOR AND ON BEHALF OF AL-`AQAR HEALTHCARE REIT AS THE TRUSTEE) ("PROPOSED SALE")

"THAT subject to the passing of the Ordinary Resolution 2, fulfilment of all conditions precedent under the conditional sale and purchase agreements dated 27 March 2025 entered with AmanahRaya Trustees Berhad ("**ART**"), being the trustee for and on behalf of Al-`Aqar Healthcare REIT ("**Al-`Aqar**"), and all approvals being obtained from the relevant authorities and/or parties (if required), approval be and is hereby given to the following subsidiaries of KPJ to dispose the properties listed below for a sale consideration of RM241,000,000 to be satisfied via cash:-

Subsidiaries	Properties to be disposed	Consideration
		RM
Ampang Puteri Specialist Hospital Sdn. Bhd.	KPJ Ampang Puteri Specialist Hospital new building located at HS(M) 26550, PT 25119, Mukim of Ampang, Daerah of Ulu Langat, Negeri Selangor Darul Ehsan, bearing postal address KPJ Ampang Puteri Specialist Hospital, No 1, Jalan Mamanda 9, Taman Dato' Ahmad Razali, 68000 Ampang, Selangor Darul Ehsan.	131,000,000
Penang Specialist Hospital Sdn. Bhd.	KPJ Penang Specialist Hospital new building located at Geran Mukim 1453, Lot 10150, Mukim 7, Daerah of Seberang Perai Tengah, Negeri Pulau Pinang, bearing postal address KPJ Penang Specialist Hospital, No. 570, Jalan Perda Utama, Bandar Perda, 14000 Bukit Mertajam, Pulau Pinang.	110,000,000
	Total	**241,000,000**

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things and enter into any arrangements, guarantees, agreements and/or undertakings and, sign, execute and deliver all documents as they deem necessary or expedient in order to implement, finalise and/or give full effect to and complete the Proposed Sale with full powers to assent to any terms, conditions, modifications, variations and/or amendments as the Directors of the Company may deem fit, necessary and/or expedient in the interest of KPJ or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments to implement, finalise and/or give full effect to and complete the Proposed Sale."

ORDINARY RESOLUTION 2

PROPOSED LEASEBACK OF THE PROPERTIES BY THE SUBSIDIARIES OF KPJ FROM ART (FOR AND ON BEHALF OF AL-`AQAR AS THE LESSOR) ("PROPOSED LEASEBACK")

"THAT subject to the passing of the Ordinary Resolution 1 and all approvals being obtained from the relevant authorities and/or parties (if required), approval be and is hereby given to the following subsidiaries of KPJ listed below to enter into the lease agreements with ART, being the trustee for and on behalf of Al-`Aqar ("**Lessor**") and JLG REIT Managers Sdn. Bhd. (formerly known as Damansara REIT Managers Sdn. Berhad) ("**JLGRM**"), being the manager of Al-`Aqar, to lease the following properties back to the following subsidiaries subsequent to the completion of the Proposed Sale:-

Subsidiaries	Properties to be leaseback
Ampang Puteri Specialist Hospital Sdn. Bhd.	KPJ Ampang Puteri Specialist Hospital new building located at HS(M) 26550, PT 25119, Mukim of Ampang, Daerah of Ulu Langat, Negeri Selangor Darul Ehsan, bearing postal address KPJ Ampang Puteri Specialist Hospital, No 1, Jalan Mamanda 9, Taman Dato' Ahmad Razali, 68000 Ampang, Selangor Darul Ehsan.
Penang Specialist Hospital Sdn. Bhd.	KPJ Penang Specialist Hospital new building located at Geran Mukim 1453, Lot 10150, Mukim 7, Daerah of Seberang Perai Tengah, Negeri Pulau Pinang, bearing postal address KPJ Penang Specialist Hospital, No. 570, Jalan Perda Utama, Bandar Perda, 14000 Bukit Mertajam, Pulau Pinang.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things and enter into any arrangements, guarantees, agreements and/or undertakings and, sign, execute and deliver all documents as they deem necessary or expedient in order to implement, finalise and/or give full effect to and complete the Proposed Leaseback with full powers to assent to any terms, conditions, modifications, variations and/or amendments as the Directors of the Company may deem fit, necessary and/or expedient in the interest of KPJ or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments to implement, finalise and/or give full effect to and complete the Proposed Leaseback."

ORDINARY RESOLUTION 3

PROPOSED LEASE RENEWAL OF PROPERTIES BETWEEN THE SUBSIDIARIES OF KPJ, ART (FOR AND ON BEHALF OF AL-`AQAR AS THE LESSOR) AND JLGRM ("PROPOSED LEASE RENEWAL")

"THAT approval be and is hereby given to the following subsidiaries of KPJ to enter into the renewal lease agreements with ART, being the trustee for and on behalf of Al-`Aqar/Lessor and JLGRM, being the manager of Al-`Aqar, to renew the lease of the following hospitals, wellness centre and college held by the Lessor including the Lessor's fixtures and fittings (as described in the circular to shareholder dated 4 June 2025):-

Lease Renewal Subsidiaries	Lease Renewal Properties	Renewal lease period sought
Penang Specialist Hospital Sdn. Bhd.	(i) KPJ Penang Specialist Hospital	15 years[(i)]
	(ii) Taiping Medical Centre and TMC Health Centre	3 years[(ii)]
Maharani Specialist Hospital Sdn. Bhd.	(i) KPJ Seremban Specialist Hospital (old building, new building and vacant land)	15 years[(i)]
KPJ Healthcare University Sdn. Bhd.	(i) KPJ Healthcare University	5 years and 8 months[(i)]
	(ii) KPJ Healthcare College Penang	1 year[(iii)]

Notes:-

(i) With an option to renew for another 15 years.
(ii) With an option to renew for another 2 years
(iii) With an option to renew for another 1 year.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things and enter into any arrangements, guarantees, agreements and/or undertakings and, sign, execute and deliver all documents as they deem necessary or expedient in order to implement, finalise and/or give full effect to and complete the Proposed Lease Renewal with full powers to assent to any terms, conditions, modifications, variations and/or amendments as the Directors of the Company may deem fit, necessary and/or expedient in the interest of KPJ or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments to implement, finalise and/or give full effect to and complete the Proposed Lease Renewal."

By Order of the Board,
KPJ HEALTHCARE BERHAD

Keh Ching Tyng (MAICSA 7050134)
(SSM Practising Certificate 202008002616)
Hana binti Ab Rahim @ Ali (MAICSA 7064336)
(SSM Practising Certificate 202408000758)
Company Secretaries

Kuala Lumpur
4 June 2025

Notes:-

Record of Depositors

1. In respect of deposited securities, only a depositor whose name appears in the Record of Depositors as at 19 June 2025 shall be eligible to attend the EGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries in the Record of Depositors after the said date shall be disregarded in determining the rights of any person to attend and vote at the EGM.

Appointment of Proxy

2. A member of the Company, who is entitled to attend, participate and vote at the EGM, is entitled to appoint a proxy or attorney or, in the case of a corporation, a duly authorised representative, to participate in his/her place. A proxy may, but need not be, a member of the Company.

3. A member of the Company is entitled to appoint more than one (1) proxy to attend, participate and vote at the EGM.

4. Where a member of the Company is an authorised nominee, as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act, which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies ("**Proxy Form**").

7. The appointment of proxy may be made in hard copy form or by electronic means in the following manner, and must be deposited with and received by the Company at least forty-eight (48) hours before the time appointed for holding the EGM:-

   (a) In hard copy form
   In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(b) By electronic form
The Proxy Form can be electronically lodged with the poll administrator of the Company via TIIH Online website at https://tiih.online. Please refer to the **Administrative Guide** on the procedures for electronic lodgement of Proxy Form via TIIH Online.

8. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

9. Last date and time for lodging the Proxy Form is **Tuesday, 24 June 2025 at 12:30 p.m.**

10. Any authority pursuant to which such appointment is made by a power of attorney must be deposited at the office of the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at https://tiih.online at least forty-eight (48) hours before the time appointed for holding the EGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. For a corporate member who has appointed a representative, please deposit the certificate of appointment at the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at https://tiih.online. The certificate of appointment should be executed in the following manner:

    (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

    (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (i) at least two (2) authorised officers, of whom one (1) shall be a director; or

        (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

KPJ healthcare
A JCORP Company

KPJ HEALTHCARE BERHAD (Registration No. 199201015575 (247079-M))
(Incorporated in Malaysia)

PROXY FORM

*I/We

Full Name (in block letters and as per NRIC/Passport/Certificate of Incorporation):	CDS account No.:	No. of shares held:
Address:	NRIC No./ Passport No./ Registration No.:	Contact No.:

being a member of KPJ Healthcare Berhad (Registration No. 199201015575 (247079-M)) ("**Company**"), do hereby appoint:

Full Name (in block letters and as per NRIC/Passport):	NRIC No./Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			

*and/or

Full Name (in block letters and as per NRIC/Passport):	NRIC No./Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing *him/her, the Chairman of the meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Thursday, 26 June 2025 at 12:30 p.m. or immediately after the conclusion of the Thirty-Second Annual General Meeting of KPJ scheduled to be held at the same venue and on the same day at 10:00 a.m., whichever is later, or at any adjournment thereof.

Resolutions	Description of Resolution	For	Against
Ordinary Resolution 1	Proposed Sale		
Ordinary Resolution 2	Proposed Leaseback		
Ordinary Resolution 3	Proposed Lease Renewal		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy shall vote or abstain from voting at his/her discretion)

** Strike out whichever is not applicable*

Signed this _____day of _____2025

Signature and/or Seal

Notes:-

Record of Depositors

1. In respect of deposited securities, only a depositor whose name appears in the Record of Depositors as at 19 June 2025 shall be eligible to attend the EGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries in the Record of Depositors after the said date shall be disregarded in determining the rights of any person to attend and vote at the EGM.

Appointment of Proxy

2. A member of the Company, who is entitled to attend, participate and vote at the EGM, is entitled to appoint a proxy or attorney or in the case of a corporation, a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

3. A member of the Company is entitled to appoint more than one (1) proxy to attend, participate and vote at the EGM.

4. Where a member of the Company is an authorised nominee, as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act, which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies ("**Proxy Form**").

7. The appointment of proxy may be made in hard copy form or by electronic means in the following manner, and must be deposited with and received by the Company at least forty-eight (48) hours before the time appointed for holding the EGM:-

   (a) In hard copy form
   In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (b) By electronic form
   The Proxy Form can be electronically lodged with the poll administrator of the Company via TIIH Online website at https://tiih.online. Please refer to the **Administrative Guide** on the procedures for electronic lodgement of Proxy Form via TIIH Online.

8. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

9. Last date and time for lodging the Proxy Form is **Tuesday, 24 June 2025 at 12:30 p.m.**

10. Any authority pursuant to which such appointment is made by a power of attorney must be deposited at the office of the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at https://tiih.online at least forty-eight (48) hours before the time appointed for holding the EGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. For a corporate member who has appointed a representative, please deposit the certificate of appointment at the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at https://tiih.online. The certificate of appointment should be executed in the following manner:

    (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

    (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (i) at least two (2) authorised officers, of whom one (1) shall be a director; or

        (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
UNIT 32-01, LEVEL 32, TOWER A
VERTICAL BUSINESS SUITE, AVENUE 3
BANGSAR SOUTH, NO. 8, JALAN KERINCHI
59200 KUALA LUMPUR
MALAYSIA

1st fold here