THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional advisers immediately.

al-`aqar HEALTHCARE REIT

AL-`AQAR HEALTHCARE REIT

(Established in Malaysia under the trust deed dated 27 June 2006 and as amended by the supplementary deed dated 14 May 2009, 27 January 2011 and 9 November 2011, amended and restated by the Restated Deed dated 31 July 2013, amended and restated by the Second Restated Deed dated 25 November 2019 and further amended by the Supplemental Deed to the Second Restated Deed dated 29 December 2022 entered into between JLG REIT Managers Sdn Bhd *(formerly known as Damansara REIT Managers Sdn Berhad)*, AmanahRaya Trustees Berhad, both companies incorporated in Malaysia under the laws of Malaysia and the persons who are for the time being registered as holders of the units in Al-`Aqar Healthcare REIT, as amended, varied or supplemented from time to time)

CIRCULAR TO UNITHOLDERS IN RELATION TO THE

PART A

(I) PROPOSED ACQUISITIONS BY AMANAHRAYA TRUSTEES BERHAD, ACTING SOLELY IN ITS CAPACITY AS TRUSTEE FOR AND ON BEHALF OF AL-`AQAR HEALTHCARE REIT ("AL-`AQAR"), OF THE FOLLOWING:

(A) A NEW BUILDING FORMING PART OF KPJ AMPANG PUTERI SPECIALIST HOSPITAL ("KPJ AMPANG PUTERI NEW BUILDING") FROM AMPANG PUTERI SPECIALIST HOSPITAL SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF KPJ HEALTHCARE BERHAD, FOR A TOTAL CASH CONSIDERATION OF RM131,000,000; AND

(B) A NEW BUILDING FORMING PART OF KPJ PENANG SPECIALIST HOSPITAL ("KPJ PENANG NEW BUILDING") FROM PENANG SPECIALIST HOSPITAL SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF KPJ HEALTHCARE BERHAD, FOR A TOTAL CASH CONSIDERATION OF RM110,000,000,

(II) PROPOSED LEASES OF KPJ AMPANG PUTERI NEW BUILDING AND KPJ PENANG NEW BUILDING TO AMPANG PUTERI SPECIALIST HOSPITAL SDN BHD AND PENANG SPECIALIST HOSPITAL SDN BHD, RESPECTIVELY, BY AMANAHRAYA TRUSTEES BERHAD AND JLG REIT MANAGERS SDN BHD *(FORMERLY KNOWN AS DAMANSARA REIT MANAGERS SDN BERHAD)* FOR AND ON BEHALF OF AL-`AQAR; AND

(COLLECTIVELY REFERRED TO AS "PROPOSED ACQUISITIONS AND LEASES")

(III) PROPOSED RENEWAL OF LEASE OF THE LEASE PROPERTIES BETWEEN THE SUBSIDIARIES OF KPJ HEALTHCARE BERHAD WITH AMANAHRAYA TRUSTEES BERHAD AND JLG REIT MANAGERS SDN BHD *(FORMERLY KNOWN AS DAMANSARA REIT MANAGERS SDN BERHAD)* FOR AND ON BEHALF OF AL-`AQAR ("PROPOSED LEASE RENEWAL")

(COLLECTIVELY REFERRED TO AS "PROPOSALS")

PART B

INDEPENDENT ADVICE LETTER ("IAL") FROM ZICO EVOLVE CAPITAL SDN BHD *(FORMERLY KNOWN AS ZICO CAPITAL SDN BHD)* TO THE NON-INTERESTED UNITHOLDERS OF AL-`AQAR IN RELATION TO THE PROPOSALS

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

KAF INVESTMENT BANK BERHAD
Registration No. 197401003530 (20657-W)

KAF Investment Bank Berhad
(Registration No. 197401003530 (20657-W))

Independent Adviser

ZICO | capital

ZICO Evolve Capital Sdn Bhd
(formerly known as ZICO Capital Sdn Bhd)
(Registration No. 201601030444 (1201385-D))

The Notice of the Unitholders' Extraordinary General Meeting ("**EGM**") of Al-`Aqar to be held physically at Convention Hall 303, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80888 Ibrahim International Business District, Johor on Wednesday, 25 June 2025 at 11:15 a.m. together with the Form of Proxy set out in the Notice of EGM.

A unitholder is entitled to attend and vote at the EGM and is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. The Form of Proxy should be lodged at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time of the EGM. The last day and time for lodging the Form of Proxy is on Tuesday, 24 June 2025 at 11:15 a.m. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

IMPORTANT DATES

Last date and time for lodging the Proxy Form	:	Tuesday, 24 June 2025 at 11:15 a.m.
Date and time for the EGM	:	Wednesday, 25 June 2025 at 11:15 a.m.

This Circular is dated 10 June 2025

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following words and abbreviations shall have the following meaning:

Act	:	Companies Act, 2016, as amended from time to time and any reenactment thereof
APSH	:	Ampang Puteri Specialist Hospital Sdn Bhd (Registration No.: 198401002999 (115517-A)), a wholly-owned subsidiary of KPJ
ART or **Trustee** or **Lessor**	:	AmanahRaya Trustees Berhad (Registration No.: 200701008892 (766894-T)), being the trustee of Al-`Aqar
Base Rent	:	Rent payable for the first year
Board	:	Board of Directors of the Manager
Board Audit and Risk Committee	:	Board Audit and Risk Committee of the Manager
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
CBRE WTW or **Valuer**	:	CBRE WTW Valuation & Advisory Sdn Bhd (Registration No. 197401001098 (18149-U)), being the valuer for the Proposals
Circular	:	This circular to the Unitholders in relation to the Proposals dated 10 June 2025
Contractual Term	:	The tenure of the Lease Renewal Agreements as set out in Section 4.1 Part A of this Circular
Deed	:	The trust deed dated 27 June 2006 and as amended by the supplementary deed dated 14 May 2009, 27 January 2011 and 9 November 2011, amended and restated by the Restated Deed dated 31 July 2013, amended and restated by the Second Restated Deed dated 25 November 2019 and further amended by the Supplemental Deed to the Second Restated Deed dated 29 December 2022 entered into between the Manager, the Trustee and the persons who are for the time being registered as holders of the units in Al-`Aqar, as amended, varied or supplemented from time to time
Director(s)	:	Shall have the same meaning given in Section 2(1) of the Capital Market Services Act, 2007, and includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposals were agreed upon, a director or chief executive officer of the listed issuer, its subsidiary or holding company
DPU	:	Distribution per Unit
EGM	:	Extraordinary General Meeting
FYE	:	Financial year ended or ending 31 December, as the case may be
Interested Directors	:	Collectively, Dato' Haji Mohd Redza Shah bin Abdul Wahid, Shamsul Anuar bin Abdul Majid, Datuk Sr. Akmal bin Ahmad and Dato' Mohammed Ridha bin Dato' Haji Abd Kadir

Interested Major Unitholders	:	The Major Unitholders who are deemed interested in the Proposals as disclosed in Section 12 of this Circular
JCorp	:	Johor Corporation, being the Major Unitholder
JCorp Group	:	JCorp, its subsidiaries and its associated companies
JRMSB or **Manager**	:	JLG REIT Managers Sdn Bhd *(formerly known as Damansara REIT Managers Sdn Berhad)* (Registration No.: 200501035558 (717704-V)), being the manager of Al-`Aqar
KAF IB or **Principal Adviser**	:	KAF Investment Bank Berhad (Registration No.: 197401003530 (20657-W)), the principal adviser for the Proposals
KIC	:	KPJ International College of Nursing and Health Sciences
KPJ	:	KPJ Healthcare Berhad (Registration No.: 199201015575 (247079-M))
KPJ Ampang Puteri Lease Agreement	:	Conditional lease agreement executed in escrow between ART (in its capacity as the Lessor), APSH and JRMSB (in its capacity as the Manager) in relation to the Proposed Lease of KPJ Ampang Puteri New Building
KPJ Ampang Puteri New Building	:	A new building and an expansion part of KPJ Ampang Puteri Specialist Hospital, whereby the Trustee is the registered proprietor of the KPJ Ampang Puteri Specialist Hospital's building (exclusive KPJ Ampang Puteri New Building) and land on which the KPJ Ampang Puteri New Building and KPJ Ampang Puteri Specialist Hospital are located on
KPJ Ampang Puteri Purchase Consideration	:	Purchase consideration of RM131,000,000 to be satisfied by cash, subject to the terms and conditions of the KPJ Ampang Puteri SPA
KPJ Ampang Puteri SPA	:	Conditional sale and purchase agreement dated 27 March 2025 entered into between APSH and ART (in its capacity as the Trustee) in relation to the Proposed Acquisition of KPJ Ampang Puteri New Building
KPJ Group	:	KPJ, its subsidiaries and its associated companies
KPJ Penang	:	KPJ Penang Specialist Hospital
KPJ Penang Lease Agreement	:	Conditional lease agreement executed in escrow between ART (in its capacity as the Trustee) and JRMSB (in its capacity as the Manager) in relation to the Proposed Lease of KPJ Penang New Building
KPJ Penang New Building	:	A new building and an expansion part which forming part of KPJ Penang, whereby the Trustee is the registered proprietor of the KPJ Penang' building (exclusive KPJ Penang New Building) and land on which the KPJ Penang New Building and KPJ Penang are located on
KPJ Penang Purchase Consideration	:	Purchase consideration of RM110,000,000 to be satisfied by cash, subject to the terms and conditions of the KPJ Penang SPA

KPJ Penang SPA	:	Conditional sale and purchase agreement dated 27 March 2025 entered into between PNG and ART (in its capacity as the Trustee) in relation to the Proposed Acquisition of KPJ Penang New Building
KPJ Seremban	:	KPJ Seremban Specialist Hospital (Old Building refers to a five (5)-storey inpatient building with a basement level, New Building refers to an eight (8)-storey patient consultant block annexed with a five (5)-storey inpatient building together with other ancillary buildings and Vacant Land)
KPJU	:	KPJ Healthcare University
Lease Agreements	:	Collectively, KPJ Ampang Puteri Lease Agreement, KPJ Penang Lease Agreement and Lease Renewal Agreements
Lease Properties	:	Collectively, KPJ Penang, TMC, KPJ Seremban, KPJU, KIC
Lease Renewal Agreements	:	Lease agreements executed in escrow between ART (in its capacity as the Trustee and Lessor), the respective subsidiaries of KPJ (in their capacity as the Lessee(s)) and JRMSB (in its capacity as the Manager) to renew the leases of the Lease Properties
Lessee(s)	:	Collectively, PNG, Maharani Specialist Hospital Sdn Bhd (Registration No.: 199501038576 (367778-U)) and KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)* (Registration No.: 199201022199 (253703-V)) being the lessee(s) in respect of the Proposed Lease Renewal
Listed REIT Guidelines	:	Guidelines on Listed Real Estate Investment Trusts issued by the SC
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	15 May 2025, being the latest practicable date prior to the printing of this Circular
Major Unitholder(s)	:	A person who has an interest or interests in Al-`Aqar of 10.00% or more of the total number of issued units in Al-`Aqar, or 5.00% or more of the total number of issued units in Al-`Aqar if such person is the largest Unitholder
Memorandums of Extension	:	Collectively, memorandums of extension for the First Extended Contractual Term and second memorandums of extension for the Second Extended Contractual Term as set out in Section 4.1 of this Circular
NAV	:	Net assets value
NPI	:	Net property income
Open Market Value	:	Reasonable and fair market value of the Properties and Lease Properties, where applicable, as determined by an independent valuer appointed by the parties, which value may be varied subject to mutual agreement by APSH or PNG (in respect of the Proposed Leases) or the Lessee(s) (in respect of the Proposed Lease Renewal), the Trustee and the Manager.
PNG	:	Penang Specialist Hospital Sdn Bhd (Registration No.: 200501022411 (704541-H)), a wholly-owned subsidiary of KPJ

Principal Lease Agreements	:	The initial lease agreements to lease the Lease Properties entered into between ART (in its capacity as the Trustee), the respective subsidiaries of KPJ (in their capacity as the Lessee(s)), and JRMSB (in its capacity as the Manager)
Properties	:	Collectively, KPJ Ampang Puteri New Building and KPJ Penang New Building
Proposals	:	Collectively, the Proposed Acquisitions and Leases and the Proposed Lease Renewal
Proposed Acquisition of KPJ Ampang Puteri New Building	:	The proposed acquisition of KPJ Ampang Puteri New Building by the Trustee from APSH for a total cash consideration of RM131,000,000
Proposed Acquisition of KPJ Penang New Building	:	The proposed acquisition of KPJ Penang New Building by the Trustee from PNG for a total cash consideration of RM110,000,000
Proposed Acquisitions	:	Collectively, the Proposed Acquisition of KPJ Ampang Puteri New Building and the Proposed Acquisition of KPJ Penang New Building
Proposed Acquisitions and Leases	:	Collectively, the Proposed Acquisitions and the Proposed Leases
Proposed Lease of KPJ Ampang Puteri New Building	:	The proposed lease of KPJ Ampang Puteri New Building between the Lessor, the Manager and APSH as the lessee
Proposed Lease of KPJ Penang New Building	:	The proposed lease of KPJ Penang New Building between the Lessor, the Manager and PNG as the lessee
Proposed Lease Renewal	:	The proposed renewal of the lease of the Lease Properties between the respective Lessees with the Trustee and the Manager for and on behalf of Al-`Aqar
Proposed Leases	:	Collectively, the Proposed Lease of KPJ Ampang Puteri New Building and the Proposed Lease of KPJ Penang New Building
Purchase Consideration	:	Collectively, KPJ Ampang Puteri Purchase Consideration and KPJ Penang Purchase Consideration
RM and **sen**	:	Ringgit Malaysia and sen respectively
REIT	:	Real Estate Investment Trust
Sale and Purchase Agreements	:	Collectively, KPJ Ampang Puteri SPA and KPJ Penang SPA
sq. ft.	:	Square feet
TMC	:	Taiping Medical Centre and TMC Health Centre
Transaction Documents	:	Collectively, Sale and Purchase Agreements, Lease Agreements and Lease Renewal Agreements
Unit(s) or **Al-`Aqar Units**	:	Unit(s) in Al-`Aqar

Unitholder(s)	:	Holder(s) of Al-`Aqar Units
Vacant Land	:	A piece of land measuring 5,645 square meters being part of subject property land held under Geran 277698 Lot 50604 Section 2 situated in Pekan Bukit Kepayang, District of Seremban in the state of Negeri Sembilan
Vendors	:	Collectively, APSH and PNG in respect of the Sale and Purchase Agreements
ZICO Evolve Capital or **Independent Adviser**	:	ZICO Evolve Capital Sdn Bhd *(formerly known as ZICO Capital Sdn Bhd)* (Registration No. 201601030444 (1201385-D)), being the Independent Adviser for the Proposals

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time or re-enacted thereof. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

All references to "you" in this Circular are to the Unitholders of Al-`Aqar.

Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancy in the figures or tables included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our plans and objectives will be achieved.

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CONTENTS

All definitions used in the Executive Summary shall have the same meaning as the words and expressions provided in the Definitions' Section and context of this Circular.

This Executive Summary highlights only the salient information of the Proposals. You are advised to read and understand the contents of this Circular in its entirety for further details of the Proposals and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming EGM.

<table>
<tr><th>Key information</th><th>Description</th></tr>
<tr><td>Summary of the Proposals</td><td>(i) Proposed Acquisitions and Leases

On 27 March 2025, on behalf of the Board, KAF IB announced that the Trustee had on even date entered into the Sale and Purchase Agreements, for the Purchase Consideration, upon the terms and conditions as set out in the Sale and Purchase Agreements.

Concurrently, on behalf of the Board, KAF IB announced that the Trustee had on even date executed, in escrow, KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement for the lease of the Properties.

(ii) Proposed Lease Renewal

On behalf of the Board, KAF IB announced that the Manager and the Trustee had executed in escrow, separate lease agreements with the Lessee(s) to renew the Lease Properties for the Contractual Term.</td></tr>
<tr><td>Details of the Proposed Acquisitions</td><td>(i) Proposed Acquisition of KPJ Ampang Puteri New Building

The Proposed Acquisition of KPJ Ampang Puteri New Building entails the acquisition of the KPJ Ampang Puteri New Building from APSH for the KPJ Ampang Puteri Purchase Consideration.

(ii) Proposed Acquisition of KPJ Penang New Building

The Proposed Acquisition of KPJ Penang New Building entails the acquisition of the KPJ Penang New Building from PNG for the KPJ Penang Purchase Consideration.

Please refer to Section 2 of this Circular for further details on the Proposed Acquisitions.</td></tr>
<tr><td>Basis and justification in arriving at the respective Purchase Consideration</td><td>The Purchase Consideration was arrived at on a “willing-buyer willing-seller” basis and after taking into consideration the market value as follows:

<table>
<tr><th>Property</th><th>Valuation Method</th><th>(1)Ascribed Value
(RM)</th></tr>
<tr><td>KPJ Ampang Puteri New Building</td><td>Cost Approach</td><td>131,000,000</td></tr>
<tr><td>KPJ Penang New Building</td><td>Cost Approach</td><td>110,000,000</td></tr>
<tr><td></td><td></td><td>241,000,000</td></tr>
</table>

Note:

(1) As appraised by the Valuer as at 17 March 2025, being the date of valuation of the Properties.</td></tr>
</table>

<table>
<tr><th>Key information</th><th>Description</th></tr>
<tr><td>Details of the Proposed Leases</td><td>Concurrently with the execution of the Sale and Purchase Agreements, the Trustee, JRMSB together with APSH and PNG respectively, have executed in escrow the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement for the Proposed Leases.

The parties to the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement agree that the KPJ Ampang Puteri New Building and KPJ Penang New Building shall be used strictly for the purpose of operating a healthcare facility whose operation and usage shall not be contrary to Shariah principles.

Please refer to Section 3 of this Circular for further details on the Proposed Leases.</td></tr>
<tr><td>Details of the Proposed Lease Renewal</td><td>Al-`Aqar had entered into the Principal Lease Agreements to lease the Lease Properties for a contractual lease tenure. JRMSB and the Trustee had executed in escrow four (4) separate lease agreements with the Lessees to renew the Lease Properties, as set out below:

<table>
<tr><th>No.</th><th>Agreement</th><th>Lessee(s)</th><th>Lease Properties</th></tr>
<tr><td>(i)</td><td>Lease Renewal Agreement in respect of TMC</td><td>PNG</td><td>• TMC</td></tr>
<tr><td>(ii)</td><td>Lease Renewal Agreement in respect of KPJ Seremban</td><td>Maharani Specialist Hospital Sdn Bhd</td><td>• KPJ Seremban</td></tr>
<tr><td>(iii)</td><td>Lease Renewal Agreement in respect of KPJU</td><td>KPJ Healthcare University Sdn Bhd (formerly known as KPJ Healthcare University College Sdn Bhd)</td><td>• KPJU</td></tr>
<tr><td>(iv)</td><td>Lease Renewal Agreement in respect of KIC</td><td>KPJ Healthcare University Sdn Bhd (formerly known as KPJ Healthcare University College Sdn Bhd)</td><td>• KIC</td></tr>
<tr><td>(v)</td><td>KPJ Penang Lease Agreement</td><td>PNG</td><td>• KPJ Penang[(1)]</td></tr>
</table>

Note:

(1) In relation to the KPJ Penang, since KPJ Penang New Building is the expansion/new development of KPJ Penang and both are situated on the same plot of land bearing land title particulars GM 1453, Lot 10150 Mukim 07, District of Seberang Perai Tengah, Negeri Pulau Pinang, the Trustee, the Manager, and PNG have mutually agreed that the lease of KPJ Penang New Building and the renewal of KPJ Penang for the contractual term of fifteen (15) years with an option to renew/extend for another fifteen (15) years shall be covered under a single lease agreement i.e. KPJ Penang Lease Agreement. Notwithstanding this, in the event that the Proposed Acquisition of KPJ Penang New Building is not approved, then the lease agreement shall be adopted for the Proposed Lease Renewal of KPJ Penang only.

Please refer to Section 4 of this Circular for further details on the Proposed Lease Renewal.</td></tr>
</table>

Key information	**Description**
Rationale of the Proposals	<u>Proposed Acquisitions and Leases</u> (i) Enhancement of future earnings and DPU yield accretion (ii) Stable rental income (iii) Enhances the size of Al-`Aqar portfolio (iv) Al-`Aqar Strategies <u>Proposed Lease Renewal</u> (i) Enable Al-`Aqar to continue leasing the Lease Properties to KPJ Group, an established hospital operator in Malaysia and Al-`Aqar's key lessee; (ii) Expected to be beneficial to Al-`Aqar as it will provide Al-`Aqar with a stable and sustainable income stream of up to fifteen (15) years; and (iii) Enable Al-`Aqar to continue to meet its financial obligations and providing consistent distribution to its unitholders. Please refer to **Section 6** of this Circular for further details on the rationale for the Proposals.
Risk Factors	(i) Non-completion risk of the Transaction Documents (ii) Business and operational risks (iii) Dependence on the performance and operations of the subsidiaries of KPJ for its revenue (iv) Exposure to higher financing costs as well as the ability to service future loan repayment obligations (v) Compulsory acquisition by the Malaysian Government (vi) The future market value of the Properties may be less than its current valuation or the purchase price by Al-`Aqar Please refer to **Section 7** of this Circular for further details on the risk factors.
Prospects of the Properties	The Properties benefit from strategic locations. Specifically, KPJ Ampang Puteri is situated in Kuala Lumpur, the capital of Malaysia, a city that presents a significant and expanding healthcare market. Kuala Lumpur has also become a prominent hub for medical tourism, attracting both domestic and international patients seeking quality healthcare services. Similarly, Penang, where KPJ Penang is located, has established itself as a leading destination for medical tourism in Malaysia, capturing a substantial share of the national market. Penang's strengths in this sector include its provision of high-quality medical services at competitive costs, its strategic location, a multilingual population, and a well-developed tourism infrastructure. The state has experienced significant growth in international medical tourist arrivals and revenue, with both public and private hospitals offering modern facilities and skilled professionals.

Key information	Description
Approvals required	The Proposals are subject to the approvals to be obtained from the following: (i) Approval of the Unitholders of Al-`Aqar for the Proposed Acquisitions and Leases and the Proposed Lease Renewal at the forthcoming EGM to be convened; (ii) Approval of the shareholders of KPJ for the Proposed Acquisitions and Leases and the Proposed Lease Renewal at the KPJ's forthcoming EGM to be convened; (iii) Approval/consent being obtained from the existing financiers, creditors or lender of Al-`Aqar for the Proposed Acquisitions and Leases where such consent is required; and (iv) Any other relevant authorities and/or parties, if required. The Proposed Acquisitions and Leases are **inter-conditional** upon each other. However, the Proposed Acquisitions and Leases and the Proposed Lease Renewal are not inter-conditional upon one another or upon any other proposals undertaken or to be undertaken by Al-`Aqar. The Lease Renewal Agreements for the Lease Properties entered into between the respective Lessee and the Manager and the Trustee are not inter-conditional upon each other.
Statement by the Board	The Board of JRMSB (save for the Interested Directors), having considered all aspects of the Proposals, including but not limited to the salient terms of the Transaction Documents, basis and justification of the Proposals, rationale for the Proposals, prospects of the Properties and the Lease Properties as well as the preliminary evaluation of the Independent Adviser, and after careful deliberation, is of the opinion that the Proposals are in the best interest of Al-`Aqar and its Unitholders. Accordingly, our Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposals at the forthcoming EGM.

PART A

LETTER TO THE UNITHOLDERS IN RELATION TO THE PROPOSALS

JLG REIT MANAGERS SDN BHD
(formerly known as Damansara REIT Managers Sdn Berhad)
(MANAGER OF AL-`AQAR HEALTHCARE REIT)
(Registration No. 200501035558 (717704-V))
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Act)

Registered Office:

Suite 1, Level 17,
Menara KOMTAR,
Johor Bahru City Centre,
80888 Ibrahim International Business District,
Johor Darul Ta`zim Malaysia

10 June 2025

Board of Directors:

Datuk Hashim bin Wahir	*(Chairman, Independent Non-Executive Director)*
Abdullah bin Abu Samah	*(Independent Non-Executive Director)*
Lailatul Azma binti Abdullah	*(Independent Non-Executive Director)*
Shamsul Anuar bin Abdul Majid	*(Non-Independent Non-Executive Director)*
Datuk Sr. Akmal bin Ahmad	*(Non-Independent Non-Executive Director)*
Dato' Mohammed Ridha bin Dato' Haji Abd Kadir	*(Non-Independent Non-Executive Director)*
Goh Tian Sui	*(Independent Non-Executive Director)*
Datin Ungku Suseelawati binti Ungku Omar	*(Independent Non-Executive Director)*

To: The Unitholders

Dear Sir/Madam,

(I) PROPOSED ACQUISITIONS
(II) PROPOSED LEASES
(III) PROPOSED LEASES RENEWAL

1. INTRODUCTION

On 27 March 2025, on behalf of the Board, KAF IB announced the following:

(A) Proposed Acquisitions and Leases

The Trustee, had on 27 March 2025 entered into the following agreements:

(i) KPJ Ampang Puteri SPA for KPJ Ampang Puteri Purchase Consideration and the KPJ Ampang Puteri Lease Agreement; and

(ii) KPJ Penang SPA for KPJ Penang Purchase Consideration and the KPJ Penang Lease Agreement.

(B) Proposed Lease Renewal

JRMSB and the Trustee had also executed in escrow, separate Lease Renewal Agreements with the following Lessee(s), in respect of the following Lease Properties:

No.	Agreement	Lessee(s)	Lease Properties
(i)	Lease Renewal Agreement in respect of TMC	PNG	• TMC
(ii)	Lease Renewal Agreement in respect of KPJ Seremban	Maharani Specialist Hospital Sdn Bhd	• KPJ Seremban
(iii)	Lease Renewal Agreement in respect of KPJU	KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	• KPJU
(iv)	Lease Renewal Agreement in respect of KIC	KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	• KIC
(v)	KPJ Penang Lease Agreement	PNG	• KPJ Penang[(1)]

Notes:

(1) In relation to the KPJ Penang, since KPJ Penang New Building is the expansion/new development of KPJ Penang and both are situated on the same plot of land bearing land title particulars GM 1453, Lot 10150 Mukim 07, District of Seberang Perai Tengah, Negeri Pulau Pinang, the Trustee, the Manager, and PNG have mutually agreed that the lease of KPJ Penang New Building and the renewal of KPJ Penang for the contractual term of fifteen (15) years with an option to renew/extend for another fifteen (15) years shall be covered under a single lease agreement i.e. KPJ Penang Lease Agreement. Notwithstanding this, in the event that the Proposed Acquisition of KPJ Penang New Building is not approved, then the lease agreement shall be adopted for the Proposed Lease Renewal of KPJ Penang only.

The Proposals are deemed related party transactions under Paragraph 10.08 of the Listing Requirements of Bursa Securities in view of the interests of the directors and major shareholders of JRMSB, the Major Unitholders and/or persons connected with them as set out in Section 12 of this Circular. Accordingly, ZICO Evolve Capital has been appointed as the Independent Adviser on 27 June 2024 to advise the non-interested Directors and the non-interested Unitholders on the Proposals.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION IN RELATION TO THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE IAL BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. PROPOSED ACQUISITIONS

2.1 Overview of the Proposed Acquisitions

The Proposed Acquisitions entail the following acquisitions by the Trustee, free from all encumbrances, as set out below:

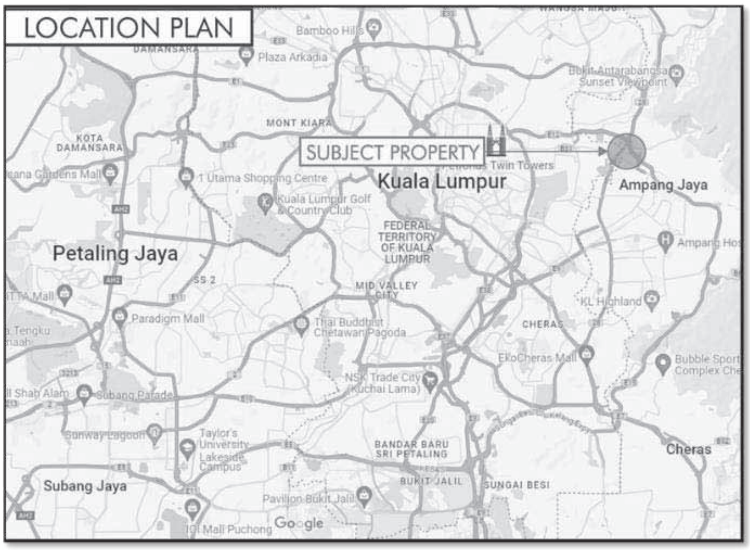
(i) Acquisition of the KPJ Ampang Puteri New Building from APSH for KPJ Ampang Puteri Purchase Consideration subject to the terms and conditions of the KPJ Ampang Puteri SPA; and

(ii) Acquisition of the KPJ Penang New Building from PNG for KPJ Penang Purchase Consideration subject to the terms and conditions of the KPJ Penang SPA.

2.1.1 Description of the KPJ Ampang Puteri New Building

The KPJ Ampang Puteri New Building is situated within the same premises as KPJ Ampang Puteri Specialist Hospital. It is located about six (6) kilometers by road to the east of Kuala Lumpur City Centre.

Please refer to the diagrams below for the location of the KPJ Ampang Puteri New Building:



Other details on the KPJ Ampang Puteri New Building are as follows:

Registered owner	:	ART
Postal address	:	KPJ Ampang Puteri Specialist Hospital, No. 1, Jalan Memanda 9, Taman Dato' Ahmad Razali, 68000 Ampang, Selangor
Land title	:	HSM 26550, PT 25119, Mukim Ampang, Daerah Ulu Langat, Negeri Selangor
Land area	:	Titled land area - 21,670.00 square meters (233,254 square feet) Net land area* - 21,661.50 square meters (233,162 square feet) * *The land has been endorsed with compulsory land acquisition to surrender a land area of 8.50 square meters (91.5 square feet)*
Tenure of leasehold land	:	Leasehold 99 years expiring on 17 April 2089 (unexpired term of approximately 64 years)

Category of land use	:	Building
Express condition	:	*Bangunan Perniagaan*
Approximate age of the building	:	Approximately five (5) years as per the Certificate of Completion and Compliance
Description of properties		A fifteen (15)-storey purpose-built private specialist hospital incorporating four (4) levels of elevated car park and two (2) levels of basement car park and a single storey refused chamber situated within KPJ Ampang Puteri Specialist Hospital
No. of licensed beds	:	120 licensed beds with bed capacity of 186 beds
Gross floor area	:	48,018.50 square meters (516,867.00 square feet)
Occupancy Rate	:	see table below

Year	Rate (%)
2020	33
2021	52
2022	68
2023	74
2024*	60

Source: Ampang Puteri Specialist Hospital Sdn Bhd

Existing use	:	Private Hospital
Restrictions in interest	:	This allotted land cannot be sold, transferred, leased, or charged except with the written consent of the state authority
Encumbrances	:	1. Private Caveat lodged by Maybank Investment Bank Berhad (Company Registration No: 197301002412 (15938-H)) registered on 28 April 2021 vide presentation no: 061B1541/2021 2. Charge lodged to Maybank Investment Bank Berhad (Company Registration No: 197301002412 (15938-H)) registered on 11 May 2022 vide registration no. 06150353/2022
Net book value as at 31 December 2024	:	RM120.5 million
Expected rental income per annum for first year of the lease	:	RM8.2 million

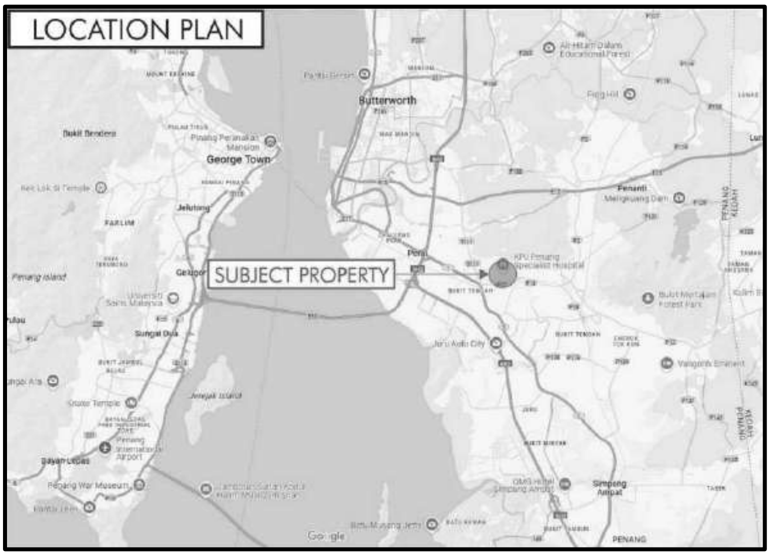
Note:

* *Occupancy rate upon operation of new ward within Level 7 with an additional of 33 beds which operated on September 2024.*

2.1.2 Description of the KPJ Penang New Building

The KPJ Penang New Building is situated within same premises as KPJ Penang. It is located within the locality of Bandar Perda, Bukit Mertajam, Seberang Perai, Penang. It is approximately ten (10) kilometers to the south-east of Butterworth Ferry Terminal and Railway Station at Penang Sentral, approximately 4.5 kilometers to the west of the Bukit Mertajam town centre and approximately three (3) kilometers from the Bukit Mertajam Railway Station.

Please refer to the diagrams below for the location of the KPJ Penang New Building:



Other details on the KPJ Penang New Building are as follows:

Registered owner	:	ART
Postal address	:	KPJ Penang Specialist Hospital, No. 570, Jalan Perda Utama, Bandar Perda, 14000 Bukit Mertajam, Seberang Perai, Penang
Land title	:	GM 1453, Lot 10150, Mukim 07, Daerah Seberang Perai Tengah, Negeri Pulau Pinang
Land area	:	17,738.00 square meters (approximately 190,930.00 square feet)
Tenure of leasehold land	:	Term in perpetuity (Freehold)
Category of land use	:	Building
Express condition	:	*Tanah yang diberimilik ini hendaklah digunakan untuk tujuan tapak hospital sahaja*
Approximate age of the building	:	Approximately three (3) years as per the Certificate of Completion and Compliance
Description of properties	:	The new building of an annexed purpose-built ten (10) storey private hospital building together with a two (2) storey mechanical and electrical (M&E) building and a single storey guard house situated within KPJ Penang
No. of licensed beds	:	126 licenced beds with bed capacity of 138 beds
Gross floor area	:	21,234.64 square meters (228,568.00 square feet)
Occupancy Rate	:	

Year	Rate (%)
2023	18
2024	19

Source: Penang Specialist Hospital Sdn Bhd

Existing use	:	Private Hospital
Restrictions in interest	:	This allotted land cannot be transferred, leased, charged except with the written consent of the state authority

Encumbrances	:	Private Caveat lodged by Maybank Investment Bank Berhad (Company Registration No: 197301002412 (15938-H)) registered on 5 May 2021 vide registration no: 0701B2021000701
Net book value as at 31 December 2024	:	RM106.4 million
Expected rental income per annum for first year of the lease	:	RM6.9 million

2.2 Basis and justification in arriving at the Purchase Consideration

The Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis and after taking into consideration the market value as follows:

Property	Valuation Method	[1]Ascribed Value (RM)	Consideration (RM)
KPJ Ampang Puteri New Building	Cost Approach	131,000,000	131,000,000
KPJ Penang New Building	Cost Approach	110,000,000	110,000,000
		241,000,000	**241,000,000**

Note:

(1) As appraised by the Valuer as at 17 March 2025, being the date of valuation of the Properties.

The market value is defined herein 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 and where the parties had each acted knowledgeably, prudently and without compulsion.

Hospitals can be valued by, among others, the Income Approach (Profits Method) and the Cost Approach. However, Valuer has relied on the Cost Approach as the only method of valuation to value the Properties since the transactions involve only specific buildings and not the entire hospitals.

The Cost Approach of valuation entails separate valuations of the land and buildings to arrive at the market value of the property. The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, size, shape, frontage, zoning, intensity of use, facing flyover, site improvement and other relevant characteristics, if any. The buildings are valued by reference to their depreciated replacement costs to reflect the existing condition of the buildings at the date of valuation. The land and building values are then summated to arrive at the market value of the property.

2.3 Source of funding

The Purchase Consideration shall be funded through a combination of bank financing and/or internally generated funds.

2.4 Assumption of liabilities

Al-`Aqar will not be assuming any liabilities, including contingent liabilities and guarantees, pursuant to the Proposed Acquisitions.

2.5 Original date and cost of investment

The original date and cost of investment by APSH and PNG in the KPJ Ampang Puteri New Building and the KPJ Penang New Building, respectively, are as follows:

Name of property	Date of investment	Cost of investment (RM million)
KPJ Ampang Puteri New Building	3 January 2020	134.9
KPJ Penang New Building	11 August 2022	110.1

2.6 Salient terms of the Sale and Purchase Agreements

The salient terms of the Sale and Purchase Agreements are set out in **Appendix III**.

2.7 Additional financial commitment

There is no additional financial commitment required by Al-`Aqar in putting the Properties on-stream.

2.8 Information on the Vendors

2.8.1 APSH

APSH, a wholly-owned subsidiary of KPJ, is a company incorporated in Malaysia under the Companies Act, 1965 (deemed incorporated under the Act) on 25 February 1984 as a private company limited by shares. The principal activity of APSH is to establish and operate a specialist medical centre. As at the LPD, the issued share capital of APSH is RM30,100,000 comprising 30,000,000 ordinary shares and 100,000 preference shares.

As at the LPD, the directors of APSH are as follows:

(i) Dato’ Mohamad Farid bin Salim;
(ii) Dato’ Abd Wahab bin Abd Ghani; and
(iii) Hoo Ling Lee.

2.8.2 PNG

PNG, a wholly-owned subsidiary of KPJ, is a company incorporated in Malaysia under the Act on 29 July 2005 as a private company limited by shares. The principal activity of PNG is to operate a private hospital and providing ancillary healthcare services. As at the LPD, the issued share capital of PNG is RM20,000,000 comprising 20,000,000 ordinary shares.

As at the LPD, the directors of PNG are:

(i) Dato' Mohamad Farid bin Salim;
(ii) Wan Najmi bin Wan Daud; and
(iii) Zabidi bin Hj Abdul Razak.

3. PROPOSED LEASES

3.1 Overview of the Proposed Leases

Concurrently with the execution of the Sale and Purchase Agreements, the Trustee, JRMSB together with APSH and PNG respectively, have executed in escrow the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement with a lease tenure of approximately 11 years (on the assumption that KPJ Ampang Puteri SPA will be completed in accordance with the timeline as set out in Section 17 of this Circular) and 15 years, respectively, with option to renew for another 15 years, for the Proposed Leases.

For clarity, the lease tenure of the KPJ Ampang Puteri New Building is until 29 June 2036 is mainly to align its expiry with the lease term of the KPJ Ampang Puteri existing building.

Notwithstanding the execution of the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement in escrow, the parties agree to make every effort to fulfil the conditions precedent set out in the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement. The parties shall date and stamp the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement upon fulfilment of the conditions precedent stipulated in the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement as set out under **Appendix IV** of this Circular.

The parties to the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement agree that the KPJ Ampang Puteri New Building and KPJ Penang New Building shall be used strictly for the purpose of operating a healthcare facility whose operation and usage shall not be contrary to Shariah principles.

3.2 The salient terms of the KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement

(i) Rent formula

First Rental Term	Rent Formula
1st year	For information, the Base Rent are as follows: (a) KPJ Ampang Puteri New Building is RM8,187,500; and (b) KPJ Penang New Building is RM6,875,000.
2nd year & 3rd year	2.00% incremental increase **x** the rent for the preceding year.

(ii) Rent review formula

The rent for every succeeding rental term shall be calculated based on the following formula:

Succeeding Rental Terms	Rent Review Formula
1st year of every succeeding rental term (Years 4, 7, 10 and 13) (the year 13 is applicable only to KPJ Penang)	6.25% per annum **x** Open Market Value of the Properties at the point of review, subject to: (a) a minimum rent of the Base Rent; and (b) any adjustment to the rent shall not be more than 2.00% incremental increase over the rent for the preceding year.
2nd & 3rd year of every succeeding rental term (Years 5, 6, 8, 9, 11, 12, 14 and 15) (the years 12, 14 and 15 are applicable only to KPJ Penang)	2.00% incremental increase **x** the rent for the preceding year.

For purposes of clarity, if there is a discrepancy in the Open Market Value appraised by the independent valuers appointed by each party to the respective KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement, the parties shall have the right to mutually agree to vary the Open Market Value determined by the independent valuers and adopt a varied Open Market Value.

In the event that there is a dispute between the parties in respect of the varied Open Market Value, the parties shall form a dispute resolution committee to resolve the dispute and the dispute resolution committee may, if it thinks/deems necessary, appoint an independent expert to advise them on this issue.

Please refer to Section 5 of this Circular for the basis and justification in arriving at the rental rate for the Properties.

Please refer to **Appendix IV** of this Circular for the salient terms of the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement.

4. PROPOSED LEASE RENEWAL

4.1 Details of the Proposed Lease Renewal

Al-`Aqar had entered into several Principal Lease Agreements to lease the Lease Properties for a contractual lease tenure, which the expiry dates are as follows:

Lessee(s)	Lease Properties	Principal Lease Agreement date	Initial Contractual Term[1]	Contractual Term
PNG	KPJ Penang[2]	14 October 2009	14 October 2009 - 13 October 2024	Fifteen (15) years commencing from the rent commencement date set out in the KPJ Penang Lease Agreement, being the date that corresponds with the date of completion of KPJ Penang SPA with an option to renew/extend for another fifteen (15) years
Maharani Specialist Hospital Sdn Bhd	KPJ Seremban	Old Building: 14 October 2009 New Building: 23 December 2022 Vacant Land: 30 November 2017	Old Building: 14 October 2009 - 13 October 2024 New Building: 23 December 2022 - 13 October 2024 Vacant Land): 5 November 2015 - 13 October 2024	Fifteen (15) years commencing from 1 August 2025 until 31 July 2040 with an option to renew/extend for another fifteen (15) years
PNG	TMC	Taiping Medical Centre: 1 May 2009 TMC Health Care: 23 December 2022	Taiping Medical Centre: 1 May 2009 - 30 April 2024 TMC Health Care: 23 December 2022 - 30 April 2024	Three (3) years commencing from 1 August 2025 until 31 July 2028 with an option to renew/extend another two (2) years
KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	KPJU	1 May 2009	1 May 2009 - 30 April 2024	Five (5) years eight (8) months commencing from 1 August 2025 until 31 March 2031 with an option to renew/extend for another fifteen (15) years
KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	KIC	14 October 2009	14 October 2009 - 13 October 2024	One (1) year commencing from 1 August 2025 until 31 July 2026 with an option to renew/extend for another one (1) year[3]

Notes:

(1) Memorandums of Extension were entered into between the respective Lessee, the Trustee and the Manager to extend the Initial Contractual Term of the respective Lease Properties under the respective Principal Lease Agreement for a period up to 31 July 2025.

(2) In relation to the KPJ Penang New Building, since KPJ Penang New Building is the expansion/new development of KPJ Penang and both are situated on the same plot of land bearing land title particulars GM 1453, Lot 10150 Mukim 07, District of Seberang Perai Tengah, Negeri Pulau Pinang, the Trustee, the Manager, and PNG have mutually agreed that the lease of KPJ Penang New Building and the renewal of KPJ Penang for the contractual term of fifteen (15) years with an option to renew/extend for another fifteen (15) years shall be covered under a single lease agreement i.e. KPJ Penang Lease Agreement. Notwithstanding this, in the event that the Proposed Acquisition of KPJ Penang New Building is not approved, then the lease agreement shall be adopted for the Proposed Lease Renewal of KPJ Penang only.

(3) The Manager intends to dispose both land and building subject to the finalisation of the sale and purchase agreement to be agreed between the parties. The Manager shall make the necessary announcements (if required, in accordance with the Listing Requirements) when the agreement has been executed.

Subsequently, the Lessees, the Lessor and the Manager had on 25 November 2024 entered into Memorandum of Extension in relation to the Principal Lease Agreements (which has a retrospective effect) to extend each of the lease periods as follows:

- For TMC and KPJU from 1 May 2024 until 31 December 2024; and
- For KPJ Penang, KPJ Seremban and KIC from 14 October 2024 until 31 December 2024

("**First Extended Contractual Term**").

The delay in executing the Memorandums of Extension was due to negotiations between the parties to finalise the terms for the Memorandums of Extension.

The Lessees, the Lessor and the Manager had on 27 March 2025 and 10 February 2025 (in respect of KPJU and KIC only) (which has a retrospective effect) entered into second memorandums of extension to extend the First Extended Contractual Term until 31 July 2025 ("**Second Extended Contractual Term**").

The monthly rental payable for the First Extended Contractual Term and the Second Extended Contractual Term is equivalent to the rental of the final month under the Initial Contractual Term of the respective Principal Lease Agreements as follows:

Lessee(s)	**Lease Properties**	**Initial contractual term**	**Monthly rent payable under the extended contractual term (RM'000)**	**Total rent payable for the extended contractual term (RM'000)**
PNG	(i) KPJ Penang	14 October 2009 – 13 October 2024	394	3,782
	(ii) Taiping Medical Centre	1 May 2009 – 30 April 2024	64	960
	(iii) TMC Health Centre	23 December 2022 – 30 April 2024	70	1,048
Maharani Specialist Hospital Sdn Bhd	(i) KPJ Seremban Old Building	14 October 2009 - 13 October 2024	416	3,993

Lessee(s)	Lease Properties	Initial contractual term	Monthly rent payable under the extended contractual term (RM'000)	Total rent payable for the extended contractual term (RM'000)
	(ii) KPJ Seremban New Building	23 December 2022 - 13 October 2024	414	3,974
	(iii) KPJ Seremban Vacant Land	5 November 2015 - 13 October 2024	37	355
KPJ Healthcare University Sdn Bhd (*formerly known as KPJ Healthcare University College Sdn Bhd*)	(i) KPJU	1 May 2009 - 30 April 2024	117	1,754
	(ii) KIC	14 October 2009 - 13 October 2024	87	833

The Lease Renewal Agreements have been executed by the parties in escrow. Notwithstanding the execution of the Lease Renewal Agreements in escrow, the parties agreed to make every effort to fulfil the conditions precedent set out in the Lease Renewal Agreement and the parties shall date and stamp the Lease Renewal Agreements upon fulfilment of the conditions precedent stipulated in the Lease Renewal Agreements as set out under **Appendix V** of this Circular. The parties to the Lease Renewal Agreements do not expect any further changes to the agreed terms and should there be any circumstances which lead to such changes, necessary announcements and/or approvals (if required) (in accordance with the Listing Requirements) shall be made/obtained accordingly.

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4.2 Information on the Lease Properties

The details of the Lease Properties are as follows:

Lease Properties	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC
Description	A purpose-built private hospital comprising a five (5) storey hospital building known as "KPJ Penang Specialist Hospital"	(i) Taiping Medical Centre A purpose-built private specialist hospital known as "Taiping Medical Centre" comprising a four (4)-storey main hospital building (ii) TMC Health Care A four (4) storey purpose-built hospital building that is currently operating as a private ambulatory care centre	(i) Existing Building: A purpose-built private specialist hospital building known as "KPJ Seremban Specialist Hospital" (ii) New Building: Eight (8) storey private consultant block and an annexed five (5)-storey inpatient building	An institutional premises comprising part of a parcel of commercial land erected with a three (3) storey administrative and 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 apartment block, two (2) guard houses, a refuse compartment and a pump house known as KPJ Healthcare University.	A purpose-built six (6) storey building together with a parcel of development land operated as KPJ International College of Nursing and Health Sciences
Land title	GM 1453 Lot 10150, Mukim 07, District of Seberang Perai Tengah, in the State of Pulau Pinang	(i) PN 235465 – 235468, PN 235470, PN 235471 and Lot Nos. 3102 – 3107 situated in Bandar Taiping, District of Larut Matang, in the State of Perak (ii) PN 361304 Lot No. 3140, situated in Bandar Taiping, District of Larut Matang, in the State of Perak	Geran 277698 Lot 50604 Seksyen 2, Pekan of Bukit Kepayang, District of Seremban and State of Negeri Sembilan	HSD 246826, Lot PT 551 and HSD 246827, Lot PT 552, both within Bandar Baru Kota Sri Mas, District of Seremban, Negeri Sembilan	Geran 179267, Lot 10093 Section 5, and GRN 41544 Lot 55 Section 5, both situated in Town of Bukit Mertajam, District of Seberang Perai Tengah, Penang

Lease Properties	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC
Postal address	KPJ Penang Specialist Hospital, No. 570, Jalan Perda Utama, Bandar Perda,14000 Bukit Mertajam, Seberang Perai, Penang	(i) Taiping Medical Centre Nos.39 ,41,43, 45, 47 & 49, Jalan Medan Taiping 2, Medan Taiping, 34000 Taiping, Perak Darul Ridzuan. (ii) TMC Health Centre, PT 1106, Medan Taiping, 34000 Taiping, Perak Darul Ridzuan.	KPJ Seremban Specialist Hospital, Lots 6219 & 6220, Jalan Toman 1, Kemayan Square, 70200 Seremban, Negeri Sembilan Darul Khusus.	KPJ Healthcare University College Nilai, Persiaran Seriemas, Kota Seriemas, 71800 Nilai, Negeri Sembilan Darul Khusus	KPJ International College of Nursing and Health Sciences, No. 565, Jalan Sungai Rambai, 14000 Bukit Mertajam, Seberang Perai, Penang
Tenure	Freehold land	(i) 99 years leasehold expiring on 25 July 2088 (ii) 99 years leasehold expiring on 25 July 2088	Freehold land	Interest in perpetuity	Interest in perpetuity, in respect both titles
Gross floor area (sq. ft. / square meters)	180,109 / 16,732.69	(i) 40,256 / 3,739.90 (ii) 31,513 / 2,927.68	397,859 / 36,962.37	121,161 / 11,256.21	42,989 / 3,993.81
Approximate age of the building	(i) Existing building (North wing): 16 years	(i) In respect of Lot Nos. 3104 – 3107: 24 years (ii) In respect of Lot Nos. 3102 – 3104: 31 years (ii) In respect of Lot No. 3140: 6 years	(i) 20 years (ii) 6 years	19 years	30 years
Net book value @ 31 December 2024[(1)] (RM million)	66.0	22.0	160.0	22.0	14.0
Market value as appraised by the Valuer[(2)] (RM million)	70.0	23.5	170.0	26.3	15.7

Lease Properties	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC
Encumbrances/ Restraint of Dealing(s)	Private Caveat lodged by Maybank Investment Bank Berhad on 5 May 2021.	(i) Private Caveat lodged by CIMB Islamic Bank Berhad on 13 December 2022 on all titles. (ii) Charged by ART to CIMB Islamic Bank Berhad, registered on 3 April 2023 and 4 April 2023 for PN235467, PN235468, PN235470, PN235471 and Lot Nos. 3104 – 3107 and PN361304, Lot 3140 situated in Bandar Taiping, District of Larut Matang, in the State of Perak.,	(i) Private Caveat lodged by CIMB Islamic Bank Berhad on 13 December 2022. (ii) Lienholder's Caveat lodged by CIMB Islamic Bank Berhad on 13 December 2022. (iii) Charged by ART to CIMB Islamic Bank Berhad, registered on 31 March 2023.	In respect of HSD 246826 Lot PT 551: (i) Private caveat lodged by OCBC Al-Amin Bank Berhad on 11 December 2019; and (ii) Charged by ART to OCBC Al-Amin Berhad, registered on 10 March 2020. In respect of HSD 246827 Lot PT 552: Private caveat lodged by OCBC Al-Amin Bank Berhad on 25 November 2020.	Private caveat lodged by OCBC Al-Amin Bank Berhad registered on 25 November 2020, in respect both titles.

Notes:

(1) Based on Al-`Aqar's audited financial statement for FYE2024.

(2) As appraised by the Valuer as at 17 March 2025, being the date of valuation of the Lease Properties.

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4.3 Salient terms of the Lease Renewal Agreements

The rent shall be denominated in RM and the formula for determination of the rent in the Lease Renewal Agreements for Proposed Lease Renewal are as follows:

KPJ Penang and KPJ Seremban

(i) Rent formula

First Rental Term	Rent Formula
1st year	For information, the Base Rent are as follows: (a) KPJ Penang is RM4,218,750; and (b) KPJ Seremban is RM10,312,500.
2nd year & 3rd year	2.00% incremental increase **x** the rent for the preceding year.

(ii) Rent review formula

The rent for every succeeding rental term shall be calculated based on the following formula:

Succeeding Rental Terms	Rent Review Formula
1st year of every succeeding rental term (Years 4, 7, 10 and 13)	6.25% per annum **x** Open Market Value of the Lease Properties at the point of review, subject to: (a) a minimum rent of the Base Rent; and (b) any adjustment to the rent shall not be more than 2.00% incremental increase over the rent for the preceding year.
2nd & 3rd year of every succeeding rental term (Years 5, 6, 8, 9, 11, 12, 14, 15)	2.00% incremental increase **x** the rent for the preceding year.

TMC

(i) Rent formula

Rental Term	Rent Formula
1st year	For information, the Base Rent for TMC is RM1,437,500.
2nd year & 3rd year	2.00% incremental increase **x** the rent for the preceding year.

The rent review formula does not apply as the Contractual Terms with respect to TMC is three (3) years. Upon the expiry of Contractual Terms with respect to TMC, the parties have the option to extend the lease for another two (2) years and the renewal terms including the rental terms will be renegotiated and decided between the Lessor and PNG accordingly.

KPJU

(i) Rent formula

Rental Term	Rent Formula
1st year	For information, the Base Rent for KPJU is RM1,606,250.
2nd year & 3rd year	2.00% incremental increase **x** the rent for the preceding year.

(ii) Rent review formula

The rent for every succeeding rental term shall be calculated based on the following formula:

Succeeding Rental Terms	Rent Review Formula
1st year of every succeeding rental term (Year 4)	6.25% per annum **x** Open Market Value of the Lease Properties at the point of review, subject to: (a) a minimum rent of the Base Rent; and (b) any adjustment to the rent shall not be more than 2.00% incremental increase over the rent for the preceding year.
2nd & 3rd year of every succeeding rental term (Year 5 and remaining 8 months)	2.00% incremental increase **x** the rent for the preceding year.

<u>KIC</u>

(i) Rent formula

Rental Term	Rent Formula
1st year	For information, the Base Rent for KPJIC is RM959,375.

The rent review formula does not apply as the Contractual Terms with respect to KIC is one (1) year. Upon the expiry of the Contractual Terms with respect to KIC, the parties have the option to extend the lease for another on (1) year and the renewal terms including the rental terms will be renegotiated and decided between the Lessor and KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)* accordingly.

For information, under the Principal Lease Agreements, there was no rent formula used to determine the rent amount payable for KPJ Penang, KPJU, KIC, TMC, KPJ Seremban (Old Building) and KPJ Seremban (Vacant Land) for the 1st Rental Term of the Initial Contractual Term. The monthly rent amount payable for the 1st Rental Term of the Initial Contractual Term is as shown below:

	Monthly rent amount payable for the Lease Properties (RM)					
Year	**KPJ Penang**	**KPJ Seremban (Old Building)**	**KPJ Seremban (Vacant Land)**	**Taiping Medical Centre**	**KPJU**	**KIC**
Year 1	(1)343,040	(2)320,640	(3)25,146	(4)56,320	(5)105,600	(6)90,240
Year 2	347,953	325,233	25,649	57,127	107,113	91,533
Year 3	352,867	329,825	26,162	57,933	108,625	92,825

Notes:

(1) From the period of 14 October 2009 until 31 December 2009 (2 months 18 days).

(2) From the period of 14 October 2009 until 31 December 2009 (2 months 18 days).

(3) From the period of 5 November 2015 – 13 October 2016 (11 months 8 days).

(4) From the period of 1 May 2009 – 31 December 2009 (8 months).

(5) From the period of 1 May 2009 – 31 December 2009 (8 months).

(6) From the period of 14 October 2009 until 31 December 2009 (2 months 18 days).

The formula for determination of rent for KPJ Seremban (New Building) and TMC Health Centre under the Principal Lease Agreements is as follows:

First Rental Term	Rent Formula
1st year	5.75% per annum **x** disposal consideration of the properties
2nd year & 3rd year	2.00% incremental increase **x** the rent for the preceding year.

The parties agreed to incorporate into the Principal Lease Agreements (save for TMC Health Centre and KPJ Seremban (New Building))* the following formula for subsequent rental review to determine the rent payable to the Lessor for the subsequent rental terms:

* *For purposes of clarity, there is no rent review formula with respect to the Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building).*

KPJ Penang, KPJ Seremban (Old Building), Taiping Medical Centre, KPJU and KIC

Succeeding Rental Terms	Rent Review Formula
1st year of every review	(10–year Malaysia Government Securities ("**MGS**") + 238 basis points (BPS)) x market value of the properties at the point of review and subject to the respective properties' minimum rental and a maximum 2% incremental over the preceding year's rental amount.
2nd year and 3rd year of every review	2.00% incremental increase **x** the rent for the preceding year.

KPJ Seremban (Vacant Land)

Succeeding Rental Terms	Rent Review Formula
1st year of every review	(10–year MGS + 238 basis points (BPS)) x market value of KPJ Seremban (Vacant Land) at the point of review, subject to:- (i) a minimum gross lease rental of 7.1% p.a at the prevailing market value or purchase consideration of KPJ Seremban (Vacant Land), whichever is higher; and (ii) Any lease rental adjustment shall not be more than 2% incremental over preceding year's lease rental.
2nd year and 3rd year of every review	2.00% incremental increase **x** the rent for the preceding year.

The rent amount and rent formula for the Principal Lease Agreements were negotiated and agreed between the parties then, after taking into account the appropriate yield rates and prevailing yield rates in the market, amongst others.

For the Lease Renewal Agreements, the parties adopted fixed rental rates of 6.25% after taking into consideration, amongst others, the prevailing market yield rates and valuations conducted by their respective independent valuers. There were no changes to the yearly incremental rental rate of 2.00% for the 2nd and 3rd year of each rental term.

For purposes of clarity, if there is a discrepancy in the Open Market Value appraised by the independent valuers appointed by each party to the respective Lease Renewal Agreements, the parties shall have the right to mutually agree to vary the Open Market Value determined by the independent valuers and adopt a varied Open Market Value.

In the event that there is a dispute between the parties in respect of the varied Open Market Value, the parties shall form a dispute resolution committee to resolve the dispute and the dispute resolution committee may, if it thinks/deems necessary, appoint an independent expert to advise them on this issue.

Please refer to Section 5 of this Circular for the basis and justification in arriving at the rental rate for the Lease Properties.

Please refer to **Appendix V** of this Circular for the salient terms of the Lease Renewal Agreements and the comparison between the salient terms of the Lease Renewal Agreements and the Principal Lease Agreements.

5. BASIS AND JUSTIFICATION IN ARRIVING AT THE RENTAL RATE FOR THE PROPERTIES AND LEASE PROPERTIES

The rental rate was negotiated between the Manager and the Lessees and the total gross rental for the first year of the Contractual Term amounted to RM15.1 million and RM18.5 million, derived based on 6.25% of the Open Market Value for the Properties and Lease Properties, respectively.

In determining the market value of the Properties and Lease Properties, Al-`Aqar had appointed CBRE WTW to act as the independent valuer to determine the market value of the Properties and Lease Properties. The market value and the Open Market Value of the Properties and Lease Properties are as follows:

	Market Value as appraised by the Valuer	Open Market Value	Rental rate	Rental amount for Year 1
	(RM'000)	(RM'000)	(%)	(RM'000)
Properties				
KPJ Ampang Puteri New Building	131,000	131,000	6.25	8,188
KPJ Penang New Building	110,000	110,000	6.25	6,875
	241,000	**241,000**		**15,063**
Lease Properties				
KPJ Penang	70,000	67,500	6.25	4,219
KPJ Seremban	170,000	165,000		10,313
TMC	23,500	23,000		1,438
KPJU	26,300	25,700		1,606
KIC	15,700	15,350		959
	305,500	**296,550**		**18,535**

Furthermore, the rental rate for the initial term was arrived at after taking into consideration the following:

(i) The performance of the Malaysian real estate investment trusts. The NPI for real estate investment trusts listed on Bursa Securities ranges from 2.5% to 9.5% in year 2024, as set out below;

Name	Net property income	Investment properties	Yield
	(RM'000)	(RM'000)	(%)
Al-Salam Real Estate Investment Trust	51,415	1,201,723	4.28
AmanahRaya Real Estate Investment Trust	49,212	1,296,500	3.80
AmFIRST Real Estate Investment Trust	57,211	1,557,800	3.67
Atrium Real Estate Investment Trust	45,802	653,925	7.00
Axis Real Estate Investment Trust	276,617	5,090,820	5.43
CapitaLand Malaysia Trust	263,928	5,130,600	5.14
Hektar Real Estate Investment Trust	62,885	1,391,644	4.52
IGB Commercial Real Estate Investment Trust	130,528	3,161,386	4.13
IGB Real Estate Investment Trust	455,713	5,436,055	8.38
KIP REIT	77,817	1,054,523	7.38
KLCC Real Estate Investment Trust	546,008	9,353,707	5.84
Pavilion Real Estate Investment Trust	522,765	8,490,000	6.16
Sentral REIT	150,367	2,504,350	6.00
Sunway Real Estate Investment Trust	569,704	10,384,928	5.49
Tower Real Estate Investment Trust	20,076	802,000	2.50

Name	Net property income	Investment properties	Yield
	(RM'000)	**(RM'000)**	**(%)**
UOA Real Estate Investment Trust	74,758	1,725,700	4.33
YTL Hospitality REIT	289,527	3,052,259	9.49
		Highest	**9.49**
		Lowest	**2.50**
		Average	**5.50**

(Source: Respective latest available annual reports as at the LPD)

(ii) The yield of similar type of properties based on recent transactions, as set out below:

Properties	Net yields	Analysis rental per sq. ft. per month
	(%)	**(RM)**
KPJ Ipoh Specialist Hospital	8.11	1.59
KPJ Pasir Gudang Specialist Hospital	6.06	2.24
Tawakkal Health Centre	7.71	2.43
KPJ Sentosa KL Specialist Hospital	6.00	1.65
KPJ Kajang Specialist Hospital	6.25	1.74
KPJ Ampang Puteri Specialist Hospital (existing building)	7.07	2.06

(iii) The current interest environment. For information, the Overnight Policy Rate is at 3.00% as at the LPD;

(iv) Al-`Aqar's capital structure and potential appreciation of the market value of the Properties and Lease Properties; and

(v) Al-`Aqar financial obligations and distribution policy to its unitholders.

In addition, the Valuer observed that based on its analysis of the latest rental yield of the investment properties as follows:

Properties	Net rental yields
Based from IGB REIT's prospectus - Centre Point North & South Tower, Mid Valley City, Menara Tan & Tan and G Tower	4.93% to 5.85%,
KIP REIT announcement - Industrial properties within Klang, Selangor	6.50%

In light of the above, taking into consideration of the current state of the Malaysian economy and property market, the Valuer is of the view that the rental yields of the Properties and Lease Properties are within the abovementioned ranges.

For the rental rate for the subsequent terms, the incremental increase of 2.00% for 2nd and 3rd year of the rental term was arrived after taking into consideration the average of the 10-year consumer price index year-on-year movement of 2.20%. *(Source: Bloomberg)*

6. RATIONALE FOR THE PROPOSALS

6.1 Proposed Acquisitions and Leases

6.1.1 Enhancement of future earnings and DPU yield accretion

Al-`Aqar aims to achieve income growth and enhance the value of its portfolio of properties over time through, among others, selective acquisitions of additional properties which meet Al-`Aqar's investment criteria. Al-`Aqar's investment policy comprises of investing in healthcare assets to optimise its performance and geographical diversification of its portfolio.

Barring any unforeseen circumstances, the Proposed Acquisitions and Leases are expected to improve the future earnings of Al-`Aqar taking into consideration the additional rental income to be received from the Properties, which is expected to translate into DPU yield accretion.

6.1.2 Stable rental income

The Proposed Acquisitions and Leases are expected to be beneficial to Al-`Aqar as the Proposed Leases will provide Al-`Aqar with a stable and sustainable income stream of up to fifteen (15) years. In addition, Al-`Aqar has been receiving steady rental income from APSH for the existing properties, which will continue under the KPJ Ampang Puteri Lease Agreement.

6.1.3 Enhances the size of Al-`Aqar's portfolio

Al-`Aqar's portfolio size will increase from approximately RM1.654 billion as at 31 December 2024 to RM1.895 billion after the Proposed Acquisitions and Leases, as shown in the table below. The increase in portfolio size further strengthens Al-`Aqar's current position as the only healthcare real estate investment trust in Malaysia.

	As at 31 December 2024	The Properties	After the Proposed Acquisitions and Leases
Value of investment properties (RM'mil)	1,654	241	1,895
Gross floor area ('000 square meters)	53.0	69.3	122.3

6.1.4 Al-`Aqar strategies

The Properties are located within its respective townships. The Proposed Acquisitions and Leases are consistent with Al-`Aqar's acquisition strategies, which is to increase cash flow and enhance unit value through selective acquisitions.

6.2 Proposed Lease Renewal

(i) The Proposed Lease Renewal will enable Al-`Aqar to continue leasing the Lease Properties to KPJ Group, an established hospital operator in Malaysia and Al-`Aqar's key lessee;

(ii) The Proposed Lease Renewal is expected to be beneficial to Al-`Aqar as it will provide Al-`Aqar with a stable and sustainable income stream. Furthermore, Al-`Aqar will benefit from the subsequent 2.00% incremental increase of the preceding year's rental income in accordance with the terms and conditions of the Lease Agreements; and

(iii) The Proposed Lease Renewal will enable Al-`Aqar to continue to meet its financial obligations and providing consistent distribution to its unitholders.

7. RISK FACTORS

The Properties and the Lease Properties are subject to certain specific risks, which may not be exhaustive, as follows:

(i) Non-completion risk of the Transaction Documents

The Proposals are conditional upon the fulfilment of, among others, the conditions precedent of the respective agreements. In respect of the Proposed Acquisitions and Leases, in the event that the conditions precedent are not fulfilled within the stipulated time frame (unless otherwise irrevocably and unconditionally waived by the Trustee, on behalf of Al-`Aqar and the Vendors), and/or the relevant parties do not perform their respective obligations as set out in the respective agreements, the Trustee will be entitled to terminate the Sale and Purchase Agreements. Upon termination of the agreements, the Trustee shall be discharged from their respective obligations without any liability to each other save for any antecedent breach under the agreements occurring prior to such termination. Al-`Aqar will endeavour to ensure the satisfaction of the conditions precedent in order to complete the Proposals in a timely manner and will take reasonable steps within their control to mitigate the occurrence of termination events.

In respect of the Proposed Lease Renewal, the non-renewal of the Lease Agreements would affect Al-`Aqar's financial performance and its ability to payout dividends to its unitholders. In such event, Al-`Aqar will endeavour to identify other lessee(s) to lease the Lease Properties. However, there can be no assurance that Al-`Aqar would be able to identify suitable lessee(s) and that such the lease(s) would not have a material adverse impact on the financial performance of Al-`Aqar.

For information, the annual rental income from the Lease Properties for FYE 2024 are as follows:

No.	Lease Properties	Rental income (RM'000)
(i)	KPJ Penang	4,728
(ii)	KPJ Seremban	10,402
(iii)	TMC	1,607
(iv)	KPJU	1,403
(v)	KIC	1,042
		19,182

(ii) Business and operational risks

Business and operational risks are inherent in the healthcare industry, which include but are not limited to, changes in business conditions such as deterioration in prevailing market conditions, changes in labour supply such as limited availability of professionally trained medical specialists, increase in operational costs, compliance and regulatory costs, obsolescence of healthcare technologies and adverse changes in the legal framework or government policies.

There is no assurance that the occurrence of the abovementioned risks will not materialise, which may adversely affect the business, operational and financial performance of Al-`Aqar. However, Al-`Aqar seeks to mitigate risks by keeping abreast with the latest developments in the healthcare industry.

(iii) Dependence on the performance and operations of the subsidiary and associated companies of KPJ for its revenue

The tenants of Al-`Aqar's properties are subsidiaries of KPJ, which has been the leading operator in the healthcare industry. The performance of Al-`Aqar is dependent on, among others, the ability of KPJ to make timely rental payments under the Lease Agreement and the Lease Renewal Agreements. Nevertheless, the ability of KPJ to make rental payments to Al-`Aqar during the tenure may be affected due to, among others, the following reasons that could adversely affect the Vendor's business operations and financial performance:

(a) Emergence and spread of infectious diseases with pandemic potential;

(b) Global recession and economic downturn;

(c) Government imposed lockdowns or restrictions; and

(d) Changes in laws, regulations or government policies.

However, the risk is mitigated as Al-`Aqar has entered or shall enter into lease agreements with KPJ for the Properties and the Lease Properties and other existing properties to ensure its occupancy rate. Al-`Aqar shall continuously monitor the rental payments and will closely work with the relevant parties to employ the necessary measures to resolve any issues arising from the above-mentioned factors.

The percentages of revenue and the NPI derived from KPJ Group is 100% based on the following:

(i) audited FYE2024; and

(ii) assuming the Proposed Acquisitions and Leases had been effected at the beginning of the financial period.

As at the LPD, there was no default in payment from KPJ under the Principal Lease Agreements for all the Lease Properties.

(iv) Exposure to higher financing costs as well as the ability to service future loan repayment obligations

In view that Al-`Aqar is proposing to obtain external financing through bank financing to fund the Proposed Acquisitions, Al-`Aqar may be exposed to an increase in interest rates on such external financing obtained, resulting in higher financing costs which may adversely affect Al-`Aqar's future financial performance as well as the ability to service future financing repayment obligations.

Nevertheless, JRMSB shall continuously monitor and review Al-`Aqar's capital structure, which includes taking into consideration the gearing level, interest costs as well as cash flows in achieving an overall optimal capital structure.

(v) Compulsory acquisition by the Malaysian Government

The Malaysian Government has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of the applicable legislation including the Land Acquisition Act, 1960 for, among other things, public use or due to public interest.

The compensation awarded pursuant to a compulsory acquisition is dependent on the fair market value of a property assessed on the basis prescribed in the relevant laws. If the Malaysian Government compulsorily acquires the Properties at a point in time when the market value of the Properties have decreased, the amount of compensation paid to Al-`Aqar may be unsatisfactory, which may have a material adverse effect on Al-`Aqar's financials and operations.

As at the LPD, JRMSB is not aware of any notice of acquisition or notice of intended acquisition having been received by APSH and PNG in relation to the Properties or any part thereof.

(vi) The future market value of the Properties may be less than its current valuation or the purchase price by Al-`Aqar

The valuation of the Properties by the Valuer is based on certain assumptions, which are subjective and uncertain and may differ materially from actual measures of the market. Further, property valuations generally include subjective determination of certain factors, and they include location, relative market position and physical conditions. The market value of the Properties as appraised by the Valuer is not an indication of and does not guarantee an equivalent or greater sale price either at the present time or at any time in the future.

Accordingly, there can be no assurance that Al-`Aqar would be able to sell the Properties, or that the price realisable on such sale would not be lower than the present valuation or the price paid by Al-`Aqar to purchase the Properties.

8. INDUSTRY OUTLOOK, PROSPECTS AND FUTURE PLAN

8.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5% in the fourth quarter of 2024 (3Q 2024: 5.4%), driven mainly by domestic demand. The strong investment activity was underpinned by the continued realisation of new and existing projects. Household spending was sustained amid positive labour market conditions and continued policy support. In the external sector, exports of goods and services continued to expand while capital and intermediate imports growth moderated. On the supply side, growth was mainly accounted for by expansion in the services sector, with increased support from both consumer-related and business-related subsectors. The manufacturing sector was supported by the E&E and primary-related clusters. The construction sector continued to record double-digit growth with robust activities in the residential, non-residential and special trade subsectors. However, growth was weighed down by contraction in the commodities sector following lower oil palm output as well as the continued decline in oil production. On a quarter-on-quarter, seasonally-adjusted basis, growth declined by 1.1% (3Q 2024: +1.9%).

For the year as a whole, the Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), due to continued expansion in domestic demand and a rebound in exports. On the domestic front, growth was mainly driven by stronger household spending reflecting favourable labour market conditions, policy measures to support households and healthy household balance sheets. In addition, strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy) provided further impetus to investment growth. On the external front, exports recovered amid steady global growth, continued tech upcycle as well as higher tourist arrivals and spending. This provided support to the current account, leading to a continued surplus of 1.7% of GDP in 2024 (1.5% in 2023).

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, 14 February 2025, Bank Negara Malaysia)

The Malaysian economy is expected to remain resilient in 2025. Growth will be driven by robust expansion in investment activity, resilient household spending and continued expansion in exports. Investment activities will be driven by continued progress of multi-year projects in both the private and public sectors, higher realisation of approved investments and the implementation of catalytic initiatives under the national master plans. Employment and wage growth as well as policy measures, including the upward revision of the minimum wage and civil servant salaries, would remain supportive of household spending. Exports are expected to be supported by the global tech upcycle, continued growth in non-electrical and electronics goods and higher tourist spending.

The growth outlook is subject to downside risks if growth in major trading partners slowed amid heightened risk of trade and investment restrictions, and lower-than-expected commodity production. Nevertheless, growth could potentially be higher from greater spillovers from the tech upcycle, more robust tourism activities, and faster implementation of investment projects.

(Source: Quarterly Bulletin 4Q 2024, Bank Negara Malaysia)

Malaysia's economy grew by 5.1% in 2024, driven by strong domestic demand and a rebound in exports (2023: 3.6%). The economy was valued at RM1,648 billion in 2024, compared to RM1,568 billion last year. Throughout the year, household spending remained robust, supported by a favourable labour market, policy measures, and healthy household balance sheets. Malaysia’s gross domestic product (GDP) is expected to continue expanding in 2025, with a projected growth rate of 4.5% to 5.5%, driven by robust domestic demand and improved external conditions.

The consumer price index (CPI) for 2024 rose to 132.8, up from 130.4 in 2023 as the overall pricing of goods and services increased moderately throughout the year. However, Malaysia’s headline inflation rate for the overall of 2024 has eased to 1.8% (2023: 2.5%). The stabilisation of price growth in the 'Food and Beverage, Transport, Household Equipment, and Restaurant & Accommodation Services' sectors mainly drove this decline. Headline inflation in 2025 is expected to range between 2.0% and 3.5%, due to upcoming domestic policy changes as announced in the Budget 2025, including targeted RON95 petrol subsidies and an expanded scope of the Sales & Service Tax (SST).

The labour market continued to improve in 4Q 2024, with the unemployment rate falling to 3.2% (4th quarter 2023: 3.3%), marking the lowest in the post-pandemic period, supporting economic growth and consumer confidence. This improvement was driven by higher employment growth compared to the labour force. The number of employed individuals increased to 16.79 million, up from 16.35 million in 4Q 2023. Meanwhile, the total labour force grew to 17.34 million in 4Q 2024, compared to 16.91 million in the same period the previous year. This trend highlights a recovery in the labour market, as employment growth continues to outpace the rise in the overall labour force along with the higher 'Labour Force Participant Rate'.

The economic expansion will continue to be supported by higher investments, strong exports, and expansion in household and tourist spending. Investment will be fuelled by ongoing public and private sector projects, increased implementation of approved investments, and the country's initiatives. These include the National Energy Transition Roadmap, New Industrial Master Plan 2030 as well as the Twelfth Malaysia Plan. Exports will benefit from the global tech upcycle and sustained demand for non-E&E goods, while tourism spending is also expected to rise. Employment, wage growth, and supportive policies will further sustain household spending.

(Source: Department of Statistics Malaysia, Bank Negara Malaysia, CBRE | WTW Research & Consulting, February 2025)

8.2 Outlook and prospects of the healthcare industry in Malaysia

The growing demand for private healthcare services will continue to boost Malaysia's healthcare sector. Key factors driving this demand include increased health awareness, higher living standards, and an ageing population.

As more people can afford private healthcare, and with greater health awareness, the preference for better medical treatment grows. Additionally, with an ageing population, there is a rising need for healthcare services that cater to chronic conditions and elderly care, making private healthcare more appealing.

Several initiatives in Budget 2025 aim to support this growth. One key initiative is the KKM Partner Initiative, which promotes collaboration between the government and private hospitals to improve healthcare accessibility and strengthen the public-private partnership. The government is also focusing on developing halal vaccines and expanding local pharmaceutical production, which offers growth opportunities for private companies in research and distribution.

Malaysia's healthcare sector is also benefiting from the rise in medical tourism. Competitive pricing and high-quality services are attracting international patients, especially for specialised treatments in surgery, wellness, and fertility. This is driving more demand for private healthcare services.

Furthermore, the Malaysian government's focus on tackling non-communicable diseases (NCDs) such as heart disease, diabetes, and cancer is creating further opportunities for the private healthcare sector. As these diseases continue to rise due to changing lifestyles, private healthcare providers have a crucial role to play in delivering specialised care, preventive services, and personalised health screening programmes. By offering advanced treatments, the private sector is well-positioned to support the government's efforts to combat NCDs and enhance overall public health.

Overall, the private healthcare sector in Malaysia is expected to grow rapidly, driven by both domestic and international demand.

(Source: CBRE | WTW Research & Consulting, February 2025)

8.3 Prospects of the Properties and future plan

The Properties benefit from strategic locations. Specifically, KPJ Ampang Puteri Specialist Hospital is situated in Kuala Lumpur, the capital of Malaysia, a city that presents a significant and expanding healthcare market. Kuala Lumpur has also become a prominent hub for medical tourism, attracting both domestic and international patients seeking quality healthcare services.

Similarly, Penang, where KPJ Penang is located, has established itself as a leading destination for medical tourism in Malaysia, capturing a substantial share of the national market. Penang's strengths in this sector include its provision of high-quality medical services at competitive costs, its strategic location, a multilingual population, and a well-developed tourism infrastructure. The state has experienced significant growth in international medical tourist arrivals and revenue, with both public and private hospitals offering modern facilities and skilled professionals.

Furthermore, KPJ, as the tenant, is a leading private healthcare provider in Malaysia, boasting an extensive network of hospitals across the nation and a growing presence in the region.

Barring any unforeseen circumstances, the Manager believes that the Proposals are expected to provide Al-`Aqar with a stable and growing stream of rental income. This is underpinned by long-term lease agreements with KPJ, a well-established and reputable healthcare operator, and as such, has the potential to enhance the financial performance of Al-`Aqar moving forward.

(Source: The management of the Manager)

9. EFFECTS OF THE PROPOSALS

9.1 Unitholders' capital and substantial Unitholders' unitholding

The Proposals will not have any effect on the unit capital as well as substantial Unitholders' unitholdings in Al-`Aqar as the Proposals does not involve issuance of Units.

9.2 NAV, NAV per Unit and gearing

For illustrative purposes, the pro forma effects of the Proposals on the NAV, NAV per Unit and gearing of Al-`Aqar assuming that the Proposed Acquisitions and Leases and the Proposed Lease Renewal had been completed on 1 January 2024, are as follows:

		(I)	**(II)**
	Audited as at 31 December 2024	**After the Proposed Lease Renewal**	**After (I) and the Proposed Acquisitions and Leases**
	RM'000	**RM'000**	**RM'000**
Unitholders' capital	854,758	854,758	854,758
Undistributed income	214,918	214,198	214,198
Foreign currency translation reserve	(16,133)	(16,133)	(16,133)
Unitholders' funds/NAV	**1,053,543**	**1,052,823**	**1,052,823**
Number of Units in circulation ('000)	839,598	839,598	839,598
NAV per Unit (RM)	1.25	1.25	1.25
Total asset value (RM'000)	1,835,937	1,835,937	2,076,937
Total borrowings (RM'000)	759,142	759,142	*1,009,142
Gearing (times)	0.41	0.41	0.48

* *For illustrative purposes, the increase in the total borrowings is on the assumptions that the Purchase Consideration is fully funded by the borrowing including related costs.*

9.3 Earnings and EPU

For illustrative purposes only, based on the audited consolidated financial statements of Al-`Aqar for FYE2024 and assuming that the Proposals were completed on 1 January 2024, the pro forma effects of the Proposals on the earnings and EPU are set below:

		(I)	(II)
	Audited for the FYE2024	**After the Proposed Lease Renewal**	**After (I) and the Proposed Acquisitions and Leases**
	(RM'000)	**(RM'000)**	**(RM'000)**
Realised audited PAT	62,223	62,223	62,223
Add/(Less): Net of rental income	-	[1](647)	[2]14,415
Less: Property and other expenses[3]	-	(720)	(15,068)
Proforma distributable income	**62,223**	**60,856**	**61,570**
Weighted average Units in circulation ('000)	839,598	839,598	839,598
Proforma EPU (sen)	7.41	7.25	7.33
- excluding estimated expenses (one-off)	-	7.33	7.42

Notes:

(1) Calculated based on the difference between the rental income on the terms of the Lease Agreements and the rental income for the Lease Properties for the FYE2024.

(2) Calculated based on the difference between the rental income on the terms of the Lease Agreements and the rental income for the Lease Properties for the FYE2024 including the rental income on the Proposed Acquisitions and Leases.

(3) Among others, the Manager and the Trustee fees, the cost of financing and other one-off expenses in relation to the Proposals such as professional fees and other fees such as printing, advertising and cost of convening the EGM.

9.4 Convertible securities

As at the LPD, Al-`Aqar does not have any convertible securities.

10. APPROVALS REQUIRED

The Proposals are subject to the approvals to be obtained from the following:

(i) Approval of the Unitholders of Al-`Aqar for the Proposed Acquisitions and Leases and the Proposed Lease Renewal at the forthcoming EGM to be convened;

(ii) Approval of the shareholders of KPJ for the Proposed Acquisitions and Leases and the Proposed Lease Renewal at the KPJ's forthcoming EGM to be convened;

(iii) Approval/consent being obtained from the existing financiers, creditors or lender of Al-`Aqar for the Proposed Acquisitions and Leases where such consent is required; and

(iv) Any other relevant authorities and/or parties, if required.

The Proposed Acquisitions and Leases are inter-conditional upon each other. However, the Proposed Acquisitions and Leases and the Proposed Lease Renewal are not inter-conditional upon one another or upon any other proposals undertaken or to be undertaken by Al-`Aqar.

The Lease Renewal Agreements for the Lease Properties entered into between the respective Lessee and the Manager and the Trustee are not inter-conditional upon each other.

11. CORPORATE EXERCISES/SCHEMES ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, there are no other intended corporate exercises/schemes which have been announced but yet to be completed by Al-`Aqar prior to the issuance of this Circular:

No.	Exercise
1.	Proposed unitholders mandate for recurrent relate party transactions of a revenue or trading nature
2.	Proposed disposal between Al-`Aqar Australia Pty Ltd, a wholly-owned subsdiary of Al-`Aqar (represented by ART (acting solely in its capacity as a trustee for and on behalf of Al-`Aqar)) and Principal Healthcare Finance Pty Ltd, as trustee for the Principal Healthcare Finance Trust and DPG Services Pty Ltd of the lands and buildings of Jeta Gardens Aged Care Facility for a cash consideration of Australian Dollar (AUD) 24.4 million (equivalent to approximately RM74.9 million)

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND CHIEF EXECUTIVE OFFICER OF THE MANAGER, MAJOR UNITHOLDERS OF AL-`AQAR AND/OR PERSONS CONNECTED

Save as disclosed below, none of the directors and/or major shareholders of JRMSB, Major Unitholders of Al-`Aqar as well as persons connected with them has any interests, direct or indirect, in the Proposals.

12.1 Interested major shareholders of the Manager and Major Unitholders of Al-`Aqar

As at the LPD, the details of the unitholding of the interested major shareholders of the Manager and Major Unitholders of Al-`Aqar are as follows:

(i) KPJ is a Major Unitholder of Al-`Aqar having direct and indirect interest of 3.4% and 32.9% respectively in Al-`Aqar.

(ii) JCorp is a Major Unitholder of Al-`Aqar having an indirect interest of 38.5% in Al-`Aqar and it is also a major shareholder of KPJ, having a direct and indirect interest of 35.9% and 9.1% respectively in KPJ.

(iii) JCorp also owns a 100% equity interest in Damansara Assets Sdn Bhd, which in turn owns 100% equity interest in JRMSB.

The Major Unitholders and interested major shareholders of the Manager will abstain and have also undertaken to ensure that persons connected with them will abstain from voting on the resolutions pertaining to the Proposals.

12.2 Interested directors of the Manager

Shamsul Anuar bin Abdul Majid is deemed interested in the Proposals by virtue of him being a Director of the Manager and also a Director of KPJ. Datuk Sr. Akmal bin Ahmad is deemed interested in the Proposals by virtue of him being a Director of the Manager nominated by JCorp and part of the senior management of JCorp Group. Dato’ Mohammed Ridha bin Dato’ Haji Abd Kadir is deemed interested in the Proposals by virtue of him being the Director of the Manager and JCorp.

Dato’ Haji Mohd Redza Shah bin Abdul Wahid was the former Independent Non-Executive Director of the Manager who resigned on 31 December 2024, is also the Senior Independent Non-Executive Director of KPJ.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting on the resolutions pertaining to the Proposals at the relevant Board meetings of JRMSB.

Further, the Interested Directors have also undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in Al-`Aqar, if any, on the relevant resolutions pertaining to the Proposals to be tabled at the EGM of Al-`Aqar.

The Interested Directors do not hold any Units as at the LPD.

13. STATEMENT BY THE BOARD

The Board of JRMSB (save for the Interested Directors), having considered all aspects of the Proposals, including but not limited to the salient terms of the Transaction Documents, basis and justification of the Proposals, rationale for the Proposals, prospects of the Properties and the Lease Properties as well as the preliminary evaluation of the Independent Adviser, and after careful deliberation, is of the opinion that the Proposals are in the best interest of Al-`Aqar and its Unitholders.

Accordingly, our Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposals at the forthcoming EGM.

14. STATEMENT BY THE BOARD OF AUDIT AND RISK COMMITTEE

The Board Audit and Risk Committee of JRMSB, having considered all aspects of the Proposals, including but not limited to the salient terms of the Transaction Documents, basis and justification of the Proposals, rationale for the Proposals, prospects of the Properties and the Lease Properties as well as the preliminary evaluation of the Independent Adviser, and after careful deliberation, is of the opinion that the Proposals are:

(i) In the best interest of Al-`Aqar;

(ii) Fair, reasonable and on normal commercial terms; and

(iii) Not detrimental to the interest of the non-interested Unitholders.

15. INDEPENDENT ADVISER

The Proposals are deemed as related party transactions pursuant to the Listing Requirements. In view of the interest of the interested parties in the Proposals, the Board had, on 27 June 2024, appointed Independent Adviser to undertake the following:

(i) Comment as to whether the Proposals are:

  (a) Fair and reasonable so far as the non-interested unitholders of Al-`Aqar are concerned; and

  (b) To the detriment of the non-interested unitholders of Al-`Aqar, and set out the reasons for such opinion, the key assumptions made and the factors taken into consideration in forming that opinion;

(ii) Advise the non-interested directors of the Manager and the non-interested unitholders of Al-`Aqar on the Proposals, and whether the non-interested unitholders of Al-`Aqar should vote in favour of the the Proposals; and

(iii) Take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in relation to items (i) and (ii) above.

Please refer to the independent advice letter as set out in Part B of this Circular.

16. RELATED PARTY TRANSACTIONS FOR THE PAST 12 MONTHS

Save for the Proposals, and the related party transactions disclosed in the audited consolidated financial statements of Al-`Aqar for the FYE2024 there were no transactions entered into between:

(i) Al-`Aqar and the Interested Directors and Interested Major Unitholders of JRMSB and/or persons connected with them; and

(ii) Al-`Aqar and the Interested Major Unitholders of Al-`Aqar and/or persons connected with them, for the preceding 12 months up to the LPD.

No.	Proposals
1.	The Memorandums of Extension, as set out in Section 4.1 of the Circular, the aggregate total amount transacted is approximately RM12.6 million
2.	Renewal of unitholders' mandate for the recurrent related party transactions of a revenue or trading nature ("**RRPT**"). The RRPT will be approved by Al-`Aqar's unitholders in its annual general meeting held on 25 June 2025.

17. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to the fulfilment of all conditions precedent of the Sale and Purchase Agreements including the required approvals being obtained, the Proposed Acquisitions and Leases are expected to be completed by the fourth quarter of 2025.

Subject to the fulfilment of all conditions of the Lease Renewal Agreements including the required approvals being obtained, the Proposed Lease Renewal are expected to commence on 1 August 2025.

The tentative timetable in relation to the completion of the Proposals are as follows:

Tentative Date	Events
25 June 2025	EGM of the Proposals
1 August 2025	Commencement of Lease Renewal Agreements
Fourth quarter of 2025	• Completion of the Sale and Purchase Agreements • Commencement of KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement

18. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisitions and Leases and the Proposed Lease Renewal pursuant to Paragraph 10.02(g)(ix) of the Listing Requirements based on the total value of the transaction, compared with the total asset value of Al-`Aqar, based on the latest audited consolidated financial statements of Al-`Aqar for the FYE2023 is as follows:

		[(1)]Percentage ratio
(i)	Proposed Acquisitions and Leases	12.99%
(ii)	Proposed Lease Renewal	12.77%
		25.76%

Note:

(1) Based on the announcement dated 27 March 2024.

19. EGM

The EGM (the notice of which is enclosed in this Circular) will be held physically at Convention Hall 303, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80888 Ibrahim International Business District, Johor on Wednesday, 25 June 2025 at 11:15 a.m. for the purpose of considering, and if thought fit, passing the resolution to give effect to the Proposals.

If you are unable to attend and vote at the EGM, you may appoint a proxy(ies) to do so by completing and depositing the Form of Proxy in accordance with the instructions therein at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM. The last day and time for lodging the Form of Proxy is on Wednesday, 25 June 2025 at 11:15 a.m.

The lodging of the Form of Proxy will not preclude you from participating, speaking and voting at the EGM should you subsequently decide to do so. If you do, your proxy shall be precluded from participating in the EGM. Please refer to the Notice of the EGM and the Administrative Guide at this link http://www.alaqar.com.my for further information on the meeting.

20. FURTHER INFORMATION

Unitholders are advised to refer to attached appendices for further information.

Yours faithfully,

For and on behalf of the Board of Directors of
JLG REIT MANAGERS SDN BHD
(formerly known as Damansara Managers REIT Sdn Berhad)
(as Manager of Al-`Aqar Healthcare REIT)

ABDULLAH BIN ABU SAMAH
Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM ZICO EVOLVE CAPITAL SDN BHD *(FORMERLY KNOWN AS ZICO CAPITAL SDN BHD)* TO THE NON-INTERESTED UNITHOLDERS IN RELATION THE PROPOSALS

EXECUTIVE SUMMARY

All the definitions used in this executive summary shall have the same meanings and expressions as defined in the Definitions section and Part A of the Circular, except where the context otherwise requires or where otherwise defined herein.

All references to "you" and "your" are to the non-interested Unitholders of Al-`Aqar, whilst references to "we", "us" and "our" are to ZICO Evolve Capital, being the Independent Adviser for the Proposals.

This executive summary highlights the salient information of the Proposals. Unitholders of Al-`Aqar are advised to read and understand this IAL in its entirety, together with Part A of the Circular and the appendices thereto for any other relevant information, and are not to rely solely on the executive summary before forming an opinion on the Proposals. You are also advised to consider carefully the recommendation contained herein before voting on the relevant resolution pertaining to the Proposals to be tabled at the forthcoming EGM of Al-`Aqar.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, investment adviser, accountant, solicitor or other professional advisers immediately.

1. INTRODUCTION

On 27 March 2025, on behalf of the Board, KAF IB announced that the Trustee on behalf of Al-'Aqar, had on 27 March 2025 entered into the KPJ Ampang Puteri SPA and KPJ Penang SPA with APSH and PNG respectively, in respect of the Proposed Acquisitions.

Concurrent with the execution of the Sale and Purchase Agreements, the Trustee, JRMSB together with APSH and PNG respectively, have signed in escrow the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement for the Proposed Leases.

In addition to the Proposed Acquisitions and Leases, KAF IB on behalf of JRMSB and the Trustee also announced that JRMSB and the Trustee proposed to enter into four (4) separate lease agreements with the Lessees to renew the lease of the Lease Properties for a further period of one (1) to fifteen (15) years.

The parties agree that the Lease Agreements are to be executed in escrow. Notwithstanding the execution of the Lease Agreements in escrow, the parties agree to make every effort to fulfil the conditions precedent set out in the Lease Agreements and the parties shall date and stamp the Lease Agreements upon fulfilment of the conditions precedent stipulated in the Lease Agreements as set out under **Appendix IV** of this Circular.

The purpose of this IAL is to provide the non-interested Unitholders of Al-`Aqar with an independent opinion as to whether the Proposals are fair and reasonable and whether the terms and conditions of the Proposals are detriment to the non-interested Unitholders of Al-`Aqar.

2. EVALUATION OF THE PROPOSALS

In evaluating the Proposals, we have taken into consideration the following factors:

Section in this IAL	Area of evaluation	Comments
Sections 6.1 and 6.4	Rationale for the Proposals	**Proposed Acquisitions and Leases** • to enhance future earnings and DPU yield accretion; • to provide stable rental income; • to enhance the size of Al-`Aqar's property portfolio; and

Section in this IAL	Area of evaluation	Comments
		• to increase cash flow and enhance unit value through selective acquisitions in line with Al-`Aqar's acquisition strategies  **Proposed Lease Renewal**  • to enable Al-`Aqar to continue leasing the Lease Properties to KPJ Group, one of the main private hospital operators in Malaysia; • provide a stable and sustainable income to Al-'Aqar for up to 15 years with further benefit of 2.00% incremental increase of the preceding year's rental income in accordance with the terms and conditions of the Lease Renewal Agreements; and • to enable Al-'Aqar to meet its financial obligations and dividend distributions to its Unitholders. We are of the view that the rationale for the Proposals is **reasonable** and **not detrimental** to the non-interested Unitholders of Al-'Aqar. Please refer to Section 6.1 and 6.4 of this IAL for details on the rationale for the Proposals.
Section 6.2	Evaluation of the Purchase Consideration	The purchase consideration of RM131,000,000 for KPJ Ampang Puteri New Building and RM110,000,000 for KPJ Penang New Building were arrived at on a "willing-buyer willing-seller" basis and based on the market values of KPJ Ampang Puteri New Building and KPJ Penang New Building as ascribed by the Valuer. In evaluating the Purchase Consideration, we have relied on the information in the valuation reports dated 17 March 2025 prepared by the Valuer. We are of the view that the valuation methods and approaches applied by the Valuer for the valuation of KPJ Ampang Puteri New Building and KPJ Penang New Building are **reasonable** and hence we are of the view that the Purchase Consideration which was arrived at on a "willing-buyer willing-seller" basis and based on the market values as ascribed by the Valuer is **fair**. Please refer to Section 6.2 of this IAL for our detailed evaluation of the Purchase Consideration.

Section in this IAL	Area of evaluation	Comments
Section 6.3	Salient terms of the Sale and Purchase Agreements, KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement	Based on our review of the salient terms of the Sale and Purchase Agreements, KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement, we are of the view that the overall terms and conditions of the said agreements are **reasonable** and **not detrimental** to the interest of the non-interested Unitholders. Please refer to Section 6.3 of this IAL on our detailed evaluation of the salient terms of the Sale and Purchase Agreements and the KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement.
Section 6.5	Evaluation of the basis and justification of the rental rate for the Properties and Lease Properties	The rental amount for the first year was derived based on the rental rate of 6.25% of the Open Market Value of the respective Properties and Lease Properties. We are of the view that rental rate of 6.25% is **fair** and **reasonable** after taking into account the factors below as a whole: (i) the rental rate of 6.25% is within the range of the NPI for real estate investment trusts listed on Bursa Securities which ranged from 2.5% to 9.5% in year 2024 as set out in Section 5(i) of Part A of the Circular; (ii) the net yield of similar type of properties based on recent Al-`Aqar's transactions, which ranges from 6.00% to 8.11% as set out in Section 5(ii) of Part A of the Circular;  (iii) the current interest rate environment. For information, the Overnight Policy Rate is at 3.00% as at the LPD;  (iv) Al-`Aqar's capital structure and potential appreciation of the Open Market Value of the Properties and Lease Properties; and (v) Al-`Aqar financial obligations and dividend policy to its Unitholders. Please refer to Section 6.5 of this IAL for our detailed evaluation of the basis and justification of arriving at the rental rate for the Properties and Lease Properties.
Section 6.6	Salient terms of the Lease Renewal Agreements	Based on our review of the salient terms of the Lease Renewal Agreements, we are of the view that the overall terms and conditions of the said agreements are **reasonable** and **not detrimental** to the interest of the non-interested Unitholder of Al-`Aqar. Please refer to Section 6.6 of this IAL on our detailed evaluation of the salient terms of the Lease Renewal Agreements.

Section in this IAL	Area of evaluation	Comments
Section 6.7	Risk factors in relation to the Proposals	We take cognisance of the risk factors pertaining to the Proposals as set out in Section 7 of Part A of the Circular. We wish to highlight that although measures will be taken by the Board and the management of Al-'Aqar to limit/mitigate the risks highlighted herein, no assurance can be given that the risk factors will not occur and give rise to material and adverse impact on the operation and business of Al-'Aqar, its competitiveness, financial positions and/or Al-'Aqar's prospects thereon. In evaluating the Proposals, non-interested Unitholders of Al-'Aqar should carefully consider the said risk factors prior to voting on the resolution pertaining to the Proposals at the forthcoming EGM. Please refer to Section 6.7 of this IAL for details of the risk factors in relation to the Proposals.
Section 6.8	Effects of the Proposals	The effects of the Proposals as further detailed in Section 6.8 of this IAL are as follows: **(i) Unitholder's capital and substantial Unitholders' unitholdings** The Proposals will not have any effect on the Unitholders' capital and substantial Unitholders' unitholdings in Al-`Aqar as the Proposals do not involve the issuance of any new units in Al-`Aqar. **(ii) NAV, NAV per unit and gearing** There will be no impact on the NAV and NAV per unit of Al-`Aqar. Further, assuming that the entire purchase consideration for the Proposed Acquisitions will be financed through borrowings, the gearing level is expected to increase from 41.38% to 48.59% of Al-'Aqar's total asset value. **(iii) Earnings and EPU** The proforma basic EPU will slightly decrease from of 7.41 sen to 7.33 sen due to the estimated expenses in respect of the Proposed Acquisitions amounting to RM15.07 million. Excluding this one-off expenses, the proforma EPU would increase to 7.42 sen. Taking the above effects as a whole, we are of the view that the financial effects of the Proposals are **reasonable** and **not detrimental** to the interest of the non-interested Unitholders of Al-`Aqar.

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposals and have set our evaluation in Section 6 of this IAL. The non-interested Unitholders of Al-`Aqar should carefully consider the merits and demerits of the Proposals based on all relevant and pertinent factors including those set out above and other considerations as set out in this IAL, the Circular and the appendices.

Based on our assessment and evaluation, we are of the opinion that the Proposals are **fair** and **reasonable**, based on arm's length terms and are **not detrimental** to the non-interested Unitholders of Al-`Aqar.

Accordingly, we recommend that the non-interested Unitholders of Al-`Aqar **vote in favour** of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM of Al-`Aqar.

As far as our analyses and assessment as contained in the IAL are concerned, we have considered factors which we believe to be of general relevance to the unitholders of Al-`Aqar as a whole. We have not taken into consideration any specific investment objective, financial situation, risk profile and particular need of any individual unitholder or any specific groups of Unitholders of Al-`Aqar.

ZICO | capital

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Malaysia

10 June 2025

To: The non-interested Unitholders of Al-`Aqar Healthcare REIT

Dear Sir/Madam,

AL-`AQAR HEALTHCARE REIT ("AL-`AQAR" OR "REIT")

INDEPENDENT ADVICE LETTER ("IAL") TO THE NON-INTERESTED UNITHOLDERS OF AL-`AQAR IN RELATION TO THE PROPOSALS

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*This IAL is prepared for inclusion in the circular to the Unitholders of Al-`Aqar dated 10 June 2025 ("**Circular**") in relation to the Proposals. All the definitions used in this IAL shall have the same meanings and expressions as defined in the Definitions section of the Circular, except where the content otherwise requires or where otherwise defined herein.*

1. INTRODUCTION

On 27 March 2025, on behalf of the Board, KAF IB announced that JRMSB and the Trustee on behalf of Al-'Aqar, had on 27 March 2025 entered into the KPJ Ampang Puteri SPA and KPJ Penang SPA with APSH and PNG respectively, in respect of the Proposed Acquisitions.

Concurrent with the execution of the Sale and Purchase Agreements, the Trustee, JRMSB together with APSH and PNG respectively, have signed in escrow the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement for the Proposed Leases.

In addition to the Proposed Acquisitions and Leases, KAF IB on behalf of JRMSB and the Trustee also announced that JRMSB and the Trustee propose to enter into four (4) separate lease agreements with the Lessees to renew the lease of the Lease Properties for a further period of one (1) to 15 years.

The parties agree that the KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement are to be executed in escrow. Notwithstanding the execution of the Lease Agreements in escrow, the parties agree to make every effort to fulfil the conditions precedent set out in the Lease Agreements and the parties shall date and stamp the KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement upon fulfilment of the conditions precedent stipulated in the KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement as set out under **Appendix IV** of this Circular.

By virtue of the interests of the Interested Directors and Interested Major Unitholders, who are deemed interested in the Proposals as detailed out in Section 11 of Part A of the Circular, the Proposed Lease Renewal is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, your Board had on 27 June 2024 appointed ZICO Evolve Capital to act as the independent adviser ("**IA**") to advise the non-interested directors and non-interested Unitholders of Al-`Aqar in respect of the Proposals.

The purpose of this IAL is to provide the non-interested Unitholders of Al-`Aqar with an independent evaluation on the fairness and reasonableness of the Proposals and whether the terms and conditions of the Proposals are detrimental to the non-interested Unitholders of Al-`Aqar together with our recommendation thereon, subject to the scope and limitations of our role and evaluation as specified herein, in relation to the Proposals.

The non-interested Unitholders of Al-`Aqar should nonetheless also perform their own evaluation on the merits of the Proposals before making a decision on the course of action to be taken.

This IAL is prepared solely for the use of the non-interested Unitholders of Al-`Aqar for the purpose of considering the Proposals and should not be used or relied upon by any other party for any other purpose whatsoever.

NON-INTERESTED UNITHOLDERS OF AL-`AQAR ARE ADVISED TO READ BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, INVESTMENT ADVISER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE PROPOSALS

The full details of the Proposals are set out in Sections 1, 2, 3 and 4 of Part A of the Circular, which should be read in its entirety by the non-interested Unitholders of Al-`Aqar.

3. SCOPE AND LIMITATIONS TO OUR EVALUATION OF THE PROPOSALS

We were not involved in the formulation or negotiations of the terms and conditions of the Proposals nor were we involved in the deliberations leading up to the decision by your Board in respect of the Proposals. The terms of reference of our appointment as the IA to the non-interested Unitholders of Al-`Aqar in relation to the Proposals are in accordance with the requirements set out in Paragraph 10.08(3) of the Listing Requirements and the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities.

Our scope as the IA is limited to expressing an independent opinion on the fairness and reasonableness of the Proposals and whether the Proposals are detrimental to you, together with our recommendation on whether you should vote in favour of the resolution pertaining to the Proposals, based on the information and documents requested and provided to us or which are available to us, including the following:

(i) the information contained in Part A of the Circular and the appendices attached thereto;

(ii) information furnished to us (both orally and in writing) as well as discussions with the Board and management of Al-`Aqar;

(iii) Valuation reports and valuation certificate prepared by CBRE WTW; and

(iv) other relevant publicly available information, including but is not limited to annual reports and announcements made to Bursa Securities by Al-`Aqar.

We have relied on the Board and management of the Manager, the Trustee and Al-`Aqar to exercise due care to ensure that all information, documents, confirmations and representations provided to us to facilitate our evaluation of the Proposals are accurate, valid and complete in all material aspects. After making all reasonable enquiries and to the best of our knowledge, we are satisfied that sufficient information has been obtained and we have no reason to believe that the aforesaid information provided to us or which are available to us is unreliable, incomplete, misleading and/or inaccurate as at the LPD.

The Board has seen, reviewed and accepted this IAL. The Board, collectively and individually, accepts full responsibility for the accuracy of the information contained in this IAL (save for the views and recommendation of ZICO Evolve Capital) and confirms that, after having made all reasonable enquiries and to the best of their knowledge, there are no omission of any material facts which would make any statement in this IAL false or misleading.

In rendering our advice, we have taken into consideration pertinent factors which we believe are of relevance and importance to you for a holistic assessment of the Proposals and therefore, are of general concern to you. Notwithstanding the following:

(i) it is not within our terms of reference to express any opinion on the legal, accounting and taxation issues relating to the Proposals; and

(ii) we have not taken into consideration any specific investment objectives, financial situation, risk profile or particular needs of any individual Unitholder or any specific group of Unitholders. We recommend that any of you who require specific advice in relation to the Proposals in the context of your individual investment objectives, financial situation, risk profile or particular needs should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and opinion as set out in this IAL are based on, amongst others, the equity capital market, economic, industry, regulatory and other prevailing conditions and the information/documents made available to us as at the LPD. It is also based on the assumption that the parties to the Transaction Documents are able to fulfil their respective obligations in accordance with the terms and conditions of the Transaction Documents.

We shall notify the non-interested Unitholders if, after the despatch of this IAL, we become aware of the following:

(i) significant change affecting the information contained in this IAL;

(ii) there is a reasonable ground to believe that the statements in this IAL are misleading/ deceptive; and

(iii) there is a material omission in this IAL.

4. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

We confirm that there is no situation of conflict of interest or potential conflict of interest situation arising from us carrying out our role as the IA for the Proposals.

Save for our appointment by Al-‘Aqar as the independent adviser for a proposed lease renewal in 2023 and our current appointment as the Independent Adviser for the Proposals, we have not had any other professional relationship with Al-‘Aqar in the past two (2) years from the date of this IAL.

We are a corporate finance advisory firm licensed by the SC to carry on the regulated activity of advising on corporate finance under the CMSA. Our team members have adequate experience in undertaking independent advisory for related party transactions in accordance with Paragraph 10.08 of the Main Market Listing Requirements (“**RPT Transactions**”) and have been involved in independent advisory for RPT Transactions within the past two (2) years from the date of this IAL.

Premised on the above, we confirm that we are capable and competent to carry out the role and responsibilities as the IA to advise the non-interested directors and non-interested Unitholders of Al-`Aqar in relation to the Proposals.

5. INTEREST OF MAJOR UNITHOLDERS OF AL-`AQAR, MAJOR SHAREHOLDERS AND DIRECTORS OF THE MANAGER

We note from Section 12 of Part A of the Circular that, saved as disclosed below, none of the Directors, major Unitholders of the REIT and/or persons connected to them have any interest, either direct or indirect, in the Proposals:

5.1 Interested Major Unitholders’ interest and Major Unitholders of Al-`Aqar

As at the LPD, the details of the unitholding of the Interested Major Shareholders of the Manager and Major Unitholders of Al-`Aqar are as follows:

(i) KPJ is a Major Unitholder of Al-`Aqar having a direct interest of 3.4% and an indirect interest of 32.9% in Al-`Aqar;

(ii) JCorp is a Major Unitholder of Al-`Aqar having an indirect interest of 38.5% in Al-`Aqar and it is also a major shareholder of KPJ, having a direct and indirect interest of 35.9% and 9.1% respectively in KPJ; and

(iii) JCorp also owns a 100% equity interest in Damansara Assets Sdn Bhd, which in turn owns 100% equity interest in JRMSB.

Accordingly, the Interested Major Unitholders shall abstain from voting in respect of their direct and indirect unitholdings in Al-`Aqar pertaining to the Proposals to be tabled at the forthcoming EGM. In addition, the Interested Major Unitholders will ensure that persons connected to them, if any, shall abstain from voting in respect of their direct and indirect unitholdings in Al-`Aqar on the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.

5.2 Interested Directors of the Manager

Shamsul Anuar Bin Abdul Majid (“**Encik Shamsul Anuar**”) is deemed interested in the Proposed Acquisitions and Leases and the Proposed Lease Renewal by virtue of him being a Director of the Manager and also a Director of KPJ. Datuk Sr. Akmal Bin Ahmad (“**Datuk Sr Akmal**”) is deemed interested in the Proposed Acquisitions and Leases and the Proposed Lease Renewal by virtue of him being the Director of the Manager nominated by JCorp and part of the senior management of JCorp Group. Dato’ Mohammed Ridha Bin Dato’ Abd Kadir (“**Dato’ Mohammed Ridha**”) is deemed interested in the Proposed Acquisitions and Leases and the Proposed Lease Renewal by virtue of him being the Director of the Manager nominated by JCorp and also the Director of JCorp.

Dato' Haji Mohd Redza Shah bin Abdul Wahid was the former Independent Non-Executive Director of the Manager who resigned on 31 December 2024, is also the Senior Independent Non-Executive Director of KPJ.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting on the resolution pertaining to the Proposed Acquisitions and Leases and Proposed Lease Renewal at the relevant Board meetings of JRMSB and at the forthcoming EGM of Al-`Aqar.

Further, the Interested Directors have also undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in Al-`Aqar, if any, on the relevant resolution pertaining to the Proposals to be tabled at the forthcoming EGM of Al-`Aqar.

The Interested Directors do not hold any Units in Al-`Aqar as at the LPD.

6. OUR EVALUATION OF THE PROPOSALS

In evaluating the Proposals, we have taken into consideration the following factors:

	Factors	Details in this IAL
(i)	Rationale for the Proposed Acquisitions and Leases	Section 6.1
(ii)	Evaluation of the Purchase Consideration	Section 6.2
(iii)	Salient terms of the Sale and Purchase Agreements, KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement	Section 6.3
(iv)	Rationale for the Proposed Lease Renewal	Section 6.4
(v)	Evaluation of the basis and justification of the rental rate for the Properties and Lease Properties	Section 6.5
(vi)	Salient terms of the Lease Renewal Agreements	Section 6.6
(vii)	Risk factors relating to the Proposals	Section 6.7
(viii)	Effects of the Proposals	Section 6.8

6.1 Rationale for the Proposed Acquisitions and Leases

The rationale for the Proposed Acquisitions and Leases is set out in Section 6.1 of Part A of the Circular.

Based on the rationale provided, we have made the following observations:

(i) Enhancement of future earnings and distribution per Unit ("**DPU**") yield accretion

The Proposed Acquisitions and Leases are anticipated to improve the future earnings of Al-'Aqar due to the additional rental income from APSH and PNG of approximately RM8.19 million and RM6.88 million, respectively for the first year. The additional rental income is expected to translate into DPU yield accretion, barring any unforeseen circumstances.

The enhancement of earnings and DPU yield accretion are further illustrated in Section 6.8 herein.

(ii) Stable rental income

The Proposed Acquisitions and Leases are expected to be beneficial to Al-‘Aqar as it will allow Al-’Aqar to lease the Properties to KPJ Group, one of the main private hospital operators in Malaysia. As such, it will provide Al-‘Aqar with stable and sustainable income stream of up to fifteen (15) years, allowing Al-’Aqar to meet its financial obligations and dividend distributions to its Unitholders. Furthermore, Al-‘Aqar will be able to benefit from the subsequent 2.00% incremental increase of the preceding year’s rental income in accordance with the terms and conditions of the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement. As such, the Proposed Lease provide Al-‘Aqar with a stable and sustainable income stream of up to fifteen (15) years, enabling Al-’Aqar to meet its financial obligations and dividend distributions to its Unitholders.

(iii) Enhance the size of Al-‘Aqar portfolio

Following the completion of the Proposed Acquisitions and Leases, we note that the size of Al-‘Aqar’s portfolio is expected to increase as illustrated in Section 6.1.3 of the Circular.

With a larger investment asset base, Al-‘Aqar which is an Islamic real estate investment trust, is expected to maintain and potentially attract greater interest from the investment community in Malaysia, particularly from investors with Shariah-compliant mandates. This may lead to a potential increase in trading liquidity and improvement in the price performance of the Units.

For illustrative purposes, as at LPD, Al-‘Aqar rank 10th among the listed real estate investment trusts in Malaysia in terms of the total value of investment properties.

No.	Name	Value of investment properties as at LPD (RM’000)
1	Sunway Real Estate Investment Trust	10,384,928
2	KLCC Real Estate Investment Trust	9,353,707
3	Pavilion Real Estate Investment Trust	8,490,000
4	IGB Real Estate Investment Trust	5,436,055
5	CapitaLand Malaysia Trust	5,130,600
6	Axis Real Estate Investment Trust	5,090,820
7	IGB Commercial Real Estate Investment Trust	3,161,386
8	YTL Hospitality REIT	3,052,259
9	Sentral REIT	2,504,350
10	Al-`Aqar Healthcare REIT	1,895,000
11	UOA Real Estate Investment Trust	1,725,700
12	AmFIRST Real Estate Investment Trust	1,557,800
13	Hektar Real Estate Investment Trust	1,391,644
14	AmanahRaya Real Estate Investment Trust	1,296,500
15	Al-Salam Real Estate Investment Trust	1,201,723
16	KIP REIT	1,054,523
17	Tower Real Estate Investment Trust	802,000
18	Atrium Real Estate Investment Trust	653,925

(iv) Al-‘Aqar strategies

We view that the Proposed Acquisitions and Leases are in line with Al-‘Aqar’s long term acquisition strategy to increase cash flow and enhance unit value through selective acquisitions, consistent with the four (4) acquisitions which were undertaken in the past six (6) years.

No	Completion date	Properties	Seller
1	23 December 2022	A building known as TMC Health Centre	Penang Specialist Hospital Sdn Bhd, a wholly-owned subsidiary of KPJ Healthcare Berhad
2	23 December 2022	A building forming part of KPJ Seremban Specialist Hospital	Maharani Specialist Hospital Sdn Bhd, a wholly-owned subsidiary of KPJ Healthcare Berhad
3	27 December 2022	KPJ Pasir Gudang Specialist Hospital	Pasir Gudang Specialist Hospital Sdn Bhd, a wholly-owned subsidiary of KPJ Healthcare Berhad
4	28 December 2019	A 7 multi-storey purpose-built hospital building known as KPJ Batu Pahat Specialist Hospital	Johor Land Berhad, a wholly-owned subsidiary of Johor Corporation

Based on the above, we are of the view that the rationale for the Proposed Acquisitions and Leases is **reasonable** and **not detrimental** to the interest of the non-interested Unitholders of Al-'Aqar.

6.2 Evaluation of the Purchase Consideration

As set out in Section 2.2 of Part A of the circular, the Purchase Consideration of RM241,000,000 was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the market value of the Properties as appraised by the Valuer.

In evaluating the Purchase Consideration, we have relied on the information in the valuation reports and valuation certificates which were prepared by the Valuer in respect of the valuation of the Properties. The details of the valuation certificates are set out in **Appendix I** of the Circular.

We note that, in arriving at the market value of the Properties, the Valuer adopted the cost approach as the sole valuation method for the respective Properties. The Valuer has adopted the cost approach as the sole valuation method for the Properties, as other valuation methods are deemed inappropriate as they include the land component. The Properties comprise unsold building components only. The description of the valuation method used by the Valuer is as follows:

Valuation method	Description
Cost Approach	This method involves assessing the value of the land and buildings separately to determine the market value of the property. First, the Valuer determined the value of the land by comparing it to similar land transactions in the surrounding area, considering factors like location, accessibility, visibility, size, tenure, shape, plot ratio, land use, zoning, planning approval, site improvement, public transportation and land use. Adjustments are made for any differences. Next, the Valuer assessed the value of the buildings by calculating the cost of replacing them and adjusting for depreciation or obsolescence based on their current condition. Finally, the land value and the building value were added together to arrive at the market value of the property.

The summary of the total market value of the Properties as disclosed in the valuation certificate is as follows:

No.	Property	Market Value RM'000
(1)	KPJ Ampang Puteri New Building	131,000
(2)	KPJ Penang New Building	110,000
	TOTAL	**241,000**

We concur with the Valuer's opinions as follows:

(i) KPJ Ampang Puteri New Building

In arriving at the market value of the land component, the Valuer has adopted the market/comparison approach. The following sale evidence, amongst others, was considered suitable and comparable:

Description		Comparable 1	Comparable 2	Comparable 3
Location	:	Along Jalan Kelang Lama, Taman Sri Sentosa	Taman Connaught	Setapak
Lot no.	:	38323 & 31955	103000	PT 6332
Mukim	:	Petaling	Petaling	Setapak
District	:	Kuala Lumpur		
State	:	Federal Territory of Kuala Lumpur		
Property Type	:	Lot No. / Type 38323 / Development Land 31955 / Commercial Land	Vacant commercial land	Vacant industrial land with commercial potential
Land area	:	14,821 sq. metres (159,532 sq. ft./ 3.66 acres)	27,770 sq. metres (Approximately 298,914 sq.ft./ 6.86 acres)	20,233 sq. metres (217,786 sq. ft./ 5.00 acres)
Tenure	:	Lot No. / Tenure 38323 / Term in perpetuity (Freehold) 31955 / Leasehold expiring on 17 April 2085	Term in perpetuity (Freehold)	99 years leasehold expiring on 26 August 2097
Transaction date	:	9 June 2023	4 June 2021	4 May 2021
Vendor	:	Lau Leok Wooi +5	Accolade Land Sdn Bhd	Teratai Constructors Sdn Bhd
Purchaser	:	Radium Global Sdn Bhd (subsidiary of Radium Development Berhad)	UEM Land Berhad (wholly owned subsidiary of UEM Sunrise Berhad)	Nova Century Development Sdn Bhd, wholly-owned subsidiary of Mah Sing Group Berhad
Consideration	:	RM71,789,365	RM197,000,000	RM89,000,000
Analysis (RM per square foot)	:	RM450	RM659	RM409

Description		Comparable 1	Comparable 2	Comparable 3
Adjustment factors considered	:	Adjustments have been made on location – (general location), accessibility/visibility, size, tenure, shape, land use (title), plot ratio, site improvement and public rail transportation (MRT/LRT/KTM)		
Total adjustments	:	12%	25%	15%
Adjusted value of land (RM per square foot)	:	RM506	RM478	RM470

Based on the above, the Valuer is of the opinion that Comparable 1 is the best comparable to the subject property as it is the latest transaction. The Valuer has adopted the rounded adjusted value of RM500.00 per square foot ("**psf**") as fair representation which translates into a market value of the commercial land of RM116,581,000. This was then rounded up to RM117,000,000.

The Valuer has adopted range from RM100 psf to RM550 psf for the cost of building replacement based on analysis of estimated construction cost and guidance from JUBM Group Construction Cost Handbook Malaysia 2024. In addition, The Valuer also have made reference to the "Perakuan Akaun dan Bayaran Muktamad (JKR 66A)" and Summary of Work Done by Category as well as the JUBM Building Works Composite Tender Price Index (BWCTPI) published by JUBM Group.

After taking into account the age and existing condition of the building, the Valuer has applied a depreciation rate of 10% over a lifespan of 50 years from the Valuation Date. The building value of the subject property was derived at RM131,142,704 and the Valuer has rounded up to RM131,000,000.

Thus, the market value for KPJ Ampang Puteri New Building derived from the cost approach is RM131,000,000.

(ii) KPJ Penang New Building

In arriving at the market value of the land component, the Valuer has adopted the market/comparison approach. The following sale evidence, amongst others, was considered suitable and comparable:

Description	Comparable 1	Comparable 2	Comparable 3
Location	Butterworth	Bukit Mertajam	Bukit Mertajam
Title No.	GM 351, 1296 and 1297	GM 1193	GM 904
Lot no.	64, 8927 and 8928	10127	1453
Mukim	Mukim 16	Mukim 7	Mukim 15
District	Seberang Perai Utara	Seberang Perai Tengah	
State	Penang		
Property Type	Development land	Development land	Development land
Land area	12,832.36 sq. metres (Approximately 138,126 sq. ft./ 3.171 acres)	7,838 sq. metres (Approximately 84,367 sq. ft./ 1.937 acres)	3,184 sq. metres (Approximately 34,272 sq. ft./ 0.787 acres)
Tenure	Term in perpetuity (Freehold)		
Transaction date	26 September 2024	18 October 2023	17 January 2023
Vendor	Ooi & Sons Sdn Bhd	Darul Ikon (M) Sdn Bhd	Teh Hock Guan +1

Description	Comparable 1	Comparable 2	Comparable 3
Purchaser	Omnimetal Sdn Bhd	Jadem White Sdn Bhd	Victons Malaysia Sdn Bhd
Consideration	RM14,503,275	RM9,280,428	RM3,427,229
Analysis (psf)	RM105	RM110	RM100
Adjustment factors considered	Adjustments have been made on Location – General, Location – Accessibility/Visibility - Immediate Surroundings, size, shape, frontage, zoning, intensity of use, facing flyover and site improvement.		
Total adjustments	23%	5%	25%
Adjusted value of land (psf)	RM129	RM105	RM125

Based on the above, the Valuer is of the opinion that Comparable 1 is the best comparable to the subject property as it is the most recent transaction. The Valuer has adopted the rounded adjusted value of RM130.00 psf as fair representation which translates into a market value of the commercial land of RM24,820,900. This was then rounded up to RM25,000,000.

The Valuer has adopted range from RM150 psf to RM570 psf for the cost of building replacement based on analysis of estimated construction cost and guidance from JUBM Group Construction Cost Handbook Malaysia 2024. In addition, The Valuer also have made reference to the "Perakuan Akaun dan Bayaran Muktamad" and the JUBM Building Works Composite Tender Price Index (BWCTPI) published by JUBM Group.

After taking into account the age and existing condition of the building, the Valuer has applied a depreciation rate of 5% over a lifespan of 50 years from the Valuation Date. The building value of the subject property was derived at RM110,010,181 and the Valuer has rounded up to RM110,000,000.

Thus, the market value of KPJ Penang New Building derived from the cost approach is RM110,000,000.

Based on the above, we view that the Purchase Consideration is **reasonable** and **not detrimental** to the interest of the non-interested Unitholders of Al-‘Aqar.

6.3 Salient terms of the Sale and Purchase Agreements

We have reviewed the salient terms for the Sale and Purchase Agreements as set out in Section 2.6 of Part A and **Appendix III** of the Circular. Our comments on the pertinent salient terms are set out below:

No.	Salient terms	ZICO Evolve Capital’s comments
(1)	***Purchase Consideration*** *(i) The vendors being the APSH, and PNG and ART agree on the purchase consideration for the following properties:* *(a) KPJ Ampang Puteri New Building – Ringgit Malaysia One Hundred Million and Thirty One (RM131,000,000.00) only;* *(b) KPJ Penang New Building – Ringgit Malaysia One Hundred Ten Million (RM110,000,000.00) only.*	We note that the payment of the 5% deposit shall be paid to the vendors upon execution of the Sale and Purchase Agreements. We also note that if the balance purchase considerations or any part thereof is not paid by the expiry of three (3) months from the date of the Sale and Purchase Agreements become unconditional, the Trustee shall be granted an automatic extension of three (3) months, subject to late payment compensation at the rate of five per centum (5%) per annum on the balance purchase price or any part outstanding thereof.

No.	Salient terms	ZICO Evolve Capital's comments
		The term in relation to the payment of the payment of the deposit and the balance purchase price are reasonable and are a common term for commercial property transactions. We are of the opinion that the term is reasonable.
	(ii) The deposit and balance purchase consideration for the following properties are as follows: *(a) KPJ Ampang Puteri New Building – the deposit which is 5% of the purchase consideration amounting to RM6.55 million shall be paid to the vendors via Point Zone (M) Sdn. Bhd. upon the execution of the KPJ Ampang Puteri SPA and the balance purchase consideration which is 95% of the purchase consideration amounting to RM124.45 million shall be satisfied on or before the expiry of three (3) months from the date the KPJ Ampang Puteri SPA becoming unconditional. In the event ART is unable to pay in full the balance purchase price on or before the expiry of the said three (3) months, the parties agree that the vendor shall grant an automatic extension of three (3) months, subject to ART paying to the vendor late payment compensation at the rate of five per centum (5%) per annum on the balance purchase price or any part outstanding thereof.* ***(b)*** *KPJ Penang New Building – the deposit which is 5% of the purchase consideration amounting to RM5.5 million shall be paid upon the execution of the KPJ Penang SPA and the balance purchase consideration which is 95% of the purchase consideration amounting to RM104.5 million shall be satisfied on or before the expiry of three (3) months from the date the KPJ Penang SPA becoming unconditional. In the event ART is unable to pay in full the balance purchase price on or before the expiry of the said three (3) months, the parties agree that the vendor shall grant an automatic extension of three (3) months, subject to ART paying to the vendor late payment compensation at the rate of five per centum (5%) per annum on the balance purchase price or any part outstanding thereof.*	

No.	Salient terms	ZICO Evolve Capital's comments
(2)	***Conditions Precedent and Completion Date*** *(i) The Proposed Acquisitions are conditional upon the fulfilment of the following conditions ("SPA Conditions"):* *(a) the approval of the shareholders and board of directors of APSH and PNG being obtained for the Proposed Acquisitions and Leases from ART;* *(b) the approval of the board of directors of KPJ being obtained for the Proposed Acquisitions and Leases by APSH, SSH, and PNG respectively to ART from ART* *(c) the approval of the shareholders of KPJ at an extraordinary general meeting being obtained for the Proposed Acquisitions and Leases by APSH, SSH, and PNG respectively to ART and in the event such approval is given conditionally, the satisfaction of all such conditions to the said approval from ART;* *(d) the notification by APSH, SSH, and PNG to the Ministry of Health on change of ownership of the Properties;* *(e) all such other consents and regulatory and/or governmental approvals required to be obtained by APSH, SSH, and PNG, and/or ART in order to effect the completion of the transactions contemplated hereunder;* *(f) the approval of non-interested Unitholders of Al-`Aqar at a Unitholders' extraordinary general meeting for the Proposals as required by the REIT Guidelines and Al-`Aqar's trust deed;* *(g) the approval of the board of directors of JRMSB and Trustee being obtained for the Proposals and the Proposed Lease to APSH, SSH, and PNG;* *(h) the approval/consent being obtained from the existing financiers, creditors or lender of Al-`Aqar for the Proposed Acquisitions where such consent is required;*  *(i) the letter of offer or letter of commitment in relation to the financing of the Properties being issued by APSH and SSH's financier and accepted by ART or Al-`Aqar's special purpose vehicle company which will be used for the purposes of the financing;*	The conditions precedent are ordinary terms typical to transactions of such nature and necessary for the completion of the Proposed Acquisitions. The SPA conditions represent the necessary approvals and/or procedures required to facilitate and give effect the completion of the Sale and Purchase Agreements. The Sale and Purchase Agreements will become unconditional on the date when all the conditions precedent are fulfilled (or waived in writing). If any of the conditions precedent are not fulfilled, satisfied or waived within six (6) months from the date of the Sale and Purchase Agreements or any extension thereof agreed between the parties of the Sale and Purchase Agreements, either party to the Sale and Purchase Agreements may terminate the Sale and Purchase Agreements pursuant to the terms and conditions set out in the relevant Sale and Purchase Agreements. We note that the approvals of the board of directors of the Manager and the Trustee have been obtained on 29 August 2024 and 7 September 2024 respectively. We further note that one of the conditions precedent is the execution in escrow of the lease agreements and relevant documents to give effect to the Proposed Leases, which eliminates situation where the parties complete the acquisition of the Properties from the respective Vendors without the lease of the Properties. We are of the opinion that the SPA Conditions are reasonable.

No.	Salient terms	ZICO Evolve Capital's comments
	(j) that the Certificate of Completion and Compliance of the Properties have been duly obtained by APSH, SSH, and PNG respectively; *(k) the execution in escrow of the lease agreement and relevant documents to give effect to the Proposed Leases including but not limited to the Form 15A of the National Land Code, if applicable; and* *(l) Al-`Aqar's Solicitors and APSH and PNG's Solicitors certifying that all SPA Conditions under the Sale and Purchase Agreements are satisfied and that the sale and purchase transaction is ready for completion.* *(a) the approval/consent being obtained from the existing financiers, creditors or lender of Al-`Aqar for the Proposed Acquisitions where such consent is required;*  *(b) the letter of offer or letter of commitment in relation to the financing of the Properties being issued by APSH and SSH's financier and accepted by ART or Al-`Aqar's special purpose vehicle company which will be used for the purposes of the financing;* *(c) that the Certificate of Completion and Compliance of the Properties have been duly obtained by APSH, SSH, and PNG respectively; (to check with DRMSB if the CCC has been obtained, and its date)* *(d) the execution in escrow of the lease agreement and relevant documents to give effect to the Proposed Leases including but not limited to the Form 15A of the National Land Code, if applicable; and* *Al-`Aqar's Solicitors and APSH, SSH, and PNG's Solicitors certifying that all Conditions under the Sale and Purchase Agreements are satisfied and that the sale and purchase transaction is ready for completion*	
(3)	***Events of default*** *(i) Events of default by the Vendors and consequences under the Sale and Purchase Agreements:-* *In the event that:* *(a) there is a default by the Vendor to complete the sale of the Properties in accordance with the terms and conditions of the Sale and Purchase Agreements; or*	We note that this term set out the remedies and recourse available to either party in the event of a default by the other party. This term is fair and reasonable as it protects the interests of the non-defaulting party as stipulated in the Sale and Purchase Agreements. We are of the opinion that this term is fair and reasonable.

No.	Salient terms	ZICO Evolve Capital's comments
	(b) the Vendor fails, neglects or refuses to perform or comply with any of its obligations on its part herein to be performed under the Sale and Purchase Agreements in any material respect and where remediable, fails to remedy the same within fourteen (14) business days from the date of a written notice from the Purchaser requiring the same to be remedied; or *(c) any representation, warranty or undertaking of the Vendor is not true or accurate or is not complied with in any material respect, or* *(d) an encumbrancer takes possession of, or a trustee, receiver or similar officer is appointed in respect of, all or any substantial part of the business or assets of the Vendor; or* *(e) the Vendor becomes insolvent; or* *(f) (a) any party takes any action or any legal proceedings are started or other steps taken for the Vendor to be adjudicated or found insolvent, (b) the winding-up, dissolution of the Vendor either by an order of a court of competent jurisdiction or by way of voluntary winding-up save and except to effect a reorganisation of the business of the Vendor (c) the appointment of a liquidator, trustee receiver or similar officer of the Vendor over the whole or any part of the Vendor's or any of its respective undertaking(s), concession, rights or revenues other than a winding-up of the Vendor for the purpose of amalgamation or reconstruction;* *at any time prior to the completion of the Sale and Purchase Agreements, then subject always to ART having observed and fulfilled the provisions of the Sale and Purchase Agreements required on its part to be observed or performed, ART shall give to the Vendor a fourty-five (45) business days' notice or such later period as the parties may mutually agree in writing to rectify the alleged breach or default as stipulated in the said notice. For the avoidance of doubt, no remedy period is to be given to the Vendor in respect of any breach referred to under items (d) to (f) above. In the event that the Vendor fails to rectify the alleged breach or default within the said fourty-five (45) business days or such later period as the parties may mutually agree to in writing, ART shall be entitled at ART's sole and absolute discretion to do either of the following (by notice in writing to the Vendor):-* *(a) to require specific performance of the Sale and Purchase Agreements; or*	

No.	Salient terms	ZICO Evolve Capital's comments
	(b) to claim damages for the breach of the Sale and Purchase Agreements by the Vendor; or *(c) to terminate the Sale and Purchase Agreements by notice in writing to the Vendor and the parties shall within fourteen (14) business days of receipt by the Vendor of such written notice do the following at the Vendor's own cost and expense:* *(aa) the Vendor shall refund to ART all monies received by the Vendor under the Sale and Purchase Agreements (save for any late payment compensation which shall be paid by the Purchaser) free of interest;* *(bb) the Vendor pays to ART an amount equivalent to the deposit as liquidated damages failing which the Vendor shall ART damages on the aforesaid money calculated at the rate of eight per centum (8%) per annum on a daily basis commencing from the expiry of the aforesaid fourteen (14) business days until the date of the actual payment;* *(cc) the Vendor shall return and procure the ART's solicitors to return all documents received by ART and/or ART's solicitors pursuant to the Sale and Purchase Agreements, to the Vendor in their original state and condition (fair wear and tear excepted);* *(dd) the Vendor shall return all documents received by the Vendor and or/ the Vendor's solicitors pursuant to the Sale and Purchase Agreements, to ART in their original state and condition (fair wear and tear excepted); and* *(ee) ART shall re-deliver the possession of the Properties to the Vendor, if the same has been duly delivered to ART pursuant to the Sale and Purchase Agreements in its original state and condition.* *Thereafter, subject to the covenants and indemnity by the respective Vendor which will survive the Sale and Purchase Agreements notwithstanding termination, the Sale and Purchase Agreements shall become null and void and be of no further effect and neither party thereto shall have any further claims action or proceedings against the other in respect of or arising out of the Sale and*	

No.	Salient terms	ZICO Evolve Capital's comments
	Purchase Agreements, save and except for any claim arising from any antecedent breach and as provided in the Sale and Purchase Agreements. For the avoidance of doubt, in the event of termination of the Sale and Purchase Agreements, the covenants and indemnity by the respective Vendor shall be applicable. *(ii) Events of default by the ART, being the purchaser and consequences under the Sale and Purchase Agreements: -* *In the event that:* *(i) ART shall fail to satisfy the sale consideration or any part thereof or to complete the sale and purchase of the Properties in accordance with the terms and conditions of the Sale and Purchase Agreements; or* *(ii) ART fails, neglects or refuses to perform or comply with any of its obligations on its part herein to be performed under the Sale and Purchase Agreements in any material respect and where remediable, fails to remedy the same within fourteen (14) business days from the date of a written notice from the Vendor requiring the same to be remedied; or* *(iii) any representation, warranty or undertaking of ART is not true or accurate or is not complied with in any material respect, or* *(iv) an encumbrancer takes possession of, or a trustee, receiver or similar officer is appointed in respect of, all or any substantial part of the business or assets of ART; or* *(v) ART becomes insolvent;* *(vi) (a) any party takes any action or any legal proceedings are started or other steps taken for ART to be adjudicated or found insolvent, (b) the winding-up, dissolution of ART either by an order of a Court of competent jurisdiction or by way of voluntary winding-up save and except to effect a reorganisation of the business of the ART (c) the appointment of a liquidator, trustee receiver or similar officer of the Purchaser over the whole or any part of ART 's or any of its respective undertaking(s), concession, rights or revenues other than a winding-up of the ART for the purpose of amalgamation or reconstruction; or*	

No.	Salient terms	ZICO Evolve Capital's comments
	(vii) the commencement of any proceedings pursuant to Section 366 of the Companies Act, 2016 in relation to ART (except for the purpose of and followed by reconstruction, amalgamation or reorganisation which does not in the opinion of the other party have a material adverse effect); *then subject always to the Vendor having observed and fulfilled the provisions of the Sale and Purchase Agreements required on its part to be observed or performed, the Vendor shall give to the Purchaser fourty-five (45) business days' notice or such later period as the parties may mutually agree to in writing to rectify the alleged breach or default as stipulated in the said notice. For the avoidance of doubt, no remedy period is to be given to ART in respect of any breach referred to under items (d) to (g) above. In the event that ART fails to rectify the alleged breach or default within the said fourty-five (45) business days or such later period as the parties may mutually agree to in writing, the Vendor shall be entitled at the Vendor's sole and absolute discretion to do either of the following (by notice in writing to ART):* *(a) to require specific performance of the Sale and Purchase Agreements; or* *(b) to claim damages for the breach of the Sale and Purchase Agreements by ART; or* *(c) to terminate the Sale and Purchase Agreements by notice in writing to ART and the parties shall within fourteen (14) business days of receipt by ART of such written notice do the following at ART's own cost and expense:* *(aa) the Vendor shall refund to ART all monies (save and except for the deposit which shall be forfeited by the Vendor as the agreed liquidated damages) received by the Vendor under the Sale and Purchase Agreements (save for any late payment compensation which shall be paid by ART) free of interest;* *(bb) ART shall return and procure the ART's solicitors to return all documents received by ART and/or ART's solicitors pursuant to the Sale and Purchase Agreements, to the Vendor in their original state and condition (fair wear and tear excepted);*	

No.	Salient terms	ZICO Evolve Capital's comments
	(cc) the Vendor shall return all documents received by the Vendor pursuant to the Sale and Purchase Agreements, to ART in their original state and condition (fair wear and tear excepted); *(ee) ART shall re-deliver the possession of the Properties to the Vendor, if the same has been duly delivered to ART pursuant to the Sale and Purchase Agreements in its original state and condition.* *Thereafter, subject to the covenants and indemnity by the respective Vendor which will survive the Sale and Purchase Agreements notwithstanding termination, the Sale and Purchase Agreements shall become null and void and be of no further effect and neither party thereto shall have any further claims action or proceedings against the other in respect of or arising out of the Sale and Purchase Agreements, save and except for any claim arising from any antecedent breach and as provided in the Sale and Purchase Agreements. For the avoidance of doubt, in the event of termination of the Sale and Purchase Agreements, the covenants and indemnity by the respective Vendor shall be applicable.*	

Salient terms of the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement

We have reviewed the salient terms for the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement as set out in Section 3.2 of Part A and **Appendix IV** of the Circular and our comments on the pertinent salient terms are set out below:

<table>
<tr><th>No.</th><th>Salient terms</th><th>ZICO Evolve Capital's comments</th></tr>
<tr><td>1</td><td>Term and renewal

<u>KPJ Ampang Puteri New Building</u>

A period commencing from the date of completion of the KPJ Ampang Puteri SPA to 29 June 2036 ("Contractual Term").

Option to renew for another fifteen (15) years commencing on the day immediately following the last day of the Contractual Term to be mutually agreed by Trustee, JRMSB and APSH.

<u>KPJ Penang New Building</u>

Fifteen (15) years commencing from the date of completion of the KPJ Penang SPA ("Contractual Term").
Option to renew for another fifteen (15) years commencing on the day immediately following the last day of the Contractual Term to be mutually agreed by Trustee, JRMSB and PNG.</td><td>We note that the lease term and renewal options have been mutually agreed between the parties and are deemed reasonable for transactions of similar nature.

We have also note that the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement provides for further negotiation of renewal upon the expiry of their respective Contractual Terms.</td></tr>
<tr><td>2</td><td>Rental Term

<u>KPJ Ampang Puteri New Building</u>

<table><tr><th>Rental Terms</th><th>Rent Review Formula</th></tr><tr><td>1st year of every Succeeding Rental Term (Years 4, 7 and 10)</td><td>6.25% per annum x Open Market Value of the Property ("Base Rent"). For avoidance of doubt, the Base Rent is RM8,187,500.</td></tr><tr><td>2nd & 3rd year of every Succeeding Rental Term (Years 5, 6, 8, 9, 11, 12)</td><td>2.00% incremental increase x the Rent for the preceding year which shall be in RM.</td></tr></table>
<u>KPJ Penang New Building</u>

<table><tr><th>Rental Terms</th><th>Rent Review Formula</th></tr><tr><td>1st year of every Succeeding Rental Term (Years 4, 7 and 10)</td><td>6.25% per annum x Open Market Value of the Property ("Base Rent"). For avoidance of doubt, the Base Rent is RM6,875,000.</td></tr><tr><td>2nd & 3rd year of every Succeeding Rental Term (Years 5, 6, 8, 9, 11, 12)</td><td>2.00% incremental increase x the Rent for the preceding year which shall be in RM.</td></tr></table></td><td>We note that the rental rate and rent review formula throughout the respective Contractual Term were mutually agreed by the parties

Based on our view as set out in Section 6.5.1 of this IAL, we are of the view that the rent formula and the rental amount for the Proposed Lease are fair and reasonable. The use of the Open Market Value of the respective Properties is fair to reflect the current market value.

Based on our view as set out in Section 6.5.3 of this IAL, we are of the view that the incremental rate of 2% for 2nd and 3rd year is reasonable.

We also further note that the use of Open Market Value of the respective Lease Properties in the rent review formula. We are of the view that the term is reasonable as it ensures that the succeeding rental rate reflects the market value of the Properties at the point of review. For the purpose of determining the succeeding rental term, the respective parties are entitled to appoint independent valuers to determine the Open Market Value of the respective Properties. For avoidance of doubt, the parties have the right to mutually agree to vary the Open Market Value determined by the</td></tr>
</table>

No.	Salient terms	ZICO Evolve Capital's comments
		independent valuer and adopt a varied Open Market Value. In the event of any disagreement on the varied Open Market Value, parties shall form a dispute resolution committee comprising two (2) appointed representatives each from Al-'Aqar, Manager and lessees of the Properties. Where necessary, the dispute resolution committee may appoint an independent expert to advise on that matter and the appointment of the independent expert shall be unanimously agreed by the representatives of all parties. We noted that the inclusion of two (2) representatives from Al-'Aqar in the dispute resolution committee provides Al-'Aqar with direct participation in the resolution process and enables Al-'Aqar to safeguard its interest and its non-interested shareholders. We are of the view that the dispute resolution committee arrangement is fair and reasonable as it ensures Al-'Aqar is adequately represented, allow for independent professional input where needed and incorporates safeguard to prevent unilateral decision-making. As such, we are of the view that this approach is fair and is not detrimental to the interest of the non-interested Unitholders of Al-'Aqar.
3	***Conditions precedent*** *The Proposed Leases are conditional upon the fulfilment of the following conditions:* *(i) the approval of the Unitholders of Al-`Aqar being obtained in respect of the Proposed Leases;* *(ii) the approval of the shareholders of KPJ being obtained in respect of the Proposed Leases; and* *(iii) the completion of the Sale and Purchase Agreements*	The conditions precedent are ordinary terms typical to transactions of such nature and necessary for the completion of the Proposed Leases. The agreement conditions represent the necessary approvals and/or procedures to facilitate and give effect the completion of the Lease Agreements. We are of the opinion that the conditions precedent are reasonable.
4	***Registration of Lease Instrument*** *(i) Notwithstanding the Rent Commencement Date, if required, the Lessee shall, upon execution of the Lease Agreements, apply to the authorities for consent for the creation of the lease for the Contractual Term in favour of the Lessee pursuant to the Lease Agreements.* *"**Rent Commencement Date**" means the date of commencement of the lease and rent of the Properties payable by the Lessee.* *(ii) Subject to the prior consent of the Lessor's financier having been obtained by the Lessor (if required), on the Rent Commencement Date:*	This clause is reasonable as it serves to protect the contractual operation of the lease so as to ensure that the KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement will remain valid and enforceable under the contract law in the event the registration of the lease is not or cannot be effected or perfected for any reason whatsoever not due to any fault of the parties. This clause also sets out the responsibilities of the Lessor and the Lessees in order to complete and register the KPJ Ampang Puteri Lease Agreement and the KPJ

No.	Salient terms	ZICO Evolve Capital's comments
	(a) *the Lessor and the Lessee shall execute the Form 15A of the National Land Code ("**Lease Instrument**") for the registration of the lease with the Registrar of Title or Land Administrator (whichever is applicable); and* (b) *the Lessor shall forward the original issue document of title to the land on which the Properties located ("**Land**") to the Lessee.* *In the event the registration of the lease is not or cannot be effected or perfected for any reason whatsoever not due to any fault of the parties, the parties agree that the Lessor shall grant and the Lessee shall take on a tenancy of the Properties on the terms and conditions as stipulated whereupon the Contractual Term shall be for a fixed period of three (3) years with an automatic renewal for additional four (4) terms of three (3) years each for a period. The Lessee shall have the option to procure the said tenancy to be endorsed on the original issue document of title to the Land with the Registrar of Title or Land Administrator (whichever is applicable).* *(iii) In the event the Land is duly charged by the Lessor or any other party having such right to charge the Land, the Lessee shall first obtain the written consent of the chargee by procuring chargee's signature on the Lease Instrument prior to attending to the registration of the Lease with the Registrar of Title or Land Administrator (whichever is applicable) in accordance with Section 226 of National Land Code.* *(iv) The Lessee shall attend to the following:* (a) *to submit the Lease Instrument for adjudication for assessment of stamp duty at the relevant stamp office;* (b) *to pay the stamp duty of the Lease Instrument;* (c) *to present the duly stamped Lease Instrument together with other relevant documents to the relevant land registry for registration of the lease in its favour; and* (d) *upon completion of the registration of the Lease Instrument to extract and forward the original issue document of title to the Land to the Lessor for the Lessor's or its financier's (if any) safekeeping and retention.* *(v) The Lessor and the Lessee agree that they shall work together, as may reasonably be required, to complete and register the Lease Instrument in favour of the Lessee.* *The parties acknowledge that the non-registration of the Lease Instrument for any reason whatsoever shall not affect the contractual operation of the lease and that the Lease Agreements will remain valid and enforceable under the law of contract.*	Penang Lease Agreement in favour of the Lessees.

No.	Salient terms	ZICO Evolve Capital’s comments
5	***Expansion*** *(i) “Expansion” means the construction, renovations and/or refurbishment works within building of Properties and/or attached to building of the Properties, undertaken by the Lessor or Lessee for the purposes of expansion of its business operations resulting:* *(a) in the increase of the gross floor area of the building of the Properties; and* *(b) in the increase of rent pursuant to the Lease Agreements.* *(ii) Option 1 of the Expansion* *In the event the Lessee requests for Expansion and the Lessor and the Manager agree to meet the Expansion request of the Lessee according to Lessee’s specification, the Lessor may, subject to the terms and conditions in the Lease Agreements, make the necessary arrangements, coordinate, manage, monitor and supervise any major structural alterations or additions to the building of the Properties or work which may affect the:* *(a) structure of the Properties (including but not limited to the roof and the foundation);* *(b) mechanical or electrical installations of the Properties; or* *(c) provisions of any services in or to the Properties.* *The Lessor shall bear the development costs and expenses for, and related to the Expansion ("**Expansion Costs**") and shall be solely responsible to procure the financing for the Expansion.* *(iii) Option 2 of the Expansion* *Notwithstanding Option 1 above, subject to the agreement between the parties to the Lease Agreements, the Lessee shall have the option to undertake the Expansion and bear the Expansion Costs, and the parties further agree that the Expansion Costs shall be reimbursed by the Lessor to the Lessee (“**Expansion Reimbursement Costs**”) in accordance with the terms and conditions in the Lease Agreement for Proposed Leaseback.* *(iv) If the expansion results in an increase in the gross floor area of the Properties, the increase in the monthly rent shall be computed as follows:* *Formula: (the rental rate to be agreed between the parties to the Lease Agreement for Proposed Leaseback x Expansion Reimbursement Costs or Expansion Costs, as the case may be)/12 calendar months.*	The clause is favourable to Al-`Aqar, as any Expansion request from the Lessees require prior approval from both the Lessor and the Manager and could potentially result in rental increment.

No.	Salient terms	ZICO Evolve Capital's comments
	(v) *In the event the increase in the rent is incurred during mid of the relevant year of the Contractual Term, such rent shall be prorated to full financial year before applying it in the rent formula for rent increment as set out in the Lease Agreements.* *For avoidance of doubt, in the event the rent has been increased pursuant to item (iv) above, the Base Rent amount shall be revised accordingly to include the incremental amount and thereafter, the aforesaid Base Rent shall be applied in the rent review formula under the Lease Agreements determination of the rent for the relevant succeeding rental terms.*	
6	***New Development*** (i) *New Development means the planning, design, and construction of a new building(s), carpark and/or other structures on the land where the Properties situated or any part thereof complete with inter alia the interior design, the landscape and the infrastructures related thereto.* (ii) *Option 1 of the New Development* *The Lessor grants to the Lessee the right to undertake the New Development on the land where the Properties are situated for the Lessee's business operations.* *Notwithstanding the paragraph above, the Lessor shall have the option to undertake the New Development and bear the development costs and expenses for, and related to the New Development ("**New Development Costs**") and shall be solely responsible to procure the financing for the New Development, subject to the terms and conditions in the Lease Agreements.* (iii) *Option 2 of the New Development* *Notwithstanding Option 1 above, subject to the agreement between the parties to the Lease Agreement for Proposed Leaseback, the Lessee shall have the option to undertake the New Development and bear the New Development Costs, and the parties to the Lease Agreements further agree that the New Development shall be acquired by the Lessor from the Lessee in accordance with the terms and conditions in the Lease Agreements.* *The new rent for the New Development shall be governed by the terms and conditions of the new lease agreement or supplemental lease agreement to be entered into between the Lessees, the Lessor and the Manager for the lease of the New Development.*	This clause in the both KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement is reasonable as it enables the lessor to collaborate with the lessees on the New Development which aimed to improve the lessee's business performance. In turn, this may benefit the lessor by allowing Al-`Aqar to impose additional lease rental arising from the increased asset value or usage.

No.	Salient terms	ZICO Evolve Capital's comments
7	***Events of default and Termination*** *The following are the events of default by the Lessees and consequences under the Lease Agreements:* *(i) a failure or refusal on the part of the Lessee:* *(a) to pay the monthly rent for two (2) consecutive calendar months under the terms of the Lease Agreements on the day such payment is required to be made under the terms of the Lease Agreement (whether the same shall have been formally demanded or not); or* *(b) to pay any sum (other than the rent) due under the terms of the Lease Agreements on the day such payment is required to be made under the terms of the Lease Renewal Agreement (whether the same shall have been formally demanded or not); or* *(c) to duly observe or perform any of the covenants and conditions and/or agreements of the Lessee contained in the Lease Agreement of which is not capable of being remedied or if capable of being remedied such breach is not remedied by the Lessee within a period of thirty (30) calendar days from the date after receipt of written notice thereof from the Lessor to the Lessee requesting action to remedy the same; or* *(ii) the Lessee is in breach of any agreement which has a material adverse effect on the business and/or operations of the Lessee and which affects its ability to fulfil its obligations under the Lease Agreement; or* *(iii) the Lessee shall suffer or do any act or thing whereby the Lessor's and/or the Manager's rights shall or may be prejudiced; or* *(iv) a judgment is obtained by the Lessee for the purpose of Section 466 of the Act and as such, the Lessee is deemed to be unable to pay its debts as they fall due or suspends or threatens to suspend making payments (whether of principal or other payments) with respect to all or any class of its debts, or any other event set out in Section 465 of the Act occurs or the Lessee commences negotiations or takes or institutes proceedings whether under law or otherwise with a view to obtaining a restraining order against creditors under any law or for adjustment or deferment or compromise or rescheduling of its indebtedness or any part thereof or enters into or makes a general assignment or arrangement or composition with or for the benefit of its creditors or declares a moratorium on the repayment of its indebtedness or part thereof or any creditor of the Lessee assumes management of the Lessee and in the case of any of the events aforementioned, the financial condition of the Lessee or the ability of the Lessee to perform its obligation under the Lease Agreements are materially and adversely affected; or*	This clause is reasonable as it safeguards the lessor's interests in the event of a default by the lessees, particularly where no remedial action is taken. Such provisions are common in agreements of such nature. As such, this clause is reasonable.

No.	Salient terms	ZICO Evolve Capital's comments
	(v) a petition is presented or an order is made or a resolution is passed or any other action or step is taken by the Lessee for the winding up of the Lessee or a liquidator or trustee or receiver or receiver and manager is appointed over the whole or any part of the assets or rights or revenues or undertaking of the Lessee and the same is not discharged, withdrawn, set aside or discontinued within thirty (30) calendar days; or *(vi) the Lessee is unable to pay its debt within the meaning of the Act which inability may have a material adverse effect.* *In the event that the event of default has occurred and is continuing, the Lessor shall be at liberty to take any one or more of the following remedies without being responsible or liable for any loss, damage or expense caused to the Lessee as a consequence of such action:* *(i) serve a forfeiture notice upon the Lessee pursuant to Section 235 of the National Land Code (Revised 2020) and it is hereby mutually agreed and deemed that the period stipulated in the forfeiture notice shall be 30 calendar days for the occurrence of the event set out in the paragraph above, and where the breach has not been remedied within the stipulated time of 30 calendar days, to re-enter upon the Properties or any part thereof in the name of the whole, and thereupon the Lease Renewal Agreement shall absolutely terminate;* *(ii) to claim for the monthly rent and all other sums due and payable as stipulated in the Lease Agreements;* *(iii) the Lessor shall be entitled to utilise the security deposits pursuant to the Lease Agreements towards payment or reduction of all sums payable by the Lessee under the Lease Agreements without prejudice to the Lessee's liability for any shortfall;* *(iv) (a) the Lessee shall be liable to pay the Lessor a sum equivalent to the rent for the unexpired period of the Contractual Term as liquidated damages for the loss of rent suffered by the Lessor resulting from termination of the Lease Agreement for Proposed Leaseback due to an event of default;*	

Based on our evaluation above, we are of the view that the salient terms of the Sale and Purchase Agreements, KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement are generally on normal commercial terms for transactions of such nature and the said terms are **fair** and **reasonable**, at arm's length and **not detrimental** to the interests of the non-interested Unitholders of Al-`Aqar.

6.4 Rationale for the Proposed Lease Renewal

The rationale for the Proposed Lease Renewal is as set out in Section 6.2 of Part A of the Circular.

Based on the rationale for the Proposed Lease Renewal, we had made the following observations:

(i) Stable rental income

The Proposed Lease Renewal will enable Al-`Aqar to continue leasing the Lease Properties to KPJ Group, one of the main private hospital operators in Malaysia. As such, the Proposed Lease Renewal will provide a stable and sustainable income to Al-`Aqar for up to 15 years.

Based on Al-`Aqar's financial result for the FYE 31 December 2024, KPJ Group is the sole contributor to its revenue stream and the Lease Properties contributed approximately 21.55% of Al-`Aqar's total revenue for FYE 31 December 2024. In the event the leases for the Lease Properties are not renewed, Al-`Aqar will be exposed to the risk of losing a portion of its rental income. In addition to the above, it will be challenging for Al-`Aqar to identify new ready lessees/tenants given that the Lease Properties are specialised assets.

(Source: Al-`Aqar Annual Report 2024)

(ii) Incremental rental growth

The Proposed Lease Renewal will enable Al-`Aqar to benefit from the subsequent 2% incremental increase of the preceding year's rental income in accordance with the terms and conditions of the Lease Renewal Agreements.

(iii) Supporting distribution stability and long-term growth

The Proposed Lease Renewal will allow Al-`Aqar to meet its financial obligations and dividend distributions to its Unitholders, in line with its investment objective of Al-`Aqar. We note that the investment objective of Al-`Aqar to provide Unitholders with stable distribution per unit with the potential for sustainable long-term growth of both distributions and the net asset value per unit.

Based on the above, we are of the view that the rationale for the Proposed Lease Renewal is **reasonable** and **not detrimental** to the non-interested Unitholders of Al-`Aqar.

6.5 Evaluation of the basis and justification of the rental rates for the Properties and Lease Properties

As set out Section 3.2 and 4.3 of Part A of the Circular, the rental rate was arrived at based on negotiation between the parties. The new rental amount for the first year is derived by multiplying the agreed rental rate of 6.25% with the respective Open Market Value of the Properties and Lease Properties.

6.5.1 Basis and justification of the rental rates for the Properties and Lease Properties

We are of the view that the basis and justifications of arriving at the agreed rental rate of 6.25% for the Properties and Lease Properties are **fair** and **reasonable** after taking into account the factors below as a whole:

(i) the rental rates of 6.25% is within the range of the NPI for real estate investment trusts listed on Bursa Securities which ranged from 2.5% to 9.5% in year 2024 as set out in Section 5(i) of Part A of the Circular;

(ii) the net yield of similar type of properties based on recent Al-`Aqar's transactions, which ranges from 6.00% to 8.11% as set out in Section 5(ii) of Part A of the Circular;

(iii) the current interest rate environment. For information, the Overnight Policy Rate is at 3.00% as at the LPD;

(iv) Al-`Aqar's capital structure and potential appreciation of the open market value of the Properties and Lease Properties; and

(v) Al-`Aqar financial obligations and dividend policy to its Unitholders.

6.5.2 Basis and justification of the Open Market Value for the Properties and Lease Properties

The basis and justification for the Open Market Value of the Properties as set out in Section 6.2 in this IAL.

As for the Lease Properties, we note that in arriving at the market value of the Lease Properties, the Valuer has adopted Income Approach by Profits Method (Discounted Cash Flow ("**DCF**")) as the primary valuation methodology and Cost Approach and Indirect Comparison Approach as a check or secondary valuation methodology if DCF is not applicable. The description of the valuation methodologies used by the Valuer are as follows:

Valuation method	Description
Income Approach by Profits Method (DCF)	This method involves estimating the potential income that the property can generate when operated as a business. The Valuer first calculated the gross annual income by considering rental income and other revenue sources. Then, they deduct the expenses associated with running the business and maintaining the property. Next, a margin of profit were added to account for the business aspect of the property. This margin represents the return expected from operating the property. By subtracting the expenses and adding the profit margin, the Valuer arrived at the net annual income. The net income is then capitalised using a suitable rate of return, which reflects the type and quality of the investment and the associated risk. This capitalisation rate is derived from market data and represents the return that investors would expect. Finally, the capitalised net income were divided by the capitalisation rate to determine the market value of the property, which represents the present worth of its future income stream. The accuracy of the valuation depends on the accuracy of income and expense estimates and the appropriateness of the capitalisation rate used. The Income Approach is commonly used for commercial and investment properties where income generation is a key factor in determining value.
Cost Approach	This method involves assessing the value of the land and buildings separately to determine the market value of the property. First, the Valuer determined the value of the land by comparing it to similar land transactions in the surrounding area, considering factors like location, size, and land use. Adjustments are made for any differences. Next, the Valuer assessed the value of the buildings by calculating the cost of replacing them and adjusting for depreciation or obsolescence based on their current condition. Finally, the land value and the building value were added together to arrive at the market value of the property.

Valuation method	Description
Indirect Comparison Approach	This method involves assessing the value of the land and buildings separately to determine the market value of the property. This method analyses recent transactions and asking prices of comparable properties in the surrounding area, with adjustments made for differences in factors such as location, accessibility and visibility, size, tenure, shape, position and other relevant characteristics.

The summary of the total market value of the Lease Properties as disclosed in the valuation certificate is as follows:

No.	Property	Income Approach by Profits Method (DCF) RM'000	Cost Approach RM'000	Market Value as ascribed by CBRE WTW RM'000	Open Market Value RM'000
(1)	KPJ Penang	70,000	70,000	70,000	67,500
(2)	KPJ Seremban	170,000	160,000	170,000	165,000
(3)	TMC	23,500	23,000	23,500	23,000
(4)	KPJU	-	26,300 (1)	26,300	25,700
(5)	KIC	-	15,700 (1)	15,700	15,350
	Total	**263,500**	**295,000**	**305,500**	**296,550**

Note:

(1) *Cost approach is the sole valuation method that was adopted for KPJU and KIC, in assessing the land based on comparable transactions (with adjustments for site characteristics) and buildings based on depreciated replacement cost, with both components summed to determine the market value.*

The Valuer has considered the market values derived from Income Approach by Profits Method (DCF) to be fair and accurate representation of the market values of KPJ Penang, KPJ Seremban and TMC. These valuations are further supported by values obtained through the Cost Approach, with TMC additionally supported by the Indirect Comparison Approach.

Private specialist hospitals and wellness centres operate as business entities that derive revenue from various healthcare services. The trading performance of these operations is a key driver of the property's value. As such, the Valuer has placed greater emphasis on the Income Approach by Profits Method (DCF), considering it to be the more reliable and appropriate valuation method for such income-generating properties.

We further note that the Valuer has adopted the cost approach as the sole valuation method for KPJU and KIC, as these developments are not fully built, and their operations have generated low cash flow in recent years, which do not reflect the investment characteristics. Thus, adopting the income approach by profits method (DCF) may not applicable which does not reflect the true market value of KPJU and KIC.

We are of the view that the valuation methodologies applied by the Valuer for the valuation of Lease Properties are acceptable and appropriately applied. As such, we concur with the Valuer's approach in valuing the Lease Properties and are of the view that the total market value of RM305.50 million as appraised by the Valuer is **fair.**

Income Approach by Profits Method (DCF)

The Income Approach by Profits Method (DCF) entails the estimation of future annual cash flows over a five (5)-year investment horizon from the valuation date by reference to expected revenue growth rates, operating expenses and the Lease Properties are sold at the commencement of the terminal year of the cash flow. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of the Lease Properties.

The following parameters were adopted by the Valuer in undertaking its assessment:

(i) KPJ Penang

a) Projected bed occupancy rate

The projected bed occupancy rates adopted by the Valuer are as follows:

Year	2025	2026	2027	2028	2029
Occupancy rate (%)	56.00	57.00	58.00	59.00	60.00

The occupancy rate for 2022, 2023 and 2024 were 66.00%, 70.00% and 63.00% respectively. The occupancy rates for 2020 and 2021 were low at 51.00% and 41.00% respectively due to the impact of COVID-19 pandemic.

Based on the above, we are of the opinion that the projected occupancy rates are fair as they are within the range of the historical occupancy rates.

b) Gross operating revenue

The projected revenue consists of hospital revenue, consultant revenue and other income (clinic rental, rental received and sundry income).

The Valuer has taken into consideration the revenue trend for the past five (5) years from 2020 to 2024 and excluded years 2020 and 2021 which were impacted by COVID-19 pandemic to project the revenue for years 2025 to 2029.

Taking into consideration the historical performance, the Valuer has apportioned the projected revenue based on historical five (5)-year trend of 96.6% for hospital revenue, 3.3% for consultant revenue and 0.1% for other income. For further details on the historical and forecasted gross operating revenue, kindly refer to the valuation certificate in **Appendix I** of the Circular.

Based on the above, we are of the opinion that the projected gross operating revenue is fair.

c) Cost of sale

The cost of sale consists of material cost, direct staff cost and operating overhead.

We note that the Valuer has adopted 25%, 22% and 10% of the gross operating revenue for material cost, direct staff cost and operating overhead respectively, which have been derived based on the five (5)-year trend from 2020 to 2024 (excluding years 2020 and 2021 which were impacted by COVID-19 pandemic). For further details on the historical and forecasted gross operating cost, kindly refer to the valuation certificate in **Appendix I** of the Circular.

Based on the above, we are of the opinion that the projected cost of sale is fair.

d) Administrative expenses

The administrative expenses consist of indirect staff cost, administrative overhead and management fees.

We note that the Valuer has adopted 7.5%, 10.0% and 2.5% of the gross operating revenue for indirect staff cost, administrative overhead and management fee respectively, which have been derived based on the five (5)-year trend from 2020 to 2024 (excluding years 2020 and 2021 which were impacted by COVID-19 pandemic). For further details on the historical and forecasted gross operating cost, kindly refer to the valuation certificate in **Appendix I** of the Circular.

Based on the above, we are of the opinion that the projected administrative expenses is fair.

e) Fixed charges and related expenses

The Valuer has adopted the actual quit rent and assessment and insurance premium for the hospital for the year 2024.

f) Tenant share

Tenant share refers to the portion of the profit generated by a hospital that is allocated to the operator or the entity responsible for managing and running the hospital's operations. In the context of hospitals, this share represents the amount of profit or income that is retained by the operator after deducting various expenses and costs associated with the hospital's operation. This share reflects the operator's compensation for their role in managing the hospital and assumes the associated risks and responsibilities.

The Valuer has adopted 40% tenant share, which is reasonable as it is consistent with the market practice for hospital industry.

g) Capitalisation rate

The Valuer adopted a capitalisation rate of 7.00% after taking into consideration the location of the subject property, the gross/net yield ranges of recent transactions of similar properties ranges from 5.84% to 7.62%.

Based on the above, we are of the opinion that the applied capitalisation rate of 7.00% is fair.

h) Discount rate

The discount rate used in the valuation is derived by considering the risk-free interest rate as a baseline and incorporating an additional risk premium specific to the hospital industry. This approach accounts for the unique risks associated with investments in this particular sector.

The Valuer have made reference to the 10-year Malaysian Government Securities ("**MGS**") yield as at 17 March 2025 ("**Valuation Date**") and added a risk premium within a range of 5% to 7% in view of the greater investment risk in the hospital industry as compared to the normal investment in government bonds. The Valuer have also made reference to yields of different classes of REITs as disclosed in (g) above to arrive at the discount rate. After taking into account the aforementioned, the location and the tenure of the subject property, the discount rate adopted by the Valuer is 9.00%.

Based on the above, we are of the view that the applied discount rate of 9.00% is fair.

(ii) KPJ Seremban

a) Occupancy rate

The projected bed occupancy rates adopted by the Valuer are as follows:

Year	2025	2026	2027	2028	2029
Occupancy rate (%)	63.50	65.00	66.50	68.00	69.50

The occupancy rate for 2022, 2023 and 2024 were 55.00%, 63.00% and 62.00% respectively. The occupancy rates for 2020 and 2021 were low at 43.00% and 41.00% respectively due to the impact of COVID-19 pandemic.

We note that a higher projected occupancy rates were adopted for KPJ Seremban vis-a-vis its historical occupancy rates after taking into consideration its strategic location of KPJ Seremban approximately 3 kilometres away from the town centre of Seremban, with great accessibility via the main highway road of Jalan Sungai Ujong and partly due to the developed commercial area within the same locality such as Kemayan Square and Palm Mall. In addition to the above, KPJ Seremban also offered a variety of more than 15 medical services including oral and maxillofacial surgery, neurosurgery, upper git surgery, vascular surgery, obstetrician and gynaecology, nephrology and psychiatric with competitive rates as compared to other private medical centres in Seremban.

Based on the above, we are of the opinion that the projected occupancy rates are fair.

b) Gross operating revenue

The projected revenue consists of hospital revenue, consultant revenue and other income (clinic rental, rental received and sundry income).

The Valuer has taken into consideration the revenue trend for the past five (5) years from 2020 to 2024 and excluded years 2020 and 2021 which were impacted by COVID-19 pandemic to project the revenue for years 2025 to 2029.

Taking into consideration the historical performance, the Valuer has apportioned the projected revenue based on historical five (5)-year trend of 95% for hospital revenue, 4% for consultant revenue and 1% for other income. For further details on the historical and forecasted gross operating revenue, kindly refer to the valuation certificate in **Appendix I** of the Circular.

Based on the above, we are of the opinion that the projected gross operating revenue is fair.

c) **Cost of sale**

The cost of sale consists of material cost, direct staff cost and operating overhead.

We note that the Valuer has adopted 28%, 21% and 8% of the gross operating revenue for material cost, direct staff cost and operating overhead respectively, which have been derived based on the five (5)-year trend from 2020 to 2024 (excluding years 2020 and 2021 which were impacted by COVID-19 pandemic). For further details on the historical and forecasted gross operating cost, kindly refer to the valuation certificate in **Appendix I** of the Circular.

Based on the above, we are of the opinion that the projected cost of sale is fair.

d) **Administrative expenses**

The administrative expenses consist of indirect staff cost, administrative overhead and management fees.

We note that the Valuer has adopted 8%, 12% and 2% of the gross operating revenue for indirect staff cost, administrative overhead and management fees respectively, which have been derived based on the five (5)-year trend from 2020 to 2024 (excluding years 2020 and 2021 which were impacted by COVID-19 pandemic). For further details on the historical and forecasted gross operating cost, kindly refer to the valuation certificate in **Appendix I** of the Circular.

Based on the above, we are of the opinion that the projected administrative expenses is fair.

e) **Fixed charges and related expenses**

The Valuer has adopted the actual quit rent and assessment and insurance premium for the hospital for the year 2024.

f) **Tenant share**

Tenant share refers to the portion of the profit generated by a hospital that is allocated to the operator or the entity responsible for managing and running the hospital's operations. In the context of hospitals, this share represents the amount of profit or income that is retained by the operator after deducting various expenses and costs associated with the hospital's operation. This share reflects the operator's compensation for their role in managing the hospital and assumes the associated risks and responsibilities.

The Valuer has adopted 40% tenant share, which is reasonable as it is consistent with the market practice for hospital industry.

g) **Capitalisation rate**

The Valuer adopted a capitalisation rate of 6.50% after taking into consideration the location of the subject property in a less established area as compared to recent transactions of similar properties, the gross/net yield ranges of recent transactions of similar properties ranges from 5.61% to 6.76% as well as the net yield of selected industrial properties within Klang Valley ranging from 6.20% to 7.00% and Johor ranging from 7.34% to 10.23% owned by other REITs in Malaysia.

Based on the above, we are of the opinion that the applied capitalisation rate of 6.50% is fair.

h) **Discount rate**

The discount rate used in the valuation is derived by considering the risk-free interest rate as a baseline and incorporating an additional risk premium specific to the hospital industry. This approach accounts for the unique risks associated with investments in this particular sector.

The Valuer have made reference to the 10-year MGS yield as at the Valuation Date and added a risk premium of between 5% to 7% in view of the greater investment risk in the hospital industry as compared to the normal investment in government bonds.

The Valuer have also made reference to yields of different classes of REITs as disclosed in (g) above to arrive at the discount rate. After taking into account the aforementioned, the location and the tenure of the subject property, the discount rate adopted by the Valuer is 8.50%.

Based on the above, we are of the view that the applied discount rate of 8.50% is fair.

(iii) TMC

a) **Occupancy rate**

The projected bed occupancy rates adopted by the Valuer are as follows:

Year	2025	2026	2027	2028	2029
Occupancy rate (%)	61.00	61.00	62.00	62.00	63.00

The occupancy rate for 2022, 2023 and 2024 were 54.00%, 62.00% and 60.00% respectively. The occupancy rates for 2020 and 2021 were low at 35.00% and 32.00% respectively due to the impact of COVID-19 pandemic.

We note that a higher projected occupancy rates were adopted for TMC vis-a-vis its historical occupancy rates after taking into consideration the increase in number of population and the life expectancy of population in Larut and Matana, Perak, which leads to a greater demand for healthcare services.

Based on the above, we are of the opinion that the projected occupancy rates are fair.

b) **Gross operating revenue**

The projected revenue consists of hospital revenue, consultant revenue and other income (clinic rental, rental received and sundry income).

The Valuer has taken into consideration the revenue trend for the past five (5) years from 2020 to 2024 and excluded years 2020 and 2021 which were impacted by COVID-19 pandemic to project the revenue for years 2024 to 2028.

The Valuer has apportioned the projected revenue based on historical five (5)-year trend of 90% for hospital revenue, 9.5% for consultant revenue and 0.13% for other income. For further details on the historical and forecasted gross operating revenue, kindly refer to the valuation certificate in **Appendix I** of the Circular.

Based on the above, we are of the opinion that the projected gross operating revenue is fair.

c) Cost of sale

The cost of sale consists of material cost, direct staff cost and operating overhead.

We note that the Valuer has adopted 22%, 25% and 12% of the gross operating revenue for material cost, direct staff cost and operating overhead respectively, which have been derived based on the five (5)-year trend from 2020 to 2024 (excluding years 2020 and 2021 which were impacted by COVID-19 pandemic). For further details on the historical and forecasted gross operating cost, kindly refer to the valuation certificate in **Appendix I** of the Circular.

Based on the above, we are of the opinion that the projected cost of sale is fair.

d) Administrative expenses

The administrative expenses consist of indirect staff cost, administrative overhead and management fees.

We note that the Valuer has adopted 10.0%, 13.0% and 3.0% of the gross operating revenue for indirect staff cost, administrative overhead and management fees respectively, which have been derived based on the five (5)-year trend from 2020 to 2024 (excluding years 2020 and 2021 which were impacted by COVID-19 pandemic). For further details on the historical and forecasted gross operating cost, kindly refer to the valuation certificate in **Appendix I** of the Circular.

Based on the above, we are of the opinion that the projected administrative expenses is fair.

e) Fixed charges and related expenses

The Valuer has adopted the actual quit rent and assessment and insurance premium for the hospital for the year 2024.

f) Tenant share

Tenant share refers to the portion of the profit generated by a hospital that is allocated to the operator or the entity responsible for managing and running the hospital's operations. In the context of hospitals, this share represents the amount of profit or income that is retained by the operator after deducting various expenses and costs associated with the hospital's operation. This share reflects the operator's compensation for their role in managing the hospital and assumes the associated risks and responsibilities.

The Valuer has adopted 40% tenant share, which is reasonable as it is consistent with the market practice for hospital industry.

g) Capitalisation rate

The Valuer adopted a capitalisation rate of 7.00% after taking into consideration the location of the subject property in a less established area as compared to recent transactions of similar properties, the gross/net yield ranges of the said recent transactions of similar properties ranges from 5.84% to 7.62% as well as the net yield of selected properties within Klang Valley and ranging from 6.20% to 7.00% and Johor ranging from 7.34% to 10.23% owned by other REITs in Malaysia.

Based on the above, we are of the opinion that the applied capitalisation rate of 7.00% is fair.

h) Discount rate

The discount rate used in the valuation is derived by considering the risk-free interest rate as a baseline and incorporating an additional risk premium specific to the hospital industry. This approach accounts for the unique risks associated with investments in this particular sector.

The Valuer have made reference to the 10-year MGS yield as at the Valuation Date and added a risk premium of between 5% to 7% in view of the greater investment risk in the hospital industry. The Valuer have also made reference to yields of different classes of REITs as disclosed in (g) above to arrive at the discount rate. After taking into account the aforementioned, the location and the tenure of the subject property, the discount rate adopted by the Valuer is 9.00%.

Based on the above, we are of the view that the applied discount rate of 9.00% is fair.

6.5.3 Cost approach

The Valuer adopted the cost approach as a check for the income approach or secondary valuation methodology if income approach is not applicable as detailed in Section 6.4 of this IAL. The summary of the cost approach for the Lease Properties are as follows:

(i) KPJ Penang

In arriving at the market value of the land component, the Valuer has adopted the market/comparison approach. The following sale evidence, amongst others, are considered suitable comparables and adopted:

Description		Comparable 1	Comparable 2	Comparable 3
Location	:	Butterworth	Bukit Mertajam	Bukit Mertajam
Lot no.	:	64, 8927 and 8928	10127	1453
Mukim/Town	:	Mukim 16	Mukim 7	Mukim 15
District	:	Seberang Perai Tengah		
State	:	Penang		
Property Type	:	Development land		
Land area	:	12,832.36 sq. metres (Approximately 138,126 sq. ft./ 3.171 acres)	7,838 sq. metres (Approximately 84,367 sq. ft./ 1.937 acres)	3,184 sq. metres (Approximately 34,272 sq. ft./ 0.787 acres)
Tenure	:	Term in perpetuity (freehold)		
Transaction date	:	24 September 2024	18 October 2023	17 January 2023
Vendor	:	Ooi & Sons Sdn Bhd	Darul Ikon (M) Sdn Bhd	Teh Hock Guan +1
Purchaser	:	Omnimetal Sdn Bhd	Jadem White Sdn Bhd	Victons Malaysia Sdn Bhd
Consideration	:	RM14,503,275	RM9,280,428	RM3,427,229
Analysis (psf)	:	RM105	RM110	RM100
Adjustment factors considered	:	Adjustments have been made to location, accessibility, visibility, size, land area, intensity of use, immediate surroundings, shape, frontage, zoning, facing flyover and site improvement		
Total adjustments	:	22.5%	-5%	25%
Adjusted value of land (psf)	:	RM129	RM105	RM125

Based on the above, the Valuer is of the opinion that Comparable 1 is the best comparable as it is located within the same locality and district of Seberang Perai as of the subject property, and it is the latest transaction. The Valuer has adopted the rounded adjusted value of RM130.00 psf as fair representation which translates into a market value of the development land of RM24,629,970 and the Valuer has rounded up to RM25,000,000.

The Valuer has adopted RM150 to RM400 psf (existing building – North Wing) for the cost of building replacement based on analysis of estimated construction cost and guidance from JUBM and Arcadis Construction Cost Handbook Malaysia 2024. After taking into account the age and existing condition of the building, the Valuer has applied a depreciation rate of 32% over a lifespan of 50 years from the Valuation Date. The building value of the existing building – North Wing is derived at RM44,808,613 and the Valuer has rounded up to RM45,000,000.

Thus, the total market value derived from the cost approach is RM70,000,000.

(ii) KPJ Seremban

In arriving at the market value of the land component, the Valuer has adopted the market/comparison approach. The following sale evidence, amongst others, are considered suitable comparables and adopted:

Description		Comparable 1	Comparable 2	Comparable 3	Comparable 4
Location	:	Sendayan Avenue	Pusat Komersial Saujana (Plazo)	Seremban 2	
Lot no.	:	PT 1064	Lot 51512	Lot 25777	Lot 33692
Mukim/Town	:	Bandar Sri Sendayan	Mukim of Rasah	Bandar Seremban Utama	
District	:	Seremban			
State	:	Negeri Sembilan			
Property type	:	Commercial Land			
Land area	:	6,071 sq. metres (Approximately 65,348 sq. ft./ 1.500 acres)	4,240.8 sq. metres (Approximately 45,648 sq. ft./ 1.048 acres)	5,078 sq. metres (Approximately 54,659 sq. ft./ 1.255 acres)	6,067 sq. metres (Approximately 65,305 sq. ft./ 1.499 acres)
Tenure	:	Term in perpetuity (Freehold)			
Transaction date	:	22 May 2024	31 March 2024	07 April 2023	11 May 2022
Vendor	:	HSL Capital Sdn Bhd	Seremban Two Holdings Sdn Bhd	RB Land Sdn Bhd	Seremban Two Holdings Sdn Bhd
Purchaser	:	Keen Point (M) Sdn Bhd	Ggate Sdn Bhd	Gunasegaran A/L Sellapan +2	Anzac Properties Sdn Bhd
Consideration	:	RM4,900,500	RM4,108,317	RM4,372,700	RM5,877,400
Analysis (psf)	:	RM75	RM90	RM80	RM90
Adjustment factors considered	:	Adjustments have been made to location, accessibility, visibility, size, land use, site improvement, planning approval and plot ratio			
Total adjustments	:	5%	0%	0%	0%
Adjusted value of land (psf)	:	RM79	RM90	RM80	RM90

Based on the above, the Valuer is of the opinion that Comparable 2 is the best comparable as it is the latest transaction with minimal adjustment made. The Valuer has adopted the rounded adjusted value of RM90.00 psf as fair representation which translates into a market value of the commercial land of RM21,767,850 of which was rounded up to RM22,000,000.

The Valuer has adopted RM400 psf (existing building) and RM100 to RM400 psf (new building) for the cost of building replacement based on analysis of estimated construction cost and guidance from JUBM and Arcadis Construction Cost Handbook Malaysia 2024. After taking into account the age and existing condition of the building, the Valuer has applied a depreciation rate of 20% for the existing building over a lifespan of 50 years from the Valuation Date and a depreciate rate of 5% for the new building. The building value of the existing building is derived at RM58,243,840 and the Valuer has rounded up to RM58,000,000. The building value of the new building is derived at RM79,546,350 and the Valuer has rounded up to RM80,000,000.

Thus, the total market value derived from the cost approach is RM160,000,000.

(iii) TMC

In arriving at the market value of the land component, the Valuer has adopted both the cost and indirect comparison approach. The following sale evidence, amongst others, are considered suitable comparables and adopted:

Approach A – Indirect comparison approach

Description		Comparable 1	Comparable 2	Comparable 3
Location	:	No.5, Jalan Panggung Wayang, Bandar Taiping, Perak	Jalan Wayang Gambar, Bandar Taiping	Jalan Pasar, Bandar Taiping
Lot no.	:	Lot 2594	Lot 14696 – 14699 (Inclusive)	Lot 458 -461 (Inclusive)
Mukim/Town	:	Bandar Taiping	Tupai	Bandar Taiping
District	:	Larut Matang		
State	:	Perak		
Property type	:	One (1) unit of four-storey shopoffice	Four (4) parcels of Commercial Terraced Lot	Four (4) unit of two (2) – storey pre-war shop
Land area	:	165.08 sq. metres (1,777 sq. ft./ 0.04 acres)	825 sq. metres (8,800 sq. ft./ 0.20 acres)	722.39 sq. metres (7,776 sq. ft./ 0.18 acres)
Tenure	:	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)	Leasehold expiring on 8 October 2881, 9 October 2881 & 12 July 2886
Transaction date	:	07 August 2024	13 January 2023	04 November 2020
Vendor	:	Teoh Eng Khong, Teoh Hooi Leng & Teoh Eng Kean	Hai Huat (Brothers) Food Processing Sdn. Bhd.	Scenic Kingdom Services (M) Sdn Bhd
Purchaser	:	Wong Chee Leong	Gene Martino Apparel (East Cost) Sdn. Bhd.	Vivian Teoh Huey Min
Consideration	:	RM999,999	RM2,000,000	RM3,000,000
Block Value Analysis (psf)	:	RM563	RM225	RM386
Adjustment factors considered	:	Adjustments have been made to accessibility/visibility, size, tenure and site improvement		
Total adjustments	:	-58%	0%	38%

Description		Comparable 1	Comparable 2	Comparable 3
Adjusted value of land (psf)	:	RM239	RM225	RM239

Based on the above, the Valuer is of the opinion that Comparable 1 is the best comparable as it is the latest transaction. The Valuer has adopted the rounded adjusted value of RM240.00 psf as fair representation which translates into a market value of the commercial terraced lot of RM2,301,752 and the Valuer has rounded up to RM2,300,000.

The Valuer has adopted RM90 to RM180 psf for the cost of building replacement based on analysis of estimated construction cost and guidance from JUBM and Arcadis Construction Cost Handbook Malaysia 2024. After taking into account the age and existing condition of the building, the Valuer has applied a depreciation rate of 40% over a lifespan of 50 years from the Valuation Date. The building value of the subject property is derived at RM4,245,398 and the Valuer has rounded up to RM4,200,000.

Thus, the market value derived from the indirect comparison approach is RM6,500,000.

Approach B – Cost approach

Description		Comparable 1	Comparable 2	Comparable 3
Location	:	Jalan Simpang/ Kuala Kangsar, Pekan Simpang	Jalan Raja Sulong, Kg Boyan	Jalan Kota, Bandar Taiping
Lot no.	:	Lot Nos. 477 & 478	Lot Nos. 34773 & 34774	Lot No. 2298
Mukim/Town	:	Pekan Simpang	Asam Kumbang	Bandar Taiping
District	:	Larut Matang		
State	:	Perak		
Property type	:	Commercial Land		
Land area	:	298 sq. metres (3,208 sq. ft./ 0.07 acre)	726 sq. metres (7,815 sq. ft./ 0.18 acre)	2,514 sq. metres (27,062 sq. ft./ 0.62 acres)
Tenure	:	Term in perpetuity (Freehold)		
Transaction date	:	22 April 2024	22 February 2024	31 March 2023
Vendor	:	Pen Petroleum Sdn Bhd	Not Available	Syarikat Ban Aik Auto Supply Sdn. Bhd.
Purchaser	:	Pendang Pembangunan Sdn Bhd	Not Available	Ong Teng Joo
Consideration	:	RM372,000	RM800,000	RM3,000,000
Analysis (psf)	:	RM116	RM102	RM111
Adjustment factors considered	:	Adjustments have been made to location, accessibility, visibility, size, tenure, shape and site improvement		
Total adjustments	:	-10%	0%	-15%
Adjusted value of land (psf)	:	RM104	RM102	RM94

Based on the above, the Valuer is of the opinion that Comparable 1 is the best comparable as it is the latest transaction. The Valuer has adopted the rounded adjusted value of RM105.00 psf as fair representation which translates into a market value of the commercial land of RM4,016,775 and the Valuer has rounded up to RM4,000,000.

The Valuer has adopted RM215 to RM430 psf for the cost of building replacement based on analysis of estimated construction cost and guidance from JUBM and Arcadis Construction Cost Handbook Malaysia 2024. After taking into account the age and existing condition of the building, the Valuer has applied a depreciation rate of 5% over a lifespan of 50 years from the Valuation Date. The building value of the subject property is derived at RM12,433,452 and the Valuer has rounded up to RM12,500,000.

Thus, the market value derived from the cost approach is RM16,500,000.

In summary, the total market value for the subject property derived from indirect comparison and cost approach is RM23,000,000.

(iv) KPJU

In arriving at the market value of the land component, the Valuer has adopted the market/comparison approach. The following sale evidence, amongst others, are considered suitable comparables and adopted:

Description		Comparable 1	Comparable 2	Comparable 3
Location	:	Nilai Impian	Taman Nilai Perdana	Bandar Baru Nilai
Lot no.	:	Lot 19061, PT 1231 & 19057	Lot 19653	Lot 26827 to Lot 26829 (inclusive)
Mukim/Town	:	Mukim of Sentul	Bandar Nilai Utama	Bandar Nilai Utama
District	:	Seremban		
State	:	Negeri Sembilan		
Land area	:	62,147 sq. metres (Approximately 668,944 sq. ft./ 15.36 acres)	16,606 sq. metres (Approximately 178,745 sq. ft./ 4.10 acres)	20,536 sq. metres (Approximately 219,110 sq. ft./ 5.03 acres)
Tenure	:	Term in perpetuity (Freehold)		
Transaction date	:	03 January 2024, 14 December 2023 and 12 September 2023	15 May 2022	11 February 2022
Vendor	:	The London Asiatic Rubber and Produce Company Limited	Nidev Asia (M) Sdn Bhd	Nilai Resources Properties Sdn Bhd
Purchaser	:	Hytech Engineering Sdn Bhd	Sunrich Victory Sdn Bhd	Hema Sdn Bhd
Consideration	:	RM36,122,976	RM14,000,000	RM16,652,372
Analysis (psf)	:	RM54	RM78	RM76
Adjustment factors considered	:	Adjustments have been made to location, size, terrain, site improvement, plot ratio and other adjustment (Public Transportation)		
Total adjusstments	:	7.5%	-12.5%	-10%
Adjusted value of land (psf)	:	RM58	RM69	RM68

Based on the above, the Valuer is of the opinion that Comparable 2 and 3 is the best comparable as both have similarity in terms of land area to the subject property. The Valuer has adopted the rounded adjusted value of RM 70.00 psf as fair representation for part of PT552 and RM60.00 psf for PT 551 after further adjustment on category of land use. The market value derived for the commercial land was RM13,776,720 of which was rounded up to RM13,700,000.

The Valuer has adopted RM100 to RM200 psf for the cost of building replacement based on analysis of estimated construction cost and guidance from JUBM and Arcadis Construction Cost Handbook Malaysia 2024. After taking into account the age and existing condition of the building, the Valuer has applied a depreciation rate of 40% over a lifespan of 50 years from the Valuation Date. The building value of the subject property is derived at RM12,564,168 and the Valuer has rounded up to RM12,600,000.

Thus, the market value derived from the cost approach is RM26,300,000.

(v) KIC

In arriving at the market value of the land component, the Valuer has adopted the market/comparison approach. The following sale evidence, amongst others, are considered suitable comparables and adopted:

Subject component (A)- Land of approximately 0.3 acre and the subject building erected thereon

Description		Comparable 1	Comparable 2	Comparable 3	Comparable 4
Location	:	Butterworth	Bukit Mertajam	Butterworth	Bukit Mertajam
Lot no.	:	Geran 95235	Geran 173889	GM 904	Geran 115320
Mukim/Town	:	Section 3, Town of Butterworth	Section 4, Town of Butterworth	Mukim 15	Section 3, Town of Butterworth
District	:	Seberang Perai Utara	Seberang Perai Utara	Seberang Perai Tengah	Seberang Perai Utara
State	:	Penang			
Property type	:	Development land			
Land area	:	1,795 sq. metres (Approximately 19,321 sq. ft./ 0.444 acre)	958 sq. metres (Approximately 10,312 sq. ft./ 0.237 acre)	3,184 sq. metres (Approximately 34,272 sq. ft./ 0.787 acre)	1,547 sq. metres (Approximately 16,652 sq. ft./ 0.382 acre)
Tenure	:	Term in perpetuity (Freehold)			
Transaction date	:	26 August 2024	21 July 2023	17 January 2023	11 November 2022
Vendor	:	Che Som Bt Syed Rastan	Guaranteed Acceptance Sdn Bhd	Teh Hock Guan +1	Praicon Corporation Sdn Bhd
Purchaser	:	Umadevi A/P Kuppusami	OFA Ventures Sdn Bhd	Victons Malaysia Sdn Bhd	Eik Seng Machinery Sdn Bhd
Consideration	:	RM2,299,225	RM1,400,000	RM3,427,229	RM2,993,736
Analysis (psf)	:	RM119	RM136	RM100	RM180
Adjustment factors considered	:	Adjustments have been made to location, accessibility/visibility, immediate surroundings, size, shape, frontage, zoning, intensity of use, facing flyover, next to cemetery and site improvement			
Total adjustments	:	-5%	-20%	15%	-40%
Adjusted value of land (psf)	:	RM113	RM109	RM115	RM108

Based on the above, the Valuer is of the opinion that Comparable 1 is the best comparable as it is the latest transaction and similar land sizes. The Valuer has adopted the rounded adjusted value of RM111.00 psf as fair representation which translates into a market value of the development land of RM1,437,480 and the Valuer has rounded up to RM1,400,000.

The Valuer has adopted average rate of RM270 psf for the cost of building replacement based on analysis of estimated construction cost and guidance from JUBM Group Construction Cost Handbook Malaysia 2024. After taking into account the age and existing condition of the building, the Valuer has applied a depreciation rate of 65% over a lifespan of 50 years from the Valuation Date. The building value of the subject property is derived at RM4,062,458 and the Valuer has rounded up to RM4,100,000.

Thus, the market value of subject component (A) derived from the cost approach is RM5,500,000.

Subject component (B)- remaining vacant land of approximately 2.6 acres

Description		Comparable 1	Comparable 2	Comparable 3
Location	:	Butterworth	Bukit Mertajam	Bukit Mertajam
Lot no.	:	GM 351, 1296 and 1297	GM 1193	GM 904
Mukim/Town	:	Mukim 16	Mukim 7	Mukim 15
District	:	Seberang Perai Utara	Seberang Perai Tengah	Seberang Perai Tengah
State	:	Penang		
Property type	:	Development land		
Land area	:	12,832.364 sq. metres (Approximately 138,126 sq. ft./ 3.171 acres)	7,838 sq. metres (Approximately 84,367 sq. ft./ 1.937 acres)	3,184 sq. metres (Approximately 34,272 sq. ft./ 0.787 acre)
Tenure	:	Term in perpetuity (Freehold)		
Transaction date	:	26 September 2024	18 October 2023	17 January 2023
Vendor	:	Ooi & Sons Sdn Bhd	Daruk Ikon (M) Sdn Bhd	Teh Hock Guan +1
Purchaser	:	Omnimetal Sdn Bhd	Jadem White Sdn Bhd	Victons Malaysia Sdn Bhd
Consideration	:	RM14,503,275	RM9,280,428	RM3,427,229
Analysis (psf)	:	RM105	RM110	RM100
Adjustment factors considered	:	Adjustments have been made to location, accessibility, visibility, shape, frontage, zoning, intensity of use, facing flyover and site improvement		
Total adjustments	:	-12.5%	-25%	-10%
Adjusted value of land (psf)	:	RM92	RM83	RM90

Based on the above, the Valuer is of the opinion that Comparable 1 is the best comparable as it is the latest transactions and similar land sizes. The Valuer has adopted the rounded adjusted value of RM90.00 psf as fair representation which translates into a market value of the development land of RM10,193,040 and the Valuer has rounded up to RM10,200,000.

Thus, the market value of subject component (B) derived from the cost approach is RM10,200,000.

In summary, the total market value for the subject property derived from cost approach is RM15,700,000.

6.5.4 Evaluation of the annual increment to rent for Years 2 and 3

The basis and justification for arriving at the annual increment to rent for Years 2 and 3 are set out in Section 5 of Part A of the Circular.

We note that the basis for the 2% incremental increase per annum over the rent amount for the preceding year for Years 2 and 3 of each rental term was arrived at after taking into consideration the movement of the Consumer Price Index (inflation rate). As such, we have provided below the annual inflation rates in Malaysia for the past 10 years as recorded by the Department of Statistics Malaysia.

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Inflation rate, % (i)	3.10	2.10	2.10	3.80	1.00	0.70	(1.10) (ii)	2.50	3.40	2.50
									High	*3.80*
									Low	*0.70*
									Average	*2.36*

(Source: Department of Statistics Malaysia)

***Notes*:**

(i) *Inflation rate are represented by the year over year percentage changes of the Malaysia's Consumer Price Index (CPI) reported monthly by the Department of Statistic Malaysia.*

(ii) *Excluded due to being an outlier.*

Based on the table above, we note that the 2.00% annual increment to rent is 0.36% lower than Malaysia's 10-year average inflation of 2.36%.

We are of the view that the 2.00% annual increment to rent for Years 2 and 3 is **fair and reasonable.**

Succeeding rental term

6.5.5 Evaluation of the rent review formula for KPJ Penang, KPJ Seremban and KPJU

We note that the rent review formula for the first year of every succeeding rental term applies to the KPJ Penang, KPJ Seremban and KPJU but does not apply to TMC and KIC due to the short duration of their respective contractual terms as set out in Section 4.3 of Part A of the Circular.

The rental review formula allows for any potential upward adjustments in the market value of KPJ Penang, KPJ Seremban and KPJU, based on revaluation to be carried out by an independent valuer jointly appointed or mutually agreed upon by the parties. Any upward adjustment to the rent shall not exceed 2.00% of the rent for the preceding year.

We further note that any increase in the gross floor area of KPJ Penang, KPJ Seremban and KPJU arising from any purpose of expansion or new development as defined in Lease Renewal Agreements, will require the execution of a new or supplemental Lease Renewal Agreements. Consequently, the total rent payable will be revised to include the rental amount attributable to such expansion and/or new development, subject to the terms and conditions of the new or supplemental Lease Renewal Agreements. For our assessment of the key terms of the Lease Renewal Agreements, please refer to Section 6.6 below.

Based on the above, we are of the view that the rent review formula is **fair and reasonable.**

6.6 Salient terms of the Lease Renewal Agreements

We have reviewed the salient terms of the Lease Renewal Agreements as set out in Section 4.3 of Part A and **Appendix V** of the Circular and our comments on the pertinent salient terms are set out below:

No.	Salient terms	ZICO Evolve Capital's comments
(1)	***Conditions precedent of the Lease Renewal Agreements*** *The Proposed Lease Renewal is conditional upon the fulfilment of the following conditions:* *(i) the approval of the Unitholders of Al-`Aqar being obtained in respect of the Proposed Lease Renewal; and* *(ii) the approval of the shareholders of KPJ being obtained in respect of the Proposed Lease Renewal.*	The agreement conditions represent the necessary approvals and/or procedures to facilitate and give effect to the completion of the Lease Renewal Agreements. We are of the opinion that the Lease Renewal Agreements conditions are reasonable.
(2)	***Contractual Term of the Lease Renewal Agreements*** *The Lessor and the Lessees agree that the Proposed Lease Renewal shall be for the following Contractual Term:* *(i) the lease of KPJ Penang for a period of fifteen (15) years commencing from the Rent Commencement Date, being the date that corresponds with the date of completion of the KPJ Penang SPA, with an option to renew/extend for another fifteen (15) years;* *(ii) the lease of KPJ Seremban for a period of fifteen (15) years commencing from 1 August 2025 to 31 July 2040 with an option to renew/extend for another fifteen (15) years;* *(iii) the lease of TMC for a period of three (3) years commencing from 1 August 2025 to 31 July 2028 with an option to renew/extend for another two (2) years;* *(iv) the lease of KPJU for a period of five (5) years and eight (8) months commencing from 1 August 2025 to 31 March 2031 with an option to renew/extend for another fifteen (15) years; and* (v) *the lease of KIC for a period of one (1) year commencing from 1 August 2025 to 31 July 2026 with an option to renew/extend for another one (1) year.*	The Contractual Term of fifteen (15) years for both KPJ Penang and KPJ Seremban is considered reasonable, as it aligns with the duration the Initial Contractual Term. Securing a long-term lease with a reputable and publicly listed hospital operator is advantageous to Al-`Aqar. While the Contractual Terms for TMC and KPJU are shorter than their respective Initial Contractual Terms, such arrangements are consistent with standard commercial practices and are strategically driven. The proposed durations offer a practical balance between operational continuity and flexibility, allowing both the parties to renegotiate terms in response to evolving business needs and decisions. We understand that the one (1) year Contractual Term was proposed for KIC as the Manager intends to dispose both the land and building subject to the finalisation of the sale and purchase agreement to be agreed between the parties. The Manager shall make the necessary announcements (if required, in accordance with the Listing Requirements) as and when the agreement has been executed by the Board. We are of the view that the proposed Contractual Term of up to fifteen (15) years is fair and reasonable.

<table>
<tr><th>No.</th><th>Salient terms</th><th>ZICO Evolve Capital’s comments</th></tr>
<tr><td>(3)</td><td>
Rent formula for rental amount

The rent shall be denominated in RM and the formula for determination of the rent in the Lease Renewal Agreements for the Proposed Lease Renewal are as follows:

<u>For KPJ Penang and KPJ Seremban</u>

(i) Rent formula

<table>
<tr><th>First Rental Term</th><th>Rent Formula</th></tr>
<tr><td>1st year</td><td>For information, the Base Rent are as follows:

(i) KPJ Penang is RM4,218,750; and

(ii) KPJ Seremban is RM10,312,500.</td></tr>
<tr><td>2nd year & 3rd year</td><td>2.00% incremental increase over the rent for the preceding year.</td></tr>
</table>

(ii) Rent review formula

The rent for every succeeding rental term shall be calculated based on the following formula:

<table>
<tr><th>Succeeding Rental Terms</th><th>Rent Review Formula</th></tr>
<tr><td>1st year of every succeeding rental term (Years 4, 7, 10 and 13)</td><td>6.25% per annum × Open Market Value of the Lease Properties at the point of review, subject to:

(i) a minimum rent of the Base Rent; and

(ii) any adjustment to the rent shall not be more than 2.00% incremental increase over the rent of the preceding year.</td></tr>
<tr><td>2nd & 3rd year of every succeeding rental term (Years 5, 6, 8, 9, 11, 12, 14 and 15)</td><td>2.00% incremental increase over the rent for the preceding year.</td></tr>
</table>
</td><td>
We note that the rent formula and rent review formula throughout the respective Contractual Term were mutually agreed by the parties.

Based on analysis as set out in Section 6.5.1 of this IAL, we are of the view that the rent formula and the rental amount for the Proposed Lease Renewal are fair and reasonable. The use of the Open Market Value of the respective Lease Properties is appropriate to reflect the current market value.

As stated in Section 6.5.3 of this IAL, we are also of the view that the incremental rate of 2% for 2nd and 3rd year is reasonable.

We also further note that the application of Open Market Value of the respective Lease Properties in the rent review formula. We are of the view that these term is reasonable as it ensures that the succeeding rental rate reflects the prevailing market value of the Lease Properties at the time of review.
</td></tr>
</table>

No.	Salient terms	ZICO Evolve Capital's comments
	For TMC *(i) Rent formula* ***Rental Term*** / ***Rent Formula*** *1st year* — *For information, the Base Rent for TMC is RM1,437,500.* *2nd year & 3rd year* — *2.00% incremental increase over the rent for the preceding year.* *The rent review formula does not apply as the Contractual Terms with respect to TMC is three (3) years. Upon the expiry of Contractual Terms with respect to TMC, the parties have the option to extend the lease for another two (2) years and the renewal terms including the rental terms will be renegotiated and decided between the Lessor and PNG accordingly.* *For KPJU* *(i) Rent formula* ***Rental Term*** / ***Rent Formula*** *1st year* — *For information, the Base Rent for KPJU is RM1,606,250.* *2nd year & 3rd year* — *2.00% incremental increase over the rent for the preceding year.* *(ii) Rent review formula* *The rent for every succeeding rental term shall be calculated based on the following formula:* ***Succeeding Rental Terms*** / ***Rent Review Formula*** *1st year of every succeeding rental term (Year 4)* — *6.25% per annum × Open Market Value of the Lease Properties at the point of review, subject to:* *(i) a minimum rent of the Base Rent; and* *(ii) any adjustment to the rent shall not be more than 2.00% incremental increase over the rent of the preceding year.*	

<table>
<tr><th>No.</th><th>Salient terms</th><th>ZICO Evolve Capital's comments</th></tr>
<tr><td></td><td>

2nd & 3rd year of every succeeding rental term (Year 5 and remaining 8 months)	*2.00% incremental increase over the rent for the preceding year.*

<u>*For KIC*</u>

(i) Rent formula

Rental Term	***Rent Formula***
1st year	*For information, the Base Rent for KIC is RM959,375.*

The rent review formula does not apply as the Contractual Terms with respect to KIC is 1 year. Upon the expiry of the Contractual Terms with respect to KIC, the parties have the option to extend the lease for another on (1) year and the renewal terms including the rental terms will be renegotiated and decided between the Lessor and KPJ Healthcare University Sdn Bhd (formerly known as KPJ Healthcare University College Sdn Bhd) accordingly.
</td><td></td></tr>
<tr><td>(4)</td><td>

Registration of Lease Instrument

(i) Notwithstanding the Rent Commencement Date, if required, the Lessee shall, upon execution of the Lease Renewal Agreements apply to the authorities for consent for the creation of the lease for the Contractual Term in favour of the Lessee pursuant to the Lease Renewal Agreements:

*"**Rent Commencement Date**" means the date of commencement of the lease and rent of the Properties payable by the Lessee.*

(ii) Subject to the prior consent of the Lessor's financier having been obtained by the Lessor (if required), on the Rent Commencement Date:

*(a) the Lessor and the Lessee shall executive the Form 15A of the National Land Code ("**Lease Instrument**") for the registration of the lease with the Registrar of Title or Land Administrator (whichever is applicable); and*

*(b) the Lessor shall forward the original issue document of title to the land on which the Lease Properties are located ("**Land**") to the Lessee.*
</td><td>

This clause in the Lease Renewal Agreement is reasonable as it serves to protect the contractual operation of the lease, ensuring that the Lease Renewal Agreement remains valid and enforceable under contract law in the event the lease registration is not or cannot be effected or perfected for any reason whatsoever not due to any fault of the parties.

This clause also sets out the responsibilities of the Lessor and the Lessees in completing and registering the Lease Instrument in favour of the Lessees.
</td></tr>
</table>

No.	Salient terms	ZICO Evolve Capital's comments
	In the event the registration of the lease is not or cannot be effected or perfected for any reason whatsoever not due to any fault of the parties, the parties agree that the Lessor shall grant and the Lessee shall take on a tenancy of the Property on the terms and conditions as stipulated whereupon the Contractual Term shall be for a fixed period of three (3) years with an automatic renewal for additional four (4) terms of three (3) years each for a period. The Lessee shall have the option to procure the said tenancy to be endorsed on the original issue document of title to the Land with the Registrar of Title or Land Administrator (whichever is applicable). *(iii) In the event the Land is duly charged by the Lessor or any other party having such right to charge the Land, the Lessee shall first obtain the written consent of the chargee by procuring chargee's signature on the Lease Instrument prior to attending to the registration of the Lease with the Registrar of Title or Land Administrator (whichever is applicable) in accordance with Section 226 of National Land Code.* *(iv) The Lessee shall attend to the following:* *(a) to submit the Lease Instrument for adjudication for assessment of stamp duty at the relevant stamp office;* *(b) to pay the stamp duty of the Lease Instrument;* *(c) to present the duty stamped Lease Instrument together with other relevant documents to the relevant land registry for registration of the lease in its favour; and* *(d) upon completion of the registration of the Lease Instrument to extract and forward the original issue document of title to the Land to the Lessor for the Lessor's or its financier's (if any) safekeeping and retention.* *(v) The Lessor and the Lessee agree that they shall work together, as may reasonably be required, to complete and register the Lease Instrument in favour of the Lessee.*	

No.	Salient terms	ZICO Evolve Capital's comments
	(vi) The parties acknowledge that the non-registration of the Lease Instrument for any reason whatsoever shall not affect the contractual operation of the lease and that the Lease Renewal Agreements will remain valid and enforceable under the law of contract.	
(5)	***Expansion*** *(i) "**Expansion**" means the construction, renovations and/or refurbishment works within building of the Lease Properties and/or attached to building of the Lease Properties, undertaken by the Lessor or Lessee for the purposes of expansion of its business operations resulting:* *(aa) in the increase of the gross floor area of the building of the Lease Properties; and* *(bb) in the increase of rent pursuant to the Lease Renewal Agreements.* *(ii) Option 1 of the Expansion* *In the event the Lessee requests for Expansion and the Lessor and the Manager agree to meet the Expansion request of the Lessee according to Lessee's specification, the Lessor may, subject to the terms and conditions in the Lease Agreement for Proposed Lease Renewal, make the necessary arrangements, coordinate, manage, monitor and supervise any major structural alterations or additions to the building of the Lease Properties or work which may affect the:* *(aa) structure of the Lease Properties (including but not limited to the roof and the foundation;* *(bb) mechanical or electrical installations of the Lease Properties; or* *(cc) provisions of any services in or to the Lease Properties.* *The Lessor shall bear the development costs and expenses for, and related to the Expansion ("**Expansion Costs**") and shall be solely responsible to procure the financing for the Expansion.*	The clause is favourable to Al-`Aqar, as any Expansion request from the Lessee requires prior approval from both the Lessor and the Manager. Both the Lessor and the Manager must agree to meet the Expansion request in accordance with the Lessee's specification, which may benefit Al-`Aqar in the form of rental increment.

No.	Salient terms	ZICO Evolve Capital's comments
	(iii) Option 2 of the Expansion *Notwithstanding Option 1 above, subject to the agreement between the parties to the Lease Renewal Agreement, the Lessee shall have the option to undertake the Expansion and bear the Expansion Costs, and the parties further agree that the Expansion Costs shall be reimbursed by the Lessor to the Lessee ("**Expansion Reimbursement Costs**") in accordance with the terms and conditions in the Lease Renewal Agreements.* *(iv) If the expansion results in an increase in the gross floor area of the Lease Properties, the increase in the monthly rent shall be computed as follows:* *Formula: (the rental rate to be agreed between the parties to the Lease Renewal Agreement x Expansion Reimbursement Costs or Expansion Costs, as the case may be) / 12 calendar months.* *(v) In the event the increase in the rent is incurred during mid of the relevant year of the Contractual Term, such rent shall be prorated to full financial year before applying it in the rent formula for rent increment as set out in the Lease Renewal Agreement.* *(vi) For avoidance of doubt, in the event the rent has been increased pursuant to item (iv) above, the Base Rent amount shall be revised accordingly to include the incremental amount and thereafter, the aforesaid Base Rent shall be applied in the rent review formula under the Lease Renewal Agreement for determination of the rent for the relevant succeeding Rental Terms.*	

No.	Salient terms	ZICO Evolve Capital's comments
(6)	***New Development*** *(i) New Development means the planning, design, and construction of a new building(s), carpark and/or other structures on the land where the Lease Renewal Property is situated or any part thereof complete with inter alia the interior design, the landscape and the infrastructures related thereto.* *(ii) Option 1 of the New Development* *The Lessor grants to the Lessee the right to undertake the New Development on the land where the Lease Renewal Property is situated for the Lessee's business operations.* *Notwithstanding the paragraph above, the Lessor shall have the option to undertake the New Development and bear the development costs and expenses for, and related to the New Development and shall be Proposed Lease Renewal.* *(iii) Option 2 of the New Development* *Notwithstanding Option 1 above, subject to the agreement between the parties to the Lease Renewal Agreement, the Lessee shall have the option to undertake the New Development and bear the New Development Costs, and the parties to the Lease Renewal Agreement further agree that the New Development shall be acquired by the Lessor from the Lessee in accordance with the terms and conditions in the Lease Renewal Agreement.* *(iv) The new rent for the New Development shall be governed by the terms and conditions of the new lease agreement or supplemental lease agreement to be entered into between the Lessees, the Lessor and the Manager for the lease of the New Development.* *(v)*	This clause in the Lease Renewal Agreement is reasonable as it enables the Lessor to collaborate with the Lessees on the New Development aimed at improving the Lessee's business performance. In turn, this may benefit the Lessor by allowing Al-`Aqar to impose additional lease rental arising from the improved asset value or usage.
(7)	***Events of Default and Termination*** *(i) The following are the events of default by the Lessees and consequences thereof under the Lease Renewal Agreements:*	This clause is reasonable as it safeguards the Lessor's interests in the event of default by the Lessees, particularly where no remedial action is taken. Such provisions are standard in agreements of such nature.

No.	Salient terms	ZICO Evolve Capital's comments
	(a) a failure or refusal on the part of the Lessee: (aa) to pay the monthly rent for 2 consecutive calendar months under the terms of the Lease Renewal Agreements on the day such payment is required to be made under the terms of the Lease Renewal Agreements (whether the same shall have been formally demanded or not); or (bb) to pay any sum (other than the rent) due under the terms of the Lease Renewal Agreements on the day such payment is required to be made under the terms of the Lease Renewal Agreement (whether the same shall have been formally demanded or not); or (cc) to duly observe or perform any of the covenants and conditions and/or agreements of the Lessee contained in the Lease Renewal Agreement of which is not capable of being remedied or if capable of being remedied such breach is not remedied by the Lessee within a period of 30 calendar days from the date after receipt of written notice thereof from the Lessor to the Lessee requesting action to remedy the same; or (b) the Lessee is in breach of any agreement which has a material adverse effect on the business and/or operations of the Lessee and which affects its ability to fulfil its obligations under the Lease Renewal Agreement; or (c) the Lessee shall suffer or do any act or thing whereby the Lessor's and/or the Manager's rights shall or may be prejudiced; or	

No.	Salient terms	ZICO Evolve Capital's comments
	(d) a judgment is obtained by the Lessee for the purpose of Section 466 of the Act and as such, the Lessee is deemed to be unable to pay its debts as they fall due or suspends or threatens to suspend making payments (whether of principal or other payments) with respect to all or any class of its debts, or any other event set out in Section 465 of the Act occurs or the Lessee commences negotiations or takes or institutes proceedings whether under law or otherwise with a view to obtaining a restraining order against creditors under any law or for adjustment or deferment or compromise or rescheduling of its indebtedness or any part thereof or enters into or makes a general assignment or arrangement or composition with or for the benefit of its creditors or declares a moratorium on the repayment of its indebtedness or part thereof or any creditor of the Lessee assumes management of the Lessee and in the case of any of the events aforementioned, the financial condition of the Lessee or the ability of the Lessee to perform its obligation under the Lease Renewal Agreement is materially and adversely affected; or *(e) a petition is presented or an order is made or a resolution is passed or any other action or step is taken by the Lessee for the winding up of the Lessee or a liquidator or trustee or receiver or receiver and manager is appointed over the whole or any part of the assets or rights or revenues or undertaking of the Lessee and the same is not discharged, withdrawn, set aside or discontinued within thirty (30) calendar days; or* *(f) the Lessee is unable to pay its debt within the meaning of the Act which inability may have a material adverse effect.* *If the event of default has occurred and is continuing, the Lessor shall be at liberty to take any one or more of the following remedies without being responsible or liable for any loss, damage or expense caused to the Lessee as a consequence of such action:*	

No.	Salient terms	ZICO Evolve Capital's comments
	(a) *serve a forfeiture notice upon the Lessee pursuant to Section 235 of the National Land Code (Revised 2020) and it is hereby mutually agreed and deemed that the period stipulated in the forfeiture notice shall be 30 calendar days for the occurrence of the event set out in the paragraph above, and where the breach has not been remedied within the stipulated time of 30 calendar days, to re-enter upon the Lease Renewal Property or any part thereof in the name of the whole, and thereupon the Lease Renewal Agreement shall absolutely terminate;* (b) *to claim for the monthly rent and all other sums due and payable as stipulated in the Lease Renewal Agreement;* (c) *the Lessor shall be entitled to utilise the security deposits pursuant to the Lease Renewal Agreement towards payment or reduction of all sums payable by the Lessee under the Lease Renewal Agreement without prejudice to the Lessee's liability for any shortfall;* (aa) *the Lessee shall be liable to pay the Lessor a sum equivalent to the rent for the unexpired period of the Contractual Term as liquidated damages for the loss of rent suffered by the Lessor resulting from termination of the Lease Renewal Agreement due to an event of default;* (bb) *notwithstanding the paragraph (iv)(a) above, the Lessee shall have an option to source for a replacement lessee or tenant approved by the Lessor for the unexpired period of the Contractual Term (or any part thereof) at such rental and upon such terms and conditions acceptable to the Lessor, and the Lessor shall take all reasonable efforts to lease or let the Lease Renewal Properties to any other lessees or tenants.*	

No.	Salient terms	ZICO Evolve Capital's comments
	In the event that the Lessor or the Lessee is able to lease or let the Lease Renewal Properties to any other lessees and tenants at such rental and upon such terms and conditions acceptable to the Lessor, the Lessee shall compensate the Lessor in lump sum for the deficiency between the originally scheduled rent under the Lease Renewal Agreement and the rent received or to be received from the other lessees or tenants of the Lease Renewal Properties for the unexpired period of the Contractual Term. Upon receipt of the first monthly rental of the Lease Renewal Property from such replacement lessees and tenants, and save for any antecedent breach of the Lease Renewal Agreement, any balance of sum received pursuant to paragraph (iv)(a) above shall be returned by the Lessor to the Lessee within sixty (60) calendar days or any other period as agreed between the parties in writing; or *(d) to sue and take any other action that the Lessor deems fit (including remedy of specific performance against the Lessee) to recover all moneys due and owing to the Lessor and the costs and expenses incurred by the Lessor including legal fees (on a solicitor-client basis and on full indemnity basis) of all such actions taken shall be borne by the Lessee.*	

Based on our evaluation above, we are of the view that the salient terms of the Lease Renewal Agreements are generally on normal commercial terms for transactions of such nature and the said terms are **fair and reasonable**, at arm's length and **not detrimental** to the interests of the non-interested Unitholders of Al-`Aqar

6.7 Risk factors relating to the Proposals

Section 7 of Part A of the Circular has set out the risk factors which may have an impact on Al-`Aqar in relation to the Proposals.

We take cognisance of the risk factors pertaining to the Proposals and we set out our views on the risk factors pertaining to the Proposals as follows:

6.7.1 Non-completion risk of the Proposals

We note that under the Transaction Documents, the Proposals are subject to the fulfilment of conditions precedent in the respective agreements. In the event of failure or fulfilment or waiver of the conditions precedent (unless waived by the Trustee) as well as non-performance by the relevant parties of their respective parties of their respective obligations under the Transaction Documents, the Proposals will not be completed. Therefore, the potential benefits that are anticipated to be derived from the Proposals may not be realised.

However, we take note that the Manager together with the Trustee will, in their endeavours, ensure the satisfaction of the conditions precedent under the Transaction Documents that are within their control, in facilitating towards the successful completion of the Proposals.

6.7.2 Business and operational risks

We note that business and operational risks are inherent to the healthcare industry. Such risks include deterioration in prevailing market conditions, limited availability in labour supply particularly professionally trained medical specialist, increase in operational, compliance and regulatory costs and obsolescence of assets due to rapid advancement of healthcare technologies.

We take note that Al-‘Aqar will continuously observe and conform to the latest developments within the healthcare industry and implement measures to mitigate the risks, should any of the risks materialise.

6.7.3 Dependence on the performance and operations of the Subsidiaries and Associated Company of KPJ for its revenue

We note that the tenants of Al-`Aqar’s properties are subsidiaries of KPJ. As the Lessees are subsidiaries of KPJ, failure on the part of KPJ Group to fulfil their obligations (including payment of the lease rentals) under the Lease Agreements and the Lease Renewal Agreements could have an adverse impact on Al-`Aqar's financial position.

While KPJ is an established private healthcare service operator in Malaysia, there is no assurance that the subsidiaries and associate companies of KPJ will continue to be profitable in the foreseeable future. We note that Al-’Aqar has entered into or will enter into, lease agreements with KPJ for the Properties, the Lease Properties, and other existing properties to maintain a stable occupancy rate. Al-‘Aqar will continue to monitor rental payments and engage with the relevant parties to implement appropriate measures to address any arising issues. As at the latest practicable date, there has been no default in rental payments by KPJ under the Principal Lease Agreements in respect of all the Lease Properties.

6.7.4 Exposure to higher financing costs as well as the ability to service future loan repayment obligations

We note that Al-‘Aqar is proposing to use bank financing to fund the Proposed Acquisitions, and that the exact funding mix will be determined at a later stage. As set out in Section 6.8(ii) of this IAL, the gearing level of Al-‘Aqar will increase from 41.38% to 48.59%, assuming the Proposed Acquisitions is financed wholly through bank borrowings.

As such, Al-‘Aqar is exposed to financing risk, which include, amongst others, increase cost of financing, unfavourable terms of borrowings, adverse interest rate fluctuations and non-fulfilment of its payment obligations and breach of covenants.

Nevertheless, we note that the Manager shall continuously monitor and review Al-`Aqar’s capital structure, which includes taking into consideration the gearing level, interest costs as well as cash flows in achieving an overall optimal capital structure.

6.7.5 Compulsory acquisition by the Malaysian Government

We note that the Malaysian Government, under certain provisions of applicable legislation including the Land Acquisition Act, 1960, may enforce a compulsory acquisition on any land in Malaysia for public use or due to public interest. Compulsory acquisition below market value may lead to unsatisfactory compensation, adversely affecting Al-`Aqar’s financials and operations.

6.7.6 The future market value of the Properties may be less than its current valuation or the purchase price by Al-`Aqar

We note that the market value of the Properties, as appraised by the Valuer, is based on various assumptions, including prevailing market conditions, location, physical condition, and relative market positioning of the Properties. Such valuations are inherently subjective and may not reflect the actual market price achievable in the event of a sale, now or in the future.

Accordingly, there is no assurance the future market value or potential sale price of the Properties will equal or exceed the current valuation or the purchase consideration. Any decline in market conditions or changes in the underlying assumptions used in the valuation may adversely affect the recoverable value of the Properties. Unitholders should be aware that Al-‘Aqar may be exposed to valuation risk, and such risk may, in turn, have an impact on the returns from the Proposed Acquisitions.

We wish to highlight that although measures will be taken by the Board and the management of Al-`Aqar to limit or mitigate the risks highlighted herein, no assurance can be given that the abovementioned risk factors will not occur and give rise to material and adverse impact on the operation and business of Al-`Aqar, its competitiveness, financial positions and/or Al-`Aqar’s prospects thereon.

In evaluating the Proposals, non-interested Unitholders of Al-`Aqar should carefully consider the said risk factors prior to voting on the resolution pertaining to the Proposals at the forthcoming EGM.

6.8 Effects of the Proposals

The effects of the Proposals are set out in Section 9 of Part A of the Circular:

(i) Unitholder's capital and substantial Unitholders' unitholdings

The Proposals will not have any effect on the Unitholders' capital and substantial Unitholders' unitholdings in Al-`Aqar as the Proposals do not involve the issuance of any new units in Al-`Aqar.

(ii) NAV, NAV per unit and gearing

The pro forma effects of the Proposals on the NAV, NAV per Unit and gearing of Al-`Aqar assuming that the Proposals had been completed on 1 January 2024, are as follows:

	Audited as at 31 December 2024 RM'000	(I) After Proposed Lease Renewal RM'000	(II) After the Proposed Acquisitions and Leases RM'000
Unitholders' capital	854,758	854,758	854,758
Undistributed income	214,918	214,198	214,198
Foreign currency translation reserve	(16,133)	(16,133)	(16,133)
Unitholders' funds/NAV	**1,053,543**	**1,052,823**	**1,052,823**
Number of Units in circulation ('000)	839,598	839,598	839,598
NAV per Unit (RM)	1.25	1.25	1.25
Total asset value (RM'000)	1,835,937	1,835,937	2,076,937
Total borrowings	759,142	759,142	1,009,142
Gearing (times)	0.41	0.41	0.48

Based on Al-`Aqar's consolidated audited statement of financial position as at 31 December 2024 and on the assumption that the Proposals had been effected on 1 January 2024, there will be no impact on the consolidated NAV per unit of Al-`Aqar.

Further, assuming that the entire purchase consideration for the Proposed Acquisitions will be financed through borrowings, the gearing level is expected to increase from 41.38% to 48.59% of Al-'Aqar's total asset value.

(iii) Earnings and EPU

Assuming the Proposals were completed on 1 January 2024, the pro forma effects of the Proposals on earnings and EPU are as follows:

	Audited for the FYE2024 RM'000	(I) After Proposed Lease Renewal RM'000	(II) After the Proposed Acquisitions and Leases RM'000
Audited PAT	62,223	62,223	62,223
Add/(Less): Net of rental income	-	(647)[(1)]	14,415[(2)]
(Less): Property and other expenses[(3)]	-	(720)	(15,068)
Pro forma profit	**62,223**	**60,856**	**61,570**
Weighted average number of Units in circulation ('000)	839,598	839,598	839,598
Proforma basic EPU (sen)	7.41	7.25	7.33
- excluding estimated expenses (one-off)	-	7.33	7.42

Notes:

(1) *Calculated based on the difference between the rental income on the terms of the Lease Renewal Agreements and the rental income for the Lease Properties for the FYE2024.*

(2) *Calculated based on the difference between the rental income on the terms of the Lease Agreements and the rental income for the Lease Properties for the FYE2024 including the rental income on the Proposed Acquisitions and Leases.*

(3) *Among others, the Manager and the Trustee fees, the cost of financing and other one-off expenses in relation to the Proposals such as professional fees and other fees such as printing, advertising and cost of convening the EGM.*

Based on the proforma effect of the Proposals above, we note that the basic EPU will slightly decrease to 7.33 sen due to the estimated expenses in respect of the Proposed Acquisitions amounting to RM15.07 million. Excluding this one-off expenses, the proforma basic EPU would increase to 7.42 sen.

Note that the above proforma effect of the Proposal does not take into account the benefit from the subsequent 2.00% incremental increase of the preceding year's rental rate in accordance with the terms and conditions of the Lease Agreements.

Based on the above, we are of the view that the financial effects of the Proposals are **reasonable** and **not detrimental** to the interest of the non-interested Unitholders of Al-`Aqar.

7. OUR CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposals after taking into consideration the relevant factors as discussed in Section 6 of this IAL. In arriving at our opinion on the fairness and reasonableness of the Proposals, we have taken into consideration the following pertinent factors:

No	Details	Our opinion
(i)	**Rationale for the Proposals**	The rationale for the Proposed Acquisitions and Leases is **reasonable** and **not detrimental** to the interest of the non-interested Unitholders of Al-'Aqar.
(ii)	**Evaluation of the purchase consideration**	The Purchase Consideration is **reasonable** and **not detrimental** to the interest of the non-interested Unitholders of Al-'Aqar
(iii)	**Salient terms of the Sale and Purchase Agreements, KPJ Ampang Puteri Lease Agreement and KPJ Penang Lease Agreement**	The overall terms and conditions of the Sale and Purchase Agreements, KPJ Ampang Puteri Lease Agreement and the KPJ Penang Lease Agreement are **fair** and **reasonable** at arm's length and **not detrimental** to the interest of the non-interested Unitholders.
(iii)	**Evaluation of the basis and justification of arriving at the rental rate**	The basis and justifications of arriving at the agreed rate of 6.25% per annum for the Properties and Lease Properties are **fair and reasonable**.
(iv)	**Salient terms of the Lease Renewal Agreements**	The salient terms of the Lease Renewal Agreements are **fair** and **reasonable** at arm's length and **not detrimental** to the interest of the non-interested Unitholders of Al-`Aqar.
(v)	**Risk factors in relation to the Proposals**	We take cognisance of the risk factors pertaining to the Proposals as set out in Section 7 of Part A of the Circular. We wish to highlight that although measures will be taken by the Board and the management of Al-`Aqar to limit or mitigate the risks highlighted herein, no assurance can be given that the abovementioned risk factors will not occur and give rise to material and adverse impact on the operation and business of Al-`Aqar, its competitiveness, financial positions and/or Al-`Aqar's prospects thereon.  In evaluating the Proposals, non-interested Unitholders of Al-`Aqar should carefully consider the said risk factors prior to voting on the resolution pertaining to the Proposals at the forthcoming EGM.

No	Details	Our opinion
(vi)	**Effects of the Proposals**	The financial effects of the Proposals are **reasonable** and **not detrimental** to the interest of the non-interested Unitholders of Al-`Aqar.

We have assessed and evaluated the Proposals and have set our evaluation in Section 6 of this IAL. The non-interested Unitholders of Al-`Aqar should carefully consider the merits and demerits of the Proposals based on all relevant and pertinent factors including those set out above and other considerations as set out in this IAL, the Circular and the appendices.

Based on our assessment and evaluation, we are of the opinion that the terms and conditions of the Proposals are **fair and reasonable**, based on arm's length terms and are **not detrimental** to the non-interested Unitholders of Al-`Aqar.

Accordingly, we recommend that the non-interested Unitholders of Al-`Aqar **vote in favour** of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM of Al-`Aqar.

Yours faithfully,
ZICO EVOLVE CAPITAL SDN BHD
(*formerly known as ZICO Capital Sdn Bhd*)

Abd Ghafar Hamzah
Chief Executive Officer

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Report and Valuation

Our Ref : WTW/01/V/003226/25/MHA

26 March 2025

PRIVATE & CONFIDENTIAL

JLG REIT MANAGERS SDN BHD
(formerly known as DAMANSARA REIT MANAGERS SDN BERHAD)
(MANAGER FOR AL-'AQAR HEALTHCARE REIT)
Unit 1-19-02, Level 19
Block 1, VSQ, Jalan Utara
46200 Petaling Jaya
Selangor

Dear Sirs,

MASTER VALUATION CERTIFICATE OF TWO (2) PROPERTIES
IDENTIFIED AS KPJ AMPANG PUTERI NEW BUILDING AND
KPJ PENANG NEW BUILDING
FOR THE PURPOSE OF SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD

In accordance with the instructions of JLG REIT Managers Sdn Bhd (formerly known as Damansara REIT Managers Sdn Berhad), we, CBRE WTW Valuation & Advisory Sdn Bhd (formerly known as C H Williams Talhar & Wong Sdn Bhd), have conducted our valuation on the above mentioned properties.

This Master Valuation Certificate is prepared for inclusion in the circular to shareholders in relation to the proposed acquisitions of new building into Real Estate Investment Trust (REIT) under Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

We have prepared and provided this Master Valuation Certificate which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us based on present market conditions.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by Securities Commission Malaysia and the Malaysian Valuation Standards ("MVS") issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

For all intents and purposes, this Master Valuation Certificate should be read in conjunction with the full Report and Valuation dated 24 March 2025.

The basis of the valuation is Market Value which is defined by the MVS to be "the estimated amount for which an asset or liability should exchange on the valuation date 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".

We have inspected the subject property on various occasion and the material date of valuation is taken as at 17 March 2025.

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Our Ref: WTW/01/V/003226/25/MHA
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METHOD OF VALUATION

In arriving at our opinion of Market Values, we have adopted the following Valuation Methodologies.

Cost Approach

The best method to value a private hospital is via Income Approach (Profits Method). Valuing this asset requires comprehensive approach that considers both qualitative and quantitative factors. However, in this particular exercise, we have relied on the Cost Approach as the only valuation method since the transaction involve only specific building and not the entire private hospital.

The Cost Approach of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, accessibility, visibility, size, tenure, shape, plot ratio, land use, zoning, planning approval, site improvement, public transportation and any other relevant characteristics.

The buildings are valued by reference to their depreciated replacement costs, i.e. the replacement cost new less an appropriate adjustment for depreciation or obsolescence to reflect the existing condition of the buildings at the date of valuation.

The land and building values are then summated to arrive at the market value of the subject property.

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SUMMARY OF VALUE

The summary of Market Value for each property is as follows:-

No.	Property Details	Land Value	Building Value	Market Value
1.	**KPJ Ampang Puteri New Building** A purpose-built fifteen (15)-storey private specialist hospital on top of four (4) levels of elevated car park and two (2) levels of basement car park situated within KPJ Ampang Puteri Specialist Hospital erected on PT 25119, Mukim of Ampang, District of Ulu Langat, Selangor (Our Ref : WTW/01/V/003226A/25/ALH)	RM117,000,000/-	RM131,000,000/-	RM248,000,000/-
2.	**KPJ Penang New Building** An annexed ten (10)-storey private hospital building together with a two (2)-storey mechanical & electrical (M&E) building and a single-storey guard house situated within KPJ Penang Specialist Hospital erected on Lot No. 10150, Mukim 7, District of Seberang Perai Tengah, Penang (Our Ref : WTW/03/V/002955/25/PEH/kkb)	RM25,000,000/-	RM110,000,000/-	RM135,000,000/-
	Total	**RM142,000,000/-**	**RM241,000,000/-**	**RM383,000,000/-**

Yours faithfully
for and on behalf of
CBRE WTW Valuation & Advisory Sdn Bhd
(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Sr UNGKU MOHD ISKANDAR UNGKU ISMAIL
BSc. (Hons) Property Management,
MRICS, MRISM, MPEPS, MMIPFM
Registered Valuer (V-855)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Our Ref: WTW/01/V/003226/25/MHA
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MASTER CERTIFICATE OF VALUATION

1. KPJ Ampang Puteri New Building
A purpose-built fifteen (15)-storey private specialist hospital on top of four (4) levels of elevated car park and two (2) levels of basement car park situated within KPJ Ampang Puteri Specialist Hospital erected on PT 25119, Mukim of Ampang, District of Ulu Langat, Selangor
(Our Ref : WTW/01/V/003226A/25/ALH)

PROPERTY IDENTIFICATION

The property : A purpose-built fifteen (15)-storey private specialist hospital on top of four (4) levels of elevated car park and two (2) levels of basement car park ("KPJ Ampang Puteri New Building") situated within KPJ Ampang Puteri Specialist Hospital

Address : KPJ Ampang Puteri Specialist Hospital, No. 1, Jalan Memanda 9, Taman Dato' Ahmad Razali, 68000 Ampang, Selangor

Title No. : HSM 26550

Lot No. : PT 25119, Mukim of Ampang, District of Ulu Langat, Selangor

Tenure : Lesehold 99 years expiring on 17 April 2089
(Unexpired term of approximately 64 years)

Land Area :

Titled Land Area (sq. metres)	(-) Acquired Land Area (sq. metres)	Net Land Area Note 1
21,670.00	8.50	**21,661.50 sq. metres (approximately 233,162 sq. feet / 5.353 acres)**

Gross Floor Area Note 2 : 48,018.50 square metres
(approximately 516,867 square feet)

Licenced Bed :

Type of Bed	No. of Bed
Single Standard	31 beds
Single Deluxe	4 beds
Executive Deluxe	37 beds
Semi Private	42 beds
Junior Suite	1 bed
VVIP Suite	4 beds
Isolation	1 bed
Total	**120 beds**

Source : Ampang Puteri Specialist Hospital Sdn Bhd

Bed Capacity : 186 beds (including future 66 beds located at Level 11 and 12)

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PROPERTY IDENTIFICATION (Cont'd)

Occupancy Status :

Year	Occupancy Rate
2020	33%
2021	52%
2022	68%
2023	74%
2024 Note 3	60%

Source : Ampang Puteri Specialist Hospital Sdn Bhd

Age of Building : Approximately 5 years as per the Certificate of Completion and Compliance (CCC) by Ar. Abu Hanapiah Bin Mohd Ali bearing certificate reference no. LAM/S/No. 30837 dated 11 October 2019

Planning Provision : Based on the Gazetted local plan of Majlis Perbandaran Ampang Jaya 2020, the subject property is zoned for commercial use with permissible plot ratio of 1:4.0.

Provisional GBI Certification : Green Building Index Certificate No. GBI-NRNC-0197(P) dated 7 July 2017 issued by Greenbuildingindex Sdn Bhd

Registered Owner : AMANAHRAYA TRUSTEES BERHAD as Trustee

Encumbrances : Charged to MAYBANK INVESTMENT BANK BERHAD

Caveat : Private caveat lodged by MAYBANK INVESTMENT BANK BERHAD on 28 April 2021

Market Value :

Component	Market Value
Land Value	RM117,000,000/-
Building Value Note 4	RM131,000,000/-
Total Market Value	**RM248,000,000/-**

Note 1:
Based on our private title search at the Selangor Registry of Land Titles on 14 March 2025, we noted that the titled land area for Lot No. PT 25119 is 21,670 square metres. However, part of the area measuring 8.50 square metres has been compulsorily acquired as per Borang K.

For the purpose of this valuation, we have adopted the net land area i.e. 21,661.50 square metres in our valuation.

Note 2:
The total gross floor area as per schedule of gross floor areas, as well as onsite measurement of the single storey refuse chamber.

Note 3:
The decrease in occupancy rate in year 2024 is due to the increase in number of beds on Level 7 creating an additional supply of 33 beds.

Note 4:
The registered owner of the land is held under AMANAHRAYA TRUSTEES BERHAD as Trustee for Al-'Aqar Healthcare REIT. For the purpose of injection of new building into Real Estate Investment Trust (REIT), the building value is derived at RM131,000,000/- (Ringgit Malaysia: One Hundred and Thirty One Million Only).

TERMS OF REFERENCE

To assess the market value of the above captioned property for the proposed acquisitions of new building into Al-'Aqar Healthcare Real Estate Investment Trust (REIT) under paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing Requirements").

As instructed, the valuation is carried out based on the following **BASIS**: -

1) The KPJ Ampang Puteri new building is identified as West Wing KPJ Ampang Puteri Specialist Hospital;

2) It has a gross floor area of 48,018.50 square metres (approximately 516,867 square feet);

3) The subject building erected on the subject site have been constructed and completed according to the Approved Building Plans by Majlis Perbandaran Ampang Jaya bearing reference no. MPAJ. BS. KB. 740-1/5-61/2014 dated 23 January 2015 and MPAJ. BS. KB 740-1/5-61/14-1 dated 28 September 2018;

4) The subject building has been issued with the corresponding Certificate of Completion and Compliance (CCC) bearing Certificate No. LAM/S/No. 30837 dated 11 October 2019; and

5) The remaining existing buildings ie. seven (7)-storey main building (NCB Block), an annexed five (5)-storey specialist centre (PCB Block) and other ancillary buildings have been excluded in this valuation.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS IS INVALID/ INCORRECT.

GENERAL DESCRIPTION

Site

The site, is a corner lot, trapezoidal in shape and has a titled land area of 21,670 square metres (approximately 233,254 square feet / 5.355 acres).

We noted that part of the land measuring 8.50 square metres has been compulsorily acquired.

For the purpose of this valuation, we have adopted the net land area i.e. 21,661.50 square metres (approximately 233,162 square feet / 5.353 acres) in our valuation.

The site is generally flat in terrain and lies at about the same level as the frontage metalled road Jalan Memanda 9 and Jalan Ulu Kelang. During our site inspection, we noted that the site boundaries was generally demarcated with plastered brickwall surmounted with metal railings. Entrance to the subject property is not secured with any forms of gate. The site, where no built upon, is generally paved, landscaped and improved with tarmac driveway.

GENERAL DESCRIPTION (Cont'd)

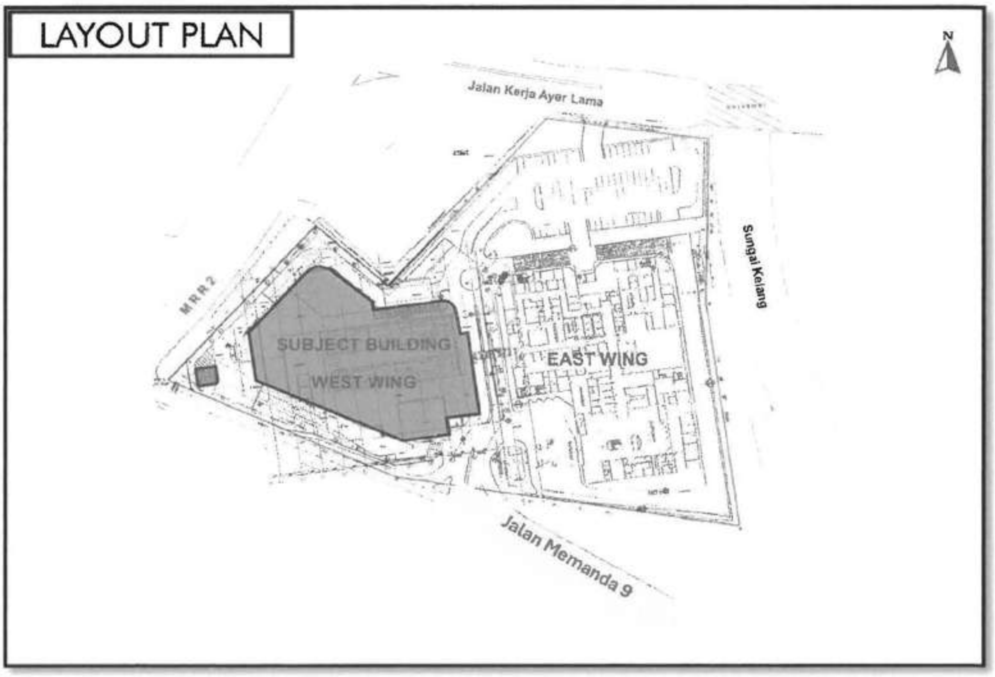
Building

Based on the building plans approved by Majlis Perbandaran Ampang Jaya and our site inspection, we noted that the eastern portion of the subject site is built-upon with a purpose-built private hospital comprising a seven (7)-storey main building (NCB Block), an annexed five (5) storey specialist centre (PCB Block) both of which share a common lower ground floor known as East Wing.

Based on the building plans approved by Majlis Perbandaran Ampang Jaya bearing reference nos. MPAJ. BS. KB. 740-1/5-61/2014 dated 23 January 2015 and MPAJ. BS. KB 740-1/5-61/14-1 dated 28 September 2018 prepared by A.Hanapiah Architect Sdn. Bhd. and our site inspection, we noted that the western portion of the subject site is built-upon with a fifteen (15)-storey purpose-built private specialist hospital on top of four (4) levels of elevated car park and two (2) levels of basement car park along with a single storey refuse chamber known as West Wing.

FOR THE PURPOSE OF THIS VALUATION, WE HAVE BEEN INSTRUCTED TO VALUE KPJ AMPANG PUTERI NEW BUILDING IDENTIFIED AS WEST WING AND SINGLE STOREY REFUSE CHAMBER.

The subject building is edged red on the layout plan below:



The subject building is an individual architectural designed private hospital building constructed of reinforced concrete framework with plastered brick walls, reinforced concrete floor slabs and covered with reinforced concrete flat roof slab with insulation and waterproofing.

We further observed, the subject building had undergone internal renovation at level 6 with new pharmacy waiting area, dispensing counter, pharmacy preparation area, nappy change / breastfeed room and public toilets as well as additional building canopy at ground floor.

It has been accorded with Provisional Green Building Index (GBI) Certification dated 7 July 2017.

GENERAL DESCRIPTION (Cont'd)

The gross floor area of the subject building is tabulated as follows:

Level	Gross Floor Area (square metres)
Basement	5,720.10
Lower Ground Floor	3,867.00
Ground Floor	3,166.40
Mezzanine Floor	872.00
First Floor	3,864.00
Second Floor	3,864.00
Third Floor	3,819.00
Fourth Floor	3,819.00
Fifth Floor	3,875.00
Sixth Floor	1,679.00
Seventh Floor	1,679.00
Eighth Floor	1,679.00
Nineth Floor	1,679.00
Tenth Floor	1,679.00
Eleventh Floor	1,679.00
Twelveth Floor	1,679.00
Thirteenth Floor	1,679.00
Fourteenth Floor	1,679.00
Refuse Chamber	41.00
Total	**48,018.50 (Approximately 516,867 square feet)**

Source : Schedule of Gross Floor Areas & onsite measurement of the single storey refuse chamber

Note : The Gross Floor Area of the building provided by Damansara REIT Managers Sdn. Berhad is in line with the Uniform Method Measurement of Buildings, RISM.

Car Parking Bays

During our site inspection and information as provided by the client, we noted that there were a total of 571 car park bays provided within the subject property as follows:-

Level	No of Bays
Basement	74
Lower Ground	68
Ground Floor (Open Car Park)	13
Mezzanine	12
Level 1	83
Level 2	94
Level 3	93
Level 4	97
OKU	12
Green Vehicle Bay/E.V Charger	25
Total	**571**

The subject property was issued with a Certificate of Completion and Compliance (CCC) by Ar. Abu Hanapiah Bin Mohd Ali bearing certificate reference no. LAM/S/No. 30837 on 11 October 2019.

GENERAL DESCRIPTION (Cont'd)

Beds

KPJ Ampang Puteri Specialist Hospital has been issued with an operating license bearing License No. 131008-00044-01/2024 by the Ministry of Health (MOH) for a total licensed bed of 320 beds; where 120 beds are allocated for West Wing and 200 beds are allocated for East Wing.

KPJ Ampang Puteri New Building has a capacity of 186 beds. We noted that 120 beds are operational and another 66 beds located at Level 11 and 12 are planned for future expansion.

The number of beds and type of facilities provided for West Wing can be summarised as follows:-

Level	No. of Beds / Facilities
Basement	a) Chemotherapy Daycare Unit (1 Consultation Room, 6 Recline Chairs, 2 Daycare Beds) b) Radiotherapy & Oncology Unit (2 Consultation Rooms, 1 CT Simulator Room & 1 Linear Accelerator Room) c) Nuclear Medicine Unit (PET-CT)
Ground	A&E Unit (2 Resuscitation beds)
Level 1	Outpatient Bridge
Level 2	Inpatient Bridge
Level 6	15 Specialist Clinics & 2 Laser Rooms
Level 7	Ward (33 beds) – 19 Single-Bedded Rooms (Including 1 Isolation Room) & 7 Double-Bedded Rooms
Level 8	Ward (33 beds) – 19 Single-Bedded Rooms (Including 1 Isolation Room) & 7 Double-Bedded Rooms
Level 9	Ward (33 beds) – 19 Single-Bedded Rooms (Including 1 Isolation Room) & 7 Double-Bedded Rooms
Level 10	Ward (21 beds) – 21 Single-Bedded Rooms (Including 1 Isolation Room)

As per statistics and actual accounts provided to us by client, the average annual occupancy rate is as follows:-

Year	Occupancy Rate
2020	33%
2021	52%
2022	68%
2023	74%
2024 Note	60%

Source : Ampang Puteri Specialist Hospital Sdn Bhd

Note :
The decrease in occupancy rate in year 2024 is due to the increase in number of beds on Level 7 creating an additional supply of 33 beds.

GENERAL DESCRIPTION (Cont'd)

Beds (Cont'd)

The current room rate are as follows:-

Type of Wards	Type of Rooms	Room Rates
Sakura	Single Standard	RM250.00
	Single Deluxe	RM300.00
	Executive Deluxe	RM430.00
	Semi Private	RM190.00
	Isolation	RM350.00
Lily	Single Standard	RM250.00
	Single Deluxe	RM300.00
	Executive Deluxe	RM430.00
	Semi Private	RM190.00
	Isolation	RM350.00
Jasmine	Single Standard	RM250.00
	Single Deluxe	RM300.00
	Executive Deluxe	RM430.00
	Semi Private	RM190.00
	Isolation	RM350.00
Orchid	Single Standard	RM380.00
	Single Deluxe	RM430.00
	Executive Deluxe	RM650.00
	Junior Suite	RM950.00
	VVIP Suite	RM1,250.00
	Isolation	RM350.00

Source : Ampang Puteri Specialist Hospital Sdn Bhd

Medical Facilities/Services

The hospital offering the following services and facilities:-

- Accident & Emergency
- Dermatology & Allergy
- Haematology
- Neurology / Neurosurgery
- Nuclear Medicine
- Radiotheraphy & Oncology
- Orthopaedic Surgery
- Urology
- Respitory Medicine
- Psychiatry
- Paediatrics
- Wound Care
- Ophthalmology

Consultants

Based on our site inspection, the hospital is supported by fourteen (14) Resident Consultants. The consultants' clinic is located at level 6.

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Our Ref: WTW/01/V/003226/25/MHA
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VALUE CONSIDERATION

Cost Approach

Land Value

In arriving to the land value, we have conducted our due diligence and analysed the following transactions:-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Bursa Announcement dated 9 June 2023 and Valuation and Property Services Department (JPPH)	Bursa Announcement dated 4 June 2021 & Valuation and Property Services Department (JPPH)	Bursa Announcement dated 4 May 2021 and Valuation and Property Services Department (JPPH)
Location	Along Jalan Kelang Lama, Taman Sri Sentosa	Taman Connaught	Setapak
Lot No.	Lot Nos. 38323 & 31955	Lot No. 103000	Lot No. PT 6332
Mukim	Petaling	Petaling	Setapak
District	Kuala Lumpur		
State	Federal Territory of Kuala lumpur		
Property Type	**Lot No.** / **Tenure**: Lot No. 38323 – Development Land; Lot No. 31955 – Commercial Land	Vacant Commercial Land	Vacant Industrial land with commercial potential
Land Area	14,821.00 sq. metres (159,532 sq. feet / 3.66 acres)	27,770.00 square metres (Approximately 298,914 square feet/6.86 acres)	20,233.00 sq. metres (217,786 square feet/ 5.00 acres)
Tenure	**Lot No.** / **Tenure**: Lot No. 38323 – Term in perpetuity (Freehold); Lot No. 31955 – Leasehold expiring on 17 April 2085	Term in perpetuity (Freehold)	99 years leasehold expiring on 26 August 2097
Date	09/06/2023	04/06/2021	04/05/2021
Vendor	LAU LEOK WOOI +5	ACCOLADE LAND SDN BHD	TERATAI CONSTRUCTORS SDN BHD
Purchaser	RADIUM GLOBAL SDN. BHD. (Subsidiary of RADIUM DEVELOPMENT BERHAD).	UEM LAND BERHAD, (wholly owned subsidiary of UEM SUNSRISE BERHAD)	NOVA CENTURY DEVELOPMENT SDN BHD (Subsidiary of MAH SING GROUP BERHAD)
Consideration	RM71,789,365/-	RM197,000,000/-	RM89,000,000/-
Analysis (RM per square foot)	RM450/-	RM659/-	RM409/-
Adjustments	Adjustments have been made on location - general, accessibility / visibility, size, tenure, shape, land use (title), plot ratio, site improvement and public rail transportation (MRT/LRT/KTM)		
Adjusted Land Value (RM per square foot)	RM506/-	RM478/-	RM470/-

VALUE CONSIDERATION (Cont'd)

Cost Approach (Cont'd)

Land Value (Cont'd)

From the above analysis, the adjusted land values range from RM470 per square foot to RM506 per square foot. Having regard to the foregoing, we have adopted the Comparable 1 as the best comparable as it is the latest transaction.

Therefore, we have adopted the rounded adjusted land value of RM500 per square foot and the land value is derived at RM116,581,000/- say, RM117,000,000/-.

Building Value

The building values are derived based on our analysis of estimated construction cost inclusive of profits and financial elements compiled during our previous valuation and from our research as well as referring to the JUBM Group Construction Cost Handbook Malaysia 2024 published by JUBM Group as a guide.

In addition, we also have made reference to the "Perakuan Akaun dan Bayaran Muktamad (JKR 66A)" and Summary of Work Done by Category as well as the JUBM Building Works Composite Tender Price Index (BWCTPI) published by JUBM Group.

The building values adopted range from RM100 per square foot to RM550 per square foot. Further adjustments made on depreciation or obsolescence in order to reflect the existing condition of the buildings as at the date of valuation. For the purpose of this valuation, we have adopted the following building values: -

Description	RM per square foot
Basement car parking area & elevated car parking area	RM120 - RM170
Hospital main building	RM340 – RM550
Ancillary Building	RM100

Based on the CCC, the age of the subject property is about 5 years old. Our analysis shows that the adjustment for depreciation or obsolescence to reflect the existing condition of the buildings as at the date of valuation over a life span of 50 years is about 10.87%. Hence, we have adopted a rounded down rate of 10% as the depreciation for the building.

The building value of the subject property is derived at RM131,142,704/- say, RM131,000,000/-.

VALUE CONSIDERATION (Cont'd)

Cost Approach (Cont'd)

The summary of the Market Value of the subject property based on Cost Approach is as follows:-

Component	Market Value
Land Value Building Value	RM117,000,000/- RM131,000,000/-
Market Value	RM248,000,000/-

Hence, the Market Value of the subject property derived from the Cost Approach is RM248,000,000/-.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASIS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer, lease, charge and free from all encumbrances at **RM248,000,000/- (Ringgit Malaysia: Two Hundred and Forty Eight Million Only).**

The registered owner of the land is held under AMANAHRAYA TRUSTEES BERHAD as Trustee for Al-'Aqar Healthcare REIT. For the purpose of injection of new building into Real Estate Investment Trust (REIT), the building value is **RM131,000,000/- (Ringgit Malaysia: One Hundred and Thirty One Million Only).**

2. KPJ Penang New Building
An annexed ten (10)-storey private hospital building together with a two (2)-storey mechanical & electrical (M&E) building and a single-storey guard house situated within KPJ Penang Specialist Hospital erected on Lot No. 10150, Mukim 7, District of Seberang Perai Tengah, Penang
(Our Ref : WTW/03/V/002955/25/PEH/kkb)

PROPERTY IDENTIFICATION

The property : An annexed ten (10)-storey private hospital building together with a two (2)-storey mechanical & electrical (M&E) building and a single-storey guard house ("KPJ Penang New Building") located within KPJ Penang Specialist Hospital

Address : KPJ Penang Specialist Hospital, No. 570, Jalan Perda Utama, Bandar Perda, 14000 Bukit Mertajam, Seberang Perai, Penang

Title No. : GM 1453

Lot No. : 10150, Mukim 7, District of Seberang Perai Tengah, Penang

Tenure : Term in perpetuity (Freehold)

Land Area : 17,738 square metres
(approximately 190,930 square feet / 4.38 acres)

Gross Floor Area[Note 1] : 21,234.63 square metres
(approximately 228,568 square feet)

Licenced Bed :

Type of Bed	No. of Beds
Isolation Room	2 beds
Single Bedded Room	28 beds
Double Bedded Room	64 beds
Four Bedded Room	32 beds
Total	**126 Beds**

Source : Penang Specialist Hospital Sdn Bhd

Bed Capacity : 138 beds (including future 12 beds located at Level 3)

Occupancy Status :

Year	Occupancy Rate
2023	18%
2024	19%

Source : Penang Specialist Hospital Sdn Bhd

Age of Building : Approximately 3 years as per the Certificate of Completion and Compliance (CCC) issued by Ar. Rohana Hayati Bt Mohd Noh bearing certificate reference no. LAM/PP/No.7403 dated 8 August 2022

Provisional GBI Certification : Nil

PROPERTY IDENTIFICATION (Cont'd)

Planning Provision	:	Our enquiries with the Jabatan Perancang Bandar, Majlis Bandaraya Seberang Perai revealed that the subject property is zoned as Priority Development Area 1 (Kawasan Keutamaan Pembangunan 1) according to the gazetted Rancangan Struktur Negeri Pulau Pinang 2030, and is zoned for commercial use (Perniagaan dan Perkhidmatan) with permissible plot ratio of 1:4.0 according to the Draf Rancangan Tempatan Seberang Perai 2030.
Registered Owner	:	AMANAHRAYA TRUSTEES BERHAD as Trustee
Other Encumbrances	:	Nil
Caveat	:	Private caveat has been lodged by MAYBANK INVESTMENT BANK BERHAD on 5 May 2021
Market Value	:	

Component	Market Value
Land Value Note 2	RM25,000,000/-
Building Value	RM110,000,000/-
Total Market Value	**RM134,000,000/-**

Note 1:
The total gross floor area as per Architect's confirmation letter.

Note 2:
The registered owner of the land is held under AMANAHRAYA TRUSTEES BERHAD as Trustee for Al-'Aqar Healthcare REIT. For the purpose of injection of new building into Real Estate Investment Trust (REIT), the building value is derived at RM110,000,000/- (Ringgit Malaysia: One Hundred and Ten Million Only).

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TERMS OF REFERENCE

To assess the market value of the above captioned property for the proposed acquisitions of new building into Al-'Aqar Healthcare Real Estate Investment Trust (REIT) under paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing Requirements").

As instructed, the valuation is carried out based on the following **BASIS**: -

1) The subject property is an annexed ten (10)-storey private hospital building together with a two (2)-storey mechanical & electrical (M&E) building and a single-storey guard house being the expansion / new building situated within KPJ Penang Specialist Hospital;

2) It has a gross floor area of 21,234.64 square metres (approximately 228,568 square feet) based on the Architect's confirmation letter furnished to us;

3) The subject building erected on the subject site have been constructed and completed according to the Amendment to the Approved Building Plans bearing reference no. MBSP/40/40-37/88(PR1) dated 25 February 2022;

4) The subject building has been issued with the corresponding Certificate of Completion and Compliance (CCC) bearing Certificate No. LAM/PP/No.7403 dated 8 August 2022; and

5) The remaining existing building i.e. five (5)-storey private hospital building and other ancillary buildings have been excluded in this valuation.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS IS INVALID/ INCORRECT.

GENERAL DESCRIPTION

Site

The site is trapezoidal in shape and has a surveyed land area of 17,738 square metres (approximately 190,930 square feet / 4.38 acres). It is generally flat in terrain and lies at about the same level as the frontage metalled roads.

Its northern boundary has a frontage of 141.316 metres (approximately 463 feet) onto an unnamed service road which runs parallel with Jalan Perda Utama. Its south-western boundary has a frontage of 240.222 metres (approximately 788 feet) onto Lorong Perda Selatan 3.

The site boundaries are generally demarcated with chain-link fencing, metal decking sheets and plastered brickwalls. Entrance to the subject property is secured by a guardhouse. The site, where no built upon, is generally paved, landscaped and improved with tarmac driveway.

GENERAL DESCRIPTION (Cont'd)

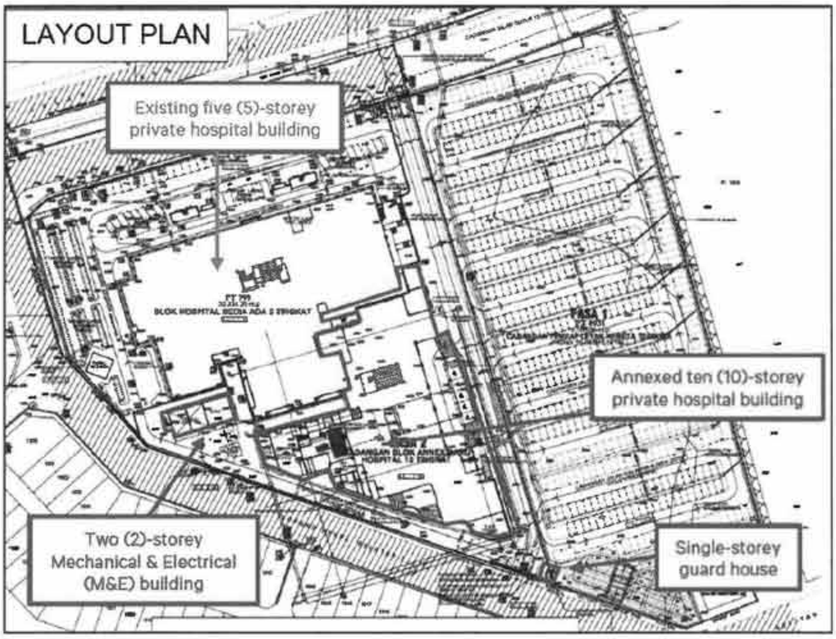
Building

Based on to the Amendment to the Approved Building Plans bearing reference no. MBSP/40/40-37/88(PR1) dated 25 February 2022 and our site inspection, we noted that the south-western portion of the subject site is built-upon with the following buildings: -

a) An annexed ten (10)-storey private hospital building
b) Two (2)-storey mechanical & electrical (M&E) building
c) Single-storey guard house.

FOR THE PURPOSE OF THIS VALUATION, OUR SUBJECT PROPERTY ONLY CONSISTS OF THE ANNEXED TEN (10)-STOREY PRIVATE HOSPITAL BUILDING TOGETHER WITH A TWO (2)-STOREY MECHANICAL & ELECTRICAL (M&E) BUILDING AND A SINGLE-STOREY GUARD HOUSE ("KPJ PENANG NEW BUILDING").

The subject building is edged red on the layout plan below:



The subject building is constructed of reinforced concrete framework with plastered brick walls and reinforced concrete floor, supporting reinforced concrete flat roofs and timber pitched roofs covered with interlocking tiles.

GENERAL DESCRIPTION (Cont'd)

The gross floor area of the subject building is tabulated as follows:

Description		Gross Floor Area	
		square metres	square feet
Annexed Ten (10)-storey Private Hospital Building	Level 1 (Ground Floor)	3,885.30	41,821
	Level 2 (First Floor)	2,404.85	25,886
	Level 3 (Second Floor)	2,748.21	29,581
	Level 4 (Third Floor)	2,347.18	25,265
	Level 5 (Forth Floor)	2,022.78	21,773
	Level 6 (Fifth Floor)	1,292.75	13,915
	Level 7 (Sixth Floor)	1,292.75	13,915
	Level 8 (Seventh Floor)	1,292.75	13,915
	Level 9 (Eighth Floor)	1,292.75	13,915
	Level 10 (Ninth Floor)	1,292.75	13,915
	Rooftop	971.78	10,460
	Sub-total	20,843.85	224,361
Two (2)-storey Mechanical & Electrical (M&E) Building		384.60	4,140
Single-storey Guard House		6.19	67
Total		**21,234.64**	**228,568**

Source : architect's confirmation letter

The subject property was issued with a Certificate of Completion and Compliance (CCC) bearing reference no. LAM/PP/No.7403 dated 8 August 2022.

Beds

KPJ Penang Specialist Hospital has been issued with an operating license bearing License No. 130701-00240-01/2023 by the Ministry of Health (MOH) for a total licensed bed of 319 beds, 6 basinets, 3 cots, 20 dialysis chairs and 1 dental chair in overall.

The existing five (5)-storey private hospital building is licensed for capacity of 193 beds.

As at the date of valuation, the subject building of the annexed ten (10)-storey private hospital building is licensed for 126 beds, which can be summarised as follows:

Type of Bed	No. of Bed
Isolation Room	2 beds
Single Bedded Room	28 beds
Double Bedded Room	64 beds
Four Bedded Room	32 beds
Total	**126 beds**

Source : Penang Specialist Hospital Sdn Bhd

Whilst the subject building is licensed for 126 beds, it is designated to cater for a maximum bed capacity of 138 beds (including future 12 beds located at Level 3, 8 and 9)

GENERAL DESCRIPTION (Cont'd)

Beds (Cont'd)

As per statistics and actual accounts provided to us by client, the average annual occupancy rate for the subject building is as follows: -

Year	Occupancy Rate
2023	18%
2024	19%

Source : Penang Specialist Hospital Sdn Bhd

The current room rate are as follows:-

Type of Rooms	Room Rates
VVIP	RM600.00
VIP	RM400.00
Single-Bedded Room (Flora)	RM350.00
Single-Bedded Room (Flora)	RM250.00
Single-Bedded Room	RM250.00
2-Bedded Room (Flora)	RM200.00
2-Bedded Room	RM150.00
3-Bedded Room (Flora)	RM150.00
3-Bedded Room	RM100.00
4-Bedded Room (Flora)	RM100.00
4-Bedded Room	RM80.00
6-Bedded Room	RM60.00
Intensive Care Unit (ICU)	RM250.00
High Dependency Unit (HDU)	RM150.00
Isolation Intensive Care Unit (ICU)	RM250.00
Isolation COVID	RM250.00
Isolation	RM150.00

Source : Penang Specialist Hospital Sdn Bhd

Medical Facilities/Services

The hospital offering the following services and facilities includes:-

- Medical
- General operation
- O & G
- Paediatric
- Critical care
- Ophthalmology
- Cardiology
- Otorhinolaryngology
- Cardiothoracic surgery
- Orthopaedic
- Vascular surgery
- Nephrology
- Gastroenterology & hepatology
- Medical respiratory
- Upper git surgery
- Neurosurgery
- Oral and maxillofacial surgery

GENERAL DESCRIPTION (Cont'd)

Consultants

Based on the information provided by KPJ Penang Specialist Hospital as well as our verification during site inspection, the subject property is supported by twenty-six (26) Resident Consultants.

VALUE CONSIDERATION

Cost Approach

In arriving to the land value, we have conducted our due diligence and further analysed the following transactions:-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Location	Butterworth	Bukit Mertajam	
Address	Along the service road parallel with Butterworth Outer Ring Road (BORR), Butterworth, Seberang Perai	Along Jalan Perda Selatan, Bukit Mertajam, Seberang Perai	Along Jalan Kulim, Bukit Mertajam, Seberang Perai
Title Nos.	GM 351, 1296 and 1297	GM 1193	GM 904
Lot Nos.	64, 8927 and 8928	10127	1453
Section /Mukim/ Town	Mukim 16	Mukim 7	Mukim 15
District	Seberang Perai Utara	Seberang Perai Tengah	
State	Penang		
Tenure	Term in perpetuity (Freehold)		
Land Area	12,832.364 square metres (Approximately 138,126 square feet / 3.171 acres)	7,838.00 square metres (Approximately 84,367 square feet / 1.937 acres)	3,184.00 square metres (Approximately 34,272 square feet / 0.787 acre)
Type	Development land		
Title – Category of Land Use	Nil (First Grade)	Bangunan	Nil (First Grade)
Date	26/09/2024	18/10/2023	17/01/2023
Vendor	Ooi & Sons Sdn Bhd	Darul Ikon (M) Sdn Bhd	Teh Hock Guan + 1
Purchaser	Omnimetal Sdn Bhd	Jadem White Sdn Bhd	Victons Malaysia Sdn Bhd
Consideration	RM14,503,275/-	RM9,280,428/-	RM3,427,229/-
Analysis	RM105 per square foot	RM110 per square foot	RM100 per square foot
Adjustments	Adjustments have been made location – general, location – accessibility / visibility, location – immediate surroundings, size, shape, frontage, zoning, intensity of use, facing flyover and site improvement.		
Adjusted Land Value	RM129 per square foot	RM105 per square foot	RM125 per square foot

VALUE CONSIDERATION (Cont'd)

Cost Approach (Cont'd)

Land Value

From the above analysis, the adjusted land values range from RM105 per square foot to RM129 per square foot. Having regard to the foregoing, we have adopted the Comparable 1 as the best comparable as it is one of the recent transactions, and of similar land size with the Subject Property.

Thus, we have adopted the rounded land value for the subject property at RM130 per square foot, arriving at RM24,820,900/-, say RM25,000,000/-.

Building Value

The building values are derived based on our analysis of estimated construction cost inclusive of profits and financial elements compiled during our previous valuation and from our research as well as referring to the JUBM Group Construction Cost Handbook Malaysia 2024 published by JUBM Group as a guide.

In addition, we also have made reference to the "Perakuan Akaun dan Bayaran Muktamad" and the JUBM Building Works Composite Tender Price Index (BWCTPI) published by JUBM Group.

The building values adopted range from RM150 per square foot to RM570 per square foot. Further adjustment made on depreciation or obsolescence in order to reflect the existing condition of the buildings as at the date of valuation. For the purpose of this valuation, we have adopted the following building values: -

Description	RM per square foot
Hospital main building	RM520 – RM570
Ancillary floor including mechanical & electrical floor	RM210 – RM285
Ancillary Building	RM150

Based on the CCC, the age of the subject property is about 3 years old. Our analysis shows that the adjustment for depreciation or obsolescence to reflect the existing condition of the buildings as at the date of valuation over a life span of 50 years is about 5.22%. Hence, we have adopted a rounded rate of 5% as the depreciation for the building.

The building value of the subject property is derived at RM110,010,181/- say, RM110,000,000/-.

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VALUE CONSIDERATION (Cont'd)

Cost Approach (Cont'd)

The summary of the Market Value of the subject property based on Cost Approach is as follows:-

Component	Market Value
Land Value	RM25,000,000/-
Building Value	RM110,000,000/-
Market Value	RM135,000,000/-

Hence, the Market Value of the subject property derived from the Cost Approach is RM135,000,000/-.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASES AND PROVISOS AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer, lease, charge and free from all encumbrances at **RM135,000,000/- (Ringgit Malaysia: One Hundred and Thirty Five Million Only).**

The registered owner of the land is held under AMANAHRAYA TRUSTEES BERHAD as Trustee for Al-'Aqar Healthcare REIT. For the purpose of injection of new building into Real Estate Investment Trust (REIT), the building value is derived at **RM110,000,000/- (Ringgit Malaysia: One Hundred and Ten Million Only).**

Limiting Conditions

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Limiting Conditions

These are limiting conditions upon which our Report and Valuation are normally prepared, unless specifically mentioned otherwise in the report.

1. **Malaysian Valuation Standards**

Our Report and Valuation is carried out in accordance with the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers.

2. **Confidentiality**

This Report is confidential to the Client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the Client in respect of that purpose, but the Client shall not disclose the report to any other person.

Neither the whole, nor any part of the Valuation Report or Certificate or any reference thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it may appear.

We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publication of the Valuation Report, whether in part or in whole.

3. **Use of Report**

The opinion of value expressed in this Valuation Report shall only be used by the addressee for the purpose stated or intended in this Valuation Report. We are not responsible for any consequences arising from the Valuation Report or any part thereof being relied upon by any other party whatsoever or for any information therein being quoted out of context.

4. **Title Search**

Whenever possible, a private title search is conducted at the relevant Land Registry/Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry/Office. Legal advice may be sought to verify the title details, if required.

5. **Town Planning and Other Statutory Enquiries**

We have obtained only verbal town planning information from the relevant authorities whilst we also relied upon published Structure and/or Local Plans, if any.

Such enquiries are conducted at the respective offices or by extracting the required information from published reports and are deemed sufficiently reliable in the profession.

6. **Measurements**

All measurements are carried out in accordance with the Uniform Method of Measurement of Buildings issued by The Royal Institution of Surveyors Malaysia, or such other building measurement standards as acceptable and agreed to by the client.

For properties situated outside Malaysia, the appropriate/applicable methods of measurement such as the International Property Measurement Standards (IPMS) are used in parallel with the Uniform Method of Measurement of Buildings (UMMB).

7. **Site Surveys**

We have not conducted any land survey to ascertain the actual site boundaries. For the purpose of this valuation, we have assumed that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

8. **Structural Surveys**

While due care has been taken to note building defects in the course of inspection, no structural surveys nor any testing of services were made nor have we inspected any woodwork or other parts of the structure which were covered or inaccessible. We are therefore unable to express an opinion or advice on the condition of uninspected parts and this Report should not be taken as making any implied representation or statement on such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance of the absence in respect of any rot, termite or pest infestation or other hidden defects.

9. **Contamination**

We have not carried out investigations into the past and present use of either the property or of any neighbouring land to establish whether there has been any contamination or if there is any potential for contamination to the property and are therefore, unable to account and report for such contamination in our Valuation Report.

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10. Deleterious or Hazardous Materials

No investigations have been carried out to determine whether or not any deleterious or hazardous materials had been used in the construction of the property (building) or had since been incorporated and we are, therefore, unable to account or report on any such material in our Valuation Report.

11. Soil Investigation

No soil investigation has been carried out to determine the suitability of soil conditions and / or availability of services for the existing or any future development or planting.

No soil investigation has been carried out to determine the soil suitability for the continued use of the property in its current condition or for any redevelopment.

12. Disease or infestation

Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any tests to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Valuation Report.

13. Leases and Tenancies

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and/or warranties.

14. Development Agreements

Unless otherwise stated, no considerations are made in our valuation for any joint venture agreement, development rights agreement or other similar contracts.

15. Outstanding Debts

In the case of buildings where works are in hand or have recently been completed, no allowances were made for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

16. Taxation, Encumbrances, Statutory Notices and Outgoings

Unless otherwise stated, no allowances are made in our valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assume the property is free of statutory notices and outgoings.

17. Attendance

The instruction and the valuation assignment does not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory body in connection with the valuation unless agreed when the instructions were given or subsequently agreed upon.

18. Source of information

This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the Valuation have been made known to us and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us for information or facts that have been suppressed or not disclosed to us.

Where it is stated in the Valuation Report that information has been supplied by the sources listed, this information is deemed to be reliable and no responsibility is accepted should it be proven otherwise, be it expressed or implied. All other information stated without being attributed directly to another party is deemed to be from our searches of records, examination of documents or relevant sources.

19. Validity Period of Valuation Report

A Valuation Report is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

No warranty can be given as to the maintenance of this value into the future. A periodical valuation review is recommended.

20. Limitation of Liability

Although every care has been taken in preparing the Valuation Report, if it is proven that there is an apparent negligence on the part of the Valuer, the liability of this valuation (whether arising from this valuation, negligence or any other cause whatsoever) is limited in respect of any event or series of events to the actual loss or damage sustained subject to a liability cap to be mutually agreed between the client and the Valuer and clearly set out in the terms of engagement.

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Report and Valuation

Our Ref : WTW/01/V/003227/25/MHA

24 March 2025

PRIVATE & CONFIDENTIAL

JLG REIT MANAGERS SDN BHD
(formerly known as DAMANSARA REIT MANAGERS SDN BERHAD)
(MANAGER FOR AL-'AQAR HEALTHCARE REIT)
Unit 1-19-02, Level 19
Block 1, VSQ, Jalan Utara
46200 Petaling Jaya
Selangor

Dear Sirs,

MASTER VALUATION CERTIFICATE OF FIVE (5) PROPERTIES
FOR THE PURPOSE OF PROPOSED LEASE RENEWAL

In accordance with the instructions of JLG REIT Managers Sdn Bhd (formerly known as Damansara REIT Managers Sdn Berhad), we, CBRE WTW Valuation & Advisory Sdn Bhd (formerly known as C H Williams Talhar & Wong Sdn Bhd), have conducted our valuation on the above mentioned properties. This Master Valuation Certificate is prepared for inclusion in the circular to shareholders in relation to the proposed lease renewal.

We have prepared and provided this Master Valuation Certificate which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

For all intents and purposes, this Master Valuation Certificate should be read in conjunction with the full Report and Valuation dated 24 March 2025.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards (MVS) to be "the estimated amount for which an asset or liability should exchange on the valuation date 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".

We have inspected the subject property on various occasions and as instructed, the material date of valuation is taken as 17 March 2025.

METHOD OF VALUATION

In arriving at our opinion of Market Values, we have adopted the following Valuation Methodologies:

<table>
<tr><th>No.</th><th>Property Details</th><th>Primary</th><th>Secondary Approach</th></tr>
<tr><td>1.</td><td>KPJ Penang Specialist Hospital</td><td rowspan="3">Income Approach (Profits Method – Discounted Cash Flow)</td><td rowspan="2">Cost Approach</td></tr>
<tr><td>2.</td><td>KPJ Seremban Specialist Hospital</td></tr>
<tr><td>3.</td><td>Taiping Medical Centre & TMC Health Centre</td><td>Cost Approach & Indirect Comparison Approach</td></tr>
<tr><td>*4.</td><td>KPJ Healthcare University College Nilai</td><td rowspan="2">Cost Approach</td><td rowspan="2">N/A</td></tr>
<tr><td>*5.</td><td>KPJ International College of Nursing and Health Sciences</td></tr>
</table>

**Cost Approach has been relied as the only valuation method since the development of the property is not fully built upon besides the property has been operating on a low cash flow for the past few years.*

Income Approach (Profits Method – Discounted Cash Flow)

Income Approach (Profits Method – Discounted Cash Flow) entails estimating the gross annual income that can be derived from the running of the property as a business concern. The net annual income is then arrived at by deducting therefrom the operating costs and outgoings incidental to the running of the business and ownership of the property, and allowing a margin of profit for the running of the business. The net annual income so arrived at is then capitalised at a suitable rate of return consistent with the type and quality of investment to arrive at the market value.

In arriving to our opinion of Market Value, we have analysed and conducted our due diligence on five (5) years historical performance, five (5) years projections provided by KPJ, discussions and consultations with KPJ as well as other publicly available information.

Based on the above, we have carried out five (5) years discounted cash flow and made several assumptions including the projected revenue growth, projected expenses and projected occupancy rates amongst others. We have further assigned a tenant's share of 40% from Gross Operating Profit to reflect the operator's risks, capital required and capability to operate the medical facility.

Whilst we consider the figures in our projections to be reasonable taking into considerations all the data/information made available and our knowledge on the present market conditions, we do not warrant the projected figures will be achieved.

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Our Ref: WTW/01/V/003227/25/MHA
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METHOD OF VALUATION (Cont'd)

Cost Approach

The Cost Approach of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, accessibility, visibility, size, tenure, shape, plot ratio, land use, zoning, planning approval, site improvement, public transportation and any other relevant characteristics.

The buildings are valued by reference to their depreciated replacement costs, i.e. the replacement cost new less an appropriate adjustment for depreciation or obsolescence to reflect the existing condition of the buildings at the date of valuation.

The land and building values are then summated to arrive at the market value of the subject property.

Indirect Comparison Approach

The Indirect Comparison Approach entails separate valuations of the land and buildings components to arrive at the market value of the subject property. The Indirect Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility/visibility, size, tenure, shape, position and other relevant characteristics to arrive at the market value.

RECONCILIATION OF VALUE

We have adopted the market value derived from Income Approach (Profits Method – Discounted Cash Flow) as a fair representation of the market value for the subject property.

In arriving to the market value via Income Approach (Profits Method – Discounted Cash Flow), we have taken into considerations the actual performance of the hospital i.e bed occupancy rate trends, gross operating revenue, gross operating cost / expenditure, tenant's share and five (5) years projection provided by KPJ in order to provide more realistic and certain projection in our cashflow.

This approach is deemed more reflective as it will eliminate the uncertainty in terms of qualitative and quantitative adjustment made via the Cost Approach/Indirect Comparison Approach.

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SUMMARY OF VALUE

The summary of Market Value for each property is as follows:-

No.	Property Details	Market Value
1.	**KPJ Penang Specialist Hospital** A purpose built private hospital comprising a five (5)-storey private hospital building ("Existing Building - North Wing") annexed with a ten (10)-storey private hospital building together with a double (2)-storey mechanical & electrical (M&E) building and a single-storey guard house ("Expansion Building - South WIng") erected on Lot No. 10150, Mukim 7, District of Seberang Perai Tengah, Penang (Our Ref : WTW/03/V/002956/25/PEH/kkb)	RM180,000,000/-
2.	**KPJ Seremban Specialist Hospital** A purpose-built private hospital comprising five (5)-storey inpatient building with a basement level, eight (8)-storey PCB block annexed with a five (5)-storey inpatient building together with other ancillary buildings erected on Lot No. 50604 Section 2, Pekan Bukit Kepayang, District of Seremban, Negeri Sembilan (Our Ref : WTW/13/V/006785/25/LH)	RM170,000,000/-
3.	**Taiping Medical Centre & TMC Health Centre** A six (6) adjoining units of four (4)-storey shopoffices known as Taiping Medical Centre and a purpose-built four (4) storey private health centre known as TMC Health Centre erected on Lot Nos. 3102 - 3107 (inclusive) & 3140, Bandar Taiping, District Larut Matang, Perak (Our Ref : WTW/07/V/010237/25/WKM/ckt)	RM23,500,000/-
4.	**KPJ Healthcare University College Nilai** An 'Existing Building' comprises administrative and academic block together with students hostel block erected on part of Lot Nos. PT 551 & PT 552, both within Bandar Baru Kota Sri Mas, District of Seremban, Negeri Sembilan (Our Ref : WTW/13/V/006786/25/NAF)	RM26,300,000/-
5.	**KPJ International College of Nursing and Health Sciences** A purpose-built six (6)-storey building with a basement together with a parcel of development land erected on Lot Nos. 55 and 10093 respectively, Section 5, Town of Bukit Mertajam, District of Seberang Perai Tengah, Penang (Our Ref : WTW/03/V/002957/25/PEH/kkb)	RM15,700,000/-
	Total	**RM415,500,000/-**

Yours faithfully
for and on behalf of
CBRE WTW Valuation & Advisory Sdn Bhd
(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Sr UNGKU MOHD ISKANDAR UNGKU ISMAIL
BSc. (Hons) Property Management,
MRICS, MRISM, MPEPS, MMIPFM
Registered Valuer (V-855)

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MASTER CERTIFICATE OF VALUATION

1. KPJ Penang Specialist Hospital
A purpose built private hospital comprising a five (5)-storey private hospital building ("Existing Building - North Wing") annexed with a ten (10)-storey private hospital building together with a double (2)-storey mechanical & electrical (M&E) building and a single-storey guard house ("Expansion Building - South Wing") erected on Lot No. 10150, Mukim 7, District of Seberang Perai Tengah, Penang
(Our Ref : WTW/03/V/002956/25/PEH/kkb)

PROPERTY IDENTIFICATION

The property : A purpose built private hospital comprising a five (5)-storey private hospital building ("Existing Building - North Wing") annexed with a ten (10)-storey private hospital building together with a double (2)-storey mechanical & electrical (M&E) building and a single-storey guard house ("Expansion Building - South Wing"), collectively known as KPJ Penang Specialist Hospital

Address : KPJ Penang Specialist Hospital, No. 570, Jalan Perda Utama, Bandar Perda, 14000 Bukit Mertajam, Seberang Perai, Penang

Title No. : GM 1453

Lot No. : 10150, Mukim 7, District of Seberang Perai Tengah, Penang

Tenure : Term in perpetuity (Freehold)

Land Area : 17,738 square metres (approximately 190,930 square feet / 4.38 acres)

Gross Floor Area :

Description	Square Metres	Square Feet (*approximate)
Existing Building - North Wing	16,732.69	180,109
Expansion Building - South Wing	21,234.63	228,568
Total	**37,967.32**	**408,677**

**Note*
1) The adopted area for Existing Building – North Wing is as extracted from the Building Plans as approved by the Fire and Rescue Department of Penang State as provided to us which are assumed to be correct.
2) The adopted gross floor area for the Expansion Building – South Wing is as per Architect's confirmation letter.

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PROPERTY IDENTIFICATION (Cont'd)

Licenced Bed :

Type of Bed	Existing Building – North Wing	Expansion Building – South Wing
VVIP	1 bed	-
VIP	2 beds	-
Isolation Room	4 beds	2 beds
Single-Bedded Room	32 beds	28 beds
2-Bedded Room	26 beds	64 beds
3-Bedded Room	81 beds	-
4-Bedded Room	32 beds	32 beds
6-Bedded Room	6 beds	-
Intensive Care Unit (ICU)	6 beds	-
High Dependency Unit (HDU)	3 beds	-
Sub-Total	**193 beds**	**126 beds**
Total	**319 beds**	

Bed Capacity :

Description	Bed Capacity
Existing Building - North Wing	193 beds
Expansion Building - South Wing	138 beds (including future 12 beds located at Level 3)
Total	**331 beds**

Occupancy Status : As per statistics and actual accounts provided to us by client, the average annual occupancy rates are as follows: -

Year	Occupancy Rate
2020	51%
2021	41%
2022	66%
2023	70%
2024	63%

Age of Building : Existing Building - North Wing
Approximately 16 years as per the Certificate of Fitness for Occupation (CFO) by Majlis Perbandaran Seberang Perai bearing Certificate No. 50/T/09 dated 27 March 2009

Expansion Building- South Wing
Approximately 3 years as per the Certificate of Completion and Compliance (CCC) issued by Ar. Rohana Hayati Bt Mohd Noh bearing certificate reference no. LAM/PP/No.7403 dated 8 August 2022

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PROPERTY IDENTIFICATION (Cont'd)

Provisional GBI Certification	:	Nil
Registered Owner	:	AMANAHRAYA TRUSTEES BERHAD as Trustee
Encumbrances	:	Nil
Caveat	:	Private caveat has been lodged by MAYBANK INVESTMENT BANK BERHAD on 5 May 2021
Method of Valuation	:	Income Approach (Profits Method – Discounted Cash Flow) as primary approach and Cost Approach as a check
Reconciliation of Value	:	

Method of Valuation	Market Value
Income Approach (Profits Method – Discounted Cash Flow)	RM180,000,000/-
Cost Approach	RM180,000,000/-

Market Value : RM180,000,000/-

HISTORICAL PERFORMACE

Five (5) years historical operating performance as provided to us as follows:-

Year	2020*	2021*	2022	2023	2024
No. of Bed	193	193	193	256	289
Occupancy Rate	51%	41%	66%	70%	63%
Gross Operating Revenue	RM104,067,974	RM106,843,752	RM144,553,866	RM184,400,669	RM215,003,386
Gross Operating Cost/Expenditure	RM79,484,552	RM82,717,083	RM101,331,027	RM131,851,670	RM146,127,252
Gross Operating Profit (before CAPEX)	RM24,583,422	RM24,126,669	RM43,222,840	RM52,548,999	RM68,876,134

Source : Penang Specialist Hospital Sdn Bhd
*Covid-19 impact

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VALUE CONSIDERATIONS

Income Approach (Profits Method – Discounted Cash Flow)

The key parameters adopted in the Income Approach – Investment (Discounted Cash Flow) Method for the subject property is as follows:-

<table>
<tr><th>Key Parameters</th><th>Remarks</th></tr>
<tr><td>Bed Occupancy Rate</td><td>Reference has been made to the historical annual bed occupancy rate of the subject property from year 2020 to 2024.

Taking into considerations the historical performance and impact of Covid-19, we have made the following projections:

<table>
<tr><th>Year</th><th>Occupancy Rate</th></tr>
<tr><td>Year 1 : 2025</td><td>56%</td></tr>
<tr><td>Year 2 : 2026</td><td>57%</td></tr>
<tr><td>Year 3 : 2027</td><td>58%</td></tr>
<tr><td>Year 4 : 2028</td><td>59%</td></tr>
<tr><td>Year 5 : 2029</td><td>60%</td></tr>
<tr><td>Terminal Year : 2030</td><td>60%</td></tr>
</table></td></tr>
<tr><td>Gross Operating Revenue (GOR)</td><td>Taking into consideration the historical performance, we have distributed the projected Gross Operating Revenue based on average rate as follows :

<table>
<tr><th>Projection Year</th><th>Total Gross Operating Revenue</th></tr>
<tr><td>Year 1 : 2025</td><td>RM219,939,022</td></tr>
<tr><td>Year 2 : 2026</td><td>RM224,623,128</td></tr>
<tr><td>Year 3 : 2027</td><td>RM229,348,578</td></tr>
<tr><td>Year 4 : 2028</td><td>RM234,115,666</td></tr>
<tr><td>Year 5 : 2029</td><td>RM238,924,691</td></tr>
<tr><td>Terminal Year : 2030</td><td>RM238,924,691</td></tr>
</table></td></tr>
<tr><td>Gross Operating Cost (GOC)</td><td>Reference has been made to the historical performance of Gross Operating Cost over Gross Operating Revenue of the subject property from year 2020 to 2024.

Taking into consideration the historical performance, we have distributed the projected Gross Operating Cost based on rate as follows :

<table>
<tr><th>Projection Year</th><th>Total Gross Operating Cost</th></tr>
<tr><td>Year 1 : 2025</td><td>RM169,353,047</td></tr>
<tr><td>Year 2 : 2026</td><td>RM172,959,809</td></tr>
<tr><td>Year 3 : 2027</td><td>RM176,598,405</td></tr>
<tr><td>Year 4 : 2028</td><td>RM180,269,063</td></tr>
<tr><td>Year 5 : 2029</td><td>RM183,972,012</td></tr>
<tr><td>Terminal Year : 2030</td><td>RM183,972,012</td></tr>
</table></td></tr>
<tr><td>Fixed Charges and Property Related Expenses</td><td>In arriving the fixed charges and property related expenses in term of Quit Rent, Assessment and Fire Insurance, we have based on actual charges recorded for the recent year.

<table>
<tr><th>Property Related Expenses</th><th>Projection</th></tr>
<tr><td>Maintenance – FF&E</td><td>3.00%</td></tr>
<tr><td>CAPEX and Maintenance Building</td><td>5.00%</td></tr>
</table></td></tr>
</table>

VALUE CONSIDERATION (Cont'd)

Income Approach (Profits Method – Discounted Cash Flow) (Cont'd)

<table>
<tr><th colspan="2">Key Parameters</th><th>Remarks</th></tr>
<tr><td>Capitalisation Rate</td><td>Capitalisation Rate – 7.00%</td><td>Recent yield based on transactions of similar type properties as follows:

<table><tr><th>Property/Building</th><th>Yield</th></tr>
<tr><td>Kedah Medical Centre</td><td>*5.84%</td></tr>
<tr><td>KPJ Kajang Specialist Hospital</td><td>*6.00%</td></tr>
<tr><td>KPJ Ipoh Specialist Hospital</td><td>*7.62%</td></tr></table>
*Net Yield

We further noted the gross/net yield for selected comparable properties within the northern region ranging from 5.84% to 7.62%.</td></tr>
<tr><td>Discount Rate</td><td>Discount Rate – 9.00%</td><td>In general, discount rate that we have adopted in our valuation is derived from determining the risk free interest rate as an indicator and added with additional risk premium associated with the hospital industry.

Indicative rate for yield to maturity of 10 years as at 17 March 2025 was traded at 3.76%. For the purpose of this valuation, we have made reference to the risk free interest rate published by Central Bank of Malaysia i.e: the Malaysian Government Securities (MGS) yield.

We have allocate additional risk premium over the MGS to arrive at the discount rate.

We have also made reference to other different classes of real estate yield in arriving to our discount rate.</td></tr>
</table>

The market value derived from Income Approach (Profits Method – Discounted Cash Flow) is RM181,825,083/- say, RM180,000,000/-.

We are of the opinion that the above key parameter and assumptions adopted in our valuation are in-line with present market condition.

WHILST WE CONSIDER THE FIGURES IN THIS FORECAST TO BE REASONABLE FOR VALUATION PURPOSES. BEING BASED UPON OUR KNOWLEDGE OF CURRENT MARKET CONDITIONS. WE DO NOT WARRANT THAT THE PROJECTED FIGURES WILL BE ACHIEVED.

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VALUE CONSIDERATION (Cont'd)

Cost Approach

In arriving at the market value of the subject land based on Cost Approach, we have considered transactions of comparable lands within the vicinity and in larger locality, as follows: -

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Location	Butterworth	Bukit Mertajam	Bukit Mertajam
Address	Along the service road parallel with Butterworth Outer Ring Road (BORR), Butterworth, Seberang Perai	Along Jalan Perda Selatan, Bukit Mertajam, Seberang Perai	Along Jalan Kulim, Bukit Mertajam, Seberang Perai
Title No.	GM 351, 1296 and 1297	GM 1193	GM 904
Lot No.	64, 8927 and 8928	10127	1453
Section /Mukim/ Town	Mukim 16	Mukim 7	Mukim 15
District	Seberang Perai Utara	Seberang Perai Tengah	Seberang Perai Tengah
State	Penang	Penang	Penang
Tenure	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)
Land Area	12,832.364 square metres (Approximately 138,126 square feet / 3.171 acres)	7,838.00 square metres (Approximately 84,367 square feet / 1.937 acres)	3,184.00 square metres (Approximately 34,272 square feet / 0.787 acre)
Type	Development land	Development land	Development land
Title – Category of Land Use	Nil (First Grade)	Bangunan	Nil (First Grade)
Date	26/09/2024	18/10/2023	17/01/2023
Vendor	Ooi & Sons Sdn Bhd	Darul Ikon (M) Sdn Bhd	Teh Hock Guan + 1
Purchaser	Omnimetal Sdn Bhd	Jadem White Sdn Bhd	Victons Malaysia Sdn Bhd
Consideration	RM14,503,275/-	RM9,280,428/-	RM3,427,229/-
Analysis	RM105 per square foot	RM110 per square foot	RM100 per square foot
Adjustments	Adjustments have been made on location - general, location – accessibility / visibility, size, location – immediate surroundings, size, shape, frontage, zoning / intensity of use, facing flyover, and site improvement.		
Adjusted Land Value	RM129 per square foot	RM105 per square foot	RM125 per square foot

VALUE CONSIDERATION (Cont'd)

Cost Approach (Cont'd)

Land Value

From the above analysis, the adjusted land values range from RM105 per square foot to RM129 per square foot.

Having regard to the foregoing, we have adopted Comparable 1 as the best comparable as it is the latest transaction, and with similar land size as of the Subject Property.

Therefore, we have adopted the land value of RM130 per square foot and the land value is derived at RM24,820,970/- say, RM25,000,000/-.

Building Value

The building values are derived based on our analysis of estimated construction cost inclusive of profits and financial elements compiled during our previous valuation and from our research as well as referring to the JUBM Group Construction Cost Handbook Malaysia 2024 as a guide.

Further adjustments made on depreciation or obsolescence in order to reflect the existing condition of the buildings as at the date of valuation.

The building value of the existing building (north wing) and expansion building (south wing) is derived at RM44,808,613/- say, RM45,000,000/- and RM110,010,181/- say, RM110,000,000/-, respectively.

The summary of the Market Value of the subject property based on Cost Approach is as follows:-

Component	Market Value
Land Value	RM25,000,000/-
Building Value – existing building (north wing)	RM45,000,000/-
Building Value – expansion building (south wing)	RM110,000,000/-
Market Value	RM180,000,000/-

Hence, the Market Value of the subject property derived from the Cost Approach is RM180,000,000/-.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASES AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission from the State Authority to transfer, lease, charge, or any other dealings, and free from all encumbrances at **RM180,000,000/- (Ringgit Malaysia: One Hundred and Eighty Million Only).**

2. KPJ Seremban Specialist Hospital
A purpose-built private hospital comprising five (5)-storey inpatient building with a basement level, eight (8)-storey PCB block annexed with a five (5)-storey inpatient building together with other ancillary buildings erected on Lot No. 50604 Section 2, Pekan Bukit Kepayang, District of Seremban, Negeri Sembilan
(Our Ref : WTW/13/V/006785/25/LH)

PROPERTY IDENTIFICATION

The property : A purpose-built private hospital comprising five (5)-storey inpatient building with a basement level, eight (8)-storey PCB block annexed with a five (5)-storey inpatient building together with other ancillary buildings known as KPJ Seremban Specialist Hospital

Address : KPJ Seremban Specialist Hospital, Lots 6219 & 6220, Jalan Toman 1, Kemayan Square, 70200 Seremban, Negeri Sembilan

Title No. : GRN 277698

Lot No. : Lot 50604 Section 2, Pekan Bukit Kepayang, District of Seremban, Negeri Sembilan

Tenure : Term in perpetuity (Freehold)

Land Area : 22,470 square metres (approximately 241,865 square feet/5.55 acres)

Gross Floor Area :

Building	Gross Floor Area
Existing building	16,909.47 square metres (approximately 182,012 square feet)
New building	20,052.90 square metres (approximately 215,847 square feet)
Total	**36,962.37 square metres (approximately 397,859 square feet)**

Licenced Bed :

Type of Bed	No. of Bed
VIP	4 beds
Standard Single	114 beds
2-Bedded	34 beds
4-Bedded	44 beds
CICU/ICU	7 beds
Isolation Rooms	4 beds
Day Ward	10 beds
Total	**217 beds**

Bed Capacity : 241 beds (including future 24 beds in level 5)

PROPERTY IDENTIFICATION (Cont'd)

Occupancy Status :

Year	Occupancy Rate
2020	43%
2021	41%
2022	55%
2023	63%
2024	62%

Age of Building : Existing Building
Approximately 20 years as per the Certificate of Fitness for Occupation (CFO) by Majlis Perbandaran Seremban bearing certificate reference no. 599/2004 dated 14 October 2004

New Building
Approximately 6 years as per the Certificate of Completion and Compliance (CCC) by Dato' AR. Haji Saifullizan bin Osman bearing certificate reference no. LAM/NS/No. 3982 dated 26 November 2018

Provisional GBI Certification : Nil

Registered Owner : AMANAHRAYA TRUSTEES BERHAD as Trustee

Encumbrances :
i) Charged to CIMB ISLAMIC BANK BERHAD
ii) Private caveat has been lodged by CIMB ISLAMIC BANK BERHAD on 13 December 2022
iii) Lien Holder caveat has been lodged by CIMB ISLAMIC BANK BERHAD on 13 December 2022

Method of Valuation : Income Approach (Profits Method – Discounted Cash Flow) as primary approach and Cost Approach as a check

Reconciliation of Value :

Method of Valuation	Market Value
Income Approach (Profits Method – Discounted Cash Flow)	RM170,000,000/-
Cost Approach	RM160,000,000/-

Market Value : RM170,000,000/-

HISTORICAL PERFORMACE

Five (5) years historical operating performance as provided to us as follows:-

Year	2020*	2021*	2022	2023	2024
No. of Bed	206	206	206	206	206
Occupancy Rate	43%	41%	55%	63%	62%
Gross Operating Revenue	RM112,751,239	RM122,757,732	RM146,140,415	RM168,036,108	RM188,531,349
Gross Operating Cost/Expenditure	RM91,676,138	RM102,003,303	RM112,386,207	RM129,720,617	RM133,964,535
Gross Operating Profit (before CAPEX)	RM21,075,100	RM20,754,429	RM33,754,208	RM38,315,491	RM54,566,813

Source : Maharani Specialist Hospital Sdn Bhd
*Covid-19 impact

VALUE CONSIDERATIONS

Income Approach (Profits Method – Discounted Cash Flow)

The key parameters adopted in the Income Approach – Investment (Discounted Cash Flow) Method for the subject property is as follows:-

<table>
<tr><th>Key Parameters</th><th>Remarks</th></tr>
<tr><td>Bed Occupancy Rate</td><td>Reference has been made to the historical annual bed occupancy rate of the subject property from year 2020 to 2024.

Taking into considerations the historical performance and impact of Covid-19, we have made the following projections:

<table>
<tr><th>Year</th><th>Occupancy Rate</th></tr>
<tr><td>Year 1: 2025</td><td>63.50%</td></tr>
<tr><td>Year 2: 2026</td><td>65.00%</td></tr>
<tr><td>Year 3: 2027</td><td>66.50%</td></tr>
<tr><td>Year 4: 2028</td><td>68.00%</td></tr>
<tr><td>Year 5: 2029</td><td>69.50%</td></tr>
<tr><td>Terminal Year: 2030</td><td>70.00%</td></tr>
</table></td></tr>
<tr><td>Gross Operating Revenue (GOR)</td><td>Taking into consideration the historical performance, we have distributed the projected Gross Operating Revenue based on average rate as follows :

<table>
<tr><th>Projection Year</th><th>Total Gross Operating Revenue</th></tr>
<tr><td>Year 1: 2025</td><td>RM197,004,483</td></tr>
<tr><td>Year 2: 2026</td><td>RM202,162,278</td></tr>
<tr><td>Year 3: 2027</td><td>RM207,861,699</td></tr>
<tr><td>Year 4: 2028</td><td>RM213,613,060</td></tr>
<tr><td>Year 5: 2029</td><td>RM219,416,739</td></tr>
<tr><td>Terminal Year: 2030</td><td>RM220,995,277</td></tr>
</table></td></tr>
</table>

VALUE CONSIDERATION (Cont'd)

Income Approach (Profits Method – Discounted Cash Flow) (Cont'd)

Key Parameters		Remarks
Gross Operating Cost (GOC)		Reference has been made to the historical performance of Gross Operating Cost over Gross Operating Revenue of the subject property from year 2020 to 2024. Taking into consideration the historical performance, we have distributed the projected Gross Operating Cost based on rate as follows : Projection Year / Total Gross Operating Cost: Year 1 : 2025 – RM155,633,542 Year 2 : 2026 – RM159,708,200 Year 3 : 2027 – RM164,210,742 Year 4 : 2028 – RM168,754,318 Year 5 : 2029 – RM173,339,224 Terminal Year : 2030 – RM174,586,268
Fixed Charges and Property Related Expenses		In arriving the fixed charges and property related expenses in term of Quit Rent, Assessment and Fire Insurance, we have based on actual charges recorded for the recent year. Property Related Expenses / Projection: Maintenance – FF&E – 2.00% CAPEX and Maintenance Building – 5.00%
Capitalisation Rate	Capitalisation Rate - 6.50%.	Recent yield based on transactions of similar type properties as follows: Property/Building / Yield: KPJ Kajang Specialist Hospital – **6.25% Kedah Medical Centre – **6.25% KPJ Sentosa KL Specialist Hospital – **6.00% Sunway Medical Centre (Tower A & B) – *6.02% KPJ Pasir Gudang Specialist Hospital – **5.75% Sunway University – *6.22% *Net Yield **Gross Yield We further noted the gross/net yield for selected industrial properties within Klang Valley ranging from 6.20% to 7.00% whilst we noted that the net yield for hypermarket within Klang Valley and Johor ranging from 7.34% to 10.23%.

VALUE CONSIDERATION (Cont'd)

Income Approach (Profits Method – Discounted Cash Flow) (Cont'd)

Key Parameters		Remarks
Discount Rate	Discount Rate - 8.50%.	In general, discount rate that we have adopted in our valuation is derived from determining the risk free interest rate as an indicator and added with additional risk premium associated with the hospital industry. Indicative rate for yield to maturity of 10 years as at 17 March 2025 was traded at 3.76%. For the purpose of this valuation, we have made reference to the risk free interest rate published by Central Bank of Malaysia i.e: the Malaysian Government Securities (MGS) yield. We have allocate additional risk premium over the MGS to arrive at the discount rate. We have also made reference to other different classes of real estate yield in arriving to our discount rate.

The market value derived from Income Approach (Profits Method – Discounted Cash Flow) is RM171,185,588/- say, RM170,000,000/-.

We are of the opinion that the above key parameter and assumptions adopted in our valuation are in-line with present market condition.

WHILST WE CONSIDER THE FIGURES IN THIS FORECAST TO BE REASONABLE FOR VALUATION PURPOSES. BEING BASED UPON OUR KNOWLEDGE OF CURRENT MARKET CONDITIONS. WE DO NOT WARRANT THAT THE PROJECTED FIGURES WILL BE ACHIEVED.

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VALUE CONSIDERATION (Cont'd)

Cost Approach

In transactions of commercial land within a larger vicinity are shown as follows:-

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation and Property Services Department (JPPH)			
Location	Sendayan Avenue	Pusat Komersial Saujana (Plazo)	Seremban 2	
Title No.	HSD 193561	Geran 258382	Geran 164827	Geran 175307
Lot No.	PT 1064	Lot 51512	Lot 25777	Lot 33692
Mukim/Bandar	Bandar Sri Sendayan	Mukim of Rasah	Bandar Seremban Utama	
District	Seremban			
State	Negeri Sembilan			
Property Type	Commercial Land			
Land Area (square metres)	6,071.0 (approximately 65,348 square feet/ 1.500 acres)	4,240.8 (approximately 45,648 square feet/ 1.048 acres)	5,078.0 (approximately 54,659 square feet/ 1.255 acres)	6,067.0 (approximately 65,305 square feet/ 1.499 acres)
Tenure	Term in perpetuity (freehold)			
Date	22/05/2024	31/03/2024	07/04/2023	11/05/2022
Vendor	HSL CAPITAL SDN BHD	SEREMBAN TWO HOLDINGS SDN BHD	RB LAND SDN BHD	SEREMBAN TWO HOLDINGS SDN BHD
Purchaser	KEEN POINT (M) SDN BHD	GGATE SDN BHD	GUNASEGARAN A/L SELLAPAN +2	ANZAC PROPERTIES SDN BHD
Consideration	RM4,900,500/-	RM4,108,317/-	RM4,372,700/-	RM5,877,400/-
Analysis (RM per square foot)	RM75/-	RM90/-	RM80/	RM90/-
Adjustments	Adjustments have been made on Location-General, Location-Accessibility/Visibility, Size, Land Use, Site Improvement, Planning Approval and Plot Ratio			
Adjusted Value (RM per sq. foot)	RM79/-	RM90/-	RM80/	RM90/-

VALUE CONSIDERATION (Cont'd)

Cost Approach (Cont'd)

Land Value

From the above analysis, the adjusted land values range from RM79 per square foot to RM90 per square foot.

Having regard to the foregoing, we have adopted Comparable 2 as the best comparable as it is among the latest transaction with minimal adjustment made.

Therefore, we have adopted the rounded adjusted land value of RM90 per square foot and the land value is derived at RM21,767,850/- say, RM22,000,000/-.

Building Value

The building values are derived based on our analysis of estimated construction cost inclusive of profits and financial elements compiled during our previous valuation and from our research as well as referring to the JUBM Group Construction Cost Handbook Malaysia 2024 as a guide.

Further adjustments made on depreciation or obsolescence in order to reflect the existing condition of the buildings as at the date of valuation.

The existing and new building value of the subject property is derived at RM58,243,840/- say, RM58,000,000/- and RM79,546,350/- say, RM80,000,000/-, respectively.

The summary of the Market Value of the subject property based on Cost Approach is as follows:-

Component	Market Value
Land Value	RM22,000,000/-
Existing Building Value	RM58,000,000/-
New Building Value	RM80,000,000/-
Market Value	RM160,000,000/-

Hence, the Market Value of the subject property derived from the Cost Approach is RM160,000,000/-.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASIS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer, lease, charge and free from all encumbrances at **RM170,000,000/- (Ringgit Malaysia: One Hundred and Seventy Million Only).**

iii) Taiping Medical Centre & TMC Health Centre
A six (6) adjoining units of four (4)-storey shopoffices known as Taiping Medical Centre and a purpose-built four (4) storey private health centre known as TMC Health Centre erected on Lot Nos. 3102 - 3107 (inclusive) & 3140, Bandar Taiping, District Larut Matang, Perak
(Our Ref : WTW/07/V/010237/25/WKM/ckt)

PROPERTY IDENTIFICATION

The property	:	1) Taiping Medical Centre A six (6) adjoining units of four (4)-storey shopoffices 2) TMC Health Centre A purpose-built four (4) storey private health centre
Address	:	Lot Nos. 3102 – 3107 (Inclusive) Taiping Medical Centre, Nos. 39, 41, 43, 45, 47 & 49, Jalan Medan Taiping 2, Medan Taiping, 34000 Taiping, Perak Lot No. 3140 TMC Health Centre, PT 1106, Medan Taiping, 34000 Taiping, Perak.
Title Nos.	:	Pajakan Negeri 235465 - 235468 (Inclusive), 235470, 235471 & 361304
Lot Nos.	:	Lot 3102 - 3107 (inclusive) & 3140, Bandar Taiping, District Larut Matang, Perak
Tenure	:	Leasehold 99 years expiring on 25 July 2088 (Unexpired term of approximately 63 years)
Surveyed Land Area	:	Lot No. 3102 – 201 square metres (2,164 square feet) Lot No. 3103 – 130 square metres (1,399 square feet) Lot No. 3104 – 130 square metres (1,399 square feet) Lot No. 3105 – 130 square metres (1,399 square feet) Lot No. 3106 – 130 square metres (1,399 square feet) Lot No. 3107 – 170 square metres (1,830 square feet) Lot No. 3140 – 3,554 square metres (38,255 square feet) Total – 4,445 square metres (47,845 square feet / 1.098 acres)

Gross Floor Area :

Building	Gross Floor Area
Taiping Medical Centre	3,739.90 square metres (approximately 40,256 square feet)
TMC Health Centre	2,927.68 square metres (approximately 31,513 square feet)
Total	**6,667.58 square metres (approximately 71,769 square feet)**

PROPERTY IDENTIFICATION (Cont'd)

Licenced Bed / Bed Capacity : Taiping Medical Centre

Type of Bed	No. of Bed
Single Deluxe / Executive Room	3 beds
Single Standard Room	1 bed
Two Bedded Room	6 beds
Three Bedded Room	3 beds
Four Bedded Room	28 beds
Five Bedded Room	5 beds
Labour Room	2 beds
Total	**48 beds**

TMC Health Centre : 5 beds (Dayward)

Occupancy Status :

Year	Occupancy Rate
2020	35%
2021	32%
2022	54%
2023	62%
2024	60%

Age of Building : Lot Nos. 3104 – 3107 (Inclusive) (Previously known as PT 1070 – PT 1073 (Incusive) (Rumah Bersalin)
Approximately 31 years as per the Certificate of Fitness for Occupation (CFO) by Majlis Perbandaran Taiping dated 1 October 1993

Lot Nos. 3102 – 3104 (Inclusive) (Previously known as PT 1068, PT 1069 & PT 1070)
Approximately 24 years as per the Certificate of Fitness for Occupation (CFO) by Majlis Perbandaran Taiping bearing certificate reference no. 31/2001 dated 5 April 2001

Lot No. 3140
Approximately 6 years as per the Certificate of Completion and Compliance (CCC) by Majlis Perbandaran Taiping bearing certificate reference no. LAM/Pk/No. 11582 dated 18 September 2018. Subsequently, the extension and renovation of the subject property was completed and issued with a letter by Ar. Ou Yang Chow Min bearing reference No. OYA/147/KPJ.T-H/BP/2020/06/01 dated 1 June 2020 and duly accepted by Majlis Perbandaran Taiping on 3 June 2020.

Provisional GBI Certification : Nil

Registered Owner : AMANAHRAYA TRUSTEES BERHAD

Encumbrances : Charged to CIMB ISLAMIC BANK BERHAD

Caveat : Private caveat has been lodged by CIMB ISLAMIC BANK BERHAD on 13 December 2022

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PROPERTY IDENTIFICATION (Cont'd)

Method of Valuation : Income Approach (Profits Method – Discounted Cash Flow) as primary approach and Cost Approach as check

Reconciliation of Value :

Method of Valuation	Market Value
Income Approach (Profits Method – Discounted Cash Flow)	RM23,500,000/-
Indirect Comparison & Cost Approach	RM23,000,000/-

Market Value : RM23,500,000/-

HISTORICAL PERFORMACE

Five (5) years historical operating performance as provided to us as follows:-

Year	2020*	2021*	2022	2023	2024
No. of Bed	53	53	53	53	53
Occupancy Rate	35%	32%	54%	62%	60%
Gross Operating Revenue	RM15,365,105	RM18,319,019	RM25,232,598	RM29,987,323	RM31,377,185
Gross Operating Cost/Expenditure	RM14,105,990	RM16,425,807	RM19,637,656	RM22,754,604	RM22,931,897
Gross Operating Profit (before CAPEX)	RM1,259,115	RM1,893,212	RM5,594,942	RM7,232,719	RM8,445,288

Source : Penang Specialist Hospital Sdn Bhd
*Covid-19 impact

VALUE CONSIDERATIONS

Income Approach (Profits Method – Discounted Cash Flow)

The key parameters adopted in the Income Approach – Investment (Discounted Cash Flow) Method for the subject property is as follows:-

Key Parameters	Remarks
Bed Occupancy Rate	Reference has been made to the historical annual bed occupancy rate of the subject property from year 2020 to 2024. Taking into considerations the historical performance and impact of Covid-19, we have made the following projections: Year / Occupancy Rate Year 1 : 2025 – 61% Year 2 : 2026 – 61% Year 3 : 2027 – 62% Year 4 : 2028 – 62% Year 5 : 2029 – 63% Terminal Year : 2030 – 63%
Gross Operating Revenue (GOR)	Taking into consideration the historical performance, we have distributed the projected Gross Operating Revenue based on average rate as follows : Projection Year / Total Gross Operating Revenue Year 1 : 2025 – RM31,783,085 Year 2 : 2026 – RM32,205,984 Year 3 : 2027 – RM32,632,317 Year 4 : 2028 – RM33,062,109 Year 5 : 2029 – RM33,495,382 Terminal Year : 2030 – RM33,495,382
Gross Operating Cost (GOC)	Reference has been made to the historical performance of Gross Operating Cost over Gross Operating Revenue of the subject property from year 2020 to 2024. Taking into consideration the historical performance, we have distributed the projected Gross Operating Cost based on rate as follows : Projection Year / Total Gross Operating Cost Year 1 : 2025 – RM27,015,622 Year 2 : 2026 – RM27,375,086 Year 3 : 2027 – RM27,737,470 Year 4 : 2028 – RM28,102,793 Year 5 : 2029 – RM28,471,075 Terminal Year : 2030 – RM28,471,075
Fixed Charges and Property Related Expenses	In arriving the fixed charges and property related expenses in term of Quit Rent, Assessment and Fire Insurance, we have based on actual charges recorded for the recent year. Property Related Expenses / Projection Maintenance – FF&E – 2.00% CAPEX and Maintenance Building – 1.50%

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VALUE CONSIDERATION (Cont'd)

Income Approach (Profits Method – Discounted Cash Flow) (Cont'd)

Key Parameters		Remarks
Capitalisation Rate	Capitalisation Rate - 7.00%.	Recent yield based on transactions of similar type properties as follows: Property/Building — Yield KPJ Kajang Specialist Hospital — **6.25% Kedah Medical Centre — **6.25% KPJ Sentosa KL Specialist Hospital — **6.00% Sunway Medical Centre (Tower A & B) — *6.02% KPJ Pasir Gudang Specialist Hospital — **5.75% Sunway University — *6.22% *Net Yield **Gross Yield We further noted the gross/net yield for selected industrial properties within Klang Valley ranging from 6.20% to 7.00% whilst we noted that the net yield for hypermarket within Klang Valley and Johor ranging from 7.34% to 10.23%.
Discount Rate	Discount Rate - 9.00%.	In general, discount rate that we have adopted in our valuation is derived from determining the risk free interest rate as an indicator and added with additional risk premium associated with the hospital industry. Indicative rate for yield to maturity of 10 years as at 17 March 2025 was traded at 3.76%. For the purpose of this valuation, we have made reference to the risk free interest rate published by Central Bank of Malaysia i.e: the Malaysian Government Securities (MGS) yield. We have allocate additional risk premium over the MGS to arrive at the discount rate. We have also made reference to other different classes of real estate yield in arriving to our discount rate.

The market value derived from Income Approach (Profits Method – Discounted Cash Flow) is RM23,553,699/- say, RM23,500,000/-.

We are of the opinion that the above key parameter and assumptions adopted in our valuation are in-line with present market condition.

WHILST WE CONSIDER THE FIGURES IN THIS FORECAST TO BE REASONABLE FOR VALUATION PURPOSES. BEING BASED UPON OUR KNOWLEDGE OF CURRENT MARKET CONDITIONS. WE DO NOT WARRANT THAT THE PROJECTED FIGURES WILL BE ACHIEVED.

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VALUE CONSIDERATION (Cont'd)

A) A six (6) adjoining units of four (4)-storey shopoffices known as Taiping Medical Centre (Lot Nos. 3102 – 3107 (Inclusive))

Indirect Comparison Approach

The transactions have been analysed as follows:-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Location	No. 5, Jalan Panggung Wayang, Bandar Taiping, Perak	Jalan Wayang Gambar, Bandar Taiping	Jalan Pasar, Bandar Taiping
Lot No.	Lot No. 2594	Lot Nos. 14696 – 14699 (Inclusive)	Lot Nos. 458 – 461 (Inclusive)
Mukim/Town	Bandar Taiping	Tupai	Bandar Taiping
District	Larut Matang		
State	Perak		
Property Type	One (1) unit of four-storey shopoffice	Four (4) parcels of Commercial Terraced Lot	Four (4) unit of two (2)-storey pre-war shop
Land Area	165.083 sq. metres (1,777 sq. feet / 0.04 acres)	825 sq. metres (8,880 sq. feet / 0.20 acres)	722.39 sq. metres (7,776 sq. feet / 0.18 acres)
Tenure	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)	Leasehold expiring on 8 October 2881, 9 October 2881 & 12 July 2886
Date	07/08/2024	13/01/2023	04/11/2020
Vendor	TEOH ENG KHONG, TEOH HOOI LENG & TEOH ENG KEAN	HAI HUAT (BROTHERS) FOOD PROCESSING SDN. BHD.	SCENIC KINGDOM SERVICES (M) SDN BHD
Purchaser	WONG CHEE LEONG	GENE MARTINO APPAREL (EAST COAST) SDN. BHD.	VIVIAN TEOH HUEY MIN
Consideration	RM999,999/-	RM2,000,000/-	RM3,000,000/-
Block Value Analysis (RM per square foot)	RM563	RM225	RM386
Adjustments	Adjustment has been made to Accessibility / Visibility, Size, Tenure, Site Improvement		
Adjusted Land Value (RM per sq. foot)	RM239	RM225	RM239

VALUE CONSIDERATION (Cont'd)

A) A six (6) adjoining units of four (4)-storey shopoffices known as Taiping Medical Centre (Lot Nos. 3102 – 3107 (Inclusive)) (Cont'd)

Indirect Comparison Approach (Cont'd)

Land Value

From the above analysis, the adjusted land values range from RM225 per square foot to RM239 per square foot.

Having regard to the foregoing, we have adopted Comparable 1 as the best comparable as it is the latest transactions.

Therefore, we have adopted the adjusted land value of RM240 per square foot and the land value is derived at RM2,301,752/- say, RM2,300,000/-.

Building Value

The building values are derived based on our analysis of estimated construction cost inclusive of profits and financial elements compiled during our previous valuation and from our research as well as referring to the JUBM Group Construction Cost Handbook Malaysia 2024 as a guide.

Further adjustments made on depreciation or obsolescence in order to reflect the existing condition of the buildings as at the date of valuation.

The building value of the Lot Nos. 3102 – 3107 (Inclusive) is derived at RM4,245,398/- say, RM4,200,000/-.

The summary of the Market Value of Lot Nos. 3102 – 3107 (Inclusive) based on Indirect Comparison Approach is as follows:-

Component	Market Value
Land Value Building Value	RM2,300,000/- RM4,200,000/-
Market Value	RM6,500,000/-

Hence the Market Value of Taiping Medical Centre (Lot Nos. 3102 – 3107 (Inclusive)) derived from the Indirect Comparison Approach is RM6,500,000/-

VALUE CONSIDERATION (Cont'd)

B) A six (6) adjoining units of four (4)-storey shopoffices known as Taiping Medical Centre (Lot Nos. 3102 – 3107 (Inclusive))

Cost Approach

Transactions of commercial land within a larger vicinity are shown as follows:-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Location	Jalan Simpang / Kuala Kangsar, Pekan Simpang	Jalan Raja Sulong, Kg Boyan	Jalan Kota, Bandar Taiping
Lot No.	Lot Nos. 477 & 478	Lot Nos. 34773 & 34774	Lot No. 2298
Mukim/Town	Pekan Simpang	Asam Kumbang	Bandar Taiping
District	Larut Matang		
State	Perak		
Property Type	Commercial Land		
Land Area	298 sq. metres (3,208 sq. feet / 0.07 acre)	726 sq. metres (7,815 sq. feet / 0.18 acre)	2,514 sq. metres (27,062 sq. feet / 0.62 acres)
Tenure	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)
Date	22/04/2024	22/02/2024	31/03/2023
Vendor	PEN PETROLEUM SDN BHD	Not Available	SYARIKAT BAN AIK AUTO SUPPLY SDN. BHD.
Purchaser	PENDANG PEMBANGUNAN SDN BHD	Not Available	ONG TENG JOO
Consideration	RM372,000/-	RM800,000/-	RM3,000,000/-
Analysis (RM per square foot)	RM116	RM102	RM111
Adjustments	Adjustment has been made to Location-General, Accessibility / Visibility, Size, Tenure, Shape and Site Improvement		
Adjusted Value (RM per sq. foot)	RM104/-	RM102/-	RM94/-

Land Value

From the above analysis, the adjusted land values range from RM94 per square foot to RM104 per square foot.

Having regard to the foregoing, we have adopted Comparable 1 as the best comparable as it is the latest transactions.

Therefore, we have adopted the adjusted land value of RM105 per square foot and the land value is derived at RM4,016,775/- say, RM4,000,000/-.

VALUE CONSIDERATION (Cont'd)

B) A six (6) adjoining units of four (4)-storey shopoffices known as Taiping Medical Centre (Lot Nos. 3102 – 3107 (Inclusive)) (Cont'd)

Cost Approach (Cont'd)

Building Value

The building values are derived based on our analysis of estimated construction cost inclusive of profits and financial elements compiled during our previous valuation and from our research as well as referring to the JUBM Group Construction Cost Handbook Malaysia 2024 as a guide.

Further adjustments made on depreciation or obsolescence in order to reflect the existing condition of the buildings as at the date of valuation.

The building value of the TMC Health Centre (Lot No. 3140) is derived at RM12,433,452/- say, RM12,500,000/-.

The summary of the Market Value of TMC Health Centre (Lot No. 3140) based on Cost Approach is as follows:-

Component	Market Value
Land Value Building Value	RM4,000,000/- RM12,500,000/-
Market Value	RM16,500,000/-

Hence, the Market Value of TMC Health Centre (Lot No. 3140) derived from the Cost Approach is RM160,000,000/-.

The summary of the total market value of the subject property based on Indirect Comparison and Cost Approach is summarised as follows:-

Subject Property	Market Value
A six (6) adjoining units of four (4)-storey shopoffices known as Taiping Medical Centre (Lot Nos. 3102 – 3107 (inclusive))	RM6,500,000/-
A purpose-built four (4)-storey private health centre known as TMC Health Centre (Lot No. 3140)	RM16,500,000/-
Total Market Value	RM23,000,000/-

VALUATION

Taking into consideration the above factors, we therefore assess the total market value of the subject property **BASED ON THE BASIS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer, lease, charge and free from all encumbrances at **RM23,500,000/- (Ringgit Malaysia: Twenty Three Million and Five Hundred Thousand Only)**.

4. KPJ Healthcare University College Nilai
An 'Existing Building' comprises administrative and academic block together with students hostel erected on part of Lot Nos. PT 551 & PT 552, both within Bandar Baru Kota Sri Mas, District of Seremban, Negeri Sembilan
(Our Ref : WTW/13/V/006786/25/NAF)

PROPERTY IDENTIFICATION

The property : An administrative and academic block together with students hostel block known as KPJ Healthcare University College Nilai Existing Building

Address : KPJ Healthcare University College Nilai, Persiaran Seriemas, Kota Seriemas, 71800 Nilai, Negeri Sembilan Darul Khusus

Title Nos./ Lot Nos./ Surveyed Land Area/ Land Area Under Valuation :

Parent Title No.	Parent Lot No.	Surveyed Land Area square metres	Surveyed Land Area square feet	Surveyed Land Area acres	Land Area Under Valuation square metres	Land Area Under Valuation square feet	Land Area Under Valuation acres
HSD 246826	PT 551	22,010	236,913	5.439	6,557	70,579	1.620
HSD 246827	PT 552	69,390	746,907	17.146	12,664	136,314	3.129
Total Land Area		**91,400**	**983,820**	**22.585**	**19,221**	**206,893**	**4.749**

Both within Bandar Baru Kota Sri Mas, District of Seremban, Negeri Sembilan

Tenure : Term in perpetuity (Freehold)

Gross Floor Area Under Valuation : 11,256.21 square metres (approximately1 121,161 square feet)

Age of Building : Approximately 19 years as per the Certificate of Fitness for Occupation (CFO) by Majlis Perbandaran Nilai bearing certificate reference No. 0563 dated 8 March 2006

Provisional GBI Certification : Nil

Registered Owner : AMANAHRAYA TRUSTEES BERHAD as Trustee

Encumbrances : PT 551
Charged to OCBC AL-AMIN BANK BERHAD

PT 552
Nil

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PROPERTY IDENTIFICATION (Cont'd)

Caveat	:	PT 551 Private caveat has been lodged by OCBC AL-AMIN BANK BERHAD on 11 December 2019 PT 552 Private caveat has been lodged by OCBC AL-AMIN BANK BERHAD on 25 November 2020
Method of Valuation	:	Cost Approach
Market Value	:	RM26,300,000/-

VALUE CONSIDERATION

Cost Approach

In arriving to our market value, we have adopted Part of PT 552 as our base lot. The transactions have been analysed as follows:-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Location	Nilai Impian	Taman Nilai Perdana	Bandar Baru Nilai
Lot No.	Lot 19061, PT 1231 & 19057	Lot 19653	Lot 26827 to Lot 26829 (inclusive)
Town/Mukim	Mukim of Setul	Bandar Nilai Utama	Bandar Nilai Utama
District	Seremban		
State	Negeri Sembilan		
Land Area	62,147 sq. metres (Approximately 668,944 square feet/15.36 acres)	16,606 sq. metres (Approximately 178,745 square feet/4.10 acres)	20,356 sq. metres (Approximately 219,110 square feet/5.03 acres)
Tenure	Term in perpetuity (Freehold)		
Date	03/01/2024, 14/12/2023 & 12/09/2023	15/05/2022	11/02/2022
Vendor	THE LONDON ASIATIC RUBBER AND PRODUCE COMPANY LIMITED	NIDEV ASIA (M) SDN BHD	NILAI RESOURCES PROPERTIES SDN BHD
Purchaser	HYTECH ENGINEERING SDN BHD	SUNRICH VICTORY SDN BHD	HEMA SDN BHD
Consideration	RM36,122,976/-	RM14,000,000/-	RM16,652,372/-
Analysis (RM per square foot)	RM54/-	RM78/-	RM76/-
Adjustments	Location – General, Size, Terrain, Site Improvement, Plot Ratio and Other Adjustment (Public Transportation)		
Adjusted Value (RM per square foot)	RM58/-	RM69/-	RM68/-

VALUE CONSIDERATION (Cont'd)

Cost Approach (Cont'd)

Land Value

From the above analysis, the adjusted land values range from RM58 per square foot to RM69 per square foot.

Having regard to the foregoing, we have adopted an average of Comparable 2 and 3 as the best comparable as both have similarity in terms of land area.

Therefore, we have adopted a rounded value of RM70 per square foot for Part of PT 552 as a base.

Further adjustments have been made on category of land use for Part of PT 551 and adopted a rounded value of RM60 per square foot.

Thus, the land value is derived as follow:

Lot Nos.	Land Value	Land Value, Say
Part of PT 552	RM9,541,980/-	**RM9,500,000/-**
Part of PT 551	RM4,234,740/-	**RM4,200,000/-**

Building Value

The building values are derived based on our analysis of estimated construction cost inclusive of profits and financial elements compiled during our previous valuation and from our research as well as referring to the JUBM Group Construction Cost Handbook Malaysia 2024 as a guide.

Further adjustments made on depreciation or obsolescence in order to reflect the existing condition of the buildings as at the date of valuation.

The building value of the subject property is derived at RM12,564,168/- say, RM12,600,000/-.

The summary of the Market Value of the subject property based on Cost Approach is as follows:-

Component	Market Value
Land Value Building Value	RM13,700,000/- RM12,600,000/-
Market Value	RM26,300,000/-

Hence, the Market Value of the subject property derived from the Cost Approach is RM26,300,000/-.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASIS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer, lease, charge and free from all encumbrances at **RM26,300,000/- (Ringgit Malaysia: Twenty Six Million and Three Hundred Thousand Only).**

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5. KPJ International College of Nursing and Health Sciences
A purpose-built six (6)-storey building with a basement together with a parcel of development land erected on Lot Nos. 55 and 10093 respectively, Section 5, Town of Bukit Mertajam, District of Seberang Perai Tengah, Penang
(Our Ref : WTW/03/V/002957/25/PEH/kkb)

PROPERTY IDENTIFICATION

The property : A purpose-built six (6)-storey building with a basement together with a parcel of development land operated as KPJ International College of Nursing and Health Sciences

Address : KPJ International College of Nursing and Health Sciences, No. 565, Jalan Sungai Rambai, 14000 Bukit Mertajam, Seberang Perai, Penang

Title Nos. : GRN 41544 and GRN 179267

Lot Nos. : 55 and 10093 respectively, Section 5, Town of Bukit Mertajam, District of Seberang Perai Tengah, Penang

Tenure : Term in perpetuity (Freehold)

Land Area :

Lot Nos.	Titular Land Area (square metres)	Surveyed Land Area (square metres)
55	2,530.8747	2,530.96
10093	9,197	9,197
Total	11,727.8747	11,727.96

Total land area adopted:
11,727.96 square metres (approximately 126,239 square feet / 2.90 acres) (based on surveyed land area)

Gross Floor Area : 3,993.81 square metres (approximately 42,989 square feet)

Age of Building : Approximately 30 years as per the Certificate of Fitness for Occupation (CFO) issued by Majlis Perbandaran Seberang Perai bearing certificate reference no. 40/I/95 dated 23 March 1995

Provisional GBI Certification : Nil

Registered Owner : AMANAHRAYA TRUSTEES BERHAD as Trustee

Encumbrances : Nil

Caveat : Private caveat has been lodged by OCBC AL-AMIN BANK BERHAD on 25 November 2020

Method of Valuation : Cost Approach

Market Value : RM15,700,000/-

VALUE CONSIDERATION

Cost Approach

Land Value – Subject Component (A)

In arriving at the market value of the subject land based on Comparison Approach, we have considered transactions of comparable lands within the vicinity and in larger locality, as follows: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation and Property Services Department (JPPH)			
Location	Butterworth	Bukit Mertajam	Butterworth	Bukit Mertajam
Address	Along Jalan Siram, Butterworth	Along Jalan Siram, Butterworth	Along Jalan Kulim, Bukit Mertajam, Seberang Perai	Along the eastern side of Jalan Sungai Nyior and northern side of Lorong Sungai Nyior Indah, Butterworth, Seberang Perai
Title No.	Geran 95235	Geran 173889	GM 904	Geran 115320
Lot No.	6149	20176	1453	6264
Section /Mukim /Town	Section 3, Town of Butterworth	Section 4, Town of Butterworth	Mukim 15	Section 3, Town of Butterworth
District	Seberang Perai Utara	Seberang Perai Utara	Seberang Perai Tengah	Seberang Perai Utara
State	Penang	Penang	Penang	Penang
Tenure	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)
Land Area	1,795.00 square metres (Approximately 19,321 square feet / 0.444 acre)	958.00 square metres (Approximately 10,312 square feet / 0.237 acre)	3,184.00 square metres (Approximately 34,272 square feet / 0.787 acre)	1,547.00 square metres (Approximately 16,652 square feet / 0.382 acre)
Type	Development land	Development land	Development land	Development land
Date	26/08/2024	21/07/2023	17/01/2023	11/11/2022
Vendor	Che Som Bt Syed Rastan	Guaranteed Acceptance Sdn Bhd	Teh Hock Guan + 1	Praicon Corporation Sdn Bhd
Purchaser	Umadevi A/P Kuppusami	OFA Ventures Sdn Bhd	Victons Malaysia Sdn Bhd	Eik Seng Machinery Sdn Bhd
Consideration	RM2,299,225/-	RM1,400,000/-	RM3,427,229/-	RM2,993,736/-
Analysis	RM119 per square foot	RM136 per square foot	RM100 per square foot	RM180 per square foot
Adjustments	Adjustments have been made on location - general, location – accessibility / visibility, location – immediate surroundings, size, shape, frontage, intensity of use, facing flyover, next to cemetery and site improvement.			
Adjusted Land Value	RM113 per square foot	RM109 per square foot	RM115 per square foot	RM108 per square foot

From the above analysis, the adjusted land values range from RM108 per square foot to RM115 per square foot.

Having regard to the foregoing, we have adopted the Comparable 1 as the best comparable as it is the latest transaction, and with similar land size as of the Subject Component (A).

VALUE CONSIDERATION (Cont'd)

Cost Approach (Cont'd)

Land Value – Subject Component (A) (Cont'd)

Therefore, we have adopted the rounded land value for the Subject Component (A) at RM110 per square foot, arriving at RM1,437,480/-, say RM1,400,000/-.

Land Value – Subject Component (B)

The transactions of comparable land within the vicinity and a larger locality are shown as follows :-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Location	Butterworth	Bukit Mertajam	Bukit Mertajam
Address	Along the service road parallel with Butterworth Outer Ring Road (BORR), Butterworth, Seberang Perai	Along Jalan Perda Selatan, Bukit Mertajam, Seberang Perai	Along Jalan Kulim, Bukit Mertajam, Seberang Perai
Title No.	GM 351, 1296 and 1297	GM 1193	GM 904
Lot No.	64, 8927 and 8928	10127	1453
Section /Mukim/ Town	Mukim 16	Mukim 7	Mukim 15
District	Seberang Perai Utara	Seberang Perai Tengah	Seberang Perai Tengah
State	Penang	Penang	Penang
Tenure	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)
Land Area	12,832.364 square metres (Approximately 138,126 square feet / 3.171 acres)	7,838.00 square metres (Approximately 84,367 square feet / 1.937 acres)	3,184.00 square metres (Approximately 34,272 square feet / 0.787 acre)
Type	Development land	Development land	Development land
Date	26/09/2024	18/10/2023	17/01/2023
Vendor	Ooi & Sons Sdn Bhd	Darul Ikon (M) Sdn Bhd	Teh Hock Guan + 1
Purchaser	Omnimetal Sdn Bhd	Jadem White Sdn Bhd	Victons Malaysia Sdn Bhd
Consideration	RM14,503,275/-	RM9,280,428/-	RM3,427,229/-
Analysis	RM105 per square foot	RM110 per square foot	RM100 per square foot
Adjustments	Adjustments have been made on location - general, location – accessibility / visibility, shape, frontage, zoning, intensity of use, facing flyover, and site improvement.		
Adjusted Land Value	RM92 per square foot	RM83 per square foot	RM90 per square foot

VALUE CONSIDERATION (Cont'd)

Cost Approach (Cont'd)

Land Value – Subject Component (B) (Cont'd)

From the above analysis, the adjusted land values range from RM83 per square foot to RM92 per square foot.

Having regard to the foregoing, we have adopted the Comparable 1 as the best comparable as it is the latest transaction, and with similar land size as of the Subject Component (B).

Therefore, we have adopted the rounded down land value for the subject property at RM90 per square foot, arriving at RM10,193,040/-, say RM10,200,000/-.

Building Value – Subject Component (A)

The building values are derived based on our analysis of estimated construction cost inclusive of profits and financial elements compiled during our previous valuation and from our research as well as referring to the JUBM Group Construction Cost Handbook Malaysia 2024 as a guide.

Further adjustments made on depreciation or obsolescence in order to reflect the existing condition of the buildings as at the date of valuation.

The building value of the subject property is derived at RM4,062,458/- say, RM4,100,000/-.

The summary of the Market Value of the subject property based on Cost Approach is as follows: -

Component	Market Value
Land Value – Subject Component (A)	RM1,400,000/-
Land Value – Subject Component (B)	RM10,200,000/-
Building Value	RM4,100,000/-
Market Value	RM15,700,000/-

Hence, the Market Value of the subject property derived from the Cost Approach is RM15,700,000/-.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASES, ASSUMPTIONS AND PROVISOS AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE IN THE REPORT AND VALUATION,** and free from all encumbrances at **RM15,700,000/- (Ringgit Malaysia: Fifteen Million and Seven Hundred Thousand Only).**

The salient terms of the Sale and Purchase Agreements are as follows:

Details	Salient Terms
Purchase Consideration	(i) The vendors being the APSH, and PNG and ART agree on the purchase consideration for the following properties: (a) KPJ Ampang Puteri New Building – Ringgit Malaysia One Hundred Million and Thirty One (RM131,000,000.00) only; (b) KPJ Penang New Building – Ringgit Malaysia One Hundred Ten Million (RM110,000,000.00) only. (ii) The deposit and balance purchase consideration for the following properties are as follows: (a) KPJ Ampang Puteri New Building – the deposit which is 5% of the purchase consideration amounting to RM6.55 million shall be paid to the Vendors via Point Zone (M) Sdn. Bhd. (being the subsidiary of KPJ) upon the execution of the KPJ Ampang Puteri SPA and the balance purchase consideration which is 95% of the purchase consideration amounting to RM124.45 million shall be satisfied on or before the expiry of three (3) months from the date the KPJ Ampang Puteri SPA becoming unconditional. In the event ART is unable to pay in full the balance purchase price on or before the expiry of the said three (3) months, the parties agree that the Vendors shall grant an automatic extension of three (3) months, subject to ART paying to the Vendors late payment compensation at the rate of five per centum (5%) per annum on the balance purchase price or any part outstanding thereof. (b) KPJ Penang New Building – the deposit which is 5% of the purchase consideration amounting to RM5.5 million shall be paid to the Vendors via Point Zone (M) Sdn. Bhd. (being the subsidiary of KPJ) upon the execution of the KPJ Penang SPA and the balance purchase consideration which is 95% of the purchase consideration amounting to RM104.5 million shall be satisfied on or before the expiry of three (3) months from the date the KPJ Penang SPA becoming unconditional. In the event ART is unable to pay in full the balance purchase price on or before the expiry of the said three (3) months, the parties agree that the Vendors shall grant an automatic extension of three (3) months, subject to ART paying to the Vendors late payment compensation at the rate of five per centum (5%) per annum on the balance purchase price or any part outstanding thereof.
Conditions Precedent and Completion Date	(i) The Proposed Acquisitions are conditional upon the fulfilment of the following conditions **("SPA Conditions"):** (a) the approval of the shareholders and board of directors of APSH and PNG being obtained for the Proposed Acquisitions and Leases; (b) the approval of the board of directors of KPJ being obtained for the Proposed Acquisitions and Lease; (c) the approval of the shareholders of KPJ at an extraordinary general meeting being obtained for the Proposed Acquisitions and Leases and in the event such approval is given conditionally, the satisfaction of all such conditions to the said approval; (d) the notification by APSH and PNG to the Ministry of Health on change of ownership of the Properties; (e) all such other consents and regulatory and/or governmental approvals required to be obtained by APSH and PNG, and/or ART in order to effect the completion of the transactions contemplated hereunder; (f) the approval of non-interested unitholders of Al-`Aqar at a unitholders' extraordinary general meeting for the Proposed Acquisitions and Leases as required by the REIT Guidelines and Al-`Aqar's trust Deed; (g) the approval of the board of directors of JRMSB and Trustee being obtained for the Proposed Acquisitions and Leases;

Details	Salient Terms
	(h) the approval/consent being obtained from the existing financiers, creditors or lender of Al-`Aqar for the Proposed Acquisitions where such consent is required; (i) the letter of offer or letter of commitment in relation to the financing of the Properties being issued by ART's financier and accepted by ART or Al-`Aqar's special purpose vehicle company which will be used for the purposes of the financing; (j) that the Certificate of Completion and Compliance of the Properties have been duly obtained by APSH and PNG respectively; (k) the execution in escrow of the lease agreement and relevant documents to give effect to the Proposed Leases including but not limited to the Form 15A of the National Land Code, if applicable; and (l) Al-`Aqar's Solicitors and APSH and PNG's Solicitors certifying that all SPA Conditions under the Sale and Purchase Agreements are satisfied and that the sale and purchase transaction is ready for completion. (ii) The time period for fulfilment of all SPA Conditions is six (6) months from the date of the Sale and Purchase Agreements or any extension thereof agreed between the parties of the Sale and Purchase Agreements. (iii) The completion date of the Sale and Purchase Agreements is within three (3) months from the date that the Sale and Purchase Agreements become unconditional ("**Completion Date**"). (iv) In the event the Sale and Purchase Agreements are not completed by the Completion Date, the Sale and Purchase Agreement would be extended for an additional three (3) months from the Completion Date.
Covenants and Indemnity by the Vendor	(i) The respective Vendors acknowledge that the Properties are erected on the land(s) which are registered in the name of ART ("**Land**"). In the event the sale and purchase of the Properties cannot be completed in accordance with the terms of the Sale and Purchase Agreements, the respective Vendor covenants to APSH and PNG in respect of the following: (a) that the Vendors shall continue to bear all the costs in relation to outgoings as listed in Appendix C of the Sale and Purchase Agreements with regard to the Properties; (b) that the Vendors shall not, without the prior written consent of the ART, (provided that such consent shall not be unreasonably withheld), sell or let the entire Properties; (c) that the Vendors may rent out part of the Properties provided always that a notification of not less than seven (7) calendar days is to be provided to the ART; (d) that the Vendor will do or cause to be done everything necessary to ensure that ART's interests and title in relation to the Land and the Properties are not jeopardised in any manner whatsoever; and (e) that the Vendors shall comply at the Vendors costs with the provisions of all statutes for the time being in force and every notice, order, direction, licence, consent or permission given thereunder and the requirements of any competent authority so far as they relate to the Properties or its use. (ii) In the event of breach of the above covenants, the Vendors shall indemnify ART and hold ART harmless from and against any damages, losses, costs, liabilities and expenses (including legal fees and disbursements) suffered by ART arising from any breach of the abovesaid covenants Provided Always that such breach is not due to any act, omission, or negligence on the part of ART.

<table>
<tr><th>Details</th><th>Salient Terms</th></tr>
<tr><td>Event of Defaults and Consequences under the Sale and Purchase Agreements</td><td>
(i) Events of default by the Vendors and consequences under the Sale and Purchase Agreements:-

In the event that:

(a) there is a default by the Vendors to complete the sale of the Properties in accordance with the terms and conditions of the Sale and Purchase Agreements; or

(b) the Vendors fail, neglects or refuses to perform or comply with any of its obligations on its part herein to be performed under the Sale and Purchase Agreements in any material respect and where remediable, fails to remedy the same within fourteen (14) business days from the date of a written notice from the Purchaser requiring the same to be remedied; or

(c) any representation, warranty or undertaking of the Vendors is not true or accurate or is not complied with in any material respect, or

(d) an encumbrancer takes possession of, or a trustee, receiver or similar officer is appointed in respect of, all or any substantial part of the business or assets of the Vendors; or

(e) the Vendors becomes insolvent; or

(f) (a) any party takes any action or any legal proceedings are started or other steps taken for the Vendors to be adjudicated or found insolvent, (b) the winding-up, dissolution of the Vendors either by an order of a court of competent jurisdiction or by way of voluntary winding-up save and except to effect a reorganisation of the business of the Vendors (c) the appointment of a liquidator, trustee receiver or similar officer of the Vendors over the whole or any part of the Vendors or any of its respective undertaking(s), concession, rights or revenues other than a winding-up of the Vendors for the purpose of amalgamation or reconstruction;

at any time prior to the completion of the Sale and Purchase Agreements, then subject always to ART having observed and fulfilled the provisions of the Sale and Purchase Agreements required on its part to be observed or performed, ART shall give to the Vendors a fourty-five (45) business days' notice or such later period as the parties may mutually agree in writing to rectify the alleged breach or default as stipulated in the said notice. For the avoidance of doubt, no remedy period is to be given to the Vendors in respect of any breach referred to under items (d) to (f) above. In the event that the Vendors fails to rectify the alleged breach or default within the said fourty-five (45) business days or such later period as the parties may mutually agree to in writing, ART shall be entitled at ART's sole and absolute discretion to do either of the following (by notice in writing to the Vendors):-

(a) to require specific performance of the Sale and Purchase Agreements; or

(b) to claim damages for the breach of the Sale and Purchase Agreements by the Vendors; or

(c) to terminate the Sale and Purchase Agreements by notice in writing to the Vendors and the parties shall within fourteen (14) business days of receipt by the Vendors of such written notice do the following at the Vendors' own cost and expense:

(aa) the Vendors shall refund to ART all monies received by the Vendor under the Sale and Purchase Agreements (save for any late payment compensation which shall be paid by the Purchaser) free of interest;

(bb) the Vendors pays to ART an amount equivalent to the deposit as liquidated damages failing which the Vendor shall ART damages on the aforesaid money calculated at the rate of eight per centum (8%) per annum on a daily basis commencing from the expiry of the aforesaid fourteen (14) business days until the date of the actual payment;
</td></tr>
</table>

Details	Salient Terms
	(cc) the Vendors shall return and procure the ART's solicitors to return all documents received by ART and/or ART's solicitors pursuant to the Sale and Purchase Agreements, to the Vendor in their original state and condition (fair wear and tear excepted); (dd) the Vendors shall return all documents received by the Vendor and or/ the Vendors' solicitors pursuant to the Sale and Purchase Agreements, to ART in their original state and condition (fair wear and tear excepted); and (ee) ART shall re-deliver the possession of the Properties to the Vendors, if the same has been duly delivered to ART pursuant to the Sale and Purchase Agreements in its original state and condition. Thereafter, subject to the covenants and indemnity by the respective Vendors which will survive the Sale and Purchase Agreements notwithstanding termination, the Sale and Purchase Agreements shall become null and void and be of no further effect and neither party thereto shall have any further claims action or proceedings against the other in respect of or arising out of the Sale and Purchase Agreements, save and except for any claim arising from any antecedent breach and as provided in the Sale and Purchase Agreements. For the avoidance of doubt, in the event of termination of the Sale and Purchase Agreements, the covenants and indemnity by the respective Vendors shall be applicable. (ii) Events of default by the ART, being the purchaser and consequences under the Sale and Purchase Agreements: - In the event that: (a) ART shall fail to satisfy the sale consideration or any part thereof or to complete the sale and purchase of the Properties in accordance with the terms and conditions of the Sale and Purchase Agreements; or (b) ART fails, neglects or refuses to perform or comply with any of its obligations on its part herein to be performed under the Sale and Purchase Agreements in any material respect and where remediable, fails to remedy the same within fourteen (14) business days from the date of a written notice from the Vendors requiring the same to be remedied; or (c) any representation, warranty or undertaking of ART is not true or accurate or is not complied with in any material respect, or (d) an encumbrancer takes possession of, or a trustee, receiver or similar officer is appointed in respect of, all or any substantial part of the business or assets of ART; or (e) ART becomes insolvent; (f) (a) any party takes any action or any legal proceedings are started or other steps taken for ART to be adjudicated or found insolvent, (b) the winding-up, dissolution of ART either by an order of a Court of competent jurisdiction or by way of voluntary winding-up save and except to effect a reorganisation of the business of the ART (c) the appointment of a liquidator, trustee receiver or similar officer of the Purchaser over the whole or any part of ART 's or any of its respective undertaking(s), concession, rights or revenues other than a winding-up of the ART for the purpose of amalgamation or reconstruction; or (g) the commencement of any proceedings pursuant to Section 366 of the Companies Act, 2016 in relation to ART (except for the purpose of and followed by reconstruction, amalgamation or reorganisation which does not in the opinion of the other party have a material adverse effect);

Details	Salient Terms
	then subject always to the Vendors having observed and fulfilled the provisions of the Sale and Purchase Agreements required on its part to be observed or performed, the Vendors shall give to the Purchaser fourty-five (45) business days' notice or such later period as the parties may mutually agree to in writing to rectify the alleged breach or default as stipulated in the said notice. For the avoidance of doubt, no remedy period is to be given to ART in respect of any breach referred to under items (d) to (g) above. In the event that ART fails to rectify the alleged breach or default within the said fourty-five (45) business days or such later period as the parties may mutually agree to in writing, the Vendors shall be entitled at the Vendors' sole and absolute discretion to do either of the following (by notice in writing to ART): (a) to require specific performance of the Sale and Purchase Agreements; or (b) to claim damages for the breach of the Sale and Purchase Agreements by ART; or (c) to terminate the Sale and Purchase Agreements by notice in writing to ART and the parties shall within fourteen (14) business days of receipt by ART of such written notice do the following at ART's own cost and expense: (aa) the Vendor shall refund to ART all monies (save and except for the deposit which shall be forfeited by the Vendor as the agreed liquidated damages) received by the Vendor under the Sale and Purchase Agreements (save for any late payment compensation which shall be paid by ART) free of interest; (bb) ART shall return and procure the ART's solicitors to return all documents received by ART and/or ART's solicitors pursuant to the Sale and Purchase Agreements, to the Vendor in their original state and condition (fair wear and tear excepted); (cc) the Vendor shall return all documents received by the Vendor pursuant to the Sale and Purchase Agreements, to ART in their original state and condition (fair wear and tear excepted); (ee) ART shall re-deliver the possession of the Properties to the Vendor, if the same has been duly delivered to ART pursuant to the Sale and Purchase Agreements in its original state and condition. Thereafter, subject to the covenants and indemnity by the respective Vendor which will survive the Sale and Purchase Agreements notwithstanding termination, the Sale and Purchase Agreements shall become null and void and be of no further effect and neither party thereto shall have any further claims action or proceedings against the other in respect of or arising out of the Sale and Purchase Agreements, save and except for any claim arising from any antecedent breach and as provided in the Sale and Purchase Agreements. For the avoidance of doubt, in the event of termination of the Sale and Purchase Agreements, the covenants and indemnity by the respective Vendor shall be applicable.

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<table>
<tr><th>Details</th><th>KPJ Ampang Puteri New Building</th><th>KPJ Penang New Building</th></tr>
<tr><td>Name of lessee (“Lessee”)</td><td>APSH</td><td>PNG</td></tr>
<tr><td>Term</td><td>A period commencing from the date of completion of the KPJ Ampang Puteri SPA to 29 June 2036 (“Contractual Term”)*
Note:
* The rationale for the lease term of the KPJ Ampang Puteri New Building is until 29 June 2036 is to align its expiry with the lease term of the KPJ Ampang Puteri existing building.</td><td>Fifteen (15) years commencing from the date of completion of the KPJ Penang SPA (“Contractual Term”)</td></tr>
<tr><td>Renewal Term</td><td>Option to renew for another fifteen (15) years commencing on the day immediately following the last day of the Contractual Term to be mutually agreed by Trustee, JRMSB and APSH</td><td>Option to renew for another fifteen (15) years commencing on the day immediately following the last day of the Contractual Term to be mutually agreed by Trustee, JRMSB and PNG</td></tr>
<tr><td>Rent Formula</td><td><table><tr><th>First Rental Term</th><th>Rent Formula</th></tr><tr><td>1st year</td><td>For information, the Base Rent for KPJ Ampang Puteri New Building is RM8,187,500.</td></tr><tr><td>2nd & 3rd year</td><td>2.00% incremental increase x the rent for the preceding year.</td></tr></table></td><td><table><tr><th>First Rental Term</th><th>Rent Formula</th></tr><tr><td>1st year</td><td>For information, the Base Rent for KPJ Penang New Building is RM6,875,000.</td></tr><tr><td>2nd & 3rd year</td><td>2.00% incremental increase x the rent for the preceding year.</td></tr></table></td></tr>
<tr><td>Rental Review Formula</td><td><table><tr><th>Succeeding Rental Terms</th><th>Rent Review Formula</th></tr><tr><td>1st year of every succeeding rental term (Years 4, 7 and 10)</td><td>6.25% per annum x Open Market Value of KPJ Ampang Puteri New Building at the point of review, subject to:
(a) a minimum rent of the Base Rent; and
(b) any adjustment to the rent shall not be more than 2.00% incremental increase over the rent for the preceding year.</td></tr></table></td><td><table><tr><th>Succeeding Rental Terms</th><th>Rent Review Formula</th></tr><tr><td>1st year of every succeeding rental term (Years 4, 7, 10 and 13)</td><td>6.25% per annum x Open Market Value of KPJ Penang New Building at the point of review, subject to:
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<table>
<tr><th>Details</th><th colspan="2">KPJ Ampang Puteri New Building</th><th colspan="2">KPJ Penang New Building</th></tr>
<tr><td></td><td>2nd & 3rd year of every succeeding rental term (Years 5, 6, 8, 9 and 11)</td><td>2.00% incremental increase x the rent for the preceding year.</td><td>2nd & 3rd year of every succeeding rental term (Years 5, 6, 8, 9, 11, 12, 14 and 15)</td><td>2.00% incremental increase x the rent for the preceding year.</td></tr>
<tr><td>Conditions precedent</td><td colspan="4">The Proposed Leases are conditional upon the fulfilment of the following conditions:
(i) the approval of the unitholders of Al-`Aqar being obtained in respect of the Proposed Leases;
(ii) the approval of the shareholders of KPJ being obtained in respect of the Proposed Leases; and
(iii) the completion of the Sale and Purchase Agreements.</td></tr>
<tr><td>Registration of Lease Instrument</td><td colspan="4">(i) Notwithstanding the Rent Commencement Date, if required, the Lessee shall, upon execution of the Lease Agreements, apply to the authorities for consent for the creation of the lease for the Contractual Term in favour of the Lessee pursuant to the Lease Agreements.
“Rent Commencement Date” means the date of commencement of the lease and rent of the Properties payable by the Lessee.
(ii) Subject to the prior consent of the Lessor’s financier having been obtained by the Lessor (if required), on the Rent Commencement Date:
(a) the Lessor and the Lessee shall execute the Form 15A of the National Land Code (“Lease Instrument”) for the registration of the lease with the Registrar of Title or Land Administrator (whichever is applicable); and
(b) the Lessor shall forward the original issue document of title to the land on which the Properties located (“Land”) to the Lessee.
In the event the registration of the lease is not or cannot be effected or perfected for any reason whatsoever not due to any fault of the parties, the parties agree that the Lessor shall grant and the Lessee shall take on a tenancy of the Properties on the terms and conditions as stipulated whereupon the Contractual Term shall be for a fixed period of three (3) years with an automatic renewal for additional four (4) terms of three (3) years each for a period. The Lessee shall have the option to procure the said tenancy to be endorsed on the original issue document of title to the Land with the Registrar of Title or Land Administrator (whichever is applicable).
(iii) In the event the Land is duly charged by the Lessor or any other party having such right to charge the Land, the Lessee shall first obtain the written consent of the chargee by procuring chargee’s signature on the Lease Instrument prior to attending to the registration of the Lease with the Registrar of Title or Land Administrator (whichever is applicable) in accordance with Section 226 of National Land Code.
(iv) The Lessee shall attend to the following:
(a) to submit the Lease Instrument for adjudication for assessment of stamp duty at the relevant stamp office;
(b) to pay the stamp duty of the Lease Instrument;
(c) to present the duly stamped Lease Instrument together with other relevant documents to the relevant land registry for registration of the lease in its favour; and</td></tr>
</table>

Details	KPJ Ampang Puteri New Building	KPJ Penang New Building
	(d) upon completion of the registration of the Lease Instrument to extract and forward the original issue document of title to the Land to the Lessor for the Lessor's or its financier's (if any) safekeeping and retention. (v) The Lessor and the Lessee agree that they shall work together, as may reasonably be required, to complete and register the Lease Instrument in favour of the Lessee. (vi) The parties acknowledge that the non-registration of the Lease Instrument for any reason whatsoever shall not affect the contractual operation of the lease and that the Lease Agreements will remain valid and enforceable under the law of contract.	
Expansion	(i) "Expansion" means the construction, renovations and/or refurbishment works within building of Properties and/or attached to building of the Properties, undertaken by the Lessor or Lessee for the purposes of expansion of its business operations resulting: (a) in the increase of the gross floor area of the building of the Properties; and (b) in the increase of rent pursuant to the Lease Agreements. (ii) Option 1 of the Expansion In the event the Lessee requests for Expansion and the Lessor and the Manager agree to meet the Expansion request of the Lessee according to Lessee's specification, the Lessor may, subject to the terms and conditions in the Lease Agreements, make the necessary arrangements, coordinate, manage, monitor and supervise any major structural alterations or additions to the building of the Properties or work which may affect the: (a) structure of the Properties (including but not limited to the roof and the foundation); (b) mechanical or electrical installations of the Properties; or (c) provisions of any services in or to the Properties. The Lessor shall bear the development costs and expenses for, and related to the Expansion ("**Expansion Costs**") and shall be solely responsible to procure the financing for the Expansion. (iii) Option 2 of the Expansion Notwithstanding Option 1 above, subject to the agreement between the parties to the Lease Agreements, the Lessee shall have the option to undertake the Expansion and bear the Expansion Costs, and the parties further agree that the Expansion Costs shall be reimbursed by the Lessor to the Lessee ("**Expansion Reimbursement Costs**") in accordance with the terms and conditions in the Lease Agreement for Proposed Leaseback. (iv) If the expansion results in an increase in the gross floor area of the Properties, the increase in the monthly rent shall be computed as follows: Formula: (the rental rate to be agreed between the parties to the Lease Agreement for Proposed Leaseback x Expansion Reimbursement Costs or Expansion Costs, as the case may be)/12 calendar months. (v) In the event the increase in the rent is incurred during mid of the relevant year of the Contractual Term, such rent shall be prorated to full financial year before applying it in the rent formula for rent increment as set out in the Lease Agreements.	

Details	KPJ Ampang Puteri New Building	KPJ Penang New Building
	(vi) For avoidance of doubt, in the event the rent has been increased pursuant to item (iv) above, the Base Rent amount shall be revised accordingly to include the incremental amount and thereafter, the aforesaid Base Rent shall be applied in the rent review formula under the Lease Agreements determination of the rent for the relevant succeeding rental terms.	
New Development	(i) New Development means the planning, design, and construction of a new building(s), carpark and/or other structures on the land where the Properties situated or any part thereof complete with inter alia the interior design, the landscape and the infrastructures related thereto. (ii) Option 1 of the New Development The Lessor grants to the Lessee the right to undertake the New Development on the land where the Properties are situated for the Lessee's business operations. Notwithstanding the paragraph above, the Lessor shall have the option to undertake the New Development and bear the development costs and expenses for, and related to the New Development ("**New Development Costs**") and shall be solely responsible to procure the financing for the New Development, subject to the terms and conditions in the Lease Agreements. (iii) Option 2 of the New Development Notwithstanding Option 1 above, subject to the agreement between the parties to the Lease Agreement for Proposed Leaseback, the Lessee shall have the option to undertake the New Development and bear the New Development Costs, and the parties to the Lease Agreements further agree that the New Development shall be acquired by the Lessor from the Lessee in accordance with the terms and conditions in the Lease Agreements. (iv) The new rent for the New Development shall be governed by the terms and conditions of the new lease agreement or supplemental lease agreement to be entered into between the Lessees, the Lessor and the Manager for the lease of the New Development.	
Events of default and Termination	The following are the events of default by the Lessees and consequences under the Lease Agreements: (i) a failure or refusal on the part of the Lessee: (a) to pay the monthly rent for two (2) consecutive calendar months under the terms of the Lease Agreements on the day such payment is required to be made under the terms of the Lease Agreement (whether the same shall have been formally demanded or not); or (b) to pay any sum (other than the rent) due under the terms of the Lease Agreements on the day such payment is required to be made under the terms of the Lease Renewal Agreement (whether the same shall have been formally demanded or not); or (c) to duly observe or perform any of the covenants and conditions and/or agreements of the Lessee contained in the Lease Agreement of which is not capable of being remedied or if capable of being remedied such breach is not remedied by the Lessee within a period of thirty (30) calendar days from the date after receipt of written notice thereof from the Lessor to the Lessee requesting action to remedy the same; or (ii) the Lessee is in breach of any agreement which has a material adverse effect on the business and/or operations of the Lessee and which affects its ability to fulfil its obligations under the Lease Agreement; or (iii) the Lessee shall suffer or do any act or thing whereby the Lessor's and/or the Manager's rights shall or may be prejudiced; or	

Details	KPJ Ampang Puteri New Building	KPJ Penang New Building
	(iv) a judgment is obtained by the Lessee for the purpose of Section 466 of the Act and as such, the Lessee is deemed to be unable to pay its debts as they fall due or suspends or threatens to suspend making payments (whether of principal or other payments) with respect to all or any class of its debts, or any other event set out in Section 465 of the Act occurs or the Lessee commences negotiations or takes or institutes proceedings whether under law or otherwise with a view to obtaining a restraining order against creditors under any law or for adjustment or deferment or compromise or rescheduling of its indebtedness or any part thereof or enters into or makes a general assignment or arrangement or composition with or for the benefit of its creditors or declares a moratorium on the repayment of its indebtedness or part thereof or any creditor of the Lessee assumes management of the Lessee and in the case of any of the events aforementioned, the financial condition of the Lessee or the ability of the Lessee to perform its obligation under the Lease Agreements are materially and adversely affected; or (v) a petition is presented or an order is made or a resolution is passed or any other action or step is taken by the Lessee for the winding up of the Lessee or a liquidator or trustee or receiver or receiver and manager is appointed over the whole or any part of the assets or rights or revenues or undertaking of the Lessee and the same is not discharged, withdrawn, set aside or discontinued within thirty (30) calendar days; or (vi) the Lessee is unable to pay its debt within the meaning of the Act which inability may have a material adverse effect. In the event that the event of default has occurred and is continuing, the Lessor shall be at liberty to take any one or more of the following remedies without being responsible or liable for any loss, damage or expense caused to the Lessee as a consequence of such action: (i) serve a forfeiture notice upon the Lessee pursuant to Section 235 of the National Land Code (Revised 2020) and it is hereby mutually agreed and deemed that the period stipulated in the forfeiture notice shall be 30 calendar days for the occurrence of the event set out in the paragraph above, and where the breach has not been remedied within the stipulated time of 30 calendar days, to re-enter upon the Properties or any part thereof in the name of the whole, and thereupon the Lease Renewal Agreement shall absolutely terminate; (ii) to claim for the monthly rent and all other sums due and payable as stipulated in the Lease Agreements; (iii) the Lessor shall be entitled to utilise the security deposits pursuant to the Lease Agreements towards payment or reduction of all sums payable by the Lessee under the Lease Agreements without prejudice to the Lessee's liability for any shortfall; (iv) (a) the Lessee shall be liable to pay the Lessor a sum equivalent to the rent for the unexpired period of the Contractual Term as liquidated damages for the loss of rent suffered by the Lessor resulting from termination of the Lease Agreement for Proposed Leaseback due to an event of default; (b) Notwithstanding the paragraph (iv)(a) above, the Lessee shall have an option to source for a replacement lessee or tenant approved by the Lessor for the unexpired period of the Contractual Term (or any part thereof) at such rental and upon such terms and conditions acceptable to the Lessor, and the Lessor shall take all reasonable efforts to lease or let the Properties to any other lessees or tenants. In the event that the Lessor or the Lessee is able to lease or let the Properties to any other lessees and tenants at such rental and upon such terms and conditions acceptable to the Lessor, the Lessee shall compensate the Lessor in lump sum for the deficiency between the originally scheduled rent under the Lease Agreements and the rent received or to be received from the other lessees or tenants of the Properties for the unexpired period of the Contractual Term. Upon receipt of the first monthly rental of the Property from such replacement lessees and tenants, and save for any antecedent breach of the Lease Agreements, any balance of sum received pursuant to paragraph (iv)(a) above shall be returned by the Lessor to the Lessee within 60 calendar days or any other period as agreed between the parties in writing; or	

Details	KPJ Ampang Puteri New Building	KPJ Penang New Building
	(v) to sue and take any other action that the Lessor deems fit (including remedy of specific performance against the Lessee) to recover all moneys due and owing to the Lessor and the costs and expenses incurred by the Lessor including legal fees (on a solicitor-client basis and on full indemnity basis) of all such actions taken shall be borne by the Lessee.	
First Right of Refusal to Purchase	The Lessee shall be given first right of refusal, should the Lessor intend to sell the Properties, by way of written notice form the Lessor to sell the Properties at the prevailing/open market value, to which notice the Lessee shall reply within sixty (60 calendar days thereof.	

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APPENDIX V – SALIENT TERMS OF THE LEASE RENEWAL AGREEMENTS AND THE COMPARISON WITH THE PRINCIPAL LEASE AGREEMENTS

The salient terms of the Lease Renewal Agreements are as follows:

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
Name of lessee ("Lessee")	PNG	PNG	Maharani Specialist Hospital Sdn Bhd	KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	(i) <u>With respect to the Principial Lease Agreement for KPJ Penang</u> The lessee for Principal Lease Agreement for KPJ Penang was Bukit Mertajam Specialist Hospital Sdn Bhd ("**BMSH**"). BMSH novated its benefits and obligations as the lessee under the Principal Lease Agreement for KPJ Penang to PNG via a novation agreement. (ii) <u>With respect to the Principial Lease Agreement for TMC Health Centre</u> There are no changes with respect to the lessee for Principal Lease Agreement for TMC Health Centre. (iii) <u>With respect to the Principial Lease Agreement for Taiping Medical Centre</u> The lessee for Principal Lease Agreement for Taiping Medical Centre was Taiping Medical Centre Sdn Bhd. Taiping Medical Centre Sdn Bhd novated its benefits and obligations as the lessee under the Principal Lease Agreement for Taiping Medical Centre to PNG via a novation agreement dated 5 June 2017. (iv) <u>With respect to the Principial Lease Agreement for KPJ Seremban (Old Building)</u>

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
						The lessee for Principal Lease Agreement for KPJ Seremban (Old Building) was Seremban Specialist Hospital Sdn Bhd ("**SSH**"). SSH novated its benefits and obligations as the lessee under the Principal Lease Agreement for KPJ Seremban Old Building to Maharani Specialist Hospital Sdn Bhd via a novation agreement dated 28 August 2020. (v) With respect to the Principial Lease Agreement for KPJ Seremban (Vacant Land) The lessee for Principal Lease Agreement for KPJ Seremban (Vacant Land) was Seremban Specialist Hospital Sdn Bhd. (vi) With respect to the Principial Lease Agreement for KPJU There are no changes with respect to the lessee for Principal Lease Agreement for KPJU. However, the former name of the lessee at the time of entering into the Principal Lease Agreement for KPJU was Puteri Nursing College Sdn Bhd. (vii) With respect to the Principial Lease Agreement for KIC The lessee for Principal Lease Agreement for KIC was BMSH. BMSH novated its benefits and obligations as the lessee under the Principal Lease Agreement for KIC to KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)* via a novation agreement dated 1 March 2011.

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
Contractual Term	Fifteen (15) years commencing from the rent commencement date set out in KPJ Penang Lease Agreement, being the date that corresponds with the date of completion of KPJ Penang SPA	A period of three (3) years commencing from 1 August 2025 until 31 July 2028	A period of fifteen (15) years commencing from 1 August 2025 until 31 July 2040	A period of five (5) years and eight (8) months commencing from 1 August 2025 31 March 2031	A period of one (1) year commencing from 1 August 2025 until 31 July 2026	Please refer to Section 4.1 of this Circular.
Renewal Term	Option to renew for another fifteen (15) years commencing on the day immediately following the last day of the Contractual Term to be mutually agreed by Trustee, JRMSB and PNG	Option to renew for another two (2) years commencing on the day immediately following the last day of the Contractual Term to be mutually agreed by Trustee, JRMSB and PNG	Option to renew for another fifteen (15) years commencing on the day immediately following the last day of the Contractual Term to be mutually agreed by Trustee, JRMSB and Maharani Specialist Hospital Sdn Bhd	Option to renew for another fifteen (15) years commencing on the day immediately following the last day of the Contractual Term to be mutually agreed by Trustee, JRMSB and KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	Option to renew for another one (1) year commencing on the day immediately following the last day of the Contractual Term to be mutually agreed by Trustee, JRMSB and KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	(i) <u>With respect to Principal Lease Agreements for KPJ Penang, KPJ Seremban and KPJU</u> There are no changes to the renewal term with respect to the Principal Lease Agreements for KPJ Penang, KPJ Seremban and KPJU. (ii) <u>With respect to Principal Lease Agreements for TMC and KIC</u> The option to renew was for another fifteen (15) years commencing on the day immediately following the last day of the Contractual Term.
Rental Formula	Please refer to Section 4.3 above.	Please refer to Section 4.3 above.	Please refer to Section 4.3 above.	Please refer to Section 4.3 above.	Please refer to Section 4.3 above.	Please refer to Section 4.3 above.

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
Rent Review Formula	Please refer to Section 4.3 above.	The rent review formula does not apply as the Contractual Terms with respect to TMC is three (3) years. Upon the expiry of Contractual Terms with respect to TMC, the parties have the option to extend the lease for another two (2) years and the renewal terms including the rental terms will be renegotiated and decided between the Lessor and PNG accordingly.	Please refer to Section 4.3 above.	Please refer to Section 4.3 above.	The rent review formula does not apply as the Contractual Terms with respect to KIC is one (1) year. Upon the expiry of the Contractual Terms with respect to KIC, the parties have the option to extend the lease for another on (1) year and the renewal terms including the rental terms will be renegotiated and decided between the Lessor and KPJ Healthcare University Sdn Bhd (formerly known as KPJ Healthcare University College Sdn Bhd) accordingly.	Please refer to Section 4.3 above.
Conditions precedent	The Proposed Lease Renewal is conditional upon the fulfilment of the following conditions: (i) the approval of the unitholders of Al-`Aqar being obtained in respect of the Proposed Lease Renewal; and (ii) the approval of the shareholders of KPJ being obtained in respect of the Proposed Lease Renewal.					(i) <u>With respect to Principal Lease Agreements for KPJ Penang, Taiping Medical Centre, KPJ Seremban (Old Building), KPJ Seremban (Vacant Land), KPJU and KIC</u> There were no conditions precedent for Principal Lease Agreements for KPJ Penang, Taiping Medical Centre, KPJ Seremban (Old Building), KPJ Seremban (Vacant Land), KPJU and KIC. (ii) <u>With respect to Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building)</u> There are no changes in the conditions precedent, however, there is an additional condition precedent which is the completion of the sale and purchase agreements with respect to TMC Health Centre and KPJ Seremban (New Building).

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
Registration of Lease Instrument	(i) Notwithstanding the Rent Commencement Date, if required, the Lessee shall, upon execution of the Lease Renewal Agreements apply to the authorities for consent for the creation of the lease for the Contractual Term in favour of the lessee pursuant to the Lease Renewal Agreements: "**Rent Commencement Date**" means the date of commencement of the lease and rent of the Properties payable by the Lessee. (ii) Subject to the prior consent of the Lessor's financier having been obtained by the Lessor (if required), on the Rent Commencement Date: (a) the Lessor and the Lessee shall execute the Form 15A of the National Land Code ("**Lease Instrument**") for the registration of the lease with the Registrar of Title or Land Administrator (whichever is applicable); and (b) the Lessor shall forward the original issue document of title to the land on which the Lease Properties are located ("**Land**") to the Lessee. In the event the registration of the lease is not or cannot be effected or perfected for any reason whatsoever not due to any fault of the parties, the parties agree that the Lessor shall grant and the Lessee shall take on a tenancy of the Property on the terms and conditions as stipulated whereupon the Contractual Term shall be for a fixed period of three (3) years with an automatic renewal for additional four (4) terms of three (3) years each for a period. The Lessee shall have the option to procure the said tenancy to be endorsed on the original issue document of title to the Land with the Registrar of Title or Land Administrator (whichever is applicable). (iii) In the event the Land is duly charged by the Lessor or any other party having such right to charge the Land, the Lessee shall first obtain the written consent of the chargee by procuring chargee's signature on the Lease Instrument prior to attending to the registration of the Lease with the Registrar of Title or Land Administrator (whichever is applicable) in accordance with Section 226 of National Land Code. (iv) The Lessee shall attend to the following: (a) to submit the Lease Instrument for adjudication for assessment of stamp duty at the relevant stamp office; (b) to pay the stamp duty of the Lease Instrument; (c) to present the duly stamped Lease Instrument together with other relevant documents to the relevant land registry for registration of the lease in its favour; and (d) upon completion of the registration of the Lease Instrument to extract and forward the original issue document of title to the Land to the Lessor for the Lessor's or its financier's (if any) safekeeping and retention. (v) The Lessor and the Lessee agree that they shall work together, as may reasonably be required, to complete and register the Lease Instrument in favour of the Lessee. (vi) The parties acknowledge that the non-registration of the Lease Instrument for any reason whatsoever shall not affect the contractual operation of the lease and that the Lease Renewal Agreements will remain valid and enforceable under the law of contract.					There was no provision in relation to the registration of lease instrument with respect to all the Principal Lease Agreements.
Expansion	(i) "**Expansion**" means the construction, renovations and/or refurbishment works within building of the Lease Properties and/or attached to building of the Lease Properties, undertaken by the Lessor or Lessee for the purposes of expansion of its business operations resulting: (aa) in the increase of the gross floor area of the building of the Lease Properties; and (bb) in the increase of rent pursuant to the Lease Renewal Agreements. (ii) Option 1 of the Expansion					(i) <u>With respect to Principal Lease Agreements for KPJ Penang, Taiping Medical Cente, KPJ Seremban (Old Building), KPJ Seremban (Vacant Land), KPJU and KIC</u>

<table>
<tr><th>Details</th><th>KPJ Penang</th><th>TMC</th><th>KPJ Seremban</th><th>KPJU</th><th>KIC</th><th>Principal Lease Agreements</th></tr>
<tr><td></td><td colspan="5">In the event the Lessee requests for Expansion and the Lessor and the Manager agree to meet the Expansion request of the Lessee according to Lessee’s specification, the Lessor may, subject to the terms and conditions in the Lease Agreement for Proposed Lease Renewal, make the necessary arrangements, coordinate, manage, monitor and supervise any major structural alterations or additions to the building of the Lease Properties or work which may affect the:
(aa) structure of the Lease Properties (including but not limited to the roof and the foundation;
(bb) mechanical or electrical installations of the Lease Properties; or
(cc) provisions of any services in or to the Lease Properties.
The Lessor shall bear the development costs and expenses for, and related to the Expansion (“Expansion Costs“) and shall be solely responsible to procure the financing for the Expansion.
(iii) Option 2 of the Expansion
Notwithstanding Option 1 above, subject to the agreement between the parties to the Lease Renewal Agreement, the Lessee shall have the option to undertake the Expansion and bear the Expansion Costs, and the parties further agree that the Expansion Costs shall be reimbursed by the Lessor to the Lessee (“Expansion Reimbursement Costs”) in accordance with the terms and conditions in the Lease Renewal Agreements.
(iv) If the expansion results in an increase in the gross floor area of the Lease Properties, the increase in the monthly rent shall be computed as follows:
Formula: (the rental rate to be agreed between the parties to the Lease Renewal Agreement x Expansion Reimbursement Costs or Expansion Costs, as the case may be) / 12 calendar months.
(v) In the event the increase in the rent is incurred during mid of the relevant year of the Contractual Term, such rent shall be prorated to full financial year before applying it in the rent formula for rent increment as set out in the Lease Renewal Agreement.
(vi) For avoidance of doubt, in the event the rent has been increased pursuant to item (iv) above, the Base Rent amount shall be revised accordingly to include the incremental amount and thereafter, the aforesaid Base Rent shall be applied in the rent review formula under the Lease Renewal Agreement for determination of the rent for the relevant succeeding Rental Terms.</td><td>For expansion requested by the Lessees, the Lessor and/or the Manger allows Lessees to undertake expansion through expansion, refurbishment and renovation of the Properties. The Lessor shall then reimburse the Lessees based on the recommendation of the Manager according to the work done and subject to verification by the Manager for all costs incurred by the Lessees.
However, subsequent to the Principal Lease Agreements, the following clause was incorporated either via renewal notices or lease agreements in relation to renewal of the subsequent rental terms within the Contractual Term:
Expansion</td></tr>
</table>

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
						In the event the Lessee requests and the Lessor and/or the Manager desire to meet the expansion requirements of the Lessee through expansion, refurbishment and renovation of the Lease Properties, the Lessor shall through the Manager, instruct the Maintenance Manager to make the necessary arrangements, coordinate, manage, monitor and supervise any major structural alterations or additions to the Lease Properties or work which may affect or may be likely to affect the structure of the Lease Properties (including but not limited to the roof and the foundation) or the mechanical or electrical installations of the Lease Properties or the provisions of any services in or to the Lease Properties. The Lessor shall then reimburse the Lessee based on the recommendation of the Manager according to the work done and subject to verification by the Manager of all costs incurred by the Lessee as recommended by either the auditors of Al-'Aqar, an independent valuer or an independent quantity surveyor for the expansion, refurbishment and renovation of the Lease Properties at such dates and/or amount to be agreed mutually by the Lessor and/or the Manager and the Lessee. (ii) With respect to Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building) There are no changes to the expansion clause with respect to the Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building).
New Development	(i) New Development means the planning, design, and construction of a new building(s), carpark and/or other structures on the land where the Lease Renewal Property is situated or any part thereof complete with inter alia the interior design, the landscape and the infrastructures related thereto. (ii) Option 1 of the New Development					(i) With respect to Principal Lease Agreements for KPJ Penang, Taiping Medical Cente, KPJ Seremban (Old Building), KPJ Seremban (Vacant Land), KPJU and KIC

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
	The Lessor grants to the Lessee the right to undertake the New Development on the land where the Lease Renewal Property is situated for the Lessee's business operations. Notwithstanding the paragraph above, the Lessor shall have the option to undertake the New Development and bear the development costs and expenses for, and related to the New Development and shall be Proposed Lease Renewal. (iii) Option 2 of the New Development Notwithstanding Option 1 above, subject to the agreement between the parties to the Lease Renewal Agreement, the Lessee shall have the option to undertake the New Development and bear the New Development Costs, and the parties to the Lease Renewal Agreement further agree that the New Development shall be acquired by the Lessor from the Lessee in accordance with the terms and conditions in the Lease Renewal Agreement. (iv) The new rent for the New Development shall be governed by the terms and conditions of the new lease agreement or supplemental lease agreement to be entered into between the Lessees, the Lessor and the Manager for the lease of the New Development.					There were no provisions with respect to new development for Principal Lease Agreements for KPJ Penang, Taiping Medical Cente, KPJ Seremban (Old Building), KPJ Seremban (Vacant Land), KPJU and KIC. However, subsequent to the Principal Lease Agreements, the following clause was incorporated either via subsequent renewal notices or lease agreements in relation to renewal of the subsequent rental terms within the Contractual Term:- **Future Development** (i) The Lessor hereby grants to the Lessee the right to undertake future development on the land (where the Lease Properties is situated) ("**Land**") for the expansion of the Lessee's business operations, subject to the following:- (a) the Lessee shall provide a written notification to the Manager providing the details of the proposed or future development on the Land; and (b) the Lessee shall obtain the prior written approval of the Lessor before commencing with the proposed or future development on the Land.

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
						(ii) The parties hereby further agree that any proposed or future development on the Land ("**New Development**") may be acquired by the Lessor, upon completion of its construction, at a price to be mutually agreed by the Parties based on the valuation to be conducted by an independent valuer or an independent quantity surveyor appointed by the Lessor, subject to the approval of relevant authorities', the approval of the unit holders of Al- `Aqar and/or shareholder of the Lessee and/or its holding company, KPJ (if required) and the terms and conditions of the agreement, to be entered into between the Lessor and the Lessee in connection with the New Development. (iii) The parties hereby agree that in the event that the New Development mentioned in Clause (b) above is acquired by the Lessor, upon completion of the acquisition of the New Development the Lessee will enter into a lease agreement with the Lessor and the Manager for the lease back of the New Development by the Lessee and the rental for the Lease Properties which shall include the New Development shall be revised accordingly and subject to the terms and conditions of a new lease agreement to be entered upon by the Lessor, the Lessee and the Manager. (ii) <u>With respect to Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building)</u>

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<tr><th>Details</th><th>KPJ Penang</th><th>TMC</th><th>KPJ Seremban</th><th>KPJU</th><th>KIC</th><th>Principal Lease Agreements</th></tr>
<tr><td></td><td colspan="5"></td><td>There are no changes to the new development clause with respect to the Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building).</td></tr>
<tr><td>Events of Default and Termination</td><td colspan="5">(i) The following are the events of default by the Lessees and consequences thereof under the Lease Renewal Agreements:
(a) a failure or refusal on the part of the Lessee:
(aa) to pay the monthly rent for 2 consecutive calendar months under the terms of the Lease Renewal Agreements on the day such payment is required to be made under the terms of the Lease Renewal Agreements (whether the same shall have been formally demanded or not); or
(bb) to pay any sum (other than the rent) due under the terms of the Lease Renewal Agreements on the day such payment is required to be made under the terms of the Lease Renewal Agreement (whether the same shall have been formally demanded or not); or
(cc) to duly observe or perform any of the covenants and conditions and/or agreements of the Lessee contained in the Lease Renewal Agreement of which is not capable of being remedied or if capable of being remedied such breach is not remedied by the Lessee within a period of 30 calendar days from the date after receipt of written notice thereof from the Lessor to the Lessee requesting action to remedy the same; or
(b) the Lessee is in breach of any agreement which has a material adverse effect on the business and/or operations of the Lessee and which affects its ability to fulfil its obligations under the Lease Renewal Agreement; or
(c) the Lessee shall suffer or do any act or thing whereby the Lessor's and/or the Manager's rights shall or may be prejudiced; or
(d) a judgment is obtained by the Lessee for the purpose of Section 466 of the Act and as such, the Lessee is deemed to be unable to pay its debts as they fall due or suspends or threatens to suspend making payments (whether of principal or other payments) with respect to all or any class of its debts, or any other event set out in Section 465 of the Act occurs or the Lessee commences negotiations or takes or institutes proceedings whether under law or otherwise with a view to obtaining a restraining order against creditors under any law or for adjustment or deferment or compromise or rescheduling of its indebtedness or any part thereof or enters into or makes a general assignment or arrangement or composition with or for the benefit of its creditors or declares a moratorium on the repayment of its indebtedness or part thereof or any creditor of the Lessee assumes management of the Lessee and in the case of any of the events aforementioned, the financial condition of the Lessee or the ability of the Lessee to perform its obligation under the Lease Renewal Agreement is materially and adversely affected; or
(e) a petition is presented or an order is made or a resolution is passed or any other action or step is taken by the Lessee for the winding up of the Lessee or a liquidator or trustee or receiver or receiver and manager is appointed over the whole or any part of the assets or rights or revenues or undertaking of the Lessee and the same is not discharged, withdrawn, set aside or discontinued within thirty (30) calendar days; or
(f) the Lessee is unable to pay its debt within the meaning of the Act which inability may have a material adverse effect
If the event of default has occurred and is continuing, the Lessor shall be at liberty to take any one or more of the following remedies without being responsible or liable for any loss, damage or expense caused to the Lessee as a consequence of such action:</td><td>(i) <u>With respect to Principal Lease Agreements for KPJ Penang, Taiping Medical Centre, KPJ Seremban (Old Building), KPJ Seremban (Vacant Land), KPJU and KIC</u>
The forfeiture and termination of the Principal Lease Agreement shall take place if and whenever during the Initial Contractual Term:-
(i) the rent or any other sum due under the Principal Lease Agreement shall be in arrears and shall remain unpaid for thirty (30) working days after becoming payable (whether formally demanded or not); or
(ii) there shall be any breach of non-performance or non-observance by the Lessee of any of the covenants and conditions contained in the Principal Lease Agreement of which is not capable of being remedied or if capable of being remedied such breach is not remedied within a reasonable time stipulates by the Lessor in its notices to the Lessee requesting action to remedy the same; or
(iii) the Lessee is in breach of any agreement which has a material adverse effect on the business and/or operations of the Lessee which affects its ability to fulfill its obligations under the Principal Lease Agreement; or any provision of the Principal Lease Agreement is, or</td></tr>
</table>

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
	(a) serve a forfeiture notice upon the Lessee pursuant to Section 235 of the National Land Code (Revised 2020) and it is hereby mutually agreed and deemed that the period stipulated in the forfeiture notice shall be 30 calendar days for the occurrence of the event set out in the paragraph above, and where the breach has not been remedied within the stipulated time of 30 calendar days, to re-enter upon the Lease Renewal Property or any part thereof in the name of the whole, and thereupon the Lease Renewal Agreement shall absolutely terminate; (b) to claim for the monthly rent and all other sums due and payable as stipulated in the Lease Renewal Agreement; (c) the Lessor shall be entitled to utilise the security deposits pursuant to the Lease Renewal Agreement towards payment or reduction of all sums payable by the Lessee under the Lease Renewal Agreement without prejudice to the Lessee's liability for any shortfall; (aa) the Lessee shall be liable to pay the Lessor a sum equivalent to the rent for the unexpired period of the Contractual Term as liquidated damages for the loss of rent suffered by the Lessor resulting from termination of the Lease Renewal Agreement due to an event of default; (bb) notwithstanding the paragraph (c)(aa) above, the Lessee shall have an option to source for a replacement lessee or tenant approved by the Lessor for the unexpired period of the Contractual Term (or any part thereof) at such rental and upon such terms and conditions acceptable to the Lessor, and the Lessor shall take all reasonable efforts to lease or let the Lease Renewal Properties to any other lessees or tenants. In the event that the Lessor or the Lessee is able to lease or let the Lease Renewal Properties to any other lessees and tenants at such rental and upon such terms and conditions acceptable to the Lessor, the Lessee shall compensate the Lessor in lump sum for the deficiency between the originally scheduled rent under the Lease Renewal Agreement and the rent received or to be received from the other lessees or tenants of the Lease Renewal Properties for the unexpired period of the Contractual Term. Upon receipt of the first monthly rental of the Lease Renewal Property from such replacement lessees and tenants, and save for any antecedent breach of the Lease Renewal Agreement, any balance of sum received pursuant to paragraph (c)(aa) above shall be returned by the Lessor to the Lessee within sixty (60) calendar days or any other period as agreed between the parties in writing; or (d) to sue and take any other action that the Lessor deems fit (including remedy of specific performance against the Lessee) to recover all moneys due and owing to the Lessor and the costs and expenses incurred by the Lessor including legal fees (on a solicitor-client basis and on full indemnity basis) of all such actions taken shall be borne by the Lessee.					(iv) any provision of the Principal Lease Agreement is, or becomes for any reason whatsoever, invalid or unenforceable; or (v) the Lessee ceases or threatens to cease to carry on its business; or (vi) the Lessee is unable to pay its debts as they become due or commits an act of bankruptcy or insolvency, as the case may be, or any act analogous thereto; or (vii) a trustee or administrator or receiver or manager or liquidator or bailiff or similar officer is appointed in respect of the Lessee or in respect of its assets; or (viii) the Lessee enters into or proposes to enter into, or there is declared by any competent court or authority, a moratorium on the payment of indebtedness or other suspensions of payments generally; or (ix) any step is taken for the winding up or dissolution (whether compulsory or voluntary) or bankruptcy, as the case may be, of the Lessee or a petition for winding up or bankruptcy, as the case may be, is presented against the Lessee; or (x) a compromise or arrangement is proposed or is intended to be proposed between the Lessee and its creditors; or

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
						(xi) the Lessee enters into or proposes to enter into an arrangement or composition for the benefit of its creditors; or (xii) the Lessee has or suffers any distress, execution, attachment or other legal process to be levied, enforced or sued out against its assets; or (xiii) the Lessee shall suffer or do any act or thing whereby the Lessor's and/or the Manager's rights shall or may be prejudiced; or

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
						(xiv) in the event that the Lease Properties or any part thereof shall at any time during the Initial Contractual Term be damaged or destroyed by fire or by any event so as to become unfit for occupation or use then and provided always that such aforesaid fire or event shall not have been caused by the wilful and malicious acts of the Lessee its servants and agents, the rent reserved or a fair and just proportion thereof according to the nature and extent of the damage sustained shall be suspended and cease to be payable until the Lease Properties shall have been rendered fit for occupation and use provided always that in the event that the Lessor shall be unable to restore or render the the Lease Properties fit for occupation within three (3) months from the date hereof, the Lessee shall have an option either to terminate the Principal Lease Agreement created or to continue suspending and ceasing payment of the rent reserved or a proportionate part thereof according to the extent of damage or destruction until the date the Lease Properties shall be rendered fit for occupation or use by the Lessor. In the event the Lessee decides to terminate the Principal Lease Agreement, the Lessor shall within fourteen (14) days thereof, refund the security deposit to the Lessee less all payment due and payable under the Principal Lease Agreement.

Details	KPJ Penang	TMC	KPJ Seremban	KPJU	KIC	Principal Lease Agreements
						(ii) With respect to Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building) There are no changes to the events of default and termination clause with respect to Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building).
First refusal of Refusal to Purchase	The Lessee(s) shall be given first right of refusal, should the Lessor intend to sell the Lease Properties, by way of written notice from the Lessor to sell the Lease Properties at the prevailing/open market value, to which notice the Lessee(s) shall reply within sixty (60) calendar days thereof.					(i) With respect to Principal Lease Agreements for KPJ Penang, Taiping Medical Centre, KPJ Seremban (Vacant Land), KPJ Seremban (Old Building), KPJU and KIC In the event the Lessor and/or the Manager intends to sell or dispose the Lease Properties at any time during the Contractual Term, the first right of refusal to purchase the Lease Properties shall be given to the Lessees. (ii) With respect to Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building) There are no changes to the first right of refusal clause with respect to Principal Lease Agreements for TMC Health Centre and KPJ Seremban (New Building).

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1. RESPONSIBILITY STATEMENTS

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

2. CONSENTS AND CONFLICT OF INTEREST

2.1 KAF IB

KAF IB, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

KAF IB is not aware of any conflict of interest which exist or is likely to exist in relation to its role as the Principal Adviser for the Proposals.

2.2 Independent Adviser

ZICO Evolve Capital, being the Independent Adviser for the Proposals, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

ZICO Evolve Capital has given a written confirmation that it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the independent adviser in respect of the Proposals.

2.3 Valuer

CBRE WTW, being the Valuer for the Proposed Acquisitions and Leases, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of their names, the valuation certificate in respect of the Properties and Lease Properties as set out in **Appendix I** and **Appendix II** of this Circular and all references thereto in the form and context in which they appear in this Circular.

CBRE WTW has given its written confirmation that it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Valuer in respect of the Proposed Acquisitions and Leases.

3. MATERIAL CONTRACTS

Save as disclosed below, Al-`Aqar has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the LPD:

(i) Lease Agreement dated 25 August 2023 entered into between the Trustee, Perdana Specialist Hospital Sdn Bhd and the Manager for the lease of the KPJ Perdana Specialist Hospital Building for contractual term commencing from 1 October 2023 to 30 September 2038 at a rental rate determined under the terms of the said lease agreement;

(ii) Lease Agreement dated 25 August 2023 entered into between the Trustee, Kajang Specialist Hospital Sdn Bhd and the Manager for the lease of the KPJ Kajang Specialist Hospital Building for contractual term commencing from 1 October 2023 to 30 September 2038 at a rental rate determined under the terms of the said lease agreement;

(iii) Lease Agreement dated 25 August 2023 entered into between the Trustee, Kuantan Wellness Center Sdn Bhd and the Manager for the lease of the Kuantan Care and Wellness Centre for contractual term commencing from 1 October 2023 to 30 September 2026, at a rental rate determined under the terms of the said lease agreement;

(iv) Lease Agreement dated 25 August 2023 entered into between the Trustee, Sentosa Medical Centre Sdn Bhd and the Manager for the lease of the KPJ Sentosa KL Specialist Hospital Building for contractual term commencing from 1 October 2023 to 30 September 2026, at a rental rate determined under the terms of the said lease agreement;

(v) Lease Agreement dated 25 August 2023 entered into between the Trustee, Kedah Medical Centre Sdn Bhd and the Manager for the lease of the Kedah Medical Centre Building for contractual term commencing from 1 October 2023 to 30 September 2038 at a rental rate determined under the terms of the said lease agreement;

(vi) Sale and Purchase Agreement dated 15 November 2023 ("**Damai SPA**") entered between the Trustee and Sihat Damai Sdn Bhd ("**Purchaser**") for the disposal of Damai Wellness Centre on an 'as is where is' basis with vacant possession (or legal possession if possession has been delivered by the Trustee to the Purchaser pursuant to terms of the Damai SPA) and free from all encumbrances, claims, charges, liens, easements, caveats, order of court, trusts, equities and any conflicting interests and restraints (subject to the terms of the Damai SPA) for a disposal consideration of RM13,000,000 to be settled entirely in cash.

The disposal of Damai Wellness Centre has been completed on 6 June 2024.

(vii) A Land Sale Contract dated 12 December 2023 entered between Al Aqar Australia Pty Ltd, a wholly-owned subsidiary of Al-`Aqar (represented by the Trustee) and Principal Healthcare Finance Pty Ltd, as trustee for the Principal Healthcare Finance Trust and DPG Services Pty Ltd, for Al Aqar Australia Pty Ltd's disposal of the lands and buildings of Jeta Gardens Aged Care Facility for a cash consideration of AUD24.4 million (equivalent to approximately RM74.9 million).

The disposal of the lands and buildings of Jeta Gardens Aged Care Facility is still ongoing.

4. MATERIAL COMMITMENTS

There are no other material commitments incurred or known to be incurred by Al-`Aqar as at LPD, which upon becoming due or enforceable, may have a material impact on the financial position or business of Al- 'Aqar.

5. CONTINGENT LIABILITIES

There are no contingent liabilities incurred or known to be incurred by Al- 'Aqar, its subsidiaries and its associated companies as at LPD, which upon becoming due or enforceable, may have a material impact on the financial position or business of Al- 'Aqar.

6. MATERIAL LITIGATION

As at the LPD, there are no material litigation, claims or arbitration, either as a plaintiff or a defendant, which will have a material and/or adverse effect on the financial position or business of Al-`Aqar and the Board is not aware of any proceedings pending or threatened against Al-`Aqar or of any fact which is likely to give rise to any proceedings which may materially and/or adversely affect the position or business of Al-`Aqar.

7. DOCUMENTS AVAILABLE FOR INSPECTION

The copies of the following documents are available for inspection at the registered office of JRMSB, Suite 1, Level 17, Menara KOMTAR, Johor Bahru City Centre, 80888 Ibrahim International Business District, Johor Darul Ta`zim Malaysia, following the date of this Circular from Mondays to Fridays (except public holidays) during business hours up to the date of the EGM;

(i) the Deed;

(ii) the valuation reports of the Properties issued by the Valuer;

(iii) the valuation certificate of the Properties as set out in **Appendix I**;

(iv) the valuation certificate of the Lease Properties as set out in **Appendix II**;

(v) the Transaction Documents;

(vi) the Memorandum of Extension;

(vii) the audited consolidated financial statements of Al-`Aqar for the FYE2023 and FYE2024;

(viii) the latest unaudited financial statements of Al-`Aqar for the period ended 31 March 2025;

(ix) the letters of consent and declaration of conflict of interests referred to in Section 2 of the **Appendix VI** of this Circular; and

(x) the material contracts referred to Section 3 of the **Appendix VI** of this Circular.

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AL-`AQAR HEALTHCARE REIT

(Established in Malaysia under the deed dated 27 June 2006 and as amended by the supplemental deed dated 14 May 2009, 27 January 2011 and 9 November 2011, amended and restated by the restated trust deed dated 31 July 2013, amended and restated by the Second Restated Deed dated 25 November 2019 and further amended by the Supplemental Deed to the Second Restated Deed dated 29 December 2022 entered into between JLG REIT Managers Sdn Bhd *(formerly known as Damansara REIT Managers Sdn Berhad)*, AmanahRaya Trustees Berhad, both companies incorporated in Malaysia under the laws of Malaysia and the persons who are for the time being registered as holders of the units in Al-`Aqar Healthcare REIT, as amended, varied or supplemented from time to time)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of the holders of units of Al-`Aqar Healthcare REIT ("**Al-`Aqar**") ("**Unitholders**") will be held physically at Convention Hall 303, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80888 Ibrahim International Business District, Johor on Wednesday, 25 June 2025 at 11:15 a.m. to transact the following businesses:

ORDINARY RESOLUTION 1

(A) PROPOSED ACQUISITIONS BY AMANAHRAYA TRUSTEES BERHAD ("ART" OR "TRUSTEE") (ACTING SOLELY IN ITS CAPACITY AS TRUSTEE FOR AND ON BEHALF OF AL-`AQAR), OF A NEW BUILDING FORMING PART OF KPJ AMPANG PUTERI SPECIALIST HOSPITAL ("KPJ AMPANG PUTERI NEW BUILDING") FROM AMPANG PUTERI SPECIALIST HOSPITAL SDN BHD ("APSH"), A WHOLLY-OWNED SUBSIDIARY OF KPJ HEALTHCARE BERHAD, FOR A TOTAL CASH CONSIDERATION OF RM131,000,000 ("PROPOSED ACQUISITION OF KPJ AMPANG PUTERI NEW BUILDING"); AND

(B) PROPOSED LEASEBACK OF KPJ AMPANG PUTERI NEW BUILDING BY THE TRUSTEE (ACTING SOLELY IN ITS CAPACITY AS TRUSTEE FOR AND ON BEHALF OF AL-`AQAR) AND JLG REIT MANAGERS SDN BHD *(FORMERLY KNOWN AS DAMANSARA REIT MANAGERS SDN BERHAD)* ("MANAGER") TO APSH UPON COMPLETION OF THE PROPOSED ACQUISITION OF KPJ AMPANG PUTERI NEW BUILDING ("PROPOSED LEASE OF KPJ AMPANG PUTERI NEW BUILDING").

"**THAT** subject to the approvals of all relevant parties and/or authorities being obtained, approval be and is hereby given to the Trustee, on behalf of Al-`Aqar, to acquire KPJ Ampang Puteri New Building upon the terms and conditions contained in the conditional sale and purchase agreements dated 27 March 2025 entered into between the Trustee (acting solely in its capacity as the trustee for and on behalf of Al-`Aqar) and APSH ("**SPAs**");

THAT subject to the approvals of all relevant parties and/or authorities being obtained, approval be and is hereby given to the Trustee (acting solely in its capacity as trustee for and on behalf of Al-`Aqar) and the Manager to enter into a lease agreement with APSH in relation to and for the lease of KPJ Ampang Puteri New Building upon the terms of the lease agreement from the completion of Proposed Acquisition of KPJ Ampang Puteri New Building ("**Lease Agreement**");

AND THAT the Board of Directors ("**Board**") of the Manager and the Trustee (acting solely in its capacity as trustee for and on behalf of the Al-`Aqar), be and are authorised to:

(i) Enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of Al-`Aqar, all such agreements, instruments, documents and/or deed as the Board of the Manager may from time to time deem necessary, expedient or appropriate for or in connection with Proposed Acquisition of KPJ Ampang Puteri New Building and Proposed Lease of KPJ Ampang Puteri New Building;

(ii) Assent and/or give effect to any condition, variation, modification, addition and/or amendment in respect of the Proposed Acquisition of KPJ Ampang Puteri New Building and Proposed Lease of KPJ Ampang Puteri New Building (including but not limited to SPA and Lease Agreement) and/or any provision, term and condition thereof as may be required and/or as the Board of the Manager may in its discretion deem necessary, expedient or appropriate and/or as may be imposed or permitted by any relevant regulatory authorities; and

(iii) Take all such steps and do all such acts, deeds and things in any manner as the Board of the Manager may from time to time deem necessary, expedient or appropriate to implement, finalise and give full effect to and complete all transactions contemplated under the Proposed Acquisition of KPJ Ampang Puteri New Building and Proposed Lease of KPJ Ampang Puteri New Building."

ORDINARY RESOLUTION 2

(A) PROPOSED ACQUISITIONS BY AMANAHRAYA TRUSTEES BERHAD ("ART" OR "TRUSTEE") (ACTING SOLELY IN ITS CAPACITY AS TRUSTEE FOR AND ON BEHALF OF AL-`AQAR), OF A NEW BUILDING FORMING PART OF KPJ PENANG SPECIALIST HOSPITAL ("KPJ PENANG NEW BUILDING") FROM PENANG SPECIALIST HOSPITAL SDN BHD ("PNG"), A WHOLLY-OWNED SUBSIDIARY OF KPJ HEALTHCARE BERHAD, FOR A TOTAL CASH CONSIDERATION OF RM110,000,000 ("PROPOSED ACQUISITION OF KPJ PENANG NEW BUILDING"); AND

(B) PROPOSED LEASEBACK OF KPJ PENANG NEW BUILDING BY THE TRUSTEE (ACTING SOLELY IN ITS CAPACITY AS TRUSTEE FOR AND ON BEHALF OF AL-`AQAR) AND JLG REIT MANAGERS SDN BHD *(FORMERLY KNOWN AS DAMANSARA REIT MANAGERS SDN BERHAD)* ("MANAGER") TO PNG UPON COMPLETION OF THE PROPOSED ACQUISITION OF KPJ PENANG NEW BUILDING ("PROPOSED LEASE OF KPJ PENANG NEW BUILDING").

"**THAT** subject to the approvals of all relevant parties and/or authorities being obtained, approval be and is hereby given to the Trustee, on behalf of Al-`Aqar, to acquire KPJ Penang New Building upon the terms and conditions contained in the conditional sale and purchase agreements dated 27 March 2025 entered into between the Trustee (acting solely in its capacity as the trustee for and on behalf of Al-`Aqar) and PNG ("**SPAs**");

THAT subject to the approvals of all relevant parties and/or authorities being obtained, approval be and is hereby given to the Trustee (acting solely in its capacity as trustee for and on behalf of Al-`Aqar) and the Manager to enter into a lease agreement with PNG in relation to and for the lease of KPJ Penang New Building upon the terms of the lease agreement from the completion of Proposed Acquisition of KPJ Penang New Building ("**Lease Agreement**");

AND THAT the Board of Directors ("**Board**") of the Manager and the Trustee (acting solely in its capacity as trustee for and on behalf of the Al-`Aqar), be and are authorised to:

(i) Enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of Al-`Aqar, all such agreements, instruments, documents and/or deed as the Board of the Manager may from time to time deem necessary, expedient or appropriate for or in connection with Proposed Acquisition of KPJ Penang New Building and Proposed Lease of KPJ Penang New Building;

(ii) Assent and/or give effect to any condition, variation, modification, addition and/or amendment in respect of the Proposed Acquisition of KPJ Penang New Building and Proposed Lease of KPJ Penang New Building (including but not limited to SPA and Lease Agreement) and/or any provision, term and condition thereof as may be required and/or as the Board of the Manager may in its discretion deem necessary, expedient or appropriate and/or as may be imposed or permitted by any relevant regulatory authorities; and

(iii) Take all such steps and do all such acts, deeds and things in any manner as the Board of the Manager may from time to time deem necessary, expedient or appropriate to implement, finalise and give full effect to and complete all transactions contemplated under the Proposed Acquisition of KPJ Penang New Building and Proposed Lease of KPJ Penang New Building."

ORDINARY RESOLUTION 3

PROPOSED RENEWAL OF LEASE OF THE PROPERTIES BETWEEN THE SUBSIDIARIES OF KPJ HEALTHCARE BERHAD WITH AMANAHRAYA TRUSTEES BERHAD AND JLG REIT MANAGERS SDN BHD *(FORMERLY KNOWN AS DAMANSARA REIT MANAGERS SDN BERHAD)* FOR AND ON BEHALF OF AL-`AQAR ("PROPOSED LEASE RENEWAL")

"**THAT** approval be and is hereby given to AmanahRaya Trustees Berhad, being the trustee for and on behalf of Al-`Aqar ("**Trustee**" or "**Lessor**") and JLG REIT Managers Sdn Bhd *(formerly known as Damansara REIT Managers Sdn Berhad)*, being the manager of Al-`Aqar ("**Manager**") to enter into the renewal lease agreements with the following companies of KPJ Healthcare Berhad to renew the lease of the properties held by the Lessor including the Lessor's fixtures and fittings (as described in the circular to unitholders dated 10 June 2025) in relation to the following properties:

No.	Properties	Companies of KPJ	Renewed lease period sought
(i)	KPJ Penang Specialist Hospital	Penang Specialist Hospital Sdn Bhd	Fifteen (15) years commencing from the rent commencement date set out in the KPJ Penang Lease Agreement, being the date that corresponds with the date of completion of KPJ Penang SPA with an option to renew/extend for another fifteen (15) years
(ii)	Taiping Medical Centre and TMC Health Centre	Penang Specialist Hospital Sdn Bhd	Three (3) years commencing from 1 August 2025 until 31 July 2028 with an option to renew for another two (2) years
(iii)	KPJ Seremban Specialist Hospital (Old Bulding, New Building and Vacant Land)	Maharani Specialist Hospital Sdn Bhd	Fifteen (15) years commencing from 1 August 2025 until 31 July 2040 with an option to renew/extend for another fifteen (15) years
(iv)	KPJ Healthcare University College	KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	Five (5) years eight (8) months commencing from 1 August 2025 until 31 March 2031 with an option to renew/extend for another fifteen (15) years
(v)	KPJ International College of Nursing and Health Sciences	KPJ Healthcare University Sdn Bhd *(formerly known as KPJ Healthcare University College Sdn Bhd)*	One (1) year commencing from 1 August 2025 until 31 July 2026 with an option to renew/extend for another one (1) year

AND THAT the Directors of the Manager and the Trustee 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 Manager and the Trustee may deem fit, necessary and/or expedient in the interest of Al-`Aqar 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
JLG REIT MANAGERS SDN BHD
(formerly known as Damansara REIT Managers Sdn Berhad)
(as Manager of Al-`Aqar Healthcare REIT)

NURALIZA BINTI A. RAHMAN (MAICSA 7067934)
ROHAYA BINTI JAAFAR (LS 0008376)

Company Secretaries

Johor Bahru
10 June 2025

Notes:

1. *A Unitholder shall be entitled to attend and vote at this EGM, and shall be entitled to appoint another person (whether a Unitholder or not) as its proxy to attend and vote.*
2. *Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend and vote at the EGM, and shall be entitled to appoint another person (whether a Unitholder or not) as its proxy to attend and vote.*
3. *Where the Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with units standing to the credit of the said securities account. Where a Unitholder appoints two (2) proxies, the appointment shall be invalid unless it specifies the proportions of its holdings to be represented by each proxy. Such proxy shall have the same rights as the member to vote whether on a poll or a show of hands, to speak and to be reckoned in a quorum.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney so authorised.*
5. *The instrument appointing a proxy must be deposited at the Office of the Poll Administrator at: Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia at least twenty-four (24) hours before the time appointed for holding the EGM or any adjournment thereof or e-mail to **mega-sharereg@megacorp.com.my** not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof.*
6. *If during the convened EGM and where the discussion pertaining to the resolution of the EGM has concluded, the chairman of the EGM decides to hold the poll voting of the resolution at a later date, the instrument appointing a proxy must be deposited at the at the Office of the Poll Administrator at: Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia at least forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof or e-mail to **mega-sharereg@megacorp.com.my** not less than forty-eight (48) hours before the time appointed for the taking of the poll.*
7. *Only Unitholders registered in the Record of Depositors as at 18 June 2025 shall be entitled to attend and speak at the EGM or appoint proxy(ies) to attend on his/her behalf.*
8. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.*

PROXY FORM

Al-`Aqar Healthcare REIT

CDS Account No.	No. of Units held

I/We____ Tel:______________________

[Full name in block and as per NRIC/passport, NRIC/Passport/Company No.]

of____

[Full address]

____

being member(s) of Al-`Aqar Healthcare REIT, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of unitholdings represented	
		No. of Units	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of unitholdings represented	
		No. of Units	%
Address			

or failing him/her, the Chairperson of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at Extraordinary General Meeting of the Company to be held at Convention Hall 303, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80888 Ibrahim International Business District, Johor on Wednesday, 25 June 2025 at 11:15 a.m. or any adjournment thereof, and to vote as indicated below:

Description	Resolution	For	Against
The Proposed Acquisition of KPJ Ampang Puteri New Building and the Proposed Lease of KPJ Ampang Puteri New Building	Ordinary Resolution 1		
The Proposed Acquisition of KPJ Penang New Building and the Proposed Lease of KPJ Penang New Building	Ordinary Resolution 2		
The Proposed Lease Renewal	Ordinary Resolution 3		

Signed this __________day of __________2025.

____
Signature of Unitholder/ Common Seal

Notes:

1. *A Unitholder shall be entitled to attend and vote at this EGM, and shall be entitled to appoint another person (whether a Unitholder or not) as its proxy to attend and vote.*
2. *Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend and vote at the EGM, and shall be entitled to appoint another person (whether a Unitholder or not) as its proxy to attend and vote.*
3. *Where the Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with units standing to the credit of the said securities account. Where a Unitholder appoints two (2) proxies, the appointment shall be invalid unless it specifies the proportions of its*

holdings to be represented by each proxy. Such proxy shall have the same rights as the member to vote whether on a poll or a show of hands, to speak and to be reckoned in a quorum.

4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney so authorised.*
5. *The instrument appointing a proxy must be deposited at the at the Office of the Poll Administrator at: Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia at least forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof or e-mail to **mega-sharereg@megacorp.com.my** not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof.*
6. *If during the convened EGM and where the discussion pertaining to the resolution of the EGM has concluded, the chairman of the EGM decides to hold the poll voting of the resolution at a later date, the instrument appointing a proxy must be deposited at the at the Office of the Poll Administrator at: Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia at least forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof or e-mail to **mega-sharereg@megacorp.com.my** not less than forty-eight (48) hours before the time appointed for the taking of the poll.*
7. *Only Unitholders registered in the Record of Depositors as at 18June 2025 shall be entitled to attend and speak at the EGM or appoint proxy(ies) to attend on his/her behalf.*
8. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.*

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AFFIX
STAMP

Mega Corporate Services Sdn Bhd
(as the Poll Administrator of Al-`Aqar Healthcare REIT)
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia.

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Fold This Flap For Sealing