

16. Approval and Conditions

16.1 Approval and Conditions

The SC had approved the IPO on 10 May 2006, 16 June 2006 and 23 June 2006. The conditions imposed by the SC and status of their compliance are as follows:-

Conditions imposed by the SC	Status of compliance
(i) DRMSB or its adviser must clearly disclose the following in the funds' prospectus:-	
(a) the risks and ways to mitigate the risks of single tenant, single purpose buildings and related-party relationship between the Tenants, the Sponsor and the Manager;	Duly complied with. Disclosed in Section 6.1.4 (i), (ii) and (iii) of this Prospectus.
(b) how the existing rental rates are arrived at between the Manager and the Tenants;	Duly complied with. Disclosed in Section 7.7 of this Prospectus.
(c) the methodology in determining the future rental rates for the real estates when a revision is made;	Duly complied with. Disclosed in Section 6.4(c) of this Prospectus.
(d) the growth plans for Al-'Aqar KPJ REIT in the medium-term and long-term such as acquisitions of additional real estates; and	Duly complied with. Disclosed in Section 6.4 of this Prospectus.
(e) the underwriting arrangement.	Duly complied with. Disclosed in Sections 4.2 and 4.3 of this Prospectus.
(ii) DRMSB or its adviser to provide satisfactory evidence of compliance with Clause 4.02(4) of the Guidelines on REITs before registration of prospectus;	Duly complied with.
(iii) DRMSB must maintain 30% Bumiputera equity at all times;	Noted and will be complied with at all times.
(iv) DRMSB to submit an operational audit report of their respective operation pertaining to Al-'Aqar KPJ REIT to the SC six (6) months after Al-'Aqar KPJ REIT is launched and listed. The appointment of the auditors and scope of work shall be subject to the SC's clearance;	To be complied with.
(v) SC's approval for the proposed candidates for the Chief Executive Officer and members of the Board of Directors is subject to there being no adverse findings from the vetting process conducted on all the candidates;	Noted.
(vi) DRMSB or its adviser must inform the SC the date of appointment of the Chief Executive Officer and the Board of Directors (of DRMSB) and Syariah Committee Members (of Al-'Aqar KPJ REIT) within two (2) weeks after the appointment is made effective;	Duly complied with.
(vii) DRMSB or its adviser to inform the SC the listing date of Al-'Aqar KPJ REIT prior to the listing of the fund;	To be complied with.
(viii) DRMSB or its adviser to inform the SC upon the completion of the proposal;	To be complied with.

16. Approvals and Conditions (Cont'd)

	Conditions imposed by the SC	Status of compliance
(ix)	DRMSB, Trustee and Al-'Aqar KPJ REIT to fully comply with all the relevant requirements in the Guidelines on REITs, the Guidelines for Islamic REITs, the SC Act and any notices that are issued from time to time (where relevant);	Complied with, where applicable, and save for the waiver granted by the SC as set out in Section 16.2 of this Prospectus.
(x)	The listing of Al-'Aqar KPJ REIT must be completed within six (6) months from the date of the SC's letter dated 10 May 2006. SC's approval is deemed to lapse if DRMSB fails to do so within the stipulated timeframe; and	Noted and will be complied with.
(xi)	DRMSB and its adviser must clearly disclose in the fund's prospectus the arrangement on the corporate guarantee and moratorium units to be held under a trust account with respect to the acquisition of Ipoh Specialist Hospital Building.	Duly complied with. Disclosed in Section 4.6(iv) of this Prospectus.

16.2 Waiver/ Variation Granted by the SC

The SC has approved and granted certain waiver/variation in relation to Al-'Aqar KPJ REIT vide its letters dated 10 May 2006 and 18 July 2006 respectively:-

(i) Waiver from Clause 10.08(3) of the Guidelines on REIT

Clause 10.08(3) of the Guidelines on REIT provides that the Manager may, with the consent of the Trustee, pledge the assets of Al-'Aqar KPJ REIT to secure borrowings up to 35% of the total asset value of Al-'Aqar KPJ REIT. Al-'Aqar KPJ REIT shall not pledge its assets beyond the permitted level unless the prior specific approval of the Trustee and the SC has been obtained.

Al-'Aqar KPJ REIT has secured RM134.0 million of BBA Facility which was utilised to part-finance the Acquisitions. The BBA Facility represents 27.86% of the total gross asset value of Al-'Aqar KPJ REIT and is secured by 100% of the Properties in favour of the lender. Based on the valuation by the Independent Property Valuer, the aggregate market value of the Properties is RM481.0 million. Hence, the total value of the assets pledged to secure the BBA Facility exceeds the threshold permitted by the Guidelines on REIT.

Notwithstanding the above, we have obtained the approval of the SC and the Trustee to pledge 100% of the Properties for the BBA Facility which is beyond the permitted level as stipulated in the Guidelines on REIT.

Subsequent to the abovesaid SC's approval, SC had on 10 July 2006 issued Guidance Note 2 of the Guidelines on REIT where an amended Clause 10.08(3) provides that the Manager may, with the consent of the Trustee, pledge the assets of the fund to secure borrowings up to 50% of the total asset value of the fund.

(ii) Variation from Clause 7.03(2) of the Guidelines on REIT

Clause 7.03 (2) of the Guidelines on REIT provides that the units may be placed with persons other than parties connected to the placement agent.

With respect thereto, we have obtained SC's approval for the variation from Clause 7.03(2) of the Guidelines on REIT which will allow AmMerchant Bank, the Placement Agent, to place out Units of Al-'Aqar KPJ REIT to Employees Provident Fund Board, being a substantial shareholder of AMMB Holdings Berhad which in turn is the holding company of AmMerchant Bank.

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Juruukur Berkanun
Chartered Surveyors

Perunding Harta Antarabangsa
International Property Consultants



32nd Floor, Menara Tun Razak
Jalan Raja Laut
P O Box 12157
50768 Kuala Lumpur
Malaysia
Tel : 03-2693 8888
Fax : 03-2693 6565
Email: kualalumpur@wtw.com.my
Website: www.wtw.com.my

Our Ref: 5531/05/AMY & 6342/06/AMY

30 JUN 2006

The Board of Directors
KPJ HEALTHCARE BERHAD
No. 7, Persiaran Titiwangsa 3
53200 Kuala Lumpur

Dear Sirs

VALUATION CERTIFICATE

- (1) AMPANG PUTERI SPECIALIST HOSPITAL
- (2) DAMANSARA SPECIALIST HOSPITAL
- (3) JOHOR SPECIALIST HOSPITAL
- (4) PUTERI SPECIALIST HOSPITAL
- (5) SELANGOR MEDICAL CENTRE
- (6) IPOH SPECIALIST HOSPITAL

IN RELATION TO THE LISTING OF AL-AQAR KPJ REIT ON THE MAIN BOARD OF
BURSA MALAYSIA SECURITIES BERHAD

This certificate has been prepared for inclusion in the Prospectus of Al-Aqar KPJ REIT ("KPJ REIT") to be dated **24 JUL 2006** in relation to the listing exercise of KPJ REIT on the Main Board of Bursa Malaysia Securities Berhad.

In accordance with your instructions to value the above-mentioned properties for the purpose of submission to the Securities Commission and inclusion in the said Prospectus, we have inspected the abovementioned properties, extracted particulars of title(s) at the relevant Land / Registry Office and gathered other information necessary to arrive at our opinion of value.

We have inspected the properties on the dates as stated in the schedule below and as instructed the material date of valuation is taken to be the date of inspection.

The basis of the valuation is the market value of the subject properties. The market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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

We have valued the subject properties by Profits Method and as a check, Depreciated Replacement Cost (DRC) Method, vide our respective Valuation Reports under Reference Nos. as listed in the following schedule.

Brief description of the subject properties is as follows: -

Mohd Talhar A Rahman
FRICS, FISM, MISIV, APEPS
Goh Tian Sui
B.Sc., FRICS, FISM, APEPS
Png Soo Theng
B.Sc., FRICS, MISM, APEPS
Chong Pah Aung SAMP
B.Sc., FRICS, FISM, APEPS
Tew You Kian
B.Sc., MISM, APEPS
Md Baharuddin Mustafa
B.Sc., FISM, MMIM, APEPS
Wan Nordin Wan Salleh
Dip in Val., Dip in Est. Mgt., MISM, APEPS
Danny Yeo Soon Kee
Dip in Val., MISM, APEPS
Foo Gee Jen
B.Sc., MISM, APEPS
Tony Lee Eng Kow
B.Sc., MISM, APEPS
Ku Fuziah Ku Hamzah
B.Sc., MISM, APEPS
Aziah Mohd Yusoff
MBA, BLE, MRICS, MISM, APEPS
Heng Kiang Hai
MBA, B.Sc., MISM, APEPS

Consultant

Abdul Halim Othman
B.Sc., FRICS, FISM, APEPS



17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>AMPANG PUTERI SPECIALIST HOSPITAL erected on Lot No. PT 25119, Mukim of Empang, District of Hulu Langat, Selangor (Our Ref No : 5532/05/TSK) [Date of Inspection : 21 September 2005]</p>		
<p>Lot No. Lot No. PT 25119, Mukim of Empang, District of Hulu Langat, Selangor</p> <p>Title No. H.S (M) 26550</p> <p>Address No. 1, Jalan Mamanda 9, Taman Dato' Ahmad Razali, 68000 Ampang, Selangor Darul Ehsan.</p> <p>Provisional Land Area 21,670 square metres</p> <p>Surveyed Land Area [As Per CP Plan No. PA10-057267] 21,664 square metres</p> <p>Registered Owner PERBADANAN KEMAJUAN EKONOMI NEGERI JOHOR</p> <p>Registered Lessee PUTERI SPECIALIST HOSPITAL SDN BHD</p> <p>Category of Land Use Bangunan</p> <p>Tenure Leasehold 99 years expiring on 17th April 2089</p> <p>Encumbrances Nil</p> <p>Express Condition Bangunan</p>	<p>The subject property is a purpose built private specialist hospital with a lower ground floor [comprising six (6) storey main building / wards with a lower ground floor and a four (4) storey annexe block specialists' centre] known as Ampang Puteri Specialist Hospital, Ampang, Selangor Darul Ehsan.</p> <p>Site The site is near trapezoidal in shape with a frontage onto Jalan Ulu Kelang (Part of Middle Ring Road II), Jalan Mamanda 9 and Jalan Kolam Air Lama. The land is generally flat in terrain and lies at about the same level of the existing metalled road (Jalan Mamanda 9) except for the northern and north-western portions which are below the main road level, Jalan Ulu Kelang.</p> <p>Sungai Ampang flows along its eastern boundary in a south-east direction.</p> <p>At the time of our inspection, the site is demarcated by metal grille and chain link fencing with its entrance to the hospital secured by metal gate posts and a guard house.</p> <p>Building Ampang Puteri Specialist Hospital is constructed of reinforced concrete framework with the plastered walls, reinforced concrete floors, and a reinforced concrete flat/corrugated tiled roof.</p> <p>Ceiling is generally of acoustic fibre boards, flat sheets and fair face concrete. Ceiling to the lobby and reception areas is of fibrous plastered ceiling with recessed/ concealed lightings.</p>	<p>RM128,800,000/-</p> <p>This valuation has been carried out based on the following basis:-</p> <p>(i) The valuation is carried out based on the merged interests of Perbadanan Kemajuan Ekonomi Negeri Johor (PKENJ) and Puteri Specialist Hospital Sdn Bhd (PSHSB); a certified true copy of the letter prepared by Abdul Raman Saad Associates (ARSA) dated 15th November 2005 in relation to the structure of the proposed transfer to the KPJ REIT is enclosed as Attachment 1 of our valuation report.</p> <p>(ii) The valuation is based on the surveyed land area of 21,664 square metres (233,188 square feet) as stated in the Certified Plan No. PA 10-057267.</p> 


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>AMPANG PUTERI SPECIALIST HOSPITAL erected on Lot No. PT 25119, Mukim of Empang, District of Hulu Langat, Selangor (Our Ref No : 5532/05/TSK) [Date of Inspection : 21 September 2005]</p>		
	<p>Building (cont'd)</p> <p>Doors are of automatic sliding glass doors to the main entrance, swing aluminium framed glass panels, solid wooden doors, fire-rated timber and plywood flush timber for other areas.</p> <p>Windows are generally of aluminium framed glass panels and glass louvers.</p> <p>The hospital building has a main floor area of about 39,163 square metres whilst the ancillary floor area of about 197.80 square metres.</p> <p>Building Services</p> <p>Vertical access within the building is by means of 8 passenger/service lifts (each with a capacity of 1,020 kg/15 persons to 1,565 kg/23 persons) and 1 Bomba lift (with a capacity of 1,565 kg or 23 persons). Alternatively, access is by means of reinforced concrete staircases located at various locations within the building.</p> <p>The building is serviced by centralised water-cooled air-conditioning system and cooled air is ducted for distribution. Split unit air-conditioning system is also been installed to serve the building.</p> <p>The building has been provided with the complete Fire Protection System required by Jabatan Bomba. The Fire Protection System includes sprinkler system, wet riser system, hose reel system, fire alarm system (includes breakglass, alarm bell, etc) and portable fire extinguishers</p>	<p>Methods of Valuation</p> <p>Profits Method</p> <p>We have adopted Capitalisation Rate at 7.25% in the Profit Method.</p> <p>As a check, we have adopted the Depreciated Replacement Cost Method (DRC)</p> <p>Date of Valuation 21 September 2005</p> 


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>AMPANG PUTERI SPECIALIST HOSPITAL erected on Lot No. PT 25119, Mukim of Empang, District of Hulu Langat, Selangor (Our Ref No : 5532/05/TSK) [Date of Inspection : 21 September 2005]</p>		
	<p>Beds The hospital has a licensed number of beds at 230. Currently, only 201 beds (exclusive of ICU/HDU/NICU/CCU, Day Ward, Nursery, Operation Theatre, Labour Room) are operational. However, we were given to understand that an additional 17 beds for the executive wards would be provided on the Fourth Floor by end of year 2006.</p> <p>The average bed occupancy rate for January – August 2005 is 64.1%.</p> <p>Medical Facilities / Services The building is currently operating as a private specialist hospital offering the following main clinical disciplines:</p> <p>Anaesthesiology, Cardiology, Cardiathoracic Surgery, Dermatology, Ear, Nose and Throat Surgery, General Medicine, General Surgery, Internal Medicine, Maxillofacial Surgery, Neurology, Neurosurgery, Nephrology, Obstetrics and Gynaecology, Oral Maxillofacial Surgery, Ophthalmic Surgery, Orthopaedic and Trauma Surgery, Paediatric Medicine, Paediatric Surgery, Plastic and Reconstructive Surgery, Psychiatry, Radiology, Restorative Dentistry and Endodontics.</p> <p>Other facilities included :</p> <ul style="list-style-type: none"> - Operating Theatre Suite and Day Theatre - Diabetes Centre - Ophthalmology Unit - Nuclear Medicine Centre - Intensive Care and Coronary Care Unit - Mother and Baby Centre - 24 Hour Accident and Emergency Unit - Laboratory - Physiotherapy - Diagnostic Imaging Centre - Renal Dialysis Centre - Executive Health Screening Centre and Wellness Clinic - Home Nursing 	


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>AMPANG PUTERI SPECIALIST HOSPITAL erected on Lot No. PT 25119, Mukim of Empang, District of Hulu Langat, Selangor (Our Ref No : 5532/05/TSK) [Date of Inspection : 21 September 2005]</p>		
	<p>Consultants As at 30 September 2005, the number of consultants / doctors, as provided to us by the client, is 52 while the number of consultants' suites is 38.</p> <p>Repairs and Maintenance At the time of our inspection, the subject building was generally in a good state of repairs and maintenance.</p> <p>Occupation The subject property is managed and operated by Puteri Specialist Hospital Sdn Bhd, a wholly owned subsidiary of KPJ Healthcare Berhad as a private specialist hospital.</p> <p>Services and Facilities A total of 116 car parking bays is provided at the Lower Ground Floor of the subject building. More car parking bays (about 209 car parking bays) are provided at the open space located at the west and north of the subject property. Public transportation in the form of buses and taxis are readily available along Jalan Ulu Kelang and Jalan Ampang.</p> <p>Planning Provision The subject lot is designated for commercial use as per the Express Condition in the title document.</p> <p>The subject property was granted a Certificate of Fitness For Occupation dated 26 October 1995 vide Ref: MPAJ 04/5/08/92.</p> <p>The renovation on the 6 floor was granted a Certificate of Fitness For Occupation dated 6 March 2003 vide Ref: MPAJ 04/5/08/92-1.</p> <p>We were verbally informed that the building has also been issued with a Fire Certificate, however we were not able to secure a copy of the said certificate. We have been provided with a copy of the letter from Jabatan Bomba and Penyelamat, Malaysia supporting the application for the said certificate dated 22 April 2005; a copy is enclosed as Appendix L in our valuation report.</p>	

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
DAMANSARA SPECIALIST HOSPITAL Erected On Lot No PT 1856, Mukim Of Sungai Buloh, District Of Petaling, Selangor (Our Ref No : PJ/442/03/263/05/MS) [Date of Inspection : 4 October 2005]		
<p>Lot No. Lot No PT 1856, Mukim of Sungai Buloh, District of Petaling, Selangor</p> <p>Title No. HSD 146423</p> <p>Address Damansara Specialist Hospital No. 119, Jalan SS 20/10, 47400 Petaling Jaya, Selangor Darul Ehsan</p> <p>Land Area 16,709.5514 square metres (179,860 square feet)</p> <p>Registered Owner DAMANSARA SPECIALIST HOSPITAL SDN BHD</p> <p>Category of Land Use Building</p> <p>Tenure Term in Perpetuity</p> <p>Encumbrances i) Charged to PUBLIC MERCHANT BANK BERHAD ii) Charged to MALAYAN BANKING BERHAD</p> <p>Express Condition Bangunan Perniagaan</p> <p>Restriction In Interest Not stated</p> <p>Other Endorsements Nil</p>	<p>The subject property is a six (6) storey private hospital building with basement (inclusive of approximately one and a half (1½) levels of shell floors) known as Damansara Specialist Hospital, Petaling Jaya, Selangor Darul Ehsan.</p> <p>Site The site is irregular in shape having a titled land area of approximately 16,709.5514 square metres. It has a frontage of about 117 metres onto Jalan SS 20/21, 29 metres onto Jalan SS 20/18, 117 metres onto Jalan SS 20/19, 48 metres onto Jalan SS 20/14, 48.5 metres onto Jalan SS 20/17 and 176.8 metres onto Jalan SS 20/10. Jalan SS 20/10 is parallel to Jalan Damansara.</p> <p>The land is generally flat and lies slightly higher than the frontage roads.</p> <p>Building The six (6) storey hospital building with one level basement is constructed of reinforced concrete framework, concrete floor slabs and reinforced concrete flat roof. The external façade is a mixture of plastered brickwalls and glass curtain walling.</p> <p>Doors are automatic sliding glass panels, magnetic doors, timber flush, double leaf fire rated timber panels and aluminium framed glass panels. Windows are generally of aluminium framed glasses. Ceilings are generally of suspended fibre board, plastered cement and fairface concrete.</p> <p>Floor finishes are generally of marble slabs, vinyl tiles, ceramic tiles and cement rendered.</p> <p>The building has a total gross floor area of 41,354.05 square metres.</p> <p>Other ancillary buildings include a guard house, a refuse chamber, medical gas and TNB substation building.</p>	<p>RM107,500,000/-</p> <p>Methods of Valuation Profits Method</p> <p>We have adopted Capitalisation Rate at 7.00% in the Profit Method.</p> <p>As a check, we have also adopted the Depreciated Replacement Cost Method.</p> <p>Date of Valuation 4 October 2005</p>


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>DAMANSARA SPECIALIST HOSPITAL Erected On Lot No PT 1856, Mukim Of Sungai Buloh, District Of Petaling, Selangor (Our Ref No : PJ/442/03/263/05/MS) [Date of Inspection : 4 October 2005]</p>		
	<p>Building Services The building is equipped with centralised air conditioning system, modern fire fighting services and telecommunication facilities.</p> <p>It is served with five (5) passenger lifts and one (1) 'bomba' lift. Several reinforced concrete staircases are provided within the building.</p> <p>Beds The present number of beds as licensed under Akta Hospital Swasta is 155 while the hospital has only 139 beds excluding ICU, NICU, HDU, CICU and Day Ward. We understand that the hospital has a maximum capacity of 250 beds and noted that additional 27 beds were recently opened on the East Wing of the renovated Fourth Floor to provide the current capacity of 139 beds. Further to the above, the client has proposed to increase another 15 beds for the executive wards in the remaining portion of Fourth Floor by year 2006 and another 54 beds on the 5th Floor by 2008</p> <p>As per the statistics and actual accounts provided to us by the client, the average bed occupancy rate for January to August 2005 is 73%.</p> <p>Medical Services The hospital also provides the following services:</p> <ul style="list-style-type: none"> • 24 Hours Accident and Emergency Services • Specialist Outpatient Services • Dietician Services • Diagnostic Imaging:- X-Rays, CT-Scan, MRI • Fluoroscopy, Mammogram, Ultrasound • Occupational Risk Assessment Services • Physiotherapy and Rehabilitation Services • Cardiology and Cardiothoracic Services • Cardiac Intensive Care Unit • Special Diagnostic Services • Laboratory • Pharmacy • Lithotripter Services • Intensive Care Unit • High Dependency Unit • Operating Theatre Services • Delivery Room and Maternity Ward • Medical, Surgical, Paediatric Ward 	


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>DAMANSARA SPECIALIST HOSPITAL Erected On Lot No PT 1856, Mukim Of Sungai Buloh, District Of Petaling, Selangor (Our Ref No : PJ/442/03/263/05/MS) [Date of Inspection : 4 October 2005]</p>		
	<p>Medical Services (cont'd)</p> <p>Other than the above, the following special services are also available at the hospital:-</p> <ul style="list-style-type: none"> • Neonatal Care • Woman & Child Services • Respiratory Medicine • Reconstructive Surgery • Colectoral Surgery • Cancer Treatment • Sleep Study Test and • Spinal, Trauma & Orthopaedic Surgery <p>Consultants</p> <p>We were informed that as at 30 September 2005, the hospital is supported by 47 Resident Admitting Consultants and 5 Visiting Consultants. The hospital has 33 Consulting Clinics and is almost fully occupied.</p> <p>Repairs and Maintenance</p> <p>At the time of our inspection, the subject building was generally in a good state of repairs and maintenance.</p> <p>Occupation</p> <p>The subject property is owner occupied by Damansara Specialist Hospital Sdn. Bhd., a wholly owned subsidiary of KPJ Healthcare Berhad as a private specialist hospital.</p> <p>Planning Provisions</p> <p>The subject property is designated for commercial building stated in the Express Condition in the issue document of title.</p> <p>The building has been issued with a Certificate of Fitness for Occupation by Majlis Perbandaran Petaling Jaya vide reference number Bil No. 9042 dated 5 January 1998. We noted that the certificate made reference to Approved Building Plans bearing Reference No. BP519/82 kdg (505-K) (112AF)(211A-E) which were approved on 19 September 1994, 21 September 1996 and 16 December 1997.</p>	

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>DAMANSARA SPECIALIST HOSPITAL Erected On Lot No PT 1856, Mukim Of Sungai Buloh, District Of Petaling, Selangor (Our Ref No : PJ/442/03/263/05/MS) [Date of Inspection : 4 October 2005]</p>		
	<p>Planning Provisions (cont'd)</p> <p>However, we noted that the approved building plans bearing reference No. BP519/82 kdg (211A-E) are presently missing and we were informed by the client that such drawings will be made available at a later date.</p> <p>The renovation works on part of the Fourth Floor has been approved by Majlis Perbandaran Petaling Jaya (MPPJ) vide an approval letter bearing reference no. (9)MPPJ/530/S/P10/762/2003 dated 2 October 2003 and the approved building plans bearing reference no. MPPJ/530/S/P10/ 762/2003.</p> <p>The Certificate of Fitness for Occupation under Certificate No. 05916 dated 5 May 2005 issued by Majlis Perbandaran Petaling Jaya for the completion of renovation works on part of Fourth Floor.</p> <p>The hospital is also issued with a Fire Certificate vide serial no. 002198 which is valid until 4 September 2005. An application for the renewal of the said certificate has been submitted to Jabatan Bomba dan Penyelamat, Malaysia.</p>	


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>JOHOR SPECIALIST HOSPITAL Erected on Lot No. PTB 12319, Township of Johor Bahru, District of Johor Bahru, Johor (Our Ref No. DY/WTW/JB/531/2005/MD) [Date of Inspection : 28 September 2005]</p>		
<p>Lot No. Lot PTB 12319, Township of Johor Bahru, District of Johor Bahru, Johor</p> <p>Title No. HS(D) 46353</p> <p>Address. No. 39-B, Jalan Abdul Samad, 80100 Johor Bahru, Johor Darul Takzim</p> <p>Titled Land Area 20,234.2824 square metres</p> <p>Registered Owner Kumpulan Perubatan Sdn Bhd</p> <p>Category of Land Use Building</p> <p>Tenure Leasehold for 99 years expiring on 1st March 2079</p> <p>Encumbrances Nil</p> <p>Express Conditions i) Tanah ini hendaklah digunakan untuk Hospital Swasta/Klinik dibina mengikut plan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan. ii) Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan / dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan.</p>	<p>The subject property is a purpose built private hospital comprising 6 level with mezzanine floor main hospital building with a 4 level Physician Consulting Building (PCB) Private Specialist Hospital known as Johor Specialist Hospital, Johor Bahru, Johor Darul Takzim.</p> <p>Site The subject site is almost rectangular in shape with a land area of 20,234.2824 square metres. It has a frontage of 107 metres onto Jalan Abdul Samad.</p> <p>The subject site is generally declining towards the rear boundary and lies slightly below the frontage road.</p> <p>The compound is metalled and is used as an open car park.</p> <p>Buildings Erected on the subject property is a 6 level with mezzanine floor main hospital building with an annexed four (4) storey Physical Consulting Building integrated with two levels of basement car park. The main hospital building is constructed of reinforced concrete framework with concrete floors, plastered brickwalls and a steel pitched roof covered over with metal roofing sheets. The floors are generally finished with cement screed, vinyl tiles and ceramic tiles. Some offices and rooms are carpeted.</p> <p>The main entrance is secured by an automatic glass sliding door. Internal doors are mainly of solid timber or flush timber types. Windows are of aluminium framed glass sliding type.</p> <p>The building is ventilated by a centralised air-conditioning system. Access to the upper floors is via four (4) passenger lifts and four (4) reinforced concrete staircases. The building is equipped with intercom and nurse call system. It is also installed with a fire alarm system comprising heat and smoke detectors, sprinkler, hose reels and portable fire extinguishers.</p>	<p>RM75,300,000/-</p> <p>Methods of Valuation</p> <p>Profits Method.</p> <p>We have adopted Capitalisation Rate at 7.50% in the Profit Method.</p> <p>As a check, we have also adopted Depreciated Replacement Cost Method.</p> <p>Date of Valuation 28 September 2005</p> 

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>JOHOR SPECIALIST HOSPITAL Erected on Lot No. PTB 12319, Township of Johor Bahru, District of Johor Bahru, Johor (Our Ref No. DY/WTW/JB/531/2005/MD) [Date of Inspection : 28 September 2005]</p>		
<p>Express Conditions (cont'd)</p> <p>iii) Segala dasar dan syarat yang telah ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.</p> <p>Restriction In Interest Tanah yang dikurniakan ini tidak boleh dijual, dicagar, digadai, dipajak atau dipindahmilik dengan apa cara sekalipun, termasuk dengan cara menggunakan segala surat perjanjian yang bertujuan untuk melepaskan/menjual tanah ini, tanpa kebenaran Pihak Berkuasa Negeri.</p>	<p>Building (cont'd)</p> <p>The main hospital building has a gross floor of about 13,356 square metres whilst the Physical Consulting building has a gross floor area of 11,688 square metres.</p> <p>Other ancillary buildings include a TNB substation, sprinkler and pump house, 2 units of parking booths, a generator house and a refuse hut.</p> <p>Beds</p> <p>Currently, the hospital has only 209 beds. The present number of beds as licensed under Akta Hospital Swasta is 205. The client has submitted for the renewal of the above license with a request for an increment in the number of beds to 216.</p> <p>The average bed occupancy rate for January – August 2005 is 66.08%.</p> <p>Medical Facilities / Services</p> <p>The hospital provides the following services :</p> <ul style="list-style-type: none"> • 24 Hours Accident and Emergency Services • Specialist Outpatient Services • Dietician Services • Diagnostic Imaging:- X-Rays, CT-Scan, MRI. • Fluoroscopy, Mammogram, Ultrasound • Physiotherapy and Rehabilitation Services • Special Diagnostic Services • Laboratory • Pharmacy • Lithotripter Services • Intensive Care Unit • High Dependency Unit • Operating Theatre Services • Delivery Room and Maternity Ward • Medical, Surgical, Paediatric Ward 	<p style="text-align: right;"></p>

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>JOHOR SPECIALIST HOSPITAL Erected on Lot No. PTB 12319, Township of Johor Bahru, District of Johor Bahru, Johor (Our Ref No. DY/WTW/JB/531/2005/MD) [Date of Inspection : 28 September 2005]</p>		
	<p>Medical Facilities / Services (cont'd)</p> <p>Other than the above, the following special services are also available at the hospital :</p> <ul style="list-style-type: none"> • Cardiac • Renal Dialysis • Reconstructive Surgery • Gallstones • Radiotherapy • Neurosurgery • Cancer treatment <p><i>(Source : www/kpjhealthcare.com.my, Nov 2005)</i></p> <p>Consultants As at 30 September 2005, the number of consultants / doctors, as provided to us by the client, is 41 while the number of consultants' suites is 34.</p> <p>Occupation The subject property is managed and operated by Johor Specialist Hospital Sdn Bhd, a wholly owned subsidiary of KPJ Healthcare Berhad as a private specialist hospital.</p> <p>Services and Facilities A total of approximately 131 car parking bays is provided at the open car park within the hospital compound. Public transportation in the form of buses and taxis are readily available along the main road.</p> <p>Planning Provisions As indicated in the title document, the subject property is designated for private hospital use.</p>	


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE														
<p>PUTERI SPECIALIST HOSPITAL Erected on Lot No. PTB 21513, Township of Johor Bahru, District of Johor Bahru, Johor (Our Ref: DY/WTW/JB/292/2006/GBG) [Date of Inspection : 15 May 2006]</p>																
<p>Lot No. Lot PTB 21513, Township of Johor Bahru, District of Johor Bahru, Johor</p> <p>Title No. HS(D) 372199</p> <p>Address No. 33, Jalan Tun Abdul Razak (Susur 5) 80000 Johor Bahru Johor Darul Takzim</p> <p>Titled Land Area 6,680 square metres</p> <p>Registered Owner Medical Centre (Johore) Sdn Bhd</p> <p>Category of Land Use Building</p> <p>Tenure Leasehold for 99 years expiring on 31 December 2053</p> <p>Encumbrances Charged to Bank Pembangunan Dan Infrastruktur Malaysia Berhad</p> <p>Express Conditions i) Tanah ini hendaklah digunakan untuk Hospital Swasta dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.</p>	<p>The subject property is a 6-storey purpose built private hospital known as Puteri Specialist Hospital, Johor Bahru, Johor Darul Takzim bearing postal address No. 33 Jalan Tun Abdul Razak (Susur 5), 80000 Johor Bahru, Johor Darul Takzim.</p> <p>Site The subject site is an irregular shaped parcel of land with a land area of 6,680 square metres. It has a frontage of 81.64 metres onto Jalan Tun Abdul Razak (Susur 5), a splay corner of 5.474 metres and a return frontage of 50.23 metres onto Jalan Sentosa.</p> <p>The land is flat and lies slightly above Jalan Tun Abdul Razak (Susur 5).</p> <p>The compound is metalled and is used as an open car park.</p> <p>Buildings Buildings erected on the subject site and their respective gross floor areas are as follows:-</p> <table border="1" data-bbox="534 1355 1093 1825"> <thead> <tr> <th>Type</th> <th>Gross Floor Area (Sq. Metres)</th> </tr> </thead> <tbody> <tr> <td>Original 6-storey hospital building (Main Building)</td> <td>4,949.06</td> </tr> <tr> <td>Adjoining 6-storey extension building (Extension)</td> <td>5,268.99</td> </tr> <tr> <td>TNB sub-station</td> <td>127.21</td> </tr> <tr> <td>M & E plant building (converted to laundry centre)</td> <td>96.99</td> </tr> <tr> <td>Trash centre (converted to sub-station)</td> <td>12.60</td> </tr> <tr> <td>Total</td> <td>10,454.85</td> </tr> </tbody> </table>	Type	Gross Floor Area (Sq. Metres)	Original 6-storey hospital building (Main Building)	4,949.06	Adjoining 6-storey extension building (Extension)	5,268.99	TNB sub-station	127.21	M & E plant building (converted to laundry centre)	96.99	Trash centre (converted to sub-station)	12.60	Total	10,454.85	<p>RM39,000,000/-</p> <p>Methods of Valuation Profits Method.</p> <p>We have adopted Capitalisation Rate at 8.00% in the Profit Method.</p> <p>As a check, we have also adopted Depreciated Replacement Cost Method.</p> <p>Date of Valuation 15 May 2006</p> <div style="text-align: right; margin-top: 20px;">  </div>
Type	Gross Floor Area (Sq. Metres)															
Original 6-storey hospital building (Main Building)	4,949.06															
Adjoining 6-storey extension building (Extension)	5,268.99															
TNB sub-station	127.21															
M & E plant building (converted to laundry centre)	96.99															
Trash centre (converted to sub-station)	12.60															
Total	10,454.85															

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>PUTERI SPECIALIST HOSPITAL Erected on Lot No. PTB 21513, Township of Johor Bahru, District of Johor Bahru, Johor (Our Ref: DY/WTW/JB/292/2006/GBG) [Date of Inspection : 15 May 2006]</p>		
<p>Express Conditions (cont'd)</p> <p>ii) Segala kekotoran dan pencemaran akibat daripada ini hendaklah disalurkan / dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan.</p> <p>iv) Segala dasar dan syarat yang telah ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.</p> <p>Restriction In Interest Tanah yang terkandung di dalam hakmilik ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara/ Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri.</p>	<p>Building (cont'd)</p> <p>Original 6-storey Hospital Building (Main Building) It is constructed of reinforced concrete framework with concrete floors, plastered brickwalls and a concrete flat roof. Ceilings are mainly of suspended mineral boards and plastered gypsum boards. The floor is generally finished with vinyl tiles and ceramic tiles. Some office rooms are carpeted. The main entrance is secured by an automatic glass sliding door. Internal doors are mainly of solid timber and timber flush types. Windows are of aluminium framed glass sliding.</p> <p>Access to upper floors is via one (1) passenger lift, one (1) fireman's lift, one goods lift and two (2) reinforced concrete staircases.</p> <p>The building is equipped with intercom and nurse call system. It is ventilated by a centralised air-conditioning system. It is also installed with modern fire-fighting system.</p> <p>Adjoining 6-storey Extended Building (Extension) It is constructed of reinforced concrete framework with concrete floors, plastered brickwalls incorporated with glass curtain wall and covered over partly with a concrete flat roof and partly with concrete roofing tiles. Ceilings are mainly of plastered gypsum boards, mineral fibre boards and timber panelling. The floor is generally finished with quality vinyl tiles, ceramic tiles and granite slab. The main entrance is secured by an automatic glass sliding door. Windows are of aluminium framed sliding glass and fixed glass.</p> <p>Access to upper floors is via two (2) passenger lifts and three (3) reinforced concrete staircases.</p> <p>The building is equipped with telecommunication, air-conditioning and fire protection systems similar to the original hospital building.</p> <p>Beds Currently, the hospital has 137 beds excluding ICU. The present number of beds as licensed under Akta Hospital Swasta is 150. We were given to understand that an additional 12 beds would be provided on the Third Floor in 2006.</p>	


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>PUTERI SPECIALIST HOSPITAL Erected on Lot No. PTB 21513, Township of Johor Bahru, District of Johor Bahru, Johor (Our Ref: DY/WTW/JB/292/2006/GBG) [Date of Inspection : 15 May 2006]</p>		
	<p>Beds (cont'd)</p> <p>The average bed occupancy rate for January to April 2006 is 68.22%.</p> <p>Medical Facilities / Services The hospital provides the following facilities/ services:-</p> <ul style="list-style-type: none"> • 24-hour Accident and Emergency Services • 24-hour Ambulance Services • Audiology • Coronary Care Unit (CCU) • Diet Counselling • Echo/TEE Scope • EMG/EGG • High Dependency Unit (HDU) • Haemodialysis Unit • Fully equipped Operation Theatres • Nursery & Delivery Suites • Specialist Outpatient Services • Lithotripsy Centre • Treadmill Stress Test • Neonatal Intensive Care Unit (NICU) • Pharmacy • Physiotherapy & Neuro-Rehabilitation programme (stroke), Home Exercise, Chest Physiotherapy, Ante-Natal/ Post- Natal Care, Spinal Rehabilitation programme and Electrotherapy. • Diagnostic Imaging - X-Rays, CT-Scan, MRI, Mammography, Ultra-Sound and Fluoroscopy. • Diagnostic Centre - Gastroscopy, Bronchoscopy, Colonoscopy/ Sigmoidoscopy and ERCP. • Laboratory - Clinical Chemistry, Microbiology, Serology, Haematology, Pathology & Blood bank services. <p>Consultants As at 15 May 2006, the number of consultants/ doctors as provided to us by the client is 35 while the number of consultants' suites is 21.</p> <p>Repairs and Maintenance At the time of our inspection, the subject building was generally in a good state of repairs and maintenance.</p>	

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>PUTERI SPECIALIST HOSPITAL Erected on Lot No. PTB 21513, Township of Johor Bahru, District of Johor Bahru, Johor (Our Ref: DY/WTW/JB/292/2006/GBG) [Date of Inspection : 15 May 2006]</p>		
	<p>Repairs and Maintenance (cont'd)</p> <p>The age of the original hospital building is approximately 20 years while the adjoining 6-storey extension building was constructed in two phases viz; Level 1 to 3 in 2002 and Level 4 to 6 in 2004. The age of the remainder ancillary buildings is approximately 6 years.</p> <p>Occupation</p> <p>The subject property is managed and operated by Medical Centre (Johore) Sdn. Bhd, a subsidiary of KPJ Healthcare Berhad as a private specialist hospital.</p> <p>Services and Facilities</p> <p>A total of approximately 75 car parking bays is provided at the open car park within the hospital compound. Public transportation in the form of buses and taxis are readily available along the main road.</p> <p>Planning Provisions</p> <p>As indicated in the title document, the subject property is designated for private hospital use.</p> <p>The original hospital building has been issued with a Certificate of Fitness for Occupation by the then Majlis Perbandaran Johor Bahru vide certificate no. 1674/86 dated 30 October 1986. The adjoining 6-storey extension building (Extension) has been issued with a letter ("Surat Pematuhan Dan Perakuan Siap Bina Ubaahan Tambahan") by Majlis Bandaraya Johor Bahru vide File Ref. No. MBBJ/12/PB/187/96 dated 8 May 2006 confirming that the extension has been completed in accordance with Approved Building Plans Ref. No. 2031/96(2).</p> <p>The hospital is also issued with a Fire Certificate vide serial no. 005895 which is valid until 15 August 2006.</p>	


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref. 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>SELANGOR MEDICAL CENTRE Erected On Lot No PT 2, Section 20, Town of Shah Alam, District of Petaling, Selangor (Our Ref No. : PJ/151/06/CPY) [Date of Inspection : 15 & 16 May 2006]</p>		
<p>Lot No. Lot No PT 2, Section 20, Town of Shah Alam, District of Petaling, Selangor</p> <p>Title No. HSD 112884</p> <p>Address Selangor Medical Centre, Lot 1, Jalan 20/1, Section 20, 40300 Shah Alam, Selangor Darul Ehsan</p> <p>Land Area 18,984 square metres (204,342 square feet)</p> <p>Registered Owner SELANGOR MEDICAL CENTRES SDN BHD</p> <p>Category of Land Use Building</p> <p>Tenure Leasehold 99 years expiring on 1 July 2096</p> <p>Encumbrances Charged twice to HSBC BANK MALAYSIA BERHAD</p> <p>Express Condition Institutional</p> <p>Restriction In Interest Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri.</p>	<p>The subject property is a six (6) storey private hospital building with basement known as Selangor Medical Centre, Lot 1, Jalan 20/1 (also known as Jalan Singa 20/1), Section 20, Shah Alam, Selangor Darul Ehsan.</p> <p>Site The site, a corner lot, is rectangular in shape having a titled land area of approximately 18,984 square metres. It has a frontage of about 161.24 metres onto Jalan 20/1 and a depth of about 117.35 metres onto Persiaran Tengku Ampuan. Its eastern boundary fronts onto the buffer zone which runs parallel to Persiaran Tengku Ampuan.</p> <p>The land is generally flat and lies slightly higher than the above-mentioned frontage roads.</p> <p>The compound where not built upon is generally paved with tarmac. Proper precast concrete drainage and car parking bays are provided within the subject site.</p> <p>Building The six (6) storey hospital building with one level basement is constructed of reinforced concrete framework, concrete floor slabs and covered with reinforced concrete flat roof incorporated with single curved shell roofs covered with colourbond metal deck roofing sheets on steel trusses. Part of the external façade is clad with aluminium panels.</p> <p>Doors are automatic sliding glass panels, swing dual leaf frameless tempered glass doors, fire rated timber panels, solid timber panel, timber incorporating glass panels and flush timber. Windows are generally of aluminium framed glass panels.</p> <p>Ceilings are generally of plastered ceiling and suspended fibre board incorporated with recessed lightings, flat sheets and plastered concrete.</p> <p>Floor finishes are generally of granite slabs, marble slabs, vinyl tiles, ceramic tiles and cement rendered.</p> <p>The building has an approximate total gross floor area of 19,459.11 square metres.</p>	<p>RM61,400,000/-</p> <p>Methods of Valuation Profits Method</p> <p>We have adopted Capitalisation Rate at 7.25% in the Profit Method.</p> <p>As a check, we have also adopted the Depreciated Replacement Cost Method.</p> <p>Date of Valuation 15 May 2006</p> 

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>SELANGOR MEDICAL CENTRE Erected On Lot No PT 2, Section 20, Town of Shah Alam, District of Petaling, Selangor (Our Ref No. : PJ/151/06/CPY) [Date of Inspection : 15 & 16 May 2006]</p>		
<p>Other Endorsements Vide Presentation No. 15385/2005, amendment on quit rent, registered on 14 July 2005.</p>	<p>Building (cont'd) Other ancillary buildings include a gate house/parking booth and a waste centre.</p> <p>Building Services The building is equipped with a centralised air conditioning system, modern fire fighting services and telecommunication facilities.</p> <p>Vertical access is by means of four (4) units of Schindler brand passenger lifts (each with a capacity of 23 persons or 1,600 kg) and reinforced concrete staircases within the building.</p> <p>Beds The present number of beds as licensed under Akta Hospital Swasta is 180 vide No 09730 dated 16 March 2006 which is valid until 15 March 2007.</p> <p>Currently, only 143 beds which are operational while the maximum capacity is 203 beds. We were given to understand that the client has proposed to open the 30 beds in Ward 3A on the Third (3rd) Floor by year 2006 and another 30 beds on the Fourth (4th) Floor (conversion of the existing Haemodialysis Unit to ward) by 2010.</p> <p>As per the statistics and actual accounts provided to us by the client, the average bed occupancy rate for January to April 2006 is 72%.</p> <p>Medical Services The hospital provides the following services and facilities :</p> <ul style="list-style-type: none"> • 24-Hour Polyclinic and Emergency Services • Intensive Care Unit (ICU) / Coronary Care Unit (CCU) / (CICU) • Operating Theatres • Day Care Surgeries • Ophthalmology / Cataract Procedures • ENT Services • Gynaecology and Obstetric • General Surgery • Orthopaedic and Trauma Surgery • Anaesthetic Services 	<p style="text-align: right;"><i>[Handwritten Signature]</i></p>

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>SELANGOR MEDICAL CENTRE Erected On Lot No PT 2, Section 20, Town of Shah Alam, District of Petaling, Selangor (Our Ref No. : PJ/151/06/CPY) [Date of Inspection : 15 & 16 May 2006]</p>		
	<p>Medical Services (cont'd)</p> <ul style="list-style-type: none"> • Cardiology/Cardiac Services • General and Gastroenterology / Hepatology Services • Paediatric Treatments • Antenatal and Parentcraft Education • Neurological Services • Endoscopy / Gastrocopy / Bronchoscopy / Colonoscopy • Wellness Screening • Radiology / Mammogram / Ultrasound and ST Scan • Urology • Lithotripsy Services • Dialysis Services • Plastic & Reconstructive Surgery • Dental Services • General Screening / Audiology • General Screening / Visual and • Stress Test / Echocardiography <p>Consultants We were informed that as at 15 May 2006, the hospital is supported by 26 Resident Consultants, 1 In-House Doctor, 12 Visiting Consultants and 15 Sessional Consultants. The hospital has 33 Consulting Clinics as shown in the building plans provided to us.</p> <p>Repairs and Maintenance At the time of our inspection, the subject building was generally in a good state of repairs and maintenance.</p> <p>The age of the building is approximately 10 years.</p> <p>Occupation The subject property is owner occupied by Selangor Medical Centres Sdn Bhd as a private specialist hospital.</p>	

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>SELANGOR MEDICAL CENTRE Erected On Lot No PT 2, Section 20, Town of Shah Alam, District of Petaling, Selangor (Our Ref No. : PJ/151/06/CPY) [Date of Inspection : 15 & 16 May 2006]</p>		
	<p>Services and Facilities A total of approximately 220 car parking bays is provided at the open car park within the hospital compound.</p> <p>Public transportation in the form of buses and taxis are readily available along the main road.</p> <p>Planning Provisions The subject property is designated for institutional use as per the Express Condition in the document of title. However, we noted that the Annual Rent payable amounting to RM58,661/- or RM3.09 per square metre which is classified as "Commercial Lot" within the Town Land in the District of Petaling under the Selangor Land Rules (Amendments) 2005.</p> <p>The building has been issued with a Certificate of Fitness for Occupation by Majlis Perbandaran Shah Alam vide Reference No. SA/RS/ No. 3661 dated 30 October 1996. We noted that the certificate made reference to Approved Building Plans bearing Reference No. MPSA/B/PC/SEK.20/145-94 which were approved on 30 August 1995.</p> <p>However, we were made to understand that the Approved Building Plans bearing Reference No. MPSA/B/PC/SEK.20/145-94 is presently missing. Hence, it was not made available to us.</p> <p>A set of Building Plans which has been approved by Bomba Department vide Reference No. JBM/PK 36517 dated 24 June 1995 has been provided to us by the client.</p> <p>The hospital is also issued with a Fire Certificate vide serial no. 002514 which is valid until 13 April 2007.</p>	


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE												
<p>IPOH SPECIALIST HOSPITAL Erected on Lot Nos. 10259, 10490, 34494 & PT 161984 (Previously known as Lot Nos. 8587^N & 9307^N), Town of Ipoh, District of Kinta, Perak (Our Ref No. V/Ipoh/10490/5/06/LSL) [Date of Inspection : 15 May 2006]</p>														
<p>Lot Nos. 10259, 10490, 34494 & PT 161984 (Previously known as Lot Nos. 8587^N & 9307^N), Town of Ipoh, District of Kinta, Perak</p> <p>Title Nos. PN 6451, PN 6450, PN 154468 (Previously known as CT 14700) and HSD 103622 (Previously known as PN 137471 & PN 93903)</p> <p>Address. Ipoh Specialist Hospital, No. 26, Jalan Raja DiHilir, Ipoh, Perak</p> <p>Provisional/ Surveyed Land Area</p> <table border="1" data-bbox="162 1272 539 1451"> <thead> <tr> <th>Lot Nos</th> <th>Square Metres</th> </tr> </thead> <tbody> <tr> <td>10259</td> <td>3,793.9219</td> </tr> <tr> <td>10490</td> <td>3,892.0000</td> </tr> <tr> <td>34494</td> <td>318.1836</td> </tr> <tr> <td>PT 161984</td> <td>5,272.0000</td> </tr> <tr> <td></td> <td>13,276.1055</td> </tr> </tbody> </table> <p>Registered Owner Medical Associates Sendirian Bhd</p> <p>Category of Land Use Building</p> <p>Tenure Lot Nos. 10259, 10490 & 34494 Leasehold 999 years expiring on 21 September 2894 (unexpired term of approximately 888 years)</p>	Lot Nos	Square Metres	10259	3,793.9219	10490	3,892.0000	34494	318.1836	PT 161984	5,272.0000		13,276.1055	<p>The subject property is a 200-bed medical centre annex with an extension (66-bed, 5-storey building with a basement) which is under construction known as Ipoh Specialist Hospital bearing postal address of No. 26, Jalan Raja DiHilir, 30350 Ipoh, Perak.</p> <p>Site The subject property is sitting on four adjoining lots namely Lot Nos. 10259, 10490, 34494 and PT 161984 (Previously known as Lot Nos. 8587^N & 9307^N) with a total land area of 13,276.1055 square metres (142,902.67 square feet). The combined site, an intermediate lot is about trapezoidal in shape with a total frontage of 132.109 metres to Jalan Raja DiHilir.</p> <p>The land is flat and lies at the level of the existing metalled frontage road.</p> <p>The compound of the existing hospital is enclosed with metal railings on dwarf brickwalls at the front while the rest are enclosed with plastered brickwalls.</p> <p>Two metal gates are fitted at the front entrance of the existing hospital.</p> <p>The compound of the extension is partially enclosed with brickwalls, corrugated zinc sheets and metal cladding sheets.</p> <p>Buildings</p> <p>(i) <u>Existing Hospital</u> Erected on the land is a 200-bed medical centre comprising three adjoining blocks of 3 to 4-storey buildings identified as Blocks A, B and C.</p> <p>Basically, the buildings are constructed of reinforced concrete framework with plastered brickwalls and metal decking pitched roof and concrete flat roof.</p>	<p>(i) 'As Is' Basis - RM41,200,000/-</p> <p>(ii) ON THE ASSUMPTIONS THAT THE SUBJECT PROPERTY IS COMPLETED IN GOOD WORKMANSHIP AND ISSUED WITH A CERTIFICATE OF FITNESS FOR OCCUPATION - RM69,000,000/-</p> <p>Methods of Valuation Profits Method.</p> <p>We have adopted Capitalisation Rate at 7.25% in the Profit Method.</p> <p>As a check, we have also adopted the Depreciated Replacement Cost Method.</p> <p>Date of Valuation 15 May 2006</p> 
Lot Nos	Square Metres													
10259	3,793.9219													
10490	3,892.0000													
34494	318.1836													
PT 161984	5,272.0000													
	13,276.1055													


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (19149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>IPOH SPECIALIST HOSPITAL Erected on Lot Nos. 10259, 10490, 34494 & PT 161984 (Previously known as Lot Nos. 8587^N & 9307^N), Town of Ipoh, District of Kinta, Perak (Our Ref No. V/Ipoh/10490/5/06/LSL) [Date of Inspection : 15 May 2006]</p>		
<p><u>Lot No. PT 161984</u> Leasehold 999 years expiring on 23 June 2894 (unexpired term of approximately 888 years)</p> <p>Encumbrances Nil</p> <p>Lease <u>Lot No. 10259</u> Vide Presentation No. 12009/1983 Volume 14 Folio 29 dated 13 May 1983. Part of the land was leased to Lembaga Letrik Negara Tanah Melayu for a period of 30 years commencing from 1 October 1982.</p> <p>Express Condition Perniagaan- Bangunan Kedai.</p> <p>Restriction In Interest</p>	<p>Buildings (cont'd)</p> <p>Doors are of sliding aluminium framed glass panels, timber panel, flush timber, aluminium framed glass panels, metal, PVC and sliding gypsum board framed glass panel.</p> <p>Windows are of timber casements, aluminium framed glass panels, adjustable, fixed glass louvres and timber framed glass panels</p> <p>Ceiling is generally of flat sheets, plaster glass incorporating concealed lighting and fairface concrete.</p> <p>Access between floors is by means of 4 passenger lifts and reinforced concrete staircases.</p> <p>Reinforced concrete fire escape staircases are also provided within each block of the buildings.</p> <p>The floor is generally of terrazzo, quarry tiles, vinyl, ceramic tiles, mosaic, carpet and cement render.</p> <p>The internal partitions of the buildings are of plastered brickwalls, aluminium framed glass panels and gypsum board.</p> <p>The existing hospital is also installed with fire fighting system comprising hose reel, alarm, fire extinguishers, smoke detector and hydrants. Other services such as 24-hour security, split-unit and centralised air conditioning, lifts and standby generator set are also provided.</p> <p>The gross floor area of the building is approximately 12,173.34 square metres.</p>	<p style="text-align: right;"></p>

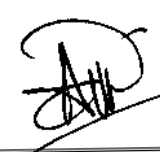
17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>IPOH SPECIALIST HOSPITAL Erected on Lot Nos. 10259, 10490, 34494 & PT 161984 (Previously known as Lot Nos. 8587^N & 9307^N), Town of Ipoh, District of Kinta, Perak (Our Ref No. V/Ipoh/10490/5/06/LSL) [Date of Inspection : 15 May 2006]</p>		
	<p>Buildings (cont'd)</p> <p>(ii) <u>Extension (New Wing)</u></p> <p>The extension is a 5-storey building with a basement annex with the existing hospital to the east. The extension will have another 66 beds. It has a maximum capacity of another 33 beds. At the time of inspection, we noted that the construction work was in progress. We were given to understand that the substructure work has been completed whilst the superstructure work is still in progress.</p> <p>The building will be constructed of reinforced concrete framework with plastered brickwalls and concrete roof.</p> <p>Doors will be of sliding tempered glass panels, laminated cubicles, timber panel, flush timber, fire-rated doors and timber louvres.</p> <p>Windows will be of aluminium casements with glass infill, adjustable and fixed glass louvres.</p> <p>Ceiling will be generally of flat sheets, plaster glass and fairface concrete.</p> <p>Access between floors will be by means of 5 passenger lifts and 4 reinforced concrete staircases.</p> <p>Reinforced concrete fire escape staircases will be provided within the building. Two car park lifts will be situated on the basement connecting to the ground floor.</p> <p>The floor will be generally of granite, homogeneous tiles, ceramic tiles, vinyl, carpet and cement render. The gross floor area of the extension (new wing) will be approximately 20,044.76 square metres.</p> <p>The owner, Medical Associates Sendirian Bhd undertakes to complete the above extension together with issuance of a Certificate Of Fitness For Occupation by 31 March 2007.</p>	


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>IPOH SPECIALIST HOSPITAL Erected on Lot Nos. 10259, 10490, 34494 & PT 161984 (Previously known as Lot Nos. 8587^N & 9307^N), Town of Ipoh, District of Kinta, Perak (Our Ref No. V/Ipoh/10490/5/06/LSL) [Date of Inspection : 15 May 2006]</p>		
	<p>Beds The hospital has presently 200 beds whilst the present number of beds as licenced under Akta Hospital Swasta is 210 vide License No. 09612 dated 23 December 2005 which is valid until 9 January 2007. The client has applied for the renewal of the above licence with a request for an increase in the number of beds to 299 upon completion of the new extension.</p> <p>The average bed occupancy rate for January – December 2005 was 64.90%.</p> <p>Medical Facilities / Services The hospital provides the following services :</p> <ul style="list-style-type: none"> • Maternity Ward • Surgical Ward • Medical Ward • Paediatric Ward • Accident & Emergency • Special Diagnostic • Operation Theatre/ Central Sterilisation Supply/ Cardiac Operation Theatre/ Cathrisation Laboratory • Acute Pain • Intensive Care Unit/ Critical Care Unit/ High Dependency & Cardiac Intensive Care Unit • Haemodialysis • Pharmacy • Dietary • Physiotherapy • Radiotherapy • Diagnostic Imaging • Laboratory <p>Consultants As at 15 May 2006, the number of consultants / doctors, as provided to us by the client, is 35 while the number of consultants' suites is 31.</p> <p>Occupation The subject property is managed and operated by Ipoh Specialist Hospital, a wholly owned subsidiary of KPJ Healthcare Berhad as a private specialist hospital.</p>	


17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

PROPERTY IDENTIFICATION	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>IPOH SPECIALIST HOSPITAL Erected on Lot Nos. 10259, 10490, 34494 & PT 161984 (Previously known as Lot Nos. 8587^N & 9307^N), Town of Ipoh, District of Kinta, Perak (Our Ref No. V/Ipoh/10490/5/06/LSL) [Date of Inspection : 15 May 2006]</p>		
	<p>Services and Facilities Public transportation in the form of buses and taxis are readily available along the main road.</p> <p>Planning Provisions The subject property is designated for commercial use as per the Express Condition in the title.</p> <p>The original building (Phase 1) was completed in the 1980s. However our client is unable to provide us a copy of the approved building plans as well as Certificate of Fitness for Occupation (CFO) as they couldn't locate them. The Phase 2 extension which was carried out in 1990 has been approved vide Plan Ref No. Bil (18) F2/11/6/1805/90 dated 29 November 1990 and issued with Certificate of Fitness for Occupation (CFO) by Majlis Bandaraya Ipoh on 20 November 1992 vide Bil. B 2918.</p> <p>The Phase 3 extension and renovation have been approved by Majlis Bandaraya Ipoh on vide Ref No. Bil F2/9/13/421/98 dated 17 November 1999.</p> <p>The proposed new wing (Phase 4) building plans have been approved by Majlis Bandaraya Ipoh vide Plan Ref No. Bil (18) F2/11/5/161/03 dated 13 January 2004.</p> <p>Brief details of the building plans approval and Certificate of Fitness for Occupation (CFO) have been explained by the architect, SN Low & Associates in their letter dated 22 May 2006</p> <p>The hospital is also issued with a Fire Certificate vide Serial No. 001379 which is valid until 16 May 2007.</p>	

17. Valuation Certificate (Cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: 5531/05/AMY & 6342/06/AMY

In our opinion, the total market value of the subject properties as at the dates of valuation free from all encumbrances is **RM481,000,000/- (Ringgit Malaysia : Four Hundred And Eighty One Million Only).**

Yours faithfully
for and on behalf of
C H Williams Talhar & Wong Sdn Bhd

AZIAH MOHD YUSOFF
BLE(Hons) MBA(Real Est.) MRICS MISM
Registered Valuer (V-464)

18. Taxation

The following statements are by way of a general guide to investors only and do not constitute tax advice. Investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchase, holding, selling or otherwise disposing of the Units under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Investors should note that the following statements on taxation are based on advice received by the Manager regarding the law and practice in force at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position prevailing at the time an investment is made in Al-'Aqar KPJ REIT will continue indefinitely.

18.1 Al-'Aqar KPJ REIT

18.1.1 Income Tax

Al-'Aqar KPJ REIT is exempt from Malaysia income tax in respect of its total income for a year of assessment that is distributed to its Unitholders pursuant to Section 61A of the Income Tax Act, 1967.

However, Al-'Aqar KPJ REIT will be taxable on its total income that is not distributed to its unitholders at 28%.

Distributions made by Al-'Aqar KPJ REIT to Unitholders resident in Malaysia are not subject to any withholding tax in Malaysia, whilst distributions made by Al-'Aqar KPJ REIT to Unitholders not resident in Malaysia out of income exempted under Section 61A above are subject to 28% withholding tax in Malaysia.

For the purpose of facilitating deductions of withholding tax, Al-'Aqar KPJ REIT may use information available in the CDS Account to determine the residence status of the Unitholder i.e. based on nationality of the Unitholder. In cases where Unitholders are able to confirm their tax residency directly to Al-'Aqar KPJ REIT, Al-'Aqar KPJ REIT may also rely on the Unitholders confirmation for purposes of deducting withholding tax.

18.1.2 Real Property Gains Tax

In the event that Al-'Aqar KPJ REIT decides to dispose of any Property or shares in a Real Property Company, any gains on such disposal are subject to Real Property Gains Tax ("RPGT") under the Real Property Gains Tax Act 1976. The rate of RPGT payable on the gains ranges from 30% for disposals within 2 years to NIL for disposal in the sixth year after date of acquisition and thereafter.

18.1.3 Stamp Duty

No Malaysia stamp duty is payable by Al-'Aqar KPJ REIT on the issue of new Units.

No stamp duty will be payable on the Acquisitions pursuant to Stamp Duty (Exemption No. 27) Order 2005.

In the event that Al-'Aqar KPJ REIT decides to acquire a new property in Malaysia, instruments of transfer (*excluding Deeds of Assignment*) effecting such an acquisition should not attract Malaysian stamp duty exempted by Stamp Duty (Exemption) (No. 4) Order 2004 and Stamp Duty (Exemption No. 27) Order 2005, as long as these Orders are in effect.

18. Taxation (Cont'd)

18.2 Investors

Unitholders should take advice from their own professional advisers as to their particular tax position.

18.2.1 Income Tax

Malaysian income tax will be payable by all resident Unitholders on the distributions made by Al-'Aqar KPJ REIT in respect of the resident Unitholders' share of total income that is exempt under Section 61A of the Income Tax Act 1967.

Further, distributions made by Al-'Aqar KPJ REIT out of income on which Al-'Aqar KPJ REIT has been subjected to tax at 28% is grossed up, is taxable in the hands of the resident unitholders. Tax paid by Al-'Aqar KPJ REIT and attributable to such income that is distributed to the unitholders will be available for set-off against the tax payable by the Unitholders on the distribution.

Distributions made by Al-'Aqar KPJ REIT to Unitholders not resident in Malaysia in respect of their share of total income that is exempt under Section 61A of the Income Tax Act 1967 are subject to 28% withholding tax in Malaysia. No further Malaysian income tax will be payable by such non-resident Unitholders on the distributions made by Al-'Aqar KPJ REIT.

Malaysian income tax should not be payable by any investor (other than insurance companies, financial institutions and investors carrying on a trade, profession or business in Malaysia and holding the Units for trading purposes) on any capital gains made on the sale or disposal of the Units.

18.2.2 Real Property Gains Tax

Malaysian RPGT should not be payable by any investor on any capital gains made on the sale or other disposal of the Units.

18.2.3 Stamp Duty

No Malaysia stamp duty is payable by an investor in relation to the issue of Units to him or her by Al-'Aqar KPJ REIT.

The stamp duty on the sale and purchase of Units by an investor on Bursa Securities may be found at Bursa Securities' website at www.bursamalaysia.com.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

18. Taxation (Cont'd)

18.3 Taxation Advisers' Letter

Deloitte.

Private & Confidential / Sulit

Our Ref: Tax/NKL/THB

30 June 2006

The Board of Directors
Damansara REIT Managers Sdn Berhad
(formerly known as Ultimate Benchmark Sdn Bhd)
13th Floor, Menara Johor Corporation
Kotaraya
80000 Johor Bahru
Johor Darul Takzim

Dear Sirs

TAXATION OF THE REAL ESTATE INVESTMENT TRUST AND UNIT HOLDERS

This letter has been prepared for inclusion in the Prospectus to be dated 24 July 2006 in relation to the offer of units in the Al-`Aqar KPJ REIT (hereinafter referred to as "the REIT").

The purpose of this letter is to provide prospective unit holders with an overview of the Malaysian tax implications of the following:

- Taxation of the REIT
- Taxation of Unit holders

TAXATION OF THE REIT

The taxation of the REIT is governed by the provisions of the Malaysian Income Tax Act, 1967 ("MITA"), particularly Sections 61, 61A and 63C which deal generally with the taxation of unit trusts and unit trusts which are approved by the Securities Commission as Real Estate Investment Trusts.

Income of the REIT, where subject to tax, will be taxed at the rate applicable to REITs, which is currently 28%, after making the tax adjustments outlined below. However, pursuant to Section 61A of the MITA, the REIT will be exempt from income tax on the amount of income distributed to unit holders in the basis period for the year of assessment. Therefore, the REIT is only liable to tax on that portion of its chargeable income that is not distributed to unit holders in the basis period.

In arriving at its chargeable income, the REIT will be entitled to deduct those expenses which are allowable under the MITA.

**Deloitte KassimChan
Tax Services Sdn Bhd (36421-T)**
Level 16, Uptown 1
1 Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
P. O. Box 11151
50736 Kuala Lumpur
Malaysia

Tel : +60(3) 77251888, 77125100
Fax : +60(3) 77257768, 77257769
mytax@deloitte.com
www.deloitte.com.my

18. Taxation (Cont'd)

Deloitte KassimChan Tax Services Sdn Bhd (36421-T)

The Board of Directors
Damansara REIT Managers Sdn Berhad
30 June 2006

Rental income derived from the letting of real property by the REIT is deemed to be a business source of income. In view of this, the REIT is entitled to claim capital allowances on qualifying capital expenditure incurred on plant and machinery used in its business. The REIT will also be entitled to claim industrial building allowances in respect of those buildings that are defined as industrial buildings in the MITA.

However, any unutilized allowances or losses arising from the rental source cannot be carried forward to future years nor can these be deducted against the REIT's other sources of income.

Exempt Income

As mentioned above, the REIT will not be taxed on income distributed to unit holders in the basis period for the year of assessment.

The REIT may also receive other tax exempt income as follows:

- **Dividends**

Tax exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying tax incentives provided under the relevant legislations.

- **Interest**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures (other than convertible loan stock) approved by the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks or financial institutions licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983;
- (v) interest received from bonds or securities issued by Pengurusan Danaharta Nasional Berhad; and
- (vi) interest derived from bonds (other than convertible loan stock) paid or credited by any company listed on the Malaysian Exchange of Securities Dealing and Automated Quotation Berhad (MESDAQ).

18. Taxation (Cont'd)

Deloitte KassimChan Tax Services Sdn Bhd (36421-T)

The Board of Directors
Damansara REIT Managers Sdn Berhad
30 June 2006

- **Discount**

With effect from the year of assessment 2006, tax exemption will be given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

Foreign income

Dividends, interest and other income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysia income tax. However, such income may be subject to tax in the country from it is derived.

Tax credit

Tax deducted at source from Malaysian dividends received by the REIT will be available for set-off against the tax liability of the REIT. Should the tax deducted at source exceed the tax liability of the REIT, the excess is refundable to the REIT.

Gains from the realisation of investments

Gains from the realisation of investments will not be treated as income of the REIT and hence, are not subject to income tax.

However, gains arising from the disposal of real property or of shares in 'real property companies' [as defined under the Real Property Gains Tax Act, 1976 (RPGTA)] will be subject to real property gains tax under the RPGTA.

Stamp duty on acquisition of real property

The REIT is exempted from stamp duty on all instruments of transfer of real property to the REIT. However, the acquisition of shares in real property companies will be subject to stamp duty at the rate of 0.3% on the market value or consideration paid for the shares, whichever is the higher.

TAXATION OF UNIT HOLDERS

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the REIT.

18. Taxation (Cont'd)

Deloitte KassimChan Tax Services Sdn Bhd (36421-T)

The Board of Directors
Damansara REIT Managers Sdn Berhad
30 June 2006

The income of unit holders from their investment in the REIT broadly falls under the following categories:

1. Distributions from income on which the REIT is exempt from tax pursuant to Section 61A, MITA;
2. Distributions from income on which the REIT has been taxed at 28%; and
3. Distributions from non-taxable and other exempt income of the REIT.

In addition, unit holders may also realise a gain from the sale of units.

The income tax implications of each of the above are explained below.

1. Distributions from income on which the REIT is exempt from tax pursuant to Section 61A, MITA

The unit holder will be taxed on the distributions received. (Refer below for the applicable tax rates). Where the unit holder is non-resident, tax will be deducted at source on distributions at the rate applicable to non-residents which is currently 28%.

2. Distributions from income on which the REIT has been taxed at 28%

The amount distributed from the REIT will be grossed up to take into account the underlying tax of the REIT and the unit holder will be taxed on the gross distribution. Such distributions carry a tax credit, which will be available for set-off against the tax chargeable on the unit holder.

3. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and other exempt income earned by the REIT will not be subject to Malaysian tax in the hands of the unit holders.

Rates of tax

The Malaysian tax chargeable on the unit holders depends on their tax residence status and whether they are individuals, corporations, non-corporations or trust bodies. The tax rates charged are as follows:

18. Taxation (Cont'd)

Deloitte KassimChan Tax Services Sdn Bhd (36421-T)

The Board of Directors
Damansara REIT Managers Sdn Berhad
30 June 2006

Unit holders	Malaysian tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none">• Individual and non-corporate unit holders (such as co-operatives, associations and societies)• Trust bodies• Corporate unit holders<ul style="list-style-type: none">(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment)(ii) Companies other than (i) above	<ul style="list-style-type: none">• Progressive tax rates ranging from 0% to 28%• 28%• For every first RM500,000 of chargeable income @ 20%• Chargeable income in excess of RM500,000 @ 28%• 28%
<p>Non- Malaysian tax resident (Note):</p> <ul style="list-style-type: none">• Individual and non-corporate unit holders• Corporate unit holders and trust bodies	<ul style="list-style-type: none">• 28%• 28%

Note:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

Gains arising from the realisation of investments will not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders/ dealers in securities.

18. Taxation (Cont'd)

Deloitte KassimChan Tax Services Sdn Bhd (36421-T)

The Board of Directors
Damansara REIT Managers Sdn Berhad
30 June 2006

Unit splits and Reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The tax implications of these are as follows:

- Unit splits – new units issued by the REIT pursuant to a unit split will not be subject to tax in the hands of the unit holders.
- Reinvestment of distributions – Unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the REIT.

We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the REIT. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the REIT.

Yours faithfully



NG KIM LIAN
Executive Director

Deloitte KassimChan Tax Services Sdn Bhd has given its consent to the inclusion of their letter as Tax Adviser in the form and context in which it appears in this Prospectus and has not withdrawn such consent prior of a copy of this Prospectus for approval.

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, its member firms, and their respective subsidiaries and affiliates. As a Swiss Verein (association), neither Deloitte Touche Tohmatsu nor any of its member firms has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the names "Deloitte," "Deloitte & Touche," "Deloitte Touche Tohmatsu," or other related names. Services are provided by the member firms or their subsidiaries or affiliates and not by the Deloitte Touche Tohmatsu Verein.

Copyright © 2006 Deloitte KassimChan Tax Services Sdn Bhd. All rights reserved.