

## VALUATION CERTIFICATES (Cont'd)



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

Page 9

## CERTIFICATES OF VALUATION

- 1. No. 21, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265H/21/JTZ)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 21, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580211 (Formerly HSD 62256)
Lot No.	:	Lot 98840 (Formerly PTD 106944), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.5229 hectare (5,229 square metres / 1.292 acres)
Gross Floor Area	:	2,657 square metres (28,600 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	LKL Industries Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a fairly good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0666 dated 26 February 2014. The buildings are approximately 7 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to HID Global Sdn Bhd.

Vide the Tenancy Agreement dated 18 October 2016 entered between LKL Industries Sdn Bhd ("the Landlord") and HID Global Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

By a tenancy renewal letter dated 17 June 2019, both parties have mutually agreed among others the Lease Term shall be renewed for further term of three (3) years ("Renewed Period").

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

## VALUATION CERTIFICATES (Cont'd)



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

Page 10

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, negative factor, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM315 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM315 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 11

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM7,000,000/-
Comparison Approach	RM7,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 12

**2. No. 19, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265J/21/KZX)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 19, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580213 (Formerly HSD 62258)
Lot No.	:	Lot 98842 (Formerly PTD 106946), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.4048 hectare (4,047.9 square metres / 1.00 acre)
Gross Floor Area	:	2,645 square metres (28,471 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0907 dated 1 November 2012. The buildings are approximately 9 years old .

**OCCUPATION**

At the time of our inspection, the subject property was leased to Cam Plas (Johor) Sdn Bhd.

Vide the Agreement to Lease dated 20 July 2017 entered between AME Development Sdn Bhd ("the Lessor") and Cam Plas (Johor) Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed six (6) years and (3) months.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

## VALUATION CERTIFICATES (Cont'd)



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

Page 13

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 14

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 15

**3. No. 18, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265K/21/KZX)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 18, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580214 (Formerly HSD 62259)
Lot No.	:	Lot 98843 (Formerly PTD 106947), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.4048 hectare (4,047.9 square metres / 1.00 acre)
Gross Floor Area	:	2,634 square metres (28,352 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a bin centre and a TNB sub-station.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0850 dated 12 July 2013. The buildings are approximately 8 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to Nippon Kinzoku (Malaysia) Sdn Bhd.

Vide the Agreement to Lease dated 7 February 2013 entered between AME Development Sdn Bhd ("the Lessor") and Nippon Kinzoku (Malaysia) Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years.

By a lease renewal letter dated 8 February 2018, the Lessor has confirmed that the Lease Term shall be renewed for further term of five (5) years ("Renewed Period").

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

## VALUATION CERTIFICATES (Cont'd)



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

Page 16

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 per square foot over the main floor area for the subject property as a fair representation.



## VALUATION CERTIFICATES (Cont'd)



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

Page 17

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 18

**4. No. 27, Jalan i-Park 1/3, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265L/21/KZX)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 27, Jalan i-Park 1/3, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580180 (Formerly HSD 62272)
Lot No.	:	Lot 98856 (Formerly PTD 106960), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.4437 hectare (4,437 square metres / 1.096 acre)
Gross Floor Area	:	2,645 square metres (28,471 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

**Note :**

\* *The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/09-87 dated 1 October 2014 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.*

*Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).*

*Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.*

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0669 dated 26 February 2014. The buildings are approximately 7 years old .

## VALUATION CERTIFICATES (Cont'd)



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

Page 19

**OCCUPATION**

At the time of our inspection, the subject property was leased to Samwoo Colorants (Malaysia) Sdn Bhd.

Vide the Agreement to Lease dated 24 December 2020 entered between AME Development Sdn Bhd ("the Lessor") and Samwoo Colorants (Malaysia) Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years and one (1) month.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Landlord at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate to be mutually agreed upon by the parties in writing.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

## VALUATION CERTIFICATES (Cont'd)



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

Page 20

**VALUE CONSIDERATION** (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 per square foot over the main floor area for the subject property as a fair representation.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, lease, transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 21

**5. No. 62, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265M/21/MNH)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 62, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	HSD 63620
Lot No.	:	PTD 107695, Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.4217 hectare (4,217 square metres / 1.042 acres)
Gross Floor Area	:	2,554 square metres (27,491 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

**Note :**

\* *The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJP.606/09-107 dated 22 May 2014 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.*

*Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).*

*Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.*

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a fairly good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1133 dated 14 January 2016. The buildings are approximately 5 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to W & S Plastics (Malaysia) Sdn Bhd.

Vide the Tenancy Agreement dated 10 March 2016 entered between AME Development Sdn Bhd ("the Landlord") and W & S Plastics (Malaysia) Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

By a tenancy renewal letter dated 23 April 2018, the Landlord and the Tenant have mutually agreed among others the Lease Term shall be renewed for further term of three (3) years ("Renewed Period").

## VALUATION CERTIFICATES (Cont'd)



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

Page 22

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 23

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, lease, transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 24

**6. No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265N/21/MNH)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	HSD 63619
Lot No.	:	PTD 107694, Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.9445 hectare (9,445 square metres / 2.334 acres)
Gross Floor Area	:	6,466 square metres (69,599 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Active Gold Services Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a TNB sub-station, a pump room and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a fairly good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1113 dated 14 May 2015. The buildings are approximately 6 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to Schiavello Manufacturing (Malaysia) Sdn Bhd.

Vide the Lease Agreement dated 2 December 2014 entered between AME Development Sdn Bhd ("the Lessor") and Prima Furniture (Aust) Ptd Ltd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed four (4) years. The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years each totalling six (6) years ("Renewed Period"). The option to renew shall be deemed to have been automatically exercised by the Lessee.

Vide the Novation Agreement dated 24 April 2015 entered between AME Development Sdn Bhd ("the Lessor"), Prima Furniture (Aust) Pte Ltd ("the Existing Lessee") and Schiavello Manufacturing (Malaysia) Sdn Bhd ("the New Lessee"), the Existing Lessee is desirous to be released and discharged from the contract contained in the Lease Agreement and the Lessor has agreed to release and discharge the Existing Lessee upon the New Lessee's undertaking to be bound by the terms of the Lease Agreement in place of the Existing Lessee.

Vide the Novation Agreement dated 21 June 2016 entered between AME Development Sdn Bhd ("Existing Lessor"), Active Gold Services Sdn Bhd ("the New Lessor") and Schiavello Manufacturing (Malaysia) Sdn Bhd ("the Lessee"), the Existing Lessor is desirous to be released and discharged from the contract contained in the Lease Agreement and the Lessee has agreed to release and discharge the Existing Lessor upon the New Lessor's undertaking to be bound by the terms of the Lease Agreement in place of the Existing Lessor.

By a lease renewal letter dated 15 January 2019, the Lessor and the Lessee have mutually agreed among others the Lease Term shall be renewed for further term of three (3) years ("Renewed Period").



## VALUATION CERTIFICATES (Cont'd)



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

Page 25

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 26

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM17,000,000/-
Comparison Approach	RM18,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM17,000,000/- (Ringgit Malaysia : Seventeen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 27

**7. No. 64, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265O/21/JTZ)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 64, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	HSD 63622
Lot No.	:	PTD 107697, Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.8727 hectare (8,727 square metres / 2.156 acres)
Gross Floor Area	:	5,709 square metres (61,451 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

**Note :**

\* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKLP.606/09-107 dated 22 May 2014 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).

Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1503 dated 22 December 2016. The buildings are approximately 5 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to Merlin Entertainments Studios (M) Sdn Bhd.

Vide the Tenancy Agreement dated 9 November 2017 entered between AME Development Sdn Bhd ("the Landlord") and Merlin Entertainments Studios (Malaysia) Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

## VALUATION CERTIFICATES (Cont'd)



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

Page 28

**OCCUPATION** (Cont'd)

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term as follows: -

- (i) Fixed three (3) years from expiration of the Tenancy Term ("First Renewed Period"); and
- (ii) Fixed three (3) years from expiration of the First Renewed Period ("Second Renewed Period").

The option to renew for the First Renewed Period shall deemed to be automatically exercised by the Tenant.

The option to renew for the Second Renewed Period shall be exercised by the Tenant by written notice to the Landlord at least six (6) months prior to the Expiration Date of the First Renewed Period ("Notice of Renewal") and the Agreed Rental for the Second Renewed Period shall be at the prevailing market rate but to be mutually agreed upon by the Parties in writing with maximum increment not more than 10% of the Agreed Rental for the First Renewed Period.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.65 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM374 psf	RM313 psf	RM301 psf	RM307 psf

## VALUATION CERTIFICATES (Cont'd)



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

Page 29

**VALUE CONSIDERATION** (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM374 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM310 per square foot over the main floor area for the subject property as a fair representation.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM17,000,000/-
Comparison Approach	RM18,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, lease, transfer and free from all encumbrances at **RM17,000,000/- (Ringgit Malaysia : Seventeen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 30

**8. No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265P/21/KZX)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580233 (Formerly HSD 62246)
Lot No.	:	Lot 98828 (Formerly PTD 106932), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.8499 hectare (8,499 square metres / 2.10 acres)
Gross Floor Area	:	5,482 square metres (59,008 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a bin centre, a TNB sub-station and a pump room.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0644 dated 4 October 2013. The buildings are approximately 8 years old .

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to GN Resound A/S.

Vide the Tenancy Agreement dated 10 February 2014 entered between AME Development Sdn Bhd ("the Landlord") and GN Resound A/S ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

By a tenancy renewal letter dated 8 February 2018, both parties have mutually agreed among others whereby: -  
 (a) the existing Tenancy Term of 3 years has been automatically renewed for a further one (1) year;  
 (b) a further Renewed Period of two (2) years ("Second Renewed Period");  
 (c) upon expiry of the Second Renewed Period, shall be automatically renewed for a further Renewed Period of three (3) years ("Third Renewed Period").

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

## VALUATION CERTIFICATES (Cont'd)



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

Page 31

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

**VALUATION CERTIFICATES (Cont'd)**

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

Page 32

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM14,000,000/-
Comparison Approach	RM15,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.



## VALUATION CERTIFICATES (Cont'd)



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

Page 33

**9. No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265Q/21/KZX)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580232 (Formerly HSD 62245)
Lot No.	:	Lot 98827 (Formerly PTD 106931), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.8463 hectare (8,463 square metres / 2.091 acres)
Gross Floor Area	:	5,436 square metres (58,513 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a bin centre and a TNB sub-station.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0641 dated 8 October 2013. The buildings are approximately 8 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to Heraeus Materials Malaysia Sdn Bhd.

Vide the Agreement to Lease dated 1 March 2013 entered between AME Development Sdn Bhd ("the Lessor") and Heraeus Materials Malaysia Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years.

By a lease renewal letter dated 11 April 2018, both parties have mutually agreed amongst others whereby: -

- (a) a further Renewed Period of five (5) years ("First Renewed Period");
- (b) Subject to the Lessee being in compliance with all its obligations, under the Lease Agreement, the Lessor thereby agreed to grant to the Lessee a Second Option to Renew for five (5) years ("Second Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date of the First Renewed Period.

## VALUATION CERTIFICATES (Cont'd)



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

Page 34

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 35

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM14,000,000/-
Comparison Approach	RM15,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 36

**10. No. 65, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265R/21/KZX)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory
Address	:	No. 65, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	HSD 64402
Lot No.	:	PTD 107908, Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.5247 hectare (5,247 square metres / 1.296 acres)
Gross Floor Area	:	3,002 square metres (32,313 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

**Note :**

\* *The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUK.I.P.606/09-116 dated 14 December 2016 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.*

*Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).*

*Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.*

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 12.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The bin centre is basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting with reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1565 dated 27 July 2017. The buildings are approximately 4 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to Bericap Malaysia Sdn Bhd.

Vide the Lease Agreement dated 23 January 2017 entered between Axis AME IP Sdn Bhd ("the Lessor") and Bericap Malaysia Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years and two (2) months.

## VALUATION CERTIFICATES (Cont'd)



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

Page 37

**OCCUPATION** (Cont'd)

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed five (5) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate to be mutually agreed upon by the parties in writing.

By a Sale and Purchase Agreement and Power of Attorney dated 15 December 2016 entered into between Axis AME IP Sdn Bhd ("the Developer / Donor") and AME Development Sdn Bhd ("the Purchaser / Donee") to attorn, transfer and assign absolutely to the Purchaser all the Vendor's rights, title and interest under the Lease Agreement and the full benefits and advantages granted thereby together with the transfer of all liabilities and obligations and all stipulations therein contained.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchainway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, negative factor, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM315 psf	RM297 psf	RM286 psf	RM292 psf

## VALUATION CERTIFICATES (Cont'd)



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

Page 38

**VALUE CONSIDERATION** (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM315 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, lease, transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 39

**11. No. 20, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265S/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 20, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75859
Lot No.	:	PTD 112746, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.7348 hectare (7,348.3 square metres / 1.816 acres)
Gross Floor Area	:	5,379 square metres (57,899 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/2017 dated 15 January 2019. The age of the buildings is approximately 2 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to Mytech & Assembly Sdn Bhd.

Vide the Tenancy Agreement dated 15 October 2018 entered between Ipark Development Sdn Bhd ("the Landlord") and Mytech & Assembly Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of three (3) years ("Renewed Period") and both parties have mutually agreed a further Renewed Period of one (1) year vide a tenancy renewal letter dated 20 July 2020.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

## VALUATION CERTIFICATES (Cont'd)



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

Page 40

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.



## VALUATION CERTIFICATES (Cont'd)



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

Page 41

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM14,000,000/-
Comparison Approach	RM15,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 42

**12. No. 21, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265T/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 21, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75860
Lot No.	:	PTD 112747, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.7348 hectare (7,348.3 square metres / 1.816 acres)
Gross Floor Area	:	5,379 square metres (57,899 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	lpark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/2018 dated 15 November 2018. The age of the buildings is approximately 3 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to Mytech & Assembly Sdn Bhd.

Vide the Tenancy Agreement dated 15 October 2018 entered between lpark Development Sdn Bhd ("the Landlord") and Mytech & Assembly Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of three (3) years ("Renewed Period") and both parties have mutually agreed a further Renewed Period of one (1) year and two (2) months vide a tenancy renewal letter dated 20 July 2020.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

## VALUATION CERTIFICATES (Cont'd)



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

Page 43

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 44

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM14,000,000/-
Comparison Approach	RM15,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 45

**13. No. 22, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265U/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 22, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 76888
Lot No.	:	PTD 112829, Mukim of Senai, District of Kulai, Johor
Land Area	:	1.5245 hectares (15,244.9 square metres / 3.767 acres)
Gross Floor Area	:	11,683 square metres (125,755 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a bulk chemical store, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/2050 dated 28 July 2019. The age of the buildings is approximately 2 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to Dyson Manufacturing Sdn Bhd.

Vide the Lease Agreement dated 2 October 2018 entered between Ipark Development Sdn Bhd ("the Lessor") and Dyson Manufacturing Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property for a Lease Term of fixed ten (10) years and eighteen (18) weeks.

Subject to the terms and conditions of the agreement and upon request by the Lessee, the Lessor has agreed to provide and install the following facilities at the subject property (collectively "the Systems"): -

- (a) HT System; and
- (b) Chilled Water Supply System,

whereby the Lessee has agreed to lease the Systems and the Agreed Rental shall include the monthly rental for the Systems.

## VALUATION CERTIFICATES (Cont'd)



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

Page 46

**OCCUPATION** (Cont'd)

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing with increment of not more than 15% of the Agreed Rental paid during the last Lease Term.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM2.00 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and specification of the building			
Adjusted Value / MFA (RM psf)	RM433 psf	RM363 psf	RM349 psf	RM353 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM349 to RM433 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM355 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 47

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM47,000,000/-
Comparison Approach	RM42,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM47,000,000/- (Ringgit Malaysia : Forty Seven Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 48

**14. No. 68, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265V/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 68, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
Title No.	:	HSD 596298
Lot No.	:	PTD 203569, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	1.0458 hectares (10,457.7 square metres / 2.584 acres)
Gross Floor Area	:	6,662 square metres (71,709 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1880 dated 15 January 2019. The age of the buildings is approximately 2 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to Lyreco Office Supplies (Malaysia) Sdn Bhd.

Vide the Lease Agreement dated 25 April 2018 entered between Ipark Development Sdn Bhd ("the Lessor") and Lyreco Office Supplies (Malaysia) Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property for a Lease Term of fixed six (6) years and three (3) months.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.



## VALUATION CERTIFICATES (Cont'd)



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

Page 49

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 50

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM17,000,000/-
Comparison Approach	RM18,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM17,000,000/- (Ringgit Malaysia : Seventeen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 51

**15. No. 69, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265W/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 69, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
Title No.	:	HSD 604384
Lot No.	:	PTD 204026, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	1.0684 hectares (10,683.7 square metres / 2.640 acres)
Gross Floor Area	:	6,500 square metres (69,965 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1881 dated 25 April 2019. The age of the buildings is approximately 2 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to DHL Express (Malaysia) Sdn Bhd.

Vide the Premises Lease Agreement [Plot 1B1] and Lease Agreement [Plot 1B3-A1] both dated 3 May 2019 entered between Ipark Development Sdn Bhd ("the Lessor") and DHL Express (Malaysia) Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property for a Lease Term of fixed ten (10) years and four (4) months.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least three (3) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

## VALUATION CERTIFICATES (Cont'd)



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

Page 52

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.  Besides, we have also adopted the market rental of RM0.50 per square feet per month for the extra vacant land area based on our market rent survey of similar vacant industrial land.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 53

**VALUE CONSIDERATION** (Cont'd)**II. COMPARISON APPROACH** (Cont'd)

Location	Land Area	Consideration	Date
PTD 203568, i-Park @ SAC, Senai	96,482 sq. feet	RM7,718,649/-	06/05/20
PTD 204070, i-Park @ SAC, Senai	259,903 sq. feet	RM18,193,054/-	06/12/19
PTD 112758 & PTD 112759, i-Park @ SAC, Senai	85,056 sq. feet	RM6,804,398/-	27/04/19

Based on our survey and analysis, the vacant industrial lands in the vicinity were transacted in the region of RM70 to RM80 per square foot. Therefore, we have adopted the land value of RM80 per square foot for the extra vacant land after adjustments made for differences in time/market condition and size.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM17,000,000/-
Comparison Approach	RM18,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM17,000,000/- (Ringgit Malaysia : Seventeen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 54

**16. No. 66, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265X/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 66, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
Title No.	:	HSD 587217
Lot No.	:	PTD 198653, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	0.9007 hectare (9,006.9 square metres / 2.226 acres)
Gross Floor Area	:	6,983 square metres (75,164 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20 to 50kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/2290 dated 31 December 2020. The age of the buildings is approximately 1 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to AAC Technologies (Malaysia) Sdn Bhd.

Vide the Lease Agreement dated 20 January 2020 entered between Ipark Development Sdn Bhd ("the Lessor") and AAC Technologies (Malaysia) Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property for a Lease Term of fixed ten (10) years plus two (2) months rent free period.

Upon request by the Lessee, the Lessor has provided and installed the following additional works at the subject building: -

- Vibration dampener trench;
- 5 ton/m<sup>2</sup> reinforced concrete flooring;
- Sika floor hardener (Sikafloor®-3 QuartzTop); and
- High Tension (HT) power supply.

Based on the additional works provided by the Lessor and subject to the terms and conditions in the agreement, the Lessee agreed that Agreed Rental shall include the monthly installment for additional works.

## VALUATION CERTIFICATES (Cont'd)



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

Page 55

**OCCUPATION** (Cont'd)

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.80 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM374 psf	RM346 psf	RM333 psf	RM338 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM333 to RM374 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM340 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 56

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM23,000,000/-
Comparison Approach	RM23,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM23,000,000/- (Ringgit Malaysia : Twenty Three Million Only)**.



## VALUATION CERTIFICATES (Cont'd)



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

Page 57

**17. No. 34, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
 (Our Ref : WTW/04/V/009265Y/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 34, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75867
Lot No.	:	PTD 112754, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.7897 hectare (7,896.8 square metres / 1.951 acres)
Gross Floor Area	:	5,379 square metres (57,899 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1860 dated 22 May 2018. The age of the buildings is approximately 3 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to TEK Automotive Malaysia Sdn Bhd.

Vide the Lease Agreement dated 2 March 2018 entered between Ipark Development Sdn Bhd ("the Lessor") and TEK Automotive Malaysia Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property for a Lease Term of fixed five (5) years and two (2) months.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

## VALUATION CERTIFICATES (Cont'd)



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

Page 58

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 59

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM14,000,000/-
Comparison Approach	RM15,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 60

**18. No. 33, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265Z/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 33, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75866
Lot No.	:	PTD 112753, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.7348 hectare (7,348.3 square metres / 1.816 acres)
Gross Floor Area	:	5,379 square metres (57,899 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	lpark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/2025 dated 29 May 2019. The age of the buildings is approximately 2 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to Weidmuller (Malaysia) Sdn Bhd.

Vide the Tenancy Agreement dated 8 October 2018 entered between lpark Development Sdn Bhd ("the Landlord") and Weidmuller (Malaysia) Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further terms ("Renewed Period") as follows: -

- (a) First Renewed Period - Fixed term of three (3) years  
At the prevailing market rate but to be mutually agreed upon by the Parties in writing but any increase shall not exceed 10% of the Agreed Rental paid during the Tenancy Term
- (b) Second Renewed Period - Fixed term of three (3) years  
At the prevailing market rate but to be mutually agreed upon by the Parties in writing but any increase shall not exceed 10% of the Agreed Rental paid during the First Renewed Period
- (c) Third Renewed Period - Fixed term of one (1) year  
According to the Agreed Rental paid during the Second Renewed Period

## VALUATION CERTIFICATES (Cont'd)



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

Page 61

**OCCUPATION** (Cont'd)

The option to renew for the First Renewed Period and Second Renewed Period shall be exercised by the Tenant by written notice to the Landlord at least six (6) months prior to the expiry of the Tenancy Term ("First Notice of Renewal") and First Renewed Period ("Second Notice of Renewal") respectively. Upon the Tenant's exercise of the second option to renew, both parties agreed that the Second Renewed Period shall be automatically renewed for further term of one (1) year each ("Third Renewed Period").

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchnaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 62

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM14,000,000/-
Comparison Approach	RM15,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 63

**19. No. 7, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265AA/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 7, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 580789
Lot No.	:	PTD 196174, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	0.3999 hectare (3,998.5 square metres / 0.988 acre)
Gross Floor Area	:	2,946 square metres (31,710 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1697 dated 28 May 2018. The age of the buildings is approximately 3 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to Polycore Optical (Malaysia) Sdn Bhd.

Vide the Tenancy Agreement dated 13 June 2018 entered between Ipark Development Sdn Bhd ("the Landlord") and Polycore Optical (Malaysia) Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed four (4) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of fixed two (2) years ("Renewed Period"). The option to renew shall be exercised by the Tenant by written notice to the Landlord at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

## VALUATION CERTIFICATES (Cont'd)



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

Page 64

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM330 psf	RM317 psf	RM323 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM317 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM325 per square foot over the main floor area for the subject property as a fair representation.



## VALUATION CERTIFICATES (Cont'd)



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

Page 65

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM8,000,000/-
Comparison Approach	RM9,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM8,000,000/- (Ringgit Malaysia : Eight Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 66

**20. No. 6, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265AB/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 6, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 580788
Lot No.	:	PTD 196173, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	0.3999 hectare (3,998.5 square metres / 0.988 acre)
Gross Floor Area	:	2,753 square metres (29,633 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office and a guard house.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1903 dated 4 November 2018. The age of the buildings is approximately 3 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to Federal Express Services (M) Sdn Bhd.

Vide the Lease Agreement dated 27 March 2018 entered between Ipark Development Sdn Bhd ("the Lessor") and Federal Express Services (M) Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property for a Lease Term of fixed ten (10) years.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

## VALUATION CERTIFICATES (Cont'd)



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

Page 67

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM330 psf	RM317 psf	RM323 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM317 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM325 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 68

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 69

**21. No. 13, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265AC/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 13, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 580795
Lot No.	:	PTD 196180, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	0.3999 hectare (3,998.5 square metres / 0.988 acre)
Gross Floor Area	:	2,946 square metres (31,710 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	lpark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1862 dated 31 May 2018. The age of the buildings is approximately 3 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to PPC Moulding Services (Malaysia) Sdn Bhd.

Vide the Lease Agreement dated 23 December 2019 entered between lpark Development Sdn Bhd ("the Lessor") and PPC Moulding Services (Malaysia) Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property for a Lease Term of fixed six (6) years.

## VALUATION CERTIFICATES (Cont'd)



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

Page 70

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM330 psf	RM317 psf	RM323 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM317 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM325 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 71

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM8,000,000/-
Comparison Approach	RM9,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM8,000,000/- (Ringgit Malaysia : Eight Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 72

**22. No. 40, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265AD/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 40, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75873
Lot No.	:	PTD 112760, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.3951 hectare (3,950.9 square metres / 0.9763 acre)
Gross Floor Area	:	2,891 square metres (31,118 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

**Note :**

\* *The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/09/163 dated 20 January 2021 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.*

*Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).*

*Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.*

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/2329 dated 25 November 2020. The age of the buildings is approximately 1 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to Hochuen Medical Sdn Bhd.

Vide the Lease Agreement dated 25 February 2021 entered between Ipark Development Sdn Bhd ("the Lessor") and Hochuen Medical Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property for a Lease Term of fixed twelve (12) years and three (3) months.



## VALUATION CERTIFICATES (Cont'd)



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

Page 73

**OCCUPATION** (Cont'd)

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM330 psf	RM317 psf	RM323 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM317 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM325 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 74

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM8,000,000/-
Comparison Approach	RM9,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, lease, transfer and free from all encumbrances at **RM8,000,000/- (Ringgit Malaysia : Eight Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 75

**23. Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor**  
(Our Ref : WTW/04/V/009265B/21/GKN)

**PROPERTY IDENTIFICATION**

The Subject Property	:	Two (2) contiguous units of single storey detached factory with 3-storey office and other ancillary buildings
Address	:	Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
Title Nos.	:	HSD 535650 & HSD 535652 respectively
Lot Nos.	:	PTD 7669 & PTD 7670, Mukim of Jelutong, District of Johor Bahru, Johor
Land Area	:	0.504 hectare (5,040 square metres / 1.245 acres) each
Gross Floor Area	:	4,249 square metres (45,736 square feet) each
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietors	:	<u>PTD 7669</u> Symphony Square Sdn Bhd  <u>PTD 7670</u> Twin Sunrich Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises two (2) contiguous units of single storey detached factory with 3-storey office and other ancillary buildings.

The single storey detached factory with 3-storey office are basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. The buildings have ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup>, 10kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory, production and office areas respectively.

Other ancillary buildings include a TNB sub-station and a guard house. These buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial Nos. LJM/J/1114 and LJM/J/1177 dated 31 May 2015 and 30 August 2015 respectively. The age of the buildings is approximately 6 years old.

**OCCUPATION**

At the time of our inspection, the subject property was leased to Westrock Coffee & Tea Malaysia Sdn Bhd.

Vide the Agreement to Lease both dated 21 January 2021 entered between Symphony Square Sdn Bhd & Twin Sunrich Sdn Bhd ("the Proprietors"), AME Development Sdn Bhd ("the Lessor") and Westrock Coffee & Tea Malaysia Sdn Bhd ("the Lessee"), the Proprietor and the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Proprietor and the Lessor, a lease of the subject property for a lease term of fixed five (5) years and two (2) months.

## VALUATION CERTIFICATES (Cont'd)



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

Page 76

**OCCUPATION** (Cont'd)

Subject to the Lessee being in compliance with all its covenants, obligations, responsibilities and/or liabilities therein and not being in breach of any provisions therein, the Lessor thereby agreed to grant to the Lessee an option to renew the Lease Term for two (2) further term for a fixed period of five (5) years each ("Renewed Period").

The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and if the option to renew is exercised by the Lessee in the time and manner, the Agreed Rental for the Renewed Period shall be at follows: -

- (a) Year 6 to 10 at the prevailing market rate to be mutually agreed upon by the Parties but any increase shall not exceed 15% of the Agreed Rental paid during Year 3 to 5; and
- (b) Year 11 to 15 at the prevailing market rate to be mutually agreed upon by the Parties but any increase shall not exceed 15% of the Agreed Rental paid during Year 6 to 10.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.70 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation & Property Services Department			
Lot No., Town, District and State	Lot 150565, Mukim of Pulai, District of Johor Bahru, Johor	PTD 4487, PTD 4486 & PTD 4485, Mukim of Tanjung Kupang, District of Johor Bahru, Johor	PTD 4475, Mukim of Tanjung Kupang, District of Johor Bahru, Johor	PTD 7668, Mukim of Jelutong, District of Johor Bahru, Johor
Address	No. 5, Jalan Mega 1/9, Taman Perindustrian Nusa Cemerlang	Nos. 1, 3 & 5, Jalan Teknologi Perintis 1, Taman Teknologi Nusajaya	No. 14, Jalan Teknologi Perintis 1/3, Taman Teknologi Nusajaya	No. 21, Jalan Bioteknologi 3, Kawasan Perindustrian SILC
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	5,719 sqm	14,674 sqm	6,585 sqm	5,040 sqm
Main Floor Area	3,214 sqm	9,726 sqm	3,908 sqm	4,009 sqm
Date	11/05/2020	13/08/2019	13/08/2019	31/07/2019
Vendor	AME Manufacturing Sdn Bhd	Nusajaya Tech Park Sdn Bhd	Nusajaya Tech Park Sdn Bhd	Symphony Square Sdn Bhd
Purchaser	Intec Precision Engineering Sdn Bhd	RHB Trustees Berhad	RHB Trustees Berhad	Owen Mumford Sdn Bhd
Consideration	RM10,200,000/-	RM42,000,000/-	RM13,800,000/-	RM14,300,000/-
Analysis Value / MFA (RM psm)	RM3,174 psm	RM4,318 psm	RM3,531 psm	RM3,567 psm
Analysis Value / MFA (RM psf)	RM295 psf	RM401 psf	RM328 psf	RM331 psf
Adjustments	Adjustments are made on time/market condition, location/accessibility, size, age & condition of the building			
Adjusted Value / MFA (RM psf)	RM324 psf	RM343 psf	RM265 psf	RM315 psf

**VALUATION CERTIFICATES (Cont'd)**

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

Page 77

**VALUE CONSIDERATION (Cont'd)****II. COMPARISON APPROACH (Cont'd)**

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM265 to RM343 per square foot. We have placed greater emphasis on Comparable Nos. 1, 2 and 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM330 per square foot over the main floor area for the subject property as a fair representation.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM24,000,000/-
Comparison Approach	RM28,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM24,000,000/- (Ringgit Malaysia : Twenty Four Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 78

**24. No. 12, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/N/009265C/21/JTZ)

**TERMS OF REFERENCE**

Vide the Sale and Purchase Agreement to be entered between AME Development Sdn Bhd ("Vendor") and RHB Trustees Berhad ("Purchaser"), the Purchaser is desirous of acquiring the AME Properties, which include amongst others, the subject property from the Vendor upon the terms therein in conjunction with the establishment of AME REIT.

Pursuant to the agreement, the parties thereby agree that the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor, on the basis that the subject property is:

- (i) subject to the existing restrictions-in-interest, conditions (whether express or implied) and the category of land use endorsed on the Title;
- (ii) completed in accordance with the building plans and specifications as approved by the relevant local authority as annexed thereto as Annexure B ("Approved Building Plans") and with CCC obtained;
- (iii) without vacant possession on the basis that the Subject Property is built in accordance with the specifications and requirements as agreed upon in the Tenancy between the Vendor and the Tenant;
- (iv) to be occupied by the Tenant with all its rights, benefits and obligations remaining intact;
- (v) free from Encumbrances save for the Tenancy and such Encumbrances which the Parties acknowledge shall continue to subsist after Completion and as disclosed in Section 1 of Schedule 2 thereto; and
- (vi) acquired by the Purchaser acting in its capacity as trustee for and on behalf of AME REIT and accordingly, the rights of the Purchaser pursuant to that Agreement is solely for the benefit of AME REIT.

As at the date of valuation, the subject property is under construction and we were made to understand that it is scheduled to be completed with Certificate of Completion and Compliance ("CCC") issued by end December 2021.

Notwithstanding the above, as instructed, the valuation is carried out based on the following **BASIS(S)**: -

**THE SUBJECT BUILDING HAS BEEN CONSTRUCTED / COMPLETED IN ACCORDANCE WITH THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND ISSUED WITH CCC BY THE RELEVANT AUTHORITIES.**

**IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON THE ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.**

*(This paragraph is required in accordance with Standard 9 of the Malaysian Valuation Standards.)*

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 12, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580207 (Formerly HSD 62252)
Lot No.	:	Lot 98834 (Formerly PTD 106938), Mukim of Kulai, District of Kulai, Johor
Land Area	:	1.2665 hectares (12,665 square metres or 3.130 acres)
Gross Floor Area	:	8,472 square metres (91,192 square feet)
Tenure	:	Freehold / Term In Perpetuity

## VALUATION CERTIFICATES (Cont'd)



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

Page 79

**PROPERTY IDENTIFICATION** (Cont'd)

Registered Proprietor : AME Development Sdn Bhd  
 Category of Land Use : Perusahaan / Perindustrian  
 Title Status : Lot Untuk Bumiputra \*

**Note :**

\* *The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/09-87 dated 9 August 2017 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.*

*Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).*

*Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.*

**GENERAL DESCRIPTION**

The subject property will comprise a single storey detached factory with mezzanine office, a TNB sub-station, a guard house and a bin centre.

The single storey detached factory with mezzanine office will be constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It will have a ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings will be constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a concrete flat roof / metal pitched roof.

At the time of our inspection, we noted that the subject site was undergoing building construction works. We further noted that a TNB sub-station was erected at the south-western edge of the subject site.

**OCCUPATION**

Vide the Lease Agreement dated 27 July 2021 entered between AME Development Sdn Bhd ("the Lessor") and Bericap Malaysia Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed six (6) years.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate to be mutually agreed upon by the Parties in writing.

**PLANNING PROVISION**

The subject property is designated for light industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

## VALUATION CERTIFICATES (Cont'd)



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

Page 80

## VALUE CONSIDERATION

## I. INCOME APPROACH (INVESTMENT METHOD)

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.45 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent and estimated expenses for assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

## II. COMPARISON APPROACH

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, land use, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM236 psf	RM231 psf	RM222 psf	RM230 psf



**VALUATION CERTIFICATES (Cont'd)**

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

Page 81

**VALUE CONSIDERATION** (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM222 to RM236 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM230 per square foot over the main floor area for the subject property as a fair representation.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM21,000,000/-
Comparison Approach	RM21,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASIS / ADDITIONAL ASSUMPTIONS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to sell, lease, transfer and free from all encumbrances at **RM21,000,000/- (Ringgit Malaysia : Twenty One Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 82

**25. No. 29, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor**  
(Our Ref : WTW/04/V/009265D/21/GKN)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with 3-storey office and other ancillary buildings
Address	:	No. 29, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
Title No.	:	HSD 535654
Lot No.	:	PTD 7672, Mukim of Jelutong, District of Johor Bahru, Johor
Land Area	:	0.524 hectare (5,040 square metres / 1.245 acres)
Gross Floor Area	:	4,249 square metres (45,736 square feet) each
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Twin Sunrich Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with 3-storey office and other ancillary buildings.

The single storey detached factory with 3-storey office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. The building has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup>, 10kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory, production and office areas respectively.

Other ancillary buildings include a TNB sub-station and a guard house. These buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1177 dated 30 August 2015 respectively. The age of the buildings is approximately 6 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to Ametalin Sdn Bhd.

Vide the Tenancy Agreement dated 13 August 2015 entered between Twin Sunrich Sdn Bhd ("the Landlord") and Ametalin Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

By a tenancy renewal letter dated 21 September 2018, both parties have mutually agreed among others the Tenancy Term shall be renewed for further term of fixed three (3) years ("Renewed Period").

Subsequently vide another letter dated 16 January 2021, the Landlord thereby agreed to grant to the Tenant a further option to renew the First Renewed Period and revised the Tenancy Agreement to incorporate the following: -

- Second Option To Renew for a fixed term of one (1) year ("Second Renewed Period");
- Third Option To Renew for a fixed term of one (1) year ("Third Renewed Period"); and
- Fourth Option To Renew for a fixed term of one (1) year ("Fourth Renewed Period").

## VALUATION CERTIFICATES (Cont'd)



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

Page 83

**OCCUPATION** (Cont'd)

Whereby the Second, Third and Fourth Option To Renew shall be deemed as exercised by the Tenant and automatically renewed unless a written notice of non-renewal is issued by the Tenant and received by the Landlord at least six (6) months prior to the expiry of the Second, Third and Fourth Renewed Period respectively.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.70 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation & Property Services Department			
Lot No., Town, District and State	Lot 150565, Mukim of Pulai, District of Johor Bahru, Johor	PTD 4487, PTD 4486 & PTD 4485, Mukim of Tanjung Kupang, District of Johor Bahru, Johor	PTD 4475, Mukim of Tanjung Kupang, District of Johor Bahru, Johor	PTD 7668, Mukim of Jelutong, District of Johor Bahru, Johor
Address	No. 5, Jalan Mega 1/9, Taman Perindustrian Nusa Cemerlang	Nos. 1, 3 & 5, Jalan Teknologi Perintis 1, Taman Teknologi Nusajaya	No. 14, Jalan Teknologi Perintis 1/3, Taman Teknologi Nusajaya	No. 21, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	5,719 sqm	14,674 sqm	6,585 sqm	5,040 sqm
Main Floor Area	3,214 sqm	9,726 sqm	3,908 sqm	4,009 sqm
Date	11/05/2020	13/08/2019	13/08/2019	31/07/2019
Vendor	AME Manufacturing Sdn Bhd	Nusajaya Tech Park Sdn Bhd	Nusajaya Tech Park Sdn Bhd	Symphony Square Sdn Bhd
Purchaser	Intec Precision Engineering Sdn Bhd	RHB Trustees Berhad	RHB Trustees Berhad	Owen Mumford Sdn Bhd
Consideration	RM10,200,000/-	RM42,000,000/-	RM13,800,000/-	RM14,300,000/-
Analysis Value / MFA (RM psm)	RM3,174 psm	RM4,318 psm	RM3,531 psm	RM3,567 psm
Analysis Value / MFA (RM psf)	RM295 psf	RM401 psf	RM328 psf	RM331 psf
Adjustments	Adjustments are made on time/market condition, location/accessibility, size, age & condition of the building			
Adjusted Value / MFA (RM psf)	RM324 psf	RM343 psf	RM265 psf	RM315 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM265 to RM343 per square foot. We have placed greater emphasis on Comparable Nos. 1, 2 and 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM330 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 84

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM13,000,000/-
Comparison Approach	RM14,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM13,000,000/- (Ringgit Malaysia : Thirteen Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 85

**26. No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265E/21/MNH)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory together with an office annex and other ancillary buildings
Address	:	No. 18, Jalan Kargo 2, Senai Airport City, 814000 Senai, Johor
Title No.	:	HSD 569755
Lot No.	:	PTD 195470, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	1.978 hectares (19,776.797 square metres / 4.887 acres)
Gross Floor Area	:	12,084 square metres (130,071 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory together with an office annex, a guard house, a TNB sub-station, a bin centre and a pump room.

The single storey detached factory together with an office annex is basically constructed of steel portal framework with concrete floors, plastered brickwalls topped with metal cladding supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 12.0-metre whilst the warehouse floor load is 30kN/m<sup>2</sup>.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/2148 dated 5 July 2020. The buildings are approximately 1 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted/leased to Agility Logistics Sdn Bhd and GN Resound (Malaysia) Sdn Bhd.

a. Agility Logistics Sdn Bhd

Vide the Tenancy Agreement dated 15 April 2021 entered between AME Development Sdn Bhd ("the Landlord") and Agility Logistics Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property as more particularly identified as Plot B in the Layout Plan for a Tenancy Term of fixed three (3) years from the Tenancy Commencement Date (upon the Vacant Possession Date).

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for for further term of not less than two (2) years and up to three (3) years ("Renewed Period").

## VALUATION CERTIFICATES (Cont'd)



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

Page 86

**OCCUPATION** (Cont'd)b. GN Resound (Malaysia) Sdn Bhd

Vide the Lease Agreement dated 11 November 2019 entered between AME Development Sdn Bhd ("the Lessor") and GN Resound (Malaysia) Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property as more particularly identified as Plot C for Lease Term is for fixed ten (10) years from the Lease Commencement Date (upon the Vacant Possession Date).

The Lessor agreed to grant to the Lessee an option to renew the Lessee Term for further term of three (3) years ("Renewed Period").

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.80 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

## VALUATION CERTIFICATES (Cont'd)



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

Page 87

**VALUE CONSIDERATION** (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 per square foot over the main floor area for the subject property as a fair representation.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM38,000,000/-
Comparison Approach	RM40,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM38,000,000/- (Ringgit Malaysia : Thirty Eight Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 88

**27. Lot 98833, Jalan Seroja 28/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265F/21/JTZ)

**TERMS OF REFERENCE**

Vide the Sale and Purchase Agreement to be entered between AME Development Sdn Bhd ("Vendor") and RHB Trustees Berhad ("Purchaser"), the Purchaser is desirous of acquiring the AME Properties, which include amongst others, the subject property from the Vendor upon the terms therein in conjunction with the establishment of AME REIT.

Pursuant to the agreement, the parties thereby agree that the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor, on the basis that the subject property is:

- (i) subject to the existing restrictions-in-interest, conditions (whether express or implied) and the category of land use endorsed on the Title;
- (ii) completed in accordance with the building plans and specifications as approved by the relevant local authority as annexed thereto as Annexure B ("Approved Building Plans") and with CCC obtained;
- (iii) without vacant possession on the basis that the Subject Property is built in accordance with the specifications and requirements as agreed upon in the Tenancy between the Vendor and the Tenant;
- (iv) to be occupied by the Tenant with all its rights, benefits and obligations remaining intact;
- (v) free from Encumbrances save for the Tenancy and such Encumbrances which the Parties acknowledge shall continue to subsist after Completion and as disclosed in Section 1 of Schedule 2 thereto; and
- (vi) acquired by the Purchaser acting in its capacity as trustee for and on behalf of AME REIT and accordingly, the rights of the Purchaser pursuant to that Agreement is solely for the benefit of AME REIT.

As at the date of valuation, the subject property is under construction and we were made to understand that it is scheduled to be completed with Certificate of Completion and Compliance ("CCC") issued in May 2022.

Notwithstanding the above, as instructed, the valuation is carried out based on the following **BASIS(S)**: -

**THE SUBJECT BUILDING HAS BEEN CONSTRUCTED / COMPLETED IN ACCORDANCE WITH THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND ISSUED WITH CCC BY THE RELEVANT AUTHORITIES.**

**IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON THE ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.**

*(This paragraph is required in accordance with Standard 9 of the Malaysian Valuation Standards.)*

**PROPERTY IDENTIFICATION**

The Subject Property	:	A parcel of building land built upon with two (2) blocks of 5-storey walk-up workers' dormitory, a 2-storey facilities block and other ancillary buildings
Location	:	Along Jalan Seroja 28/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580206 (Formerly HSD 62251)
Lot No.	:	Lot 98833 (Formerly PTD 106937), Mukim of Kulai, District of Kulai, Johor
Land Area	:	12,864 square metres (138,467 square feet or 3.179 acres)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Building



## VALUATION CERTIFICATES (Cont'd)



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

Page 89

#### **GENERAL DESCRIPTION**

The subject property will comprise two (2) blocks of 5-storey walk-up workers' dormitory, a 2-storey facilities block and other ancillary buildings, i.e. a guard house, a TNB sub-station, two (2) bin centres and a police pit.

The 5-storey walk-up workers' dormitory and 2-storey facilities block will be constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel purlins / metal pitched roof covered over with metal roofing sheets.

Each dorm unit has an approximate gross floor area of 97 square metres and 77 square metres for Type A/A1 and Type B/B1 respectively. The number of dorms unit and gross floor area of each block are summarised as follows: -

Block	No. of Dorms Unit		Gross Floor Area (square metre)
	Type A / A1	Type B / B1	
A1	39	8	10,357
A2	39	9	
B1	50	-	10,858
B2	50	-	
<b>Total</b>	<b>195</b>		<b>21,215</b>

The ancillary buildings will be constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a concrete flat roof / metal pitched roof.

At the time of our inspection, we noted that the subject site was undergoing building construction works. We further noted that the southern edge of the subject site has been improved and erected upon a police pit.

#### **OCCUPATION**

Vide the Tenancy Agreement dated 23 July 2021 entered between AME Development Sdn Bhd ("the Landlord") and I-Stay Management Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term as follows: -

- (i) Three (3) years from expiration of the Tenancy Term ("First Renewed Period");
- (ii) Three (3) years from expiration of the First Renewed Period ("Second Renewed Period"); and
- (iii) Three (3) years from expiration of the Second Renewed Period ("Third Renewed Period").

The option to renew shall be exercised by the Tenant by written notice to the Landlord at least six (6) months prior to the Expiration Date Provided Always the Agreed Rental for the Renewed Period shall be renegotiated and mutually agreed upon at least three (3) months prior to the Expiration Date.

#### **PLANNING PROVISION**

The subject property is designated for commercial / workers' dormitory use as per the Express Condition in the document of title.

#### **METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach and Cost Approach are used as a check.

## VALUATION CERTIFICATES (Cont'd)



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

Page 90

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM130 per bed (master lease arrangement) which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent and estimated expenses for assessment and fire insurance premium whilst for the costs of repair as well as maintenance and property management fees are based on 5% and 2% of gross annual rental respectively which is in line with the market analysis.
Void	We have adopted 10% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the above and other relevant factors including current market condition, location and accessibility, tenure, building characteristics, usage, age, size and quality of the building, we have adopted the reversionary yield of 6.50% whilst the adopted term yield is 6.00% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Lot No., Mukim, District and State	Lot 46767(M1/3/13), Mukim of Senai, District of Kulai, Johor	Lot 46767(M3/3/114), Mukim of Senai, District of Kulai, Johor	Lot 31961(M4/5/347), Mukim of Kulai, District of Kulai, Johor
Address	Unit A-2-7, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit C-2-132, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit E4-09, Jalan Sri Putri 11/6, Rosevilla Apartment, Taman Puteri Kulai
Type	5-storey walk-up apartment		
Tenure	Freehold / Term in perpetuity		
Built-Up Area (sq. m)	82 sqm		
Built-Up Area (sq. ft)	883 sq ft		
Date	22/12/2020	22/09/2020	05/01/2021
Vendor	Chin Li Shan	Yu Chin Hui	Low Siau Yun
Purchaser	Dayana Zubaidah Bt Mohd Zin	Mohammad Firdaus Bin Nor Arifin + 1	Ho Qi Yang
Consideration	RM180,000/-	RM190,000/-	RM160,000/-
Analysis Value (RM psm)	RM2,195 psm	RM2,317 psm	RM1,951 psm
Analysis Value (RM psf)	RM204 psf	RM215 psf	RM181 psf
Adjustments	Adjustments are made on location/accessibility and amenities provided		
Adjusted Value (RM psf)	RM224 psf	RM237 psf	RM236 psf

The ancillary buildings, i.e., TNB sub-station, bin centres and guard house are considered as supporting infrastructures to the main development, viz. workers' dormitory. Therefore, these buildings have been valued as part and parcel of the main development and no separate values are attached.

Whilst for the 2-storey facilities block, treatment room and quarantine room, these buildings have been considered as features and amenities provided within the development. Upward adjustment was made to all the comparables with no additional features and amenities available within their respective development.

The adjusted values over built-up area derived from the above comparables range from RM224 to RM237 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM230 per square foot over the built-up area or RM210,000/- per unit for the subject property, i.e., 195 dorm units with an average built-up area of 87 square metres (935 square feet) each, as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 91

**VALUE CONSIDERATION** (Cont'd)**III. COST APPROACH**

We have also considered the Cost Approach in our valuation by virtue of the subject property, i.e., a purpose-built workers' dormitory is a property that is rarely if ever sold in the market as well as the non-availability of similar workers' dormitory sale comparables.

In assessing the market value of the subject land, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation and Property Services Department (JPPH)			
Lot No., Mukim, District and State	PTD 113813, Mukim of Kulai, District of Kulai, Johor	PTD 203568, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 107905 & PTD 107906, Mukim of Kulai, District of Kulai, Johor	PTD 112758 & PTD 112759, Mukim of Senai, District of Kulai, Johor
Address	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC
Type	Vacant industrial land			
Tenure	Freehold / Term in perpetuity			
Land Area (sq. m)	42,412.50 sqm	8,963.50 sqm	33,770.00 sqm	7,902.00 sqm
Land Area (sq. ft)	456,524 sq ft	96,482 sq ft	363,497 sq ft	85,056 sq ft
Date	23/09/2020	06/05/2020	06/09/2019	27/04/2019
Vendor	AME Industrial Park Sdn Bhd	Ipark Development Sdn Bhd	Axis AME IP Sdn Bhd	Ipark Development Sdn Bhd
Purchaser	United Kotak Berhad	Vulcan Access Solutions Sdn Bhd	Jstar Motion Sdn Bhd	YKK (Malaysia) Sdn Bhd
Consideration	RM27,390,528/-	RM7,718,649/-	RM19,569,117/-	RM6,804,398/-
Analysis Value (RM psm)	RM646 psm	RM861 psm	RM579 psm	RM861 psm
Analysis Value (RM psf)	RM60 psf	RM80 psf	RM54 psf	RM80 psf
Adjustments	Adjustments are made on time/market condition, size and land use			
Adjusted Value (RM psf)	RM75 psf	RM88 psf	RM61 psf	RM84 psf

There is a dearth of recent transactions of workers' dormitory land in and around the subject locality. In arriving at the value of the subject land, we have considered the vacant industrial land located within the subject locality.

Followed by the recent amendment to Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446), the act gives the companies no leeway but to solve the issue of workers' accommodation. In the process of rectifying these issues, it is expected to be a boon for property developers and construction industry players.

We are of the view that with more employers looking into better accommodation for the workers, there will be higher rental demand for workers' dormitories in the short and medium term. We also expect that there will be more developers or employers heading to this space to provide workers' dormitories to meet the new requirements.

Having regard to the above, an upward adjustment of 10% was made on the land use for the comparables to reflect the surging demand of workers' dormitory land in the market.

The adjusted land values derived from the above comparables range from RM61 to RM88 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions.

We have adopted the land value at RM80 per square foot for the subject property as a fair representation.

The building component is arrived at by the Depreciated Replacement Cost method, which is defined as the current cost of replacing an asset with a modern equivalent asset less deductions for the accrued depreciation comprising physical deterioration and all relevant obsolescence and optimisation. The original development cost of the subject property as provided by AME Development Sdn Bhd is RM23,353,666/- (analysed at the rate of about RM102 per square foot over the total floor area of the dorm unit).

The replacement cost new adopted for the main building at RM140 per square foot is arrived at based on the total construction cost over the area of the main building, and after having made reference to all the contracts awarded (for all the components of the dormitory complex), enquiries with the contractors and quantity surveyors and made reference to JUBM & Arcadis Construction Cost Handbook Malaysia 2021 compiled by JUBM Sdn Bhd, Arcadis (Malaysia) Sdn Bhd and Arcadis Projeks Sdn Bhd.

The ancillary buildings have been valued as part and parcel of the main development, viz. workers' dormitory.

## VALUATION CERTIFICATES (Cont'd)



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

Page 92

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method), Comparison Approach and Cost Approach as tabulated below: -

<b>Valuation Approach</b>	<b>Derivation of Value</b>
Income Approach (Investment Method)	RM45,000,000/-
Comparison Approach	RM40,950,000/-
Cost Approach	RM43,000,000/-

Taking into consideration that the subject property is an income generating property (a purpose-built workers' dormitory), we have adopted the market value as derived from the Income Approach (Investment Method) as a more reliable and appropriate method of valuation. Notwithstanding, the Comparison Approach and Cost Approach are adopted as guide and supportive methods to ascertain the reasonability of the market value derived from the Income Approach (Investment Method).

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASIS / ADDITIONAL ASSUMPTIONS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to sell, transfer and free from all encumbrances at **RM45,000,000/- (Ringgit Malaysia : Forty Five Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 93

**28. PTD 106941, Jalan Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**  
(Our Ref : WTW/04/V/009265G/21/JTZ)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A parcel of building land built upon with five (5) blocks of 5-storey walk-up workers' dormitory and other ancillary buildings
Address	:	PTD 106941, Jalan Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580210 (Formerly HSD 62255)
Lot No.	:	Lot 98837 (Formerly PTD 106941), Mukim of Kulai, District of Kulai, Johor
Land Area	:	12,461 square metres (134,129 square feet / 3.079 acres)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Building

**GENERAL DESCRIPTION**

The subject property comprises five (5) blocks of 5-storey walk-up workers' dormitory, a guard house, three (3) bin centres and two (2) pump rooms.

The 5-storey walk-up workers' dormitory is basically constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel purlins covered over with metal roofing sheets.

Each dorm unit has an approximate gross floor area of 82 square metres. The number of dorms unit and gross floor area of each block are summarised as follows: -

Block	No. of Dorms Unit	Gross Floor Area (square metre)
Block A	50	4,760.30
Block B	44	4,760.30
Block C	45	4,266.48
Block D	45	4,266.48
Block E	45	4,266.48
<b>Total</b>	<b>229</b>	<b>22,320.04</b>

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a fairly good state of repairs and maintenance.

The buildings have been issued with Certificates of Completion and Compliance ("CCC") bearing LJM/J/4534 and LJM/J/4537 dated 31 December 2013 and 15 April 2015 respectively. The buildings are approximately 6 to 8 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to I-Stay Management Sdn Bhd.

Vide the Tenancy Agreement dated 13 June 2020 entered between AME Development Sdn Bhd ("the Landlord") and I-Stay Management Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of two (2) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term as follows: -

- (iii) Three (3) years from expiration of the Tenancy Term ("First Renewed Period");
- (iv) Three (3) years from expiration of the First Renewed Period ("Second Renewed Period"); and

## VALUATION CERTIFICATES (Cont'd)



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

Page 94

**OCCUPATION** (Cont'd)

(v) Three (3) years from expiration of the Second Renewed Period ("Third Renewed Period").

The option to renew shall be exercised by the Tenant by written notice to the Landlord at least six (6) months prior to the Expiration Date Provided Always the Agreed Rental for the Renewed Period shall be renegotiated and mutually agreed upon at least three (3) months prior to the Expiration Date.

**PLANNING PROVISION**

The subject property is designated for workers' dormitory use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach and Cost Approach are used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM130 per bed (master lease arrangement) which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of repair as well as maintenance and property management fees are based on 5% and 2% of gross annual rental respectively which is in line with the market analysis.
Void	We have adopted 10% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the above and other relevant factors including current market condition, location and accessibility, tenure, building characteristics, usage, age, size and quality of the building, we have adopted the reversionary yield of 6.50% whilst the adopted term yield is 6.00% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Lot No., Mukim, District and State	Lot 46767(M1/3/13), Mukim of Senai, District of Kulai, Johor	Lot 46767(M3/3/114), Mukim of Senai, District of Kulai, Johor	Lot 31961(M4/5/347), Mukim of Kulai, District of Kulai, Johor
Address	Unit A-2-7, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit C-2-132, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit E4-09, Jalan Sri Putri 11/6, Rosevilla Apartment, Taman Puteri Kulai
Type	5-storey walk-up apartment		
Tenure	Freehold / Term in perpetuity		
Built-Up Area (sq. m)	82 sqm		
Built-Up Area (sq. ft)	883 sq ft		
Date	22/12/2020	22/09/2020	05/01/2021
Vendor	Chin Li Shan	Yu Chin Hui	Low Siau Yun
Purchaser	Dayana Zubaidah Bt Mohd Zin	Mohammad Firdaus Bin Nor Arifin + 1	Ho Qi Yang
Consideration	RM180,000/-	RM190,000/-	RM160,000/-
Analysis Value (RM psm)	RM2,195 psm	RM2,317 psm	RM1,951 psm
Analysis Value (RM psf)	RM204 psf	RM215 psf	RM181 psf
Adjustments	Adjustments are made on location/accessibility and amenities provided		
Adjusted Value (RM psf)	RM224 psf	RM237 psf	RM236 psf

The ancillary buildings, i.e., pump rooms, bin centres and guard house are considered as supporting infrastructures to the main development, viz. workers' dormitory. Therefore, these buildings have been valued as part and parcel of the main development and no separate values are attached.

Whilst for the retail units and First-Aid room, these buildings have been considered as features and amenities provided within the development. Upward adjustment was made to all the comparables with no additional features and amenities available within their respective development.

## VALUATION CERTIFICATES (Cont'd)



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

Page 95

**VALUE CONSIDERATION** (Cont'd)

The adjusted values over built-up area derived from the above comparables range from RM224 to RM237 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM230 per square foot over the built-up area or RM200,000/- per unit for the subject property, i.e., 229 dorm units with built-up area of 82 square metres (883 square feet) each, as a fair representation.

**III. COST APPROACH**

We have also considered the Cost Approach in our valuation by virtue of the subject property, i.e., a purpose-built workers' dormitory is a property that is rarely if ever sold in the market as well as the non-availability of similar workers' dormitory sale comparables.

In assessing the market value of the subject land, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation and Property Services Department (JPPH)			
Lot No., Mukim, District and State	PTD 113813, Mukim of Kulai, District of Kulai, Johor	PTD 203568, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 107905 & PTD 107906, Mukim of Kulai, District of Kulai, Johor	PTD 112758 & PTD 112759, Mukim of Senai, District of Kulai, Johor
Address	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC
Type	Vacant industrial land			
Tenure	Freehold / Term in perpetuity			
Land Area (sq. m)	42,412.50 sqm	8,963.50 sqm	33,770.00 sqm	7,902.00 sqm
Land Area (sq. ft)	456,524 sq ft	96,482 sq ft	363,497 sq ft	85,056 sq ft
Date	23/09/2020	06/05/2020	06/09/2019	27/04/2019
Vendor	AME Industrial Park Sdn Bhd	Ipark Development Sdn Bhd	Axis AME IP Sdn Bhd	Ipark Development Sdn Bhd
Purchaser	United Kotak Berhad	Vulcan Access Solutions Sdn Bhd	Jstar Motion Sdn Bhd	YKK (Malaysia) Sdn Bhd
Consideration	RM27,390,528/-	RM7,718,649/-	RM19,569,117/-	RM6,804,398/-
Analysis Value (RM psm)	RM646 psm	RM861 psm	RM579 psm	RM861 psm
Analysis Value (RM psf)	RM60 psf	RM80 psf	RM54 psf	RM80 psf
Adjustments	Adjustments are made on time/market condition, size and land use			
Adjusted Value (RM psf)	RM75 psf	RM88 psf	RM61 psf	RM84 psf

There is a dearth of recent transactions of workers' dormitory land in and around the subject locality. In arriving at the value of the subject land, we have considered the vacant industrial land located within the subject locality.

Followed by the recent amendment to Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446), the act gives the companies no leeway but to solve the issue of workers' accommodation. In the process of rectifying these issues, it is expected to be a boon for property developers and construction industry players.

We are of the view that with more employers looking into better accommodation for the workers, there will be higher rental demand for workers' dormitories in the short and medium term. We also expect that there will be more developers or employers heading to this space to provide workers' dormitories to meet the new requirements.

Having regard to the above, an upward adjustment of 10% was made on the land use for the comparables to reflect the surging demand of workers' dormitory land in the market.

The adjusted land values derived from the above comparables range from RM61 to RM88 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions.

We have adopted the land value at RM80 per square foot for the subject property as a fair representation.

The building component is arrived at by the Depreciated Replacement Cost method, which is defined as the current cost of replacing an asset with a modern equivalent asset less deductions for the accrued depreciation comprising physical deterioration and all relevant obsolescence and optimisation. The original development cost of the subject property which was completed in 2013 and 2015 as provided by AME Development Sdn Bhd is RM20,160,323/- (analysed at the rate of about RM90 per square foot over the total floor area of the dorm unit).

## VALUATION CERTIFICATES (Cont'd)



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

Page 96

**VALUE CONSIDERATION** (Cont'd)

The replacement cost new adopted for the main building at RM140 per square foot is arrived at based on the total construction cost over the area of the main building, and after having made reference to all the contracts awarded (for all the components of the dormitory complex), enquiries with the contractors and quantity surveyors and made reference to JUBM & Arcadis Construction Cost Handbook Malaysia 2021 compiled by JUBM Sdn Bhd, Arcadis (Malaysia) Sdn Bhd and Arcadis Projeks Sdn Bhd.

The ancillary buildings have been valued as part and parcel of the main development, viz. workers' dormitory.

We have adopted the straightline depreciation at a rate of 2% per annum taking into consideration estimated life span of the building of 60 years as per the practise in the industry for similar type of properties, which is fair representation.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method), Comparison Approach and Cost Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM45,000,000/-
Comparison Approach	RM45,800,000/-
Cost Approach	RM39,000,000/-

Taking into consideration that the subject property is an income generating property (a purpose-built workers' dormitory), we have adopted the market value as derived from the Income Approach (Investment Method) as a more reliable and appropriate method of valuation. Notwithstanding, the Comparison Approach and Cost Approach are adopted as guide and supportive methods to ascertain the reasonability of the market value derived from the Income Approach (Investment Method).

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, transfer and free from all encumbrances at **RM45,000,000/- (Ringgit Malaysia : Forty Five Million Only)**.



## VALUATION CERTIFICATES (Cont'd)



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

Page 97

**29. No. 91, Jalan SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265AE/21/JTZ)

**PROPERTY IDENTIFICATION**

The Subject Property : A parcel of building land built upon with five (5) blocks of 5-storey walk-up workers' dormitory, a 2-storey shop and other ancillary buildings

Address : No. 91, Jalan SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor

Title No. : HSD 75887

Lot No. : PTD 112778, Mukim of Senai, District of Kulai, Johor

Land Area : 11,945.4 square metres (128,579 square feet or 2.952 acres)

Tenure : Freehold / Term In Perpetuity

Registered Proprietor : AME Development Sdn Bhd

Category of Land Use : Building

**GENERAL DESCRIPTION**

The subject property comprises five (5) blocks of 5-storey walk-up workers' dormitory, a 2-storey shop, a TNB substation, a pump house, a bin centre, a guard house and a first-aid room.

The 5-storey walk-up workers' dormitory is basically constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel purlins covered over with metal deck roofing sheets.

Each dorm unit has an approximate gross floor area of 86 square metres. The number of dorms unit and gross floor area of each block are summarised as follows: -

Block	No. of Dorms Unit	Gross Floor Area (square metre)
Block A	38	4,334.94
Block B	39	4,324.83
Block C	39	4,324.83
Block D	39	4,324.83
Block E	30	3,414.00
<b>Total</b>	<b>185</b>	<b>20,723.43</b>

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repairs and maintenance.

The buildings have been issued with Certificates of Completion and Compliance ("CCC") bearing LAM/J/Nos. 12174 and 12189 dated 7 March 2019 and 18 June 2019 respectively. The buildings are approximately 2 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to I-Stay Management Sdn Bhd.

Vide the Tenancy Agreement dated 28 May 2018 and Tenancy Renewal Letter dated 30 December 2020 entered between AME Development Sdn Bhd ("the Landlord") and I-Stay Management Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of one (1) year and nine (9) months.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term as follows: -

- (iv) Three (3) years from expiration of the Tenancy Term ("First Renewed Period");
- (v) Three (3) years from expiration of the First Renewed Period ("Second Renewed Period"); and

## VALUATION CERTIFICATES (Cont'd)



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

Page 98

**OCCUPATION** (Cont'd)

(vi) Three (3) years from expiration of the Second Renewed Period ("Third Renewed Period").

The option to renew for the First Renewed Period shall deemed to be automatically exercised by the Tenant.

The option to renew for the Second Renewed Period and Third Renewed Period shall be exercised by the Tenant by written notice to the Landlord at least three (3) months prior to the Expiration Date of the First Renewed Period ("Renewal Notice") and Second Renewed Period ("the Subsequent Renewal Notice") respectively. The Agreed Rental for the Second Renewed Period and Third Renewed Period shall be at the prevailing market rate as may be agreed upon by both Parties in writing and shall not be less than the Agreed Rental for the First Renewed Period.

**PLANNING PROVISION**

The subject property is designated for workers' dormitory use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach and Cost Approach are used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM145 per bed (master lease arrangement) which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of repair as well as maintenance and property management fees are based on 5% and 2% of gross annual rental respectively which is in line with the market analysis.
Void	We have adopted 10% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the above and other relevant factors including current market condition, location and accessibility, tenure, building characteristics, usage, age, size and quality of the building, we have adopted the reversionary yield of 6.50% whilst the adopted term yield is 6.00% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Lot No., Mukim, District and State	Lot 46767(M1/3/113), Mukim of Senai, District of Kulai, Johor	Lot 46767(M3/3/114), Mukim of Senai, District of Kulai, Johor	Lot 31961(M4/5/347), Mukim of Kulai, District of Kulai, Johor
Address	Unit A-2-7, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit C-2-132, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit E4-09, Jalan Sri Putri 11/6, Rosevilla Apartment, Taman Puteri Kulai
Type	5-storey walk-up apartment		
Tenure	Freehold / Term in perpetuity		
Built-Up Area (sq. m)	82 sqm		
Built-Up Area (sq. ft)	883 sq ft		
Date	22/12/2020	22/09/2020	05/01/2021
Vendor	Chin Li Shan	Yu Chin Hui	Low Siau Yun
Purchaser	Dayana Zubaidah Bt Mohd Zin	Mohammad Firdaus Bin Nor Arifin + 1	Ho Qi Yang
Consideration	RM180,000/-	RM190,000/-	RM160,000/-
Analysis Value (RM psm)	RM2,195 psm	RM2,317 psm	RM1,951 psm
Analysis Value (RM psf)	RM204 psf	RM215 psf	RM181 psf
Adjustments	Adjustments are made on location/accessibility and amenities provided		
Adjusted Value (RM psf)	RM235 psf	RM248 psf	RM245 psf

The ancillary buildings, i.e., TNB sub-station, pump room, bin centre and guard house are considered as supporting infrastructures to the main development, viz. workers' dormitory. Therefore, these buildings have been valued as part and parcel of the main development and no separate values are attached.

## VALUATION CERTIFICATES (Cont'd)



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

Page 99

**VALUE CONSIDERATION** (Cont'd)

Whilst for the 2-storey shop and First-Aid room, these buildings have been considered as features and amenities provided within the development. Upward adjustment was made to all the comparables with no additional features and amenities available within their respective development.

The adjusted values over built-up area derived from the above comparables range from RM235 to RM248 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM240 per square foot over the built-up area or RM220,000/- per unit for the subject property, i.e., 185 dorm units with built-up area of 86 square metres (926 square feet) each, as a fair representation.

**III. COST APPROACH**

We have also considered the Cost Approach in our valuation by virtue of the subject property, i.e., a purpose-built workers' dormitory is a property that is rarely if ever sold in the market as well as the non-availability of similar workers' dormitory sale comparables.

In assessing the market value of the subject land, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation and Property Services Department (JPPH)			
Lot No., Mukim, District and State	PTD 113813, Mukim of Kulai, District of Kulai, Johor	PTD 203568, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 107905 & PTD 107906, Mukim of Kulai, District of Kulai, Johor	PTD 112758 & PTD 112759, Mukim of Senai, District of Kulai, Johor
Address	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC
Type	Vacant industrial land			
Tenure	Freehold / Term in perpetuity			
Land Area (sq. m)	42,412.50 sqm	8,963.50 sqm	33,770.00 sqm	7,902.00 sqm
Land Area (sq. ft)	456,524 sq ft	96,482 sq ft	363,497 sq ft	85,056 sq ft
Date	23/09/2020	06/05/2020	06/09/2019	27/04/2019
Vendor	AME Industrial Park Sdn Bhd	lpark Development Sdn Bhd	Axis AME IP Sdn Bhd	lpark Development Sdn Bhd
Purchaser	United Kotak Berhad	Vulcan Access Solutions Sdn Bhd	Jstar Motion Sdn Bhd	YKK (Malaysia) Sdn Bhd
Consideration	RM27,390,528/-	RM7,718,649/-	RM19,569,117/-	RM6,804,398/-
Analysis Value (RM psm)	RM646 psm	RM861 psm	RM579 psm	RM861 psm
Analysis Value (RM psf)	RM60 psf	RM80 psf	RM54 psf	RM80 psf
Adjustments	Adjustments are made on time/market condition, size and land use			
Adjusted Value (RM psf)	RM75 psf	RM88 psf	RM61 psf	RM84 psf

There is a dearth of recent transactions of workers' dormitory land in and around the subject locality. In arriving at the value of the subject land, we have considered the vacant industrial land located within the subject locality.

Followed by the recent amendment to Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446), the act gives the companies no leeway but to solve the issue of workers' accommodation. In the process of rectifying these issues, it is expected to be a boon for property developers and construction industry players.

We are of the view that with more employers looking into better accommodation for the workers, there will be higher rental demand for workers' dormitories in the short and medium term. We also expect that there will be more developers or employers heading to this space to provide workers' dormitories to meet the new requirements.

Having regard to the above, an upward adjustment of 10% was made on the land use for the comparables to reflect the surging demand of workers' dormitory land in the market.

The adjusted land values derived from the above comparables range from RM61 to RM88 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions.

We have adopted the land value at RM80 per square foot for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 100

**VALUE CONSIDERATION** (Cont'd)

The building component is arrived at by the Depreciated Replacement Cost method, which is defined as the current cost of replacing an asset with a modern equivalent asset less deductions for the accrued depreciation comprising physical deterioration and all relevant obsolescence and optimisation. The original development cost of the subject property which was completed in 2019 as provided by AME Development Sdn Bhd is RM24,636,875/- (analysed at the rate of about RM110 per square foot over the total floor area of the dorm unit).

The replacement cost new adopted for the main building at RM140 per square foot is arrived at based on the total construction cost over the area of the main building, and after having made reference to all the contracts awarded (for all the components of the dormitory complex), enquiries with the contractors and quantity surveyors and made reference to JUBM & Arcadis Construction Cost Handbook Malaysia 2021 compiled by JUBM Sdn Bhd, Arcadis (Malaysia) Sdn Bhd and Arcadis Projekts Sdn Bhd.

The ancillary buildings have been valued as part and parcel of the main development, viz. workers' dormitory.

We have adopted the straightline depreciation at a rate of 2% per annum taking into consideration estimated life span of the building of 60 years as per the practise in the industry for similar type of properties, which is fair representation.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method), Comparison Approach and Cost Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM45,000,000/-
Comparison Approach	RM40,700,000/-
Cost Approach	RM40,000,000/-

Taking into consideration that the subject property is an income generating property (a purpose-built workers' dormitory), we have adopted the market value as derived from the Income Approach (Investment Method) as a more reliable and appropriate method of valuation. Notwithstanding, the Comparison Approach and Cost Approach are adopted as guide and supportive methods to ascertain the reasonability of the market value derived from the Income Approach (Investment Method).

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, transfer and free from all encumbrances at **RM45,000,000/- (Ringgit Malaysia : Forty Five Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 101

**30. No. 48, Jalan i-Park SAC 7, Taman Perindustrian i-Park SAC, 81400 Senai, Johor**  
(Our Ref : WTW/04/V/009265AF/21/ABL)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 48, Jalan i-Park SAC 7, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 77659
Lot No.	:	PTD 112781, Mukim of Senai, District of Kulai, Johor
Land Area	:	1.2748 hectares (12,748 square metres / 3.15 acres)
Gross Floor Area	:	7,610 square metres (81,913 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

**GENERAL DESCRIPTION**

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/2294 dated 15 March 2021. The buildings are newly completed.

**OCCUPATION**

At the time of our inspection, the subject property was leased to a Malaysian subsidiary of a foreign multinational electronics manufacturing services company.

Vide the Lease Agreement dated 16 June 2020 entered between Ipark Development Sdn Bhd ("the Lessor") and the foreign multinational electronics manufacturing services company ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property for a Lease Term is of fixed five (5) years.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further terms ("Renewed Period") as follows: -

- (a) First Renewed Period - Fixed three (3) years  
To be mutually agreed upon by the parties in writing at the prevailing market rate but any increase shall not exceed 10% of the Agreed Rental paid during the Lease Term; and
- (b) Second Renewed Period - Fixed three (3) years  
To be mutually agreed upon by the parties in writing at the prevailing market rate but any increase shall not exceed 10% of the Agreed Rental paid during the First Renewed Period.

## VALUATION CERTIFICATES (Cont'd)



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

Page 102

**OCCUPATION** (Cont'd)

The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date.

Vide the Deed of Novation dated 27 November 2020 entered between Ipark Development Sdn Bhd ("the Lessor"), the foreign multinational electronics manufacturing services company ("the Lessee") and the Malaysian subsidiary of the foreign multinational electronics manufacturing services company ("the New Lessee"), the Lessee with consent of the Lessor, is desirous to novate, transfer and assign to the New Lessee all the rights, title, interest, benefits, liabilities and obligations in the Lease and under the Lease Agreement upon the terms and conditions as set out thereafter.

**PLANNING PROVISION**

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION**

**I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

<b>Item</b>	<b>Remarks</b>
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.  Besides, we have also adopted the market rental of RM0.50 per square feet per month for the extra vacant land area based on our market rent survey of similar vacant industrial land.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

## VALUATION CERTIFICATES (Cont'd)



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

Page 103

## VALUE CONSIDERATION (Cont'd)

## II. COMPARISON APPROACH

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

Location	Land Area	Consideration	Date
PTD 203568, i-Park @ SAC, Senai	96,482 sq. feet	RM7,718,649/-	06/05/20
PTD 204070, i-Park @ SAC, Senai	259,903 sq. feet	RM18,193,054/-	06/12/19
PTD 112758 & PTD 112759, i-Park @ SAC, Senai	85,056 sq. feet	RM6,804,398/-	27/04/19

Based on our survey and analysis, the vacant industrial lands in the vicinity were transacted in the region of RM70 to RM80 per square foot. Therefore, we have adopted the land value of RM80 per square foot for the extra vacant land after adjustments made for differences in time/market condition and size.

## RECONCILIATION OF VALUE

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM21,000,000/-
Comparison Approach	RM21,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

## VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer and free from all encumbrances at **RM21,000,000/- (Ringgit Malaysia : Twenty One Million Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 104

**31. No. 6 & 8, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor**  
(Our Ref : WTW/04/V/009265AG/21/GKN)

**PROPERTY IDENTIFICATION**

The Subject Property	:	Two (2) adjoining units of 1½ storey semi-detached factory									
Address	:	Nos. 6 & 8, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor									
Title Nos., Lot Nos. & Land Area	:	<table border="1"> <thead> <tr> <th>Title No.</th> <th>Lot No.</th> <th>Land Area (hectare)</th> </tr> </thead> <tbody> <tr> <td>HSD 516443</td> <td>PTD 7376</td> <td>0.1825</td> </tr> <tr> <td>HSD 516444</td> <td>PTD 7377</td> <td>0.2003</td> </tr> </tbody> </table>	Title No.	Lot No.	Land Area (hectare)	HSD 516443	PTD 7376	0.1825	HSD 516444	PTD 7377	0.2003
Title No.	Lot No.	Land Area (hectare)									
HSD 516443	PTD 7376	0.1825									
HSD 516444	PTD 7377	0.2003									
		Mukim of Jelutong, District of Johor Bahru, Johor									
Gross Floor Area	:	1,130 square metres (12,163 square feet) each									
Tenure	:	Freehold / Term In Perpetuity									
Registered Proprietor	:	AME Development Sdn Bhd									
Category of Land Use	:	Perusahaan / Perindustrian									
Title Status	:	Lot Untuk Bumiputra *									

**Note:**

\* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/0108(10) dated 20 February 2014 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

**GENERAL DESCRIPTION**

The subject property comprises two (2) adjoining units of 1½ storey semi-detached factory.

The buildings are basically constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

Other ancillary buildings include a TNB sub-station and a guard house. These buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

At the time of our inspection, the buildings were generally in a fairly good state of repairs and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0765 dated 17 May 2013. The buildings are approximately 8 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to Lightpack Food Industries Sdn Bhd.

Vide the Agreement to Lease dated 30 July 2013 entered between AME Development Sdn Bhd ("the Lessor") and Lightpack Food Industries Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years.

By a lease renewal letter dated 2 May 2018, the Lessor and the Lessee have mutually agreed amongst others whereby a further term of fixed five (5) years ("Renewed Period").



## VALUATION CERTIFICATES (Cont'd)



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

Page 105

**PLANNING PROVISION**

The subject property is designated for light industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.65 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation & Property Services Department			
Lot No., Town, District and State	PTD 200725, Mukim of Pulai, District of Johor Bahru, Johor	PTD 200765, Mukim of Pulai, District of Johor Bahru, Johor	PTD 7380, Mukim of Jelutong, District of Johor Bahru, Johor	PTD 189094, Mukim of Pulai, District of Johor Bahru, Johor
Address	No. 35, Jalan SiLC 2/3, Kawasan Perindustrian SiLC	No. 29, Jalan SiLC 2/19, Kawasan Perindustrian SiLC	No. 14, Jalan SiLC 1/6, Kawasan Perindustrian SiLC	No. 15, Jalan SiLC 2/7, Kawasan Perindustrian SiLC
Type	1½ storey semi-detached factory			
Tenure	Freehold / Term in perpetuity			
Land Area	890 sqm	790 sqm	1,830 sqm	1,760 sqm
Main Floor Area	823 sqm	784 sqm	1,186 sqm	1,017 sqm
Date	02/11/2020	26/08/2019	01/07/2019	15/03/2019
Vendor	Soh Chye Guan	Yeoh Boon Kang	BHG Capital Sdn Bhd	Hydro Sealing Technology Sdn Bhd
Purchaser	Jekirk Design Sdn Bhd	Ecolite Vision Sdn Bhd	Litan Titan Sdn Bhd	Bengkel Kenderaan Song Lim Sdn Bhd
Consideration	RM3,300,000/-	RM2,800,000/-	RM3,660,000/-	RM3,150,000/-
Analysis Value / MFA (RM psm)	RM4,012 psm	RM3,570 psm	RM3,086 psm	RM3,098 psm
Analysis Value / MFA (RM psf)	RM373 psf	RM332 psf	RM287 psf	RM288 psf
Adjustments	Adjustments are made on time/market condition and size			
Adjusted Value / MFA (RM psf)	RM354 psf	RM299 psf	RM272 psf	RM273 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM272 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM280 per square foot over the main floor area for the subject property as a fair representation.

## VALUATION CERTIFICATES (Cont'd)



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

Page 106

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM6,500,000/-
Comparison Approach	RM6,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, lease, transfer and free from all encumbrances at **RM6,500,000/- (Ringgit Malaysia : Six Million And Five Hundred Thousand Only)**.

## VALUATION CERTIFICATES (Cont'd)



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

Page 107

**32. No. 12, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor**  
(Our Ref : WTW/04/V/009265A/21/GKN)

**PROPERTY IDENTIFICATION**

The Subject Property	:	A 1½ storey semi-detached factory
Address	:	No. 12, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
Title No.	:	HSD 516446
Lot No.	:	PTD 7379, Mukim of Jelutong, District of Johor Bahru, Johor
Land Area	:	0.1825 hectare (1,825.2 square metres / 0.451 acre)
Gross Floor Area	:	1,205 square metres (12,970 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	LKL Industries Sdn. Bhd.
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

**Note:**

\* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/02-2108(10) dated 31 December 2013 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

**GENERAL DESCRIPTION**

The building is basically constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m<sup>2</sup> and 2.5kN/m<sup>2</sup> for the factory and office areas respectively.

At the time of our inspection, the building was generally in a fairly good state of repair and maintenance.

The building has been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0765 dated 17 May 2013. The building is approximately 8 years old.

**OCCUPATION**

At the time of our inspection, the subject property was tenanted to Lightpack Food Industries Sdn Bhd.

Vide the Tenancy Agreement dated 3 November 2014 entered between AME Development Sdn Bhd ("the Landlord") and Lightpack Food Industries Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed two (2) years.

Subject to the Tenant being in compliance with all its covenants, obligations, responsibilities and/or liabilities therein and not being in breach of any provisions therein, the Landlord thereby agreed to grant to the Tenant an option to renew the Tenancy Term for a further term of three (3) years.

Vide the Novation Agreement dated 22 January 2016 entered between AME Development Sdn Bhd ("the Vendor"), Lightpack Food Industries Sdn Bhd ("the Tenant") and LKL Industries Sdn Bhd ("the Purchaser"), the Vendor agreed to novate absolutely to the Purchaser all the Vendor's right, title and interest under the Tenancy Agreement and the full benefits and advantages granted thereby together with all liabilities and obligations and all stipulations therein contained and all remedies for enforcing the same as if the Purchaser was the person named in place of the Vendor under the Tenancy Agreement.

## VALUATION CERTIFICATES (Cont'd)



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

Page 108

**OCCUPATION** (Cont'd)

Based on the Supplementary Letter dated 8 September 2016, the Tenant and New Landlord were agreed to renew the Tenancy Term for a revised Renewed Period of 1 year and 10 months ("Revised Renewed Period") and upon the same terms and conditions of the Tenancy Agreement.

By a tenancy renewal letter dated 28 April 2018, the Landlord and the Tenant have mutually agreed amongst others whereby: -

- (a) upon expiry of the Revised Renewed Period, a further Renewed Period of two (2) years (Second Renewed Period);
- (b) upon expiry of the Second Renewed Period, a further Renewed Period of three (3) years ("Third Renewed Period").

**PLANNING PROVISION**

The subject property is designated for light industrial use as per the Express Condition in the document of title.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

**VALUE CONSIDERATION****I. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent.
Reversionary Rental	We have adopted a gross market rental rate of RM1.65 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.2% to 6.8%.  Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

**II. COMPARISON APPROACH**

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation & Property Services Department			
Lot No., Town, District and State	PTD 200725, Mukim of Pulai, District of Johor Bahru, Johor	PTD 200765, Mukim of Pulai, District of Johor Bahru, Johor	PTD 7380, Mukim of Jelutong, District of Johor Bahru, Johor	PTD 189094, Mukim of Pulai, District of Johor Bahru, Johor
Address	No. 35, Jalan SiLC 2/3, Kawasan Perindustrian SiLC	No. 29, Jalan SiLC 2/19, Kawasan Perindustrian SiLC	No. 14, Jalan SiLC 1/6, Kawasan Perindustrian SiLC	No. 15, Jalan SiLC 2/7, Kawasan Perindustrian SiLC
Type	1½ storey semi-detached factory			
Tenure	Freehold / Term in perpetuity			
Land Area	890 sqm	790 sqm	1,830 sqm	1,760 sqm
Main Floor Area	823 sqm	784 sqm	1,186 sqm	1,017 sqm
Date	02/11/2020	26/08/2019	01/07/2019	15/03/2019
Vendor	Soh Chye Guan	Yeoh Boon Kang	BHG Capital Sdn Bhd	Hydro Sealing Technology Sdn Bhd
Purchaser	Jekirk Design Sdn Bhd	Ecolite Vision Sdn Bhd	Litan Titan Sdn Bhd	Bengkel Kenderaan Song Lim Sdn Bhd
Consideration	RM3,300,000/-	RM2,800,000/-	RM3,660,000/-	RM3,150,000/-
Analysis Value / MFA (RM psm)	RM4,012 psm	RM3,570 psm	RM3,086 psm	RM3,098 psm
Analysis Value / MFA (RM psf)	RM373 psf	RM332 psf	RM287 psf	RM288 psf
Adjustments	Adjustments are made on time/market condition and size			
Adjusted Value / MFA (RM psf)	RM354 psf	RM299 psf	RM272 psf	RM273 psf

## VALUATION CERTIFICATES (Cont'd)



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

Page 109

**VALUE CONSIDERATION** (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM272 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM280 per square foot over the main floor area for the subject property as a fair representation.

**RECONCILIATION OF VALUE**

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM3,500,000/-
Comparison Approach	RM3,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease/tenancy with the lessee/tenant, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, lease, transfer and free from all encumbrances at **RM3,500,000/- (Ringgit Malaysia : Three Million And Five Hundred Thousand Only)**.



CBRE WTW VALUATION & ADVISORY SDN BHD (197461001092)  
*(formerly known as C H Williams Talhar & Wong Sdn Bhd)*

Unit 15B Level 15 Menara Ansar  
 65 Jalan Trus P O Box 320  
 80000 Johor Bahru  
 Johor Darul Takzim  
 Malaysia

## Report and Valuation

8 July 2022

### PRIVATE & CONFIDENTIAL

#### The Board of Directors

#### I REIT MANAGERS SDN BHD

No. 2, Jalan i-Park SAC 1/1  
 Taman Perindustrian i-Park SAC  
 81400 Senai  
 Johor

T +(6 07) 224 3388  
 F +(6 07) 224 9769  
 E johorbahru@cbre-wtw.com.my  
 W www.cbre-wtw.com.my

Dear Sirs

**UPDATE CERTIFICATE OF VALUATION OF THIRTY-FOUR (34) PROPERTIES  
 FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS IN CONJUNCTION  
 WITH THE INITIAL PUBLIC OFFERING AND LISTING OF AME REAL ESTATE  
 INVESTMENT TRUST ("AME REIT") ON THE MAIN MARKET OF BURSA  
 MALAYSIA SECURITIES BERHAD**

We refer to your instructions to review our valuation on the above captioned for the purpose of submission to Securities Commission Malaysia in relation to the initial public offering and listing of AME REIT on the Main Market of Bursa Malaysia Securities Berhad.

For all intents and purposes, this Update Valuation Certificate should be read in conjunction with the full Reports and Valuation and Master Valuation Certificate dated 16 August 2021 with a material date of valuation of 2 August 2021. We have relied on the legal and building details as described in the respective full Reports and Valuation bearing reference nos. WTW/04/V/009265A/21 to WTW/04/V/009265AG/21 and have updated the valuation computation under the Income Approach (Investment Method) based on the updated lease/tenancy status. For Comparison and Cost Approaches, being the cross-checked method, we have adopted the same comparables as per our previous valuation reports as there were no new transactions of equivalent type of property.

We have re-inspected all the properties on 28 February 2022 and a re-inspection of Property No. 27 was conducted on 7 July 2022. The material date of valuation for this update valuation exercise is taken as 7 February 2022.

We have prepared and provided this Update Valuation 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 stipulated in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

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 date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

## VALUATION CERTIFICATES (Cont'd)



**CBRE WTW VALUATION & ADVISORY SDN BHD** (197401001098)

Page 2

Based on our valuation reports, there are no changes in terms of physical conditions, legal status and ownership of the properties. There is also no significant change in the market condition of industrial sector since our last date of valuation. The changes in valuation computation of the subject properties are mainly due to the movement of lessee/tenant and lease/tenancy period which is common, from the passage of time.

Having considered the above, the followings parameters have remained unchanged for the purpose of this update valuation: -

- Reversionary rental rate;
- Outgoing rate;
- Void factor;
- Capitalisation rate; and
- Comparison Approach as shown in the previous valuation reports are still being taken as valid, where the analysed rate is maintained and no change to the market value derived from the Comparison Approach.

Brief update summary of the properties is as follows: -

#### **PROPERTY & LEGAL IDENTIFICATION**

Based on the Private Title Searches conducted at the Registry of Lands and Mines, Kota Iskandar, Iskandar Puteri, Johor on 28 February 2022, we noted that the property and legal identification of the subject properties remained unchanged since our previous valuation reports save for the following information constitute the variations from our previous report for Property No. 10, Property No. 15 and PTD 7669 of Property No. 23: -

##### Property No. 10

Title No. : GRN 601912  
 Lot No. : Lot 101609, Mukim of Kulai, District of Kulai, Johor  
 Land Area : 5,242 square metres

##### Property No. 15

Endorsed with charged to AmBank (M) Berhad vide the Presentation No. 11403/2022 registered on 21 February 2022.

##### PTD 7669 of Property No. 23

Endorsed with Leased of Entire Land to Westrock Coffee & Tea Malaysia Sdn Bhd for a period of five (5) years and two (2) months commenced on 21 January 2021 and expiring on 20 March 2026 vide Presentation No. 86958/2021 registered on 27 December 2021.

#### **GENERAL DESCRIPTION**

As at the date of re-inspection, the physical state of the subject properties has remained unchanged as at the date of our previous valuation reports except for Property Nos. 24 and 27, viz. the buildings of Property Nos. 24 and 27 have been constructed/completed in accordance with the Approved Amended Building Plans and issued with a Certificate of Completion and Compliance bearing Serial No. LJM/J/2576 dated 13 January 2022 and LJM/J/No. 12607 dated 5 July 2022 respectively.

During the course of our re-inspection, we noted that the subject building of Property No. 27 has been constructed / completed in accordance with the approved amended building plan and specifications dated 16 January 2022. The said approved amended building plan involve mainly the changes of internal layout within the apartment units of the dormitory, with no change to total built-up area.

## VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Page 3

### **OCCUPATION**

As at the date of valuation, the lease/tenancy status of the subject properties remains unchanged since our previous valuation reports, except for the following: -

#### **Property No. 5**

Vide the Tenancy Agreement dated 16 November 2021 entered between AME Development Sdn Bhd ("the Landlord") and W & S Plastics (Malaysia) Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of fixed one (1) year ("Renewed Period"). The option to renew shall be deemed to have been automatically exercised by the Tenant.

#### **Property No. 6**

By a letter dated 9 June 2020, the Lessor and the Lessee have mutually agreed among others the revised Agreed Rental for Year 6 to Year 7.

#### **Property No. 10**

By a letter dated 24 January 2022, the Lessor and the Lessee have mutually agreed to terminate the Lease Agreement therein referred to on 18 March 2022.

Vide the unexecuted Lease Agreement to be made between AME Development Sdn Bhd ("the Lessor") and W & S Plastics (Malaysia) Sdn Bhd ("the Lessee"), the Lessor agree to grant and the Lessee agree to accept, a lease of the subject property for a Lease Term of fixed four (4) years and two (2) months inclusive of the rent free period of one (1) month from the Lease Commencement Date, i.e., 1 April 2022.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed four (4) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

#### **Property No. 18**

By a tenancy renewal letter dated 7 February 2022, both parties have mutually agreed among others the Tenancy Term shall be renewed for further term of fixed three (3) years ("First Renewed Period").

#### **Property No. 19**

By a tenancy renewal letter dated 17 November 2021, the Landlord agreed to revise the Renewed Period to a fixed term of one (1) year.

#### **Property No. 26**

Vide the Tenancy Agreement dated 8 February 2022 entered between AME Development Sdn Bhd ("the Landlord") and GWIP Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property as more particularly identified as Plot A in the Layout Plan for a Tenancy Term of fixed three (3) years from the Tenancy Commencement Date (upon the Vacant Possession Date).

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of three (3) years ("Renewed Period"). The option to renew shall be exercised by the Tenant by written notice to the Landlord at least three (3) months prior to the Expiration Date.



## VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Page 4

### **PLANNING PROVISION**

The status of the planning provision as stated in our previous valuation reports remains unchanged, except for the following: -

#### **Property No. 27**

Based on the information provided to us by I-Stay Management Sdn Bhd ("I-Stay"), the subject property is estimated to have a total of 2,272 beds in accordance with the approved amended building plan. The bed count capacity was arrived at using the measurement method adopted by the Department of Labour Peninsular Malaysia ("JTKSM") for Property No. 28 and Property No. 29.

#### **Property No. 29**

Based on the Certificates of Accommodation ("COA") issued by JTKSM bearing certificate nos. AC/10100/2021/0489 and AC/10100/2021/0490 both dated 21 October 2021, the total bed count capacity of the subject property is 1,828 beds. We have adopted the bed count capacity in accordance with the certificates.

### **METHOD OF VALUATION**

We have adopted the same method of valuation as stated in our previous valuation reports.

### **MARKET COMMENTARY**

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%). Growth was supported mainly by an improvement in domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan (NRP). The improvement also reflected recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth. On the supply side, all economic sectors recorded improvements in growth, led by the services and manufacturing sectors. On the demand side, growth was driven by higher consumption and trade activity. All economic sectors recorded an improvement in the fourth quarter of 2021. Growth in the manufacturing sector recorded a marked improvement of 9.1% (3Q 2021: -0.8%). This was driven by continued strength in export-oriented industries such as E&E and primary-related clusters, and recovery in domestic-oriented industries such as consumer- and construction-related clusters. *(Source: Economic and Financial Developments in the Malaysia Economy in the Fourth Quarter of 2021, Central Bank of Malaysia)*

We observed that the industrial sector in Johor particularly Iskandar Malaysia is generally remained stable since our previous valuation.

### **MARKET VALUE**

#### **i. Income Approach (Investment Method)**

We have reassessed the market value of the subject properties with the updated lease/tenancy status due to the movement of lessee/tenant as well as lease/tenancy period and have adopted the same parameters as per our previous valuation.

#### **ii. Comparison Approach**

We have adopted the same comparables as per our previous valuation report dated 16 August 2021 as generally industrial property prices have remained stable since our previous valuation.

#### **iii. Cost Approach**

We have adopted the same parameters as per our previous valuation.

### **RECONCILIATION OF VALUE**

We have adopted the same valuation approaches, i.e., Income Approach (Investment Method), Comparison Approach and Cost Approach, and relied on the updated Income Approach (Investment Method) computation to arrive at the respective Market Value of the properties. Notwithstanding, the Comparison Approach and Cost Approach are adopted as guide and supportive methods to ascertain the reasonability of the market value derived from the Income Approach (Investment Method).

## VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

Page 5

**VALUATION**

No.	Property Details	Market Value
1	Lot 98840 (Formerly PTD 106944), Mukim of Kulai, District of Kulai, Johor [No. 21, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
2	Lot 98842 (Formerly PTD 106946), Mukim of Kulai, District of Kulai, Johor [No. 19, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
3	Lot 98843 (Formerly PTD 106947), Mukim of Kulai, District of Kulai, Johor [No. 18, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
4	Lot 98856 (Formerly PTD 106960), Mukim of Kulai, District of Kulai, Johor [No. 27, Jalan i-Park 1/3, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
5	Lot No. PTD 107895, Mukim of Kulai, District of Kulai, Johor [No. 62, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
6	Lot No. PTD 107894, Mukim of Kulai, District of Kulai, Johor [No. 60, Jalan i-Park 1/8, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM17,000,000/-
7	PTD 107697, Mukim of Kulai, District of Kulai, Johor [No. 64, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM17,000,000/-
8	Lot 98828 (Formerly PTD 106932), Mukim of Kulai, District of Kulai, Johor [No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM14,000,000/-
9	Lot 98827 (Formerly PTD 106931), Mukim of Kulai, District of Kulai, Johor [No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM14,000,000/-
10	Lot 101609 (Formerly PTD 107908), Mukim of Kulai, District of Kulai, Johor [No. 65, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
11	PTD 112746, Mukim of Senai, District of Kulai, Johor [No. 20, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM14,000,000/-
12	PTD 112747, Mukim of Senai, District of Kulai, Johor [No. 21, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM14,000,000/-
13	PTD 112829, Mukim of Senai, District of Kulai, Johor [No. 22, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM47,000,000/-
14	PTD 203569, Mukim of Tebrau, District of Johor Bahru, Johor [No. 68, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM17,000,000/-
15	PTD 204026, Mukim of Tebrau, District of Johor Bahru, Johor [No. 69, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM17,000,000/-
16	PTD 198653, Mukim of Tebrau, District of Johor Bahru, Johor [No. 66, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM23,000,000/-
17	PTD 112784, Mukim of Senai, District of Kulai, Johor [No. 34, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM14,000,000/-
18	PTD 112783, Mukim of Senai, District of Kulai, Johor [No. 33, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM14,000,000/-
19	PTD 196174, Mukim of Tebrau, District of Johor Bahru, Johor [No. 7, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM8,000,000/-
20	PTD 196173, Mukim of Tebrau, District of Johor Bahru, Johor [No. 6, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM7,000,000/-

## VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

Page 6

## VALUATION (Cont'd)

No.	Property Details	Market Value
21	PTD 198180, Mukim of Tebrau, District of Johor Bahru, Johor [No. 13, Jalan I-Park SAC 3, Taman Perindustrian I-Park SAC, 81400 Senai, Johor]	RM8,000,000/-
22	PTD 112780, Mukim of Senai, District of Kulai, Johor [No. 40, Jalan I-Park SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor]	RM8,000,000/-
23	Lot Nos. PTD 7669 and PTD 7670, Mukim of Jelutong, District of Johor Bahru, Johor [Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor]	RM24,000,000/-
24	Lot 98834 (Formerly PTD 106938), Mukim of Kulai, District of Kulai, Johor [No. 12, Jalan I-Park 1/1, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM21,000,000/-
25	Lot No. PTD 7672, Mukim of Jelutong, District of Johor Bahru, Johor [No. 29, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor]	RM13,000,000/-
26	PTD 195470, Mukim of Tebrau, District of Johor Bahru, Johor [No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai, Johor]	RM38,000,000/-
27	Lot 98833 (Formerly PTD 106937), Mukim of Kulai, District of Kulai, Johor [Along Jalan Seroja 28/1, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM48,000,000/-
28	Lot 98837 (Formerly PTD 106940), Mukim of Kulai, District of Kulai, Johor [PTD 106941, Jalan Seroja 28, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM45,000,000/-
29	PTD 112778, Mukim of Senai, District of Kulai, Johor [No. 91, Jalan SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor]	RM45,000,000/-
30	PTD 112781, Mukim of Senai, District of Kulai, Johor [No. 48, Jalan I-Park SAC 7, Taman Perindustrian I-Park SAC, 81400 Senai, Johor]	RM21,000,000/-
31	Lot Nos. PTD 7376 and PTD 7377, Mukim of Jelutong, District of Johor Bahru, Johor [Nos. 6 & 8, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor]	RM6,500,000/-
32	Lot No. PTD 7379, Mukim of Jelutong, District of Johor Bahru, Johor [No. 12, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor]	RM3,500,000/-
<b>Grand Total</b>		<b>RM557,000,000/-</b>

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

**Sr LO KIN WENG**

B. (Hons) Estate Mgt. MRICS, MRISM, MPEPS  
RICS Registered Valuer  
Registered Valuer (V-917)

**INDEPENDENT MARKET RESEARCH REPORT**

SMITH ZANDER INTERNATIONAL SDN BHD 201301028298 (1058128-V)  
 15-01, Level 15, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia  
 T : +603 2732 7537 W : www.smith-zander.com

# SMITH ZANDER

Date: **22 JUL 2022**

The Board of Directors

**I REIT Managers Sdn Bhd**

No.2, Jalan I-Park SAC 1/1  
 Taman Perindustrian I-Park SAC  
 81400 Senai, Johor

Dear Sirs/Madam,

**Independent Market Research Report on the Industrial Property Market in Malaysia (“IMR Report”)**

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD (“SMITH ZANDER”) for inclusion in the Prospectus in conjunction with the initial public offering and listing of AME Real Estate Investment Trust (“AME REIT”) on Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industry and market(s) in which AME REIT operates and to offer a clear understanding of the industry and market dynamics. AME REIT is a real estate investment trust (“REIT”) established and managed by I REIT Managers Sdn Bhd that carries a portfolio of industrial properties and dormitories in Johor. The scope of work for this IMR Report will cover the following areas:

- (i) The industrial property market, including the industrial property rental market in Malaysia;
- (ii) The market drivers, risks and challenges;
- (iii) The competitive overview;
- (iv) Overview of AME REIT’s portfolio; and
- (v) Prospects and outlook.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants and industry experts. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an “overall industry” perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company(s) or REIT(s) as mentioned in this report.

For and on behalf of SMITH ZANDER:



DENNIS TAN  
 MANAGING PARTNER

**COPYRIGHT NOTICE**

No part of this IMR Report may be given, lent, resold, or disclosed to non-customers or any other parties, in any format, either for commercial or non-commercial reasons, without express consent from SMITH ZANDER. Further, no part of this IMR Report may be extracted, reproduced, altered, abridged, adapted, modified, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, for purposes other than the listing of AME REIT on Bursa Malaysia Securities Berhad, without express consent from SMITH ZANDER.

Any part of this IMR Report used in third party publications, where the publication is based on the content, in whole or in part, of this IMR Report, or where the content of this IMR Report is combined with any other material, must be cited and sourced to SMITH ZANDER.

The research for this IMR Report was completed on 18 July 2022.

For further information, please contact:

**SMITH ZANDER INTERNATIONAL SDN BHD**

15-01, Level 15, Menara MBMR  
1, Jalan Syed Putra  
58000 Kuala Lumpur  
Malaysia  
Tel: + 603 2732 7537

[www.smith-zander.com](http://www.smith-zander.com)

© 2022, All rights reserved, **SMITH ZANDER INTERNATIONAL SDN BHD**

**About SMITH ZANDER INTERNATIONAL SDN BHD**

*SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.*

**Profile of the signing partner, Dennis Tan Tze Wen**

*Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has over 24 years of experience in market research and strategy consulting, including over 19 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.*

---

## Table of Contents

<b>1</b>	<b>INDUSTRIAL PROPERTY MARKET IN MALAYSIA.....</b>	<b>1</b>
1.1	OVERVIEW.....	1
1.2	INDUSTRIAL PARKS IN MALAYSIA.....	2
1.3	INDUSTRIAL PARKS IN SELECTED STATES.....	3
1.4	INDUSTRIAL PARKS IN JOHOR.....	4
1.5	DORMITORIES IN INDUSTRIAL PARKS.....	5
<b>2</b>	<b>SUPPLY OF INDUSTRIAL PROPERTIES.....</b>	<b>6</b>
2.1	SUPPLY OF INDUSTRIAL PROPERTIES IN MALAYSIA.....	6
2.2	SUPPLY OF INDUSTRIAL PROPERTIES IN JOHOR.....	7
2.3	OVERHANG OF INDUSTRIAL PROPERTIES IN MALAYSIA.....	8
<b>3</b>	<b>DEMAND FOR INDUSTRIAL PROPERTIES.....</b>	<b>9</b>
3.1	RENTAL MARKET PERFORMANCE OF INDUSTRIAL PROPERTIES IN MALAYSIA.....	9
3.2	PERFORMANCE, SIZE AND GROWTH OF INDUSTRIAL PROPERTY MARKET IN MALAYSIA.....	10
<b>4</b>	<b>MARKET DRIVERS, RISKS AND CHALLENGES.....</b>	<b>14</b>
4.1	KEY MARKET DRIVERS.....	14
4.2	KEY MARKET RISKS AND CHALLENGES.....	20
<b>5</b>	<b>COMPETITIVE OVERVIEW.....</b>	<b>21</b>
5.1	GATED AND GUARDED INDUSTRIAL PARKS IN MALAYSIA.....	21
5.2	REITS WITH INDUSTRIAL PROPERTIES IN MALAYSIA.....	23
<b>6</b>	<b>OVERVIEW OF AME REIT'S PORTFOLIO.....</b>	<b>24</b>
6.1	OVERVIEW OF ISKANDAR MALAYSIA.....	24
6.2	AME REIT'S PORTFOLIO.....	25
<b>7</b>	<b>PROSPECTS AND OUTLOOK.....</b>	<b>32</b>

## **1 INDUSTRIAL PROPERTY MARKET IN MALAYSIA**

### **1.1 OVERVIEW**

Industrial property is a type of property that is used to house industrial-related activities such as manufacturing, production, processing and storage of goods and products. Examples of industrial properties include factories and warehouses. These industrial properties are in demand from businesses that require industrial space for their operational activities, including businesses in the manufacturing, construction, logistics and transportation as well as trading sectors. The demand for industrial properties is driven by positive economic development which corresponds to increasing business and industrial activities.

Business owners can choose to own or rent/lease industrial properties for their business operations. Owning industrial properties is a preferred option for many business owners as it provides them the certainty in securing premises for their operations and allows them to establish a foothold within a location or region. However, acquiring the required industrial properties often requires extensive capital investment, or established financial track record to obtain bank financing. Due to such financial challenges and commitment, some businesses may prefer to rent/lease industrial properties which provide them with more operational flexibility.

By opting to rent/lease, businesses can focus their cash flow, time and resources on growing revenue, rather than investing in industrial properties which may limit their financial capability to undertake future business opportunities that may arise. Renting/leasing industrial properties provides flexibility to cater for future business expansion when businesses require more space to house increasing business and industrial activities. Apart from requiring more space, these businesses may decide to move their operations to other locations due to changes in areas of business focus, branding purposes and/or preferences over certain locations, amongst others. Hence, it may be ideal for these businesses to rent/lease industrial properties while growing their businesses without being restrained by heavy commitments in owning industrial properties.

Further, leasing industrial properties as opposed to owning them also saves business owners from dealing with matters and costs associated to land and property taxes, security and insurance fees as well as structural maintenance and repair of industrial properties, which are usually part of the landlords' responsibilities depending on the leasing agreements. Additionally, in view of the unprecedented economic uncertainties caused by the Covid-19 pandemic, many business owners tend to be more prudent in spending and investment. Notwithstanding that economic activities are gradually recovering as Malaysia is transitioning into the endemic phase, many businesses are still prudent in the immediate short term to give them the flexibility to adjust their business strategies in anticipation of any potential adverse challenges in the near future. As such, business owners may choose to rent/lease instead of purchasing industrial properties to preserve cash flow for any emergency needs that may arise from the potential adverse impact of the economic and political uncertainty.

Leasing industrial properties is also common amongst foreign companies while setting up manufacturing facilities or branches in Malaysia. These foreign companies may shift their manufacturing facilities or branches to other countries depending on the prevailing global economic landscape and decisions made by the headquarters following the changes in business strategies. Thus, adopting an asset-light approach by leasing industrial properties provides these companies with more flexibility and eliminates the need to go through procedures required to purchase and/or sell their industrial properties.

The demand for renting/leasing of industrial properties has presented opportunities for investors and REITs to increase rental/leasing income by expanding their portfolio of industrial properties. Renting/leasing of industrial properties provides a stable recurring income as renting/leasing is typically secured for a longer duration as compared to the rental of residential properties. This is because businesses are less likely to relocate within a short span of time, or frequently, due to heavy capital involved for the setting up of manufacturing facilities such as acquisition and installation of machinery and equipment as well as other administrative matters involved such as obtaining permits and approvals from the local authorities. Additionally, frequent relocation is disruptive to business operations as it will lead to production downtime which may lead to reputational risk as well as adversely impact business prospects.

In Malaysia, there are several REITs listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia") carrying a portfolio of industrial properties as detailed in **Chapter 5.2 – REITs with Industrial Properties in Malaysia**. These REITs mostly carry large industrial properties with built-up area of more than 100,000 square feet ("sq ft") as rental of these large industrial properties are deemed attractive and in demand due to the high acquisition cost and preference of some businesses with asset-light business models. To expand their portfolio of industrial properties, REITs can either acquire ready-built and vacant industrial properties from developers, acquire tenanted industrial properties from investors (i.e. landlords), or bid for building

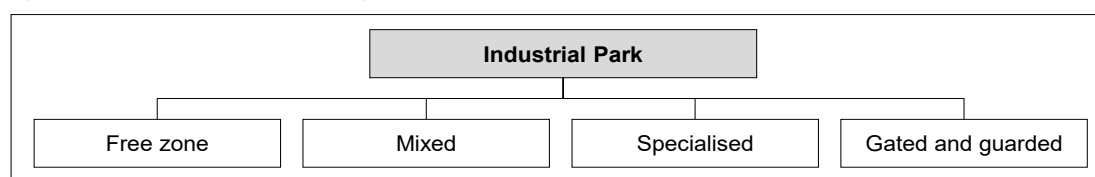
# SMITH ZANDER

construction projects from businesses/companies planning for expansion and thereafter acquire vacant land to construct built-to-suit industrial properties for the businesses/companies based on their requirements.

## 1.2 INDUSTRIAL PARKS IN MALAYSIA

In Malaysia, industrial properties can be categorised into several types, namely terrace, semi-detached, detached, flatted factory, industrial complex and cluster. These industrial properties are typically constructed in industrial parks which are areas zoned for industrial use. Industrial parks can be segmented into free zone, mixed, specialised as well as gated and guarded industrial parks.

### Type of industrial parks in Malaysia



#### Notes:

- This list is not exhaustive.
- Amongst the 31 industrial properties (factories and warehouses) under AME REIT's initial portfolio, 27 are located in gated and guarded industrial parks, 3 are located in a mixed industrial park and 1 is located in free zone industrial park. All these factories and warehouses are located in Johor.

Source: SMITH ZANDER

- ▶ **Free zone industrial park** – An area whereby goods and services may be brought into, produced, manufactured, provided or stored without payment of any customs duty, excise duty, sales tax or service tax. Examples of free zones in Malaysia are Bayan Lepas Free Industrial Zone, Digital Free Trade Zone @ KLIA Aeropolis, Senai Airport Free Zone, Pelabuhan Tanjung Pelepas Free Zone and Port Klang Free Zone.
- ▶ **Mixed industrial park** – A park which consists of various small and medium-sized enterprises from different sectors. Examples of such parks in Johor are i-Parc @ Tanjung Pelepas, Nusa Cemerlang Industrial Park, Taman Industri Jaya, Taman Perindustrian Cemerlang and Taman Perindustrian Murni Senai.
- ▶ **Specialised industrial park** – A park built to cater to the needs of specific industries. Currently, there are several specialised industrial parks in Malaysia, catering to industries such as oil and gas and its related industries (e.g. Pengerang Integrated Petroleum Complex), automotive (e.g. Proton City), maritime (e.g. Tanjung Piai Maritime Industrial Park) and *halal* products and services (e.g. Selangor Halal Hub).
- ▶ **Gated and guarded industrial park** – A park with perimeter fencing and enhanced security features such as visitor management systems, smart card access systems, closed-circuit television surveillance (“CCTV”) and guard patrols. Some gated and guarded industrial parks also provide amenities such as workers’ dormitories, recreational facilities, landscaping and general maintenance. Examples of gated and guarded industrial parks in Johor are Eco Business Park I, Frontier Park, i-Park @ Indahpura, i-Park @ Senai Airport City (“SAC”) (“i-Park @ SAC”), Nusajaya Tech Park and Setia Business Park.

In Malaysia, gated and guarded industrial parks have increasingly become an attractive alternative for both local and foreign companies to set up their facilities as these industrial parks feature modern buildings, well-managed environment and landscaping, as well as more organised infrastructure. Having business facilities set up in well-managed industrial parks enhances companies’ corporate images and provides confidence to their customers. Gated and guarded industrial parks also provide a more secure environment for businesses seeking better safety. In addition, some gated and guarded industrial parks are built with dormitories within the industrial parks to accommodate workers who work in the industrial parks. Further details on the dormitories are set out in **Chapter 1.5 – Dormitories in Industrial Parks**. These gated and guarded industrial parks are either managed in-house by the respective developers or by third party management companies appointed by the developer or community, thus ensuring that the parks are well maintained.

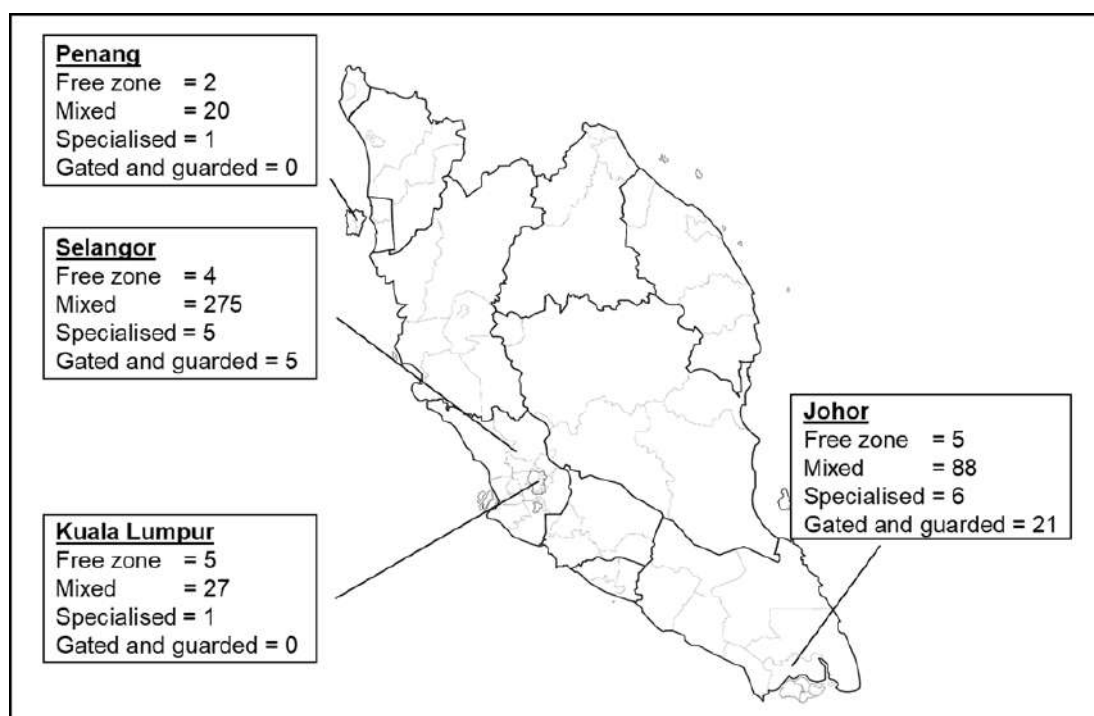
In tandem with the increasing popularity and attractiveness of gated and guarded industrial parks due to its enhanced security features and amenities, Malaysia is starting to see the growth of gated and guarded industrial parks.



### 1.3 INDUSTRIAL PARKS IN SELECTED STATES

There are approximately 670 industrial parks in Peninsular Malaysia. Selangor (289 industrial parks), Johor (120 industrial parks), Kuala Lumpur (33 industrial parks) and Penang (23 industrial parks) are amongst the states with the highest number of industrial parks in Malaysia.

#### Industrial parks in selected states



Note:

- This list is not exhaustive.

Sources: Economic Planning Unit, Malaysian Investment Development Authority ("MIDA"), State Development Corporation, SMITH ZANDER

SMITH ZANDER has identified 26 gated and guarded industrial parks in Peninsular Malaysia located in Johor and Selangor. Amongst the 26 gated and guarded industrial parks identified, Johor dominated the market with 21, or 80.77%, of the total gated and guarded industrial parks in Peninsular Malaysia. Please refer to **Chapter 5 – Competitive Overview** for further details of selected gated and guarded industrial parks in Peninsular Malaysia.

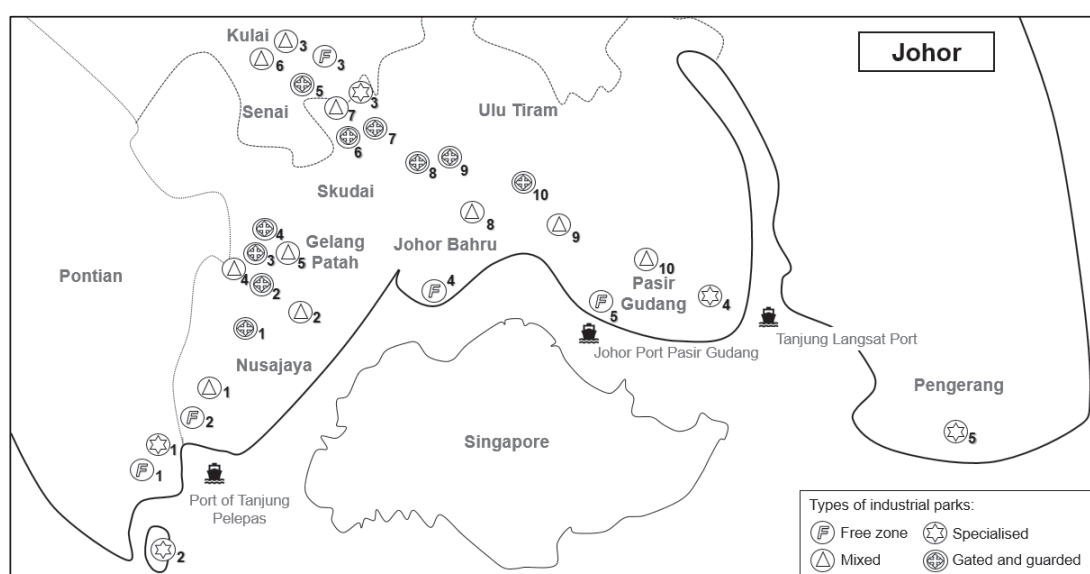
[The rest of this page is intentionally left blank]

1.4 INDUSTRIAL PARKS IN JOHOR

Ranking first amongst all states in Peninsular Malaysia that has the most gated and guarded industrial parks, the state of Johor is a key market for commercial and industrial properties in the Southern region. This ranking is due to Johor's strategic location and well-developed infrastructure which has prompted international companies to set up or expand their manufacturing facilities in this state. Please refer to **Chapter 4.1 – Key Market Drivers** for further details on the infrastructure available in Johor.

Iskandar Malaysia, a key economic development region located in Johor, was identified in the Ninth Malaysia Plan as an economic hub and driver for the growth of Malaysia's economy. As such, the region has seen establishment of many industrial parks in tandem with the continuing investments received. Please refer to **Chapter 6.1 – Overview of Iskandar Malaysia** for further details on Iskandar Malaysia.

Examples of industrial parks in Johor



<p><b>(F)</b></p> <ol style="list-style-type: none"> <li>1. Tanjung Bin Petrochemical and Maritime Industrial Hub Free Industrial Zone</li> <li>2. Pelabuhan Tanjung Pelepas Free Zone</li> <li>3. <b>Senai Airport Free Zone#</b></li> <li>4. Stulang Laut Free Zone</li> <li>5. Pasir Gudang Port Free Zone</li> </ol>	<p><b>(S)</b></p> <ol style="list-style-type: none"> <li>1. Tanjung Bin Petrochemical and Maritime Industrial Centre</li> <li>2. Tanjung Piai Maritime Industrial Park</li> <li>3. Senai Hi-Tech Park</li> <li>4. Tanjung Langsat Industrial Complex</li> <li>5. Pengerang Integrated Petroleum Complex</li> </ol>
<p><b>(M)</b></p> <ol style="list-style-type: none"> <li>1. i-Parc @ Tanjung Pelepas</li> <li>2. Nusa Cemerlang Industrial Park</li> <li>3. Johor Technology Park</li> <li>4. <b>District 6 @ SiLC#</b></li> <li>5. Taman Industri Jaya</li> <li>6. SME City</li> <li>7. Taman Perindustrian Murni Senai</li> <li>8. Tiong Nam Industrial Park @ Tebrau 3</li> <li>9. Taman Perindustrian Cemerlang</li> <li>10. Eco Business Park III</li> </ol>	<p><b>(GG)</b></p> <ol style="list-style-type: none"> <li>1. Nusajaya Tech Park</li> <li>2. Bio-XCell Biotechnology Park</li> <li>3. <b>i-Park @ SiLC#</b></li> <li>4. Setia Business Park</li> <li>5. <b>i-Park @ Indahpura#</b></li> <li>6. Eco Business Park II</li> <li>7. <b>i-Park @ SAC#</b></li> <li>8. Eco Business Park I</li> <li>9. Setia Business Park II</li> <li>10. Frontier Park</li> </ol>

Notes:

- This list is not exhaustive.
- # Industrial parks/locations in which AME REIT's subject properties are located.

Sources: Iskandar Regional Development Authority ("IRDA"), Petroliaam Nasional Berhad, Johor Petroleum Development Corporation Berhad, Laws of Malaysia Act 438 (Free Zones Act 1990), SMITH ZANDER

## 1.5 DORMITORIES IN INDUSTRIAL PARKS

Dormitories are a type of accommodation provided by employers to their workers, especially foreign workers. Traditionally, foreign workers are housed in low-cost houses or shop houses and the living conditions of these places may be cramped and unhygienic, if they are not properly managed and maintained. Employers have to provide transportation for their foreign workers to commute to work if the accommodation facilities provided are not located within walking distance to the workplace. There are also instances whereby foreign workers are housed in shipping containers that do not comply with provisions in the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("Act 446"), thus violating the law on worker's accommodation standards. Given the continuous enforcement of Act 446, there has been an increasing demand for workers' accommodation, including dormitories, that are properly managed and equipped with the necessary facilities to provide suitable living conditions that meet the minimum requirements set out in Act 446.

Dormitories that are developed within the vicinity of industrial areas or within the gated and guarded industrial parks provide easy access for foreign workers to travel, by foot, between their workplace and accommodation. Other benefits of dormitories include easy access to various amenities built in the surrounding areas such as food and beverage outlets, grocery stores and clinics. Some dormitories may also be equipped with recreational facilities such as game rooms, gymnasiums, laundromats, basketball courts, badminton courts and general recreation areas for the welfare of the workers. Dormitories are typically offered in the form of managed accommodation services by property developers or owners of the dormitories. With that, a management body will be appointed to manage the condition of the dormitories and the foreign workers' well-being. As dormitories are managed and maintained by the appointed management body, it ensures comfortable living conditions for foreign workers, meeting the required minimum standards set out in Act 446. Dormitories also provide convenience to employers to house their foreign workers within the same location, or in close proximity to the foreign workers' workplaces for ease of management as well as eliminating the need for transportation arrangements for the foreign workers.

The demand for dormitories is expected to be driven by the increase in manufacturing activities. As manufacturing activities grow, there will be an increasing need for foreign labour which will in turn lead to a higher demand for dormitories.

The outbreak of the Covid-19 pandemic in Malaysia beginning early 2020 led to a slowdown in the manufacturing sector; and from the imposition of the movement restrictions on 18 March 2020 until the re-opening of applications for the hiring of foreign workers on 15 February 2022, foreign workers were not allowed to enter Malaysia. Nevertheless, the Covid-19 pandemic has led to an increased attention on foreign workers' accommodation, highlighting the poor living conditions of many foreign workers in Malaysia which could potentially lead to a higher risk of virus infection amongst the workers.

As such, the Human Resource Ministry published new rules for minimum standards in relation to employers who provide accommodation to foreign workers to ensure proper housing accommodation is provided. The new rules were enforced on 1 September 2020, requiring employers to provide, amongst others, a single bed measuring not less than 1.70 square metres and if a double-decker bed is provided, the space between two beds shall not be less than 0.70 metres; a mattress of at least four inches thick, a pillow and a blanket; and a locked cupboard for the safe custody of the workers' valuables.

Failure to comply with the new regulations will result in a fine of up to RM50,000 and a further fine of RM1,000 a day for each day during which the offence continues. In December 2020, the Human Resource Minister highlighted that approximately 91.10% or 1.40 million foreign workers in the country are still provided with accommodation that does not comply with Act 446. In February 2021, the Emergency (Employees' Minimum Standards of Housing, Accommodations and Amenities) (Amendment) Ordinance 2021, which is an amendment to Act 446, was gazetted to address employees' accommodation issues through stricter enforcement actions, whereby any non-compliance can be fined up to RM200,000 and/or be jailed up to 3 years.

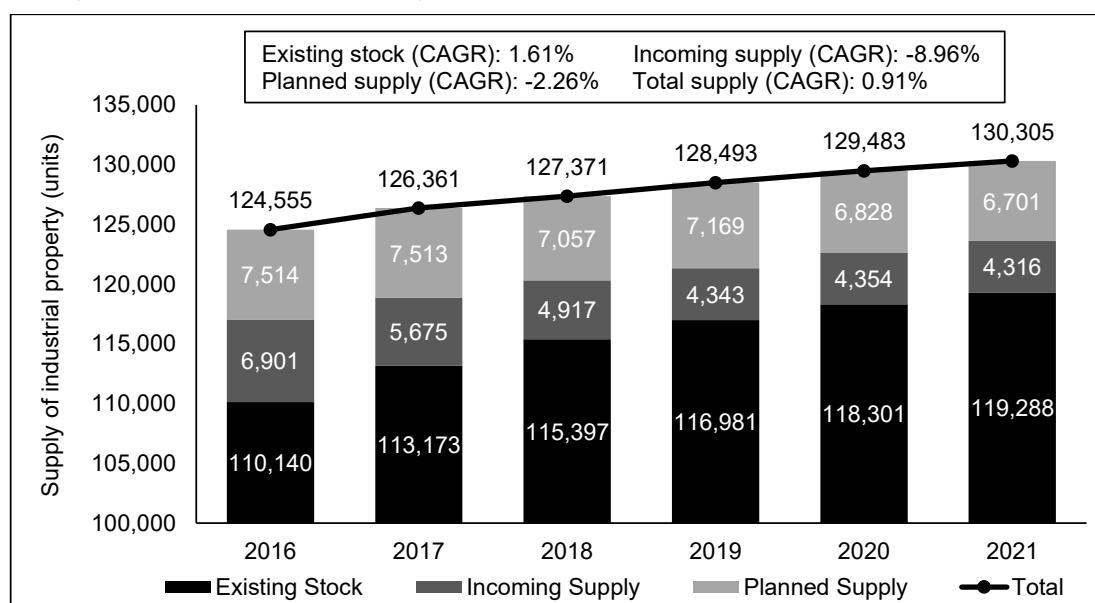
To further promote a conducive living environment for foreign workers, through Safe@Work programme implemented by the Ministry of International Trade and Industry under the Strategic Programme to Empower the People and Economy (PEMERKASA) in 2021, the Government announced a further tax deduction for manufacturing and manufacturing-related service companies on rental expenses of premises used for employees' accommodation in accordance to Safe@Work standard operating procedure and Act 446. The eligible rental expenditure for the tax deduction is limited up to RM50,000 per company and will be applicable from 1 January 2021 to 31 December 2021. The tax reduction incentive was further extended to 31 December 2022, as announced under Budget 2022. Hence, the demand for well-managed and equipped dormitories is expected to increase as employers seek suitable workers' accommodation which meets the standards set out by the Human Resource Ministry, alongside the initiatives provided by the Government.

## 2 SUPPLY OF INDUSTRIAL PROPERTIES

### 2.1 SUPPLY OF INDUSTRIAL PROPERTIES IN MALAYSIA

From 2016 to 2021, the total supply of industrial properties in Malaysia increased from 124,555 units to 130,305 units at a compound annual growth rate ("CAGR") of 0.91%. Notwithstanding the increase in total supply, the overall development of industrial properties has slowed down over the years, as witnessed by decreasing incoming supply and planned supply which registered negative CAGRs of -8.96% and -2.26% respectively from 2016 to 2021. This was mainly due to the increasing number of overhang industrial units during the same period as disclosed in **Chapter 2.3 – Overhang of Industrial Properties in Malaysia**, which has caused developers to slow down the launch of industrial properties.

#### Supply of industrial properties (Malaysia), 2016 – 2021



Source: National Property Information Centre ("NAPIC")

Industrial properties are mostly built in key economic zones in Malaysia such as Selangor in the central region, Johor in the southern region and Penang in the northern region. These states often attract local investments and FDIs, and are favourable for businesses and companies to establish and/or expand their facilities. This is attributed to the well-developed infrastructure and the accessibility to major federal ports of these states. In 2021, out of the total supply of 130,305 units of industrial properties, 74,524 units (57.19%) were located in Selangor, Johor and Penang.

#### Supply of industrial properties (selected states), 2021

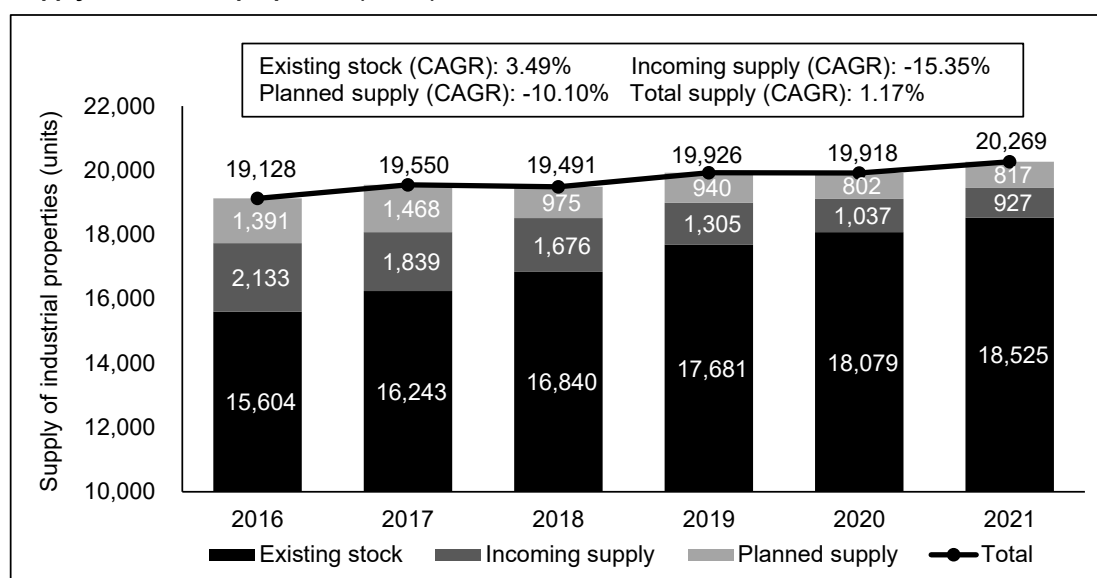
State	Existing stock		Incoming supply		Planned supply		Total supply	
	Unit	%	Unit	%	Unit	%	Unit	%
Selangor	41,339	34.65	1,286	29.80	1,683	25.12	44,308	34.00
Johor	18,525	15.53	927	21.48	817	12.19	20,269	15.56
Penang	9,606	8.05	193	4.47	148	2.21	9,947	7.63
Other states and federal territories	49,818	41.76	1,910	44.25	4,053	60.48	55,781	42.81
<b>Total</b>	<b>119,288</b>	<b>100.00</b>	<b>4,316</b>	<b>100.00</b>	<b>6,701</b>	<b>100.00</b>	<b>130,305</b>	<b>100.00</b>

Source: NAPIC

## 2.2 SUPPLY OF INDUSTRIAL PROPERTIES IN JOHOR

The total supply of industrial properties in Johor increased from 19,128 units in 2016 to 20,269 units in 2021, with a CAGR of 1.17%. Similar to the overall development of industrial properties in Malaysia, the incoming supply and planned supply of industrial properties in the state experienced a decrease in growth with negative CAGRs of 15.35% and 10.10% respectively from 2016 to 2021. This was mainly due to a drop in total investments for manufacturing projects in the state during the same period, which caused developers to slow down the launch of industrial properties. Total investment for manufacturing projects in Johor dropped from RM26.41 billion in 2016 to RM6.95 billion in 2021, with a negative CAGR of 23.43%.

### Supply of industrial properties (Johor), 2016 – 2021



Source: NAPIC

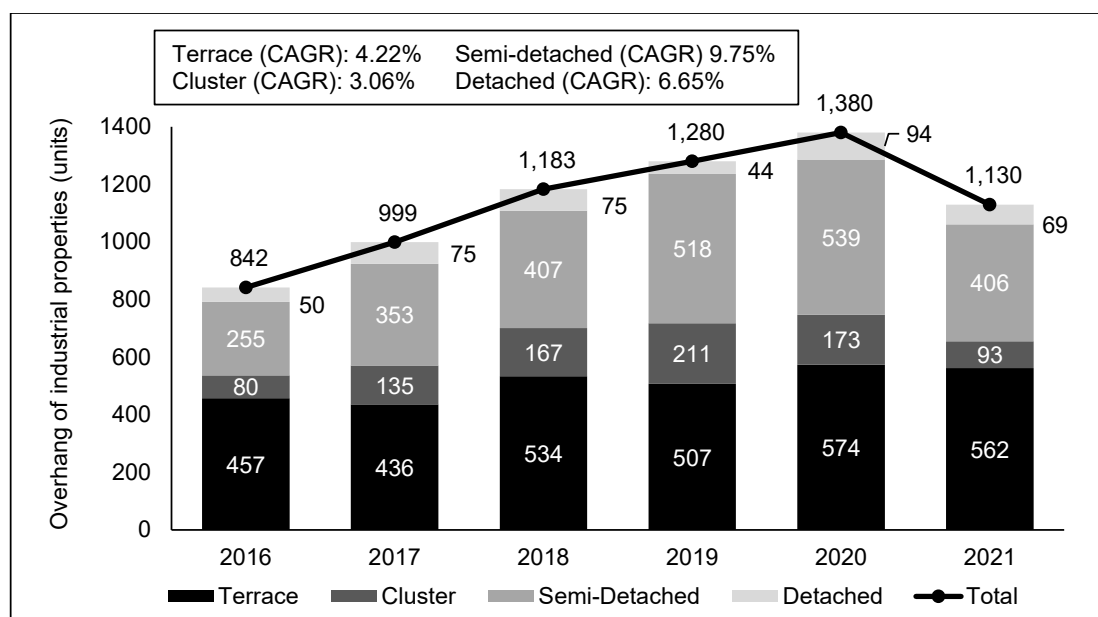
As for the future supply of industrial properties, there are several development projects that contribute to the incoming and planned supply of industrial properties in Johor, such as:

- AME Elite Consortium Berhad has commenced the development of i-Park @ SAC which involves construction of industrial buildings including factories and warehouses spanning across approximately 195.00 acres of land. AME Elite Consortium Berhad has also launched the development of i-TechValley which involves construction of industrial buildings including factories spanning across approximately 170.00 acres of land;
- Eco World Development Group Berhad has launched the development of Eco Business Park II which involves construction of multiple types of factories spanning across approximately 383.00 acres of land;
- Tropicana Corporation Berhad has announced the development of Tropicana Industrial Park which will comprise plots for sale to light and medium industries spanning across approximately 1,188.00 acres of land; and
- TPM Technopark Sdn Bhd, a wholly-owned subsidiary company of Johor Corporation Group, has launched a project named Sedenak Tech Park ("STeP") (previously known as Kulai Iskandar Data Exchange (KIDEX)). STeP will span across approximately 745.00 acres of land with approximately 458.00 acres of leasable areas for the development of data centres. It is expected to be fully operational in 2023.

### 2.3 OVERHANG OF INDUSTRIAL PROPERTIES IN MALAYSIA

From 2016 to 2021, the number of overhang industrial units<sup>1</sup> increased at a CAGR of 6.06% from 842 units to 1,130 units. Out of the total 1,130 overhang units of industrial property in 2021, terrace factories and semi-detached factories contributed the highest proportion of the total overhang units at 49.73% and 35.93% respectively, followed by cluster factories at 8.23% and detached factories at 6.11%.

#### Overhang of industrial properties (Malaysia), 2016 – 2021



Source: NAPIC

The overhang industrial units in 2021 were mostly located in Johor (352 units), followed by Sarawak (320 units) and Penang (101 units). Out of the total 352 overhang industrial units in Johor, semi-detached factories and terrace factories accounted for 33.81% and 32.67% respectively, followed by cluster factories at 26.42% and detached factories at 7.10%. Amongst the 31 industrial properties (factories and warehouses) under AME REIT's initial portfolio, 28 of the properties are detached factories/warehouses.

#### Overhang units of industrial properties (selected states), 2021

State	Terrace	Cluster	Semi-detached	Detached	Total
Johor	115	93	119	25	352
Sarawak	190	-	130	-	320
Penang	17	-	59	25	101
Selangor	19	-	31	-	50
Other states and federal territories	221	-	67	19	307
<b>Total</b>	<b>562</b>	<b>93</b>	<b>406</b>	<b>69</b>	<b>1,130</b>

Source: NAPIC

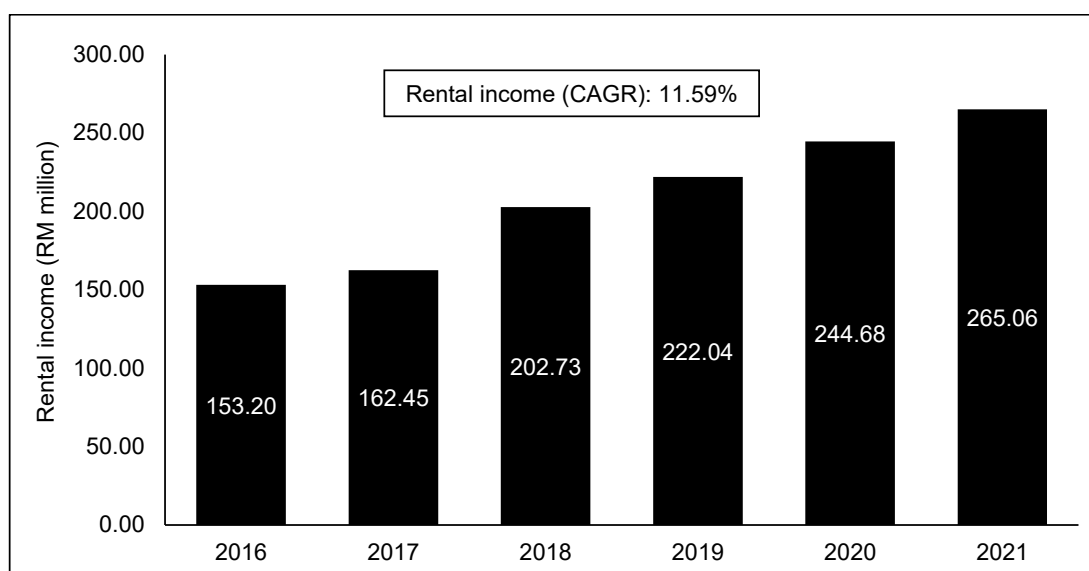
<sup>1</sup> Overhang industrial units refer to industrial units that are completed and issued with Certificate of Completion and Compliance ("CCC") in the review period but remained unsold for more than 9 months. (Source: NAPIC)

### 3 DEMAND FOR INDUSTRIAL PROPERTIES

#### 3.1 RENTAL MARKET PERFORMANCE OF INDUSTRIAL PROPERTIES IN MALAYSIA

Industrial properties are sold to business owners to carry out industrial-related activities; or to investors or REITs whereby the industrial properties may then be rented/leased to generate rental income. As the income generated from renting/leasing of industrial properties in Malaysia is not publicly available, the rental market performance of industrial properties in this IMR Report is illustrated through the performance of selected REITs in Malaysia which carry industrial properties in their portfolio, namely Al-Salam REIT, Atrium REIT and Axis REIT. Please refer to **Chapter 5.2 – REITs with Industrial Properties in Malaysia** for further details of these 3 REITs. The total rental income generated from renting/leasing of industrial properties by these 3 REITs increased at a CAGR of 11.59% from RM153.20 million in 2016 to RM265.06 million in 2021.

##### Rental income generated from renting/leasing of industrial properties by Al-Salam REIT, Atrium REIT and Axis REIT, 2016 – 2021



Sources: Various company sources, SMITH ZANDER analysis

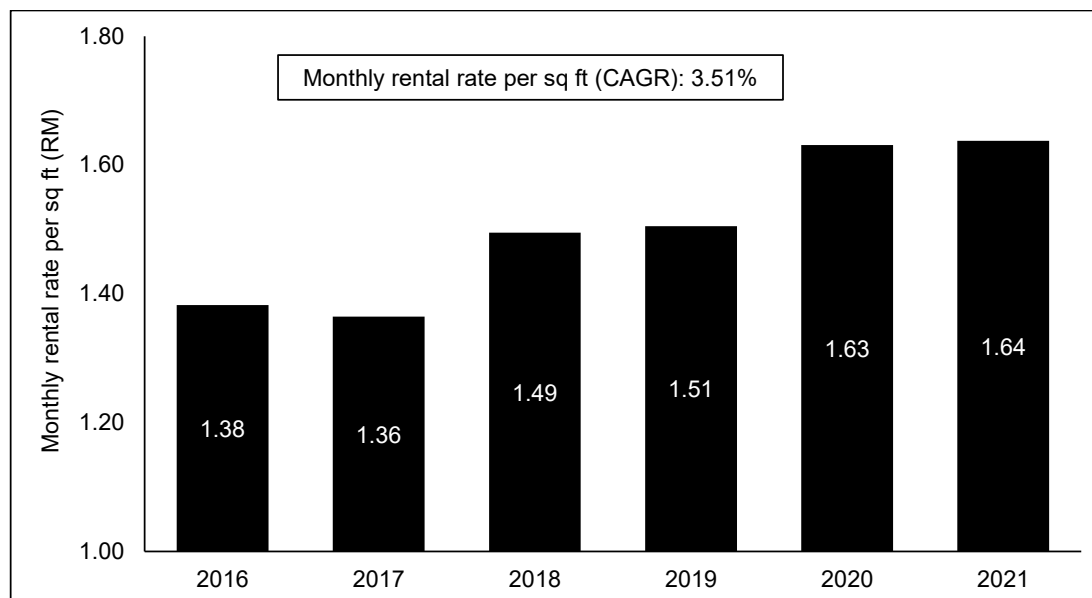
Despite the adverse impact on many economic sectors and industries as a result of the Covid-19 pandemic, the rental income generated from the renting/leasing of industrial properties by the 3 selected REITs recorded a year-on-year (“YOY”) growth of 10.20% in 2020 and a YOY growth of 8.33% in 2021.

During the same period, the average monthly rental/leasing rates by these 3 REITs increased at a CAGR of 3.51% from RM1.38 per sq ft in 2016 to RM1.64 per sq ft in 2021. In 2020, the average monthly rental rate recorded a YOY increase of 7.95% from 2019 despite the pandemic, demonstrating the resilience of the industrial property rental market against the pandemic. In 2021, the average monthly rental rate increased slightly at a YOY of 0.61%.

[The rest of this page is intentionally left blank]

## SMITH ZANDER

## Average monthly rental/leasing rates of industrial properties by Al-Salam REIT, Atrium REIT and Axis REIT, 2016 – 2021



Sources: Various company sources, SMITH ZANDER analysis

Most of the industrial properties acquired by/carried under the portfolio of REITs are large properties with built-up areas of at least 100,000 sq ft which are costly for businesses to own. The rental of large industrial properties is also preferred by foreign companies which intend to establish regional manufacturing facilities to support regional sales of their products in multiple countries but prefer an asset-light business model.

Further, in general, renting/leasing industrial properties as opposed to purchasing them are preferred by some business owners during the Covid-19 pandemic as part of their prudent spending and investment measures during the unprecedented economic uncertainties caused by the pandemic. Additionally, the process of renting a ready-built industrial property is quicker than the process of acquiring an industrial property. As such, some business owners may have chosen to rent or lease industrial properties to accommodate immediate business expansion plans during the Covid-19 pandemic.

As compared to other property sectors such as properties for the retail industry, the rental market for industrial properties was less impacted during the movement restriction periods as businesses in the manufacturing sector have generally been allowed to operate subject to strict standard operating procedures, except during the first movement control order ("MCO") period in 2020 and certain periods under the National Recovery Plan ("NRP") in 2021. Moving forward as Malaysia is transitioning into the endemic phase and all business and economic activities are allowed to operate as usual, it is expected to drive the recovery of Malaysia's economy, including the manufacturing sector, which will in turn sustain the demand for industrial properties including the demand from the rental market.

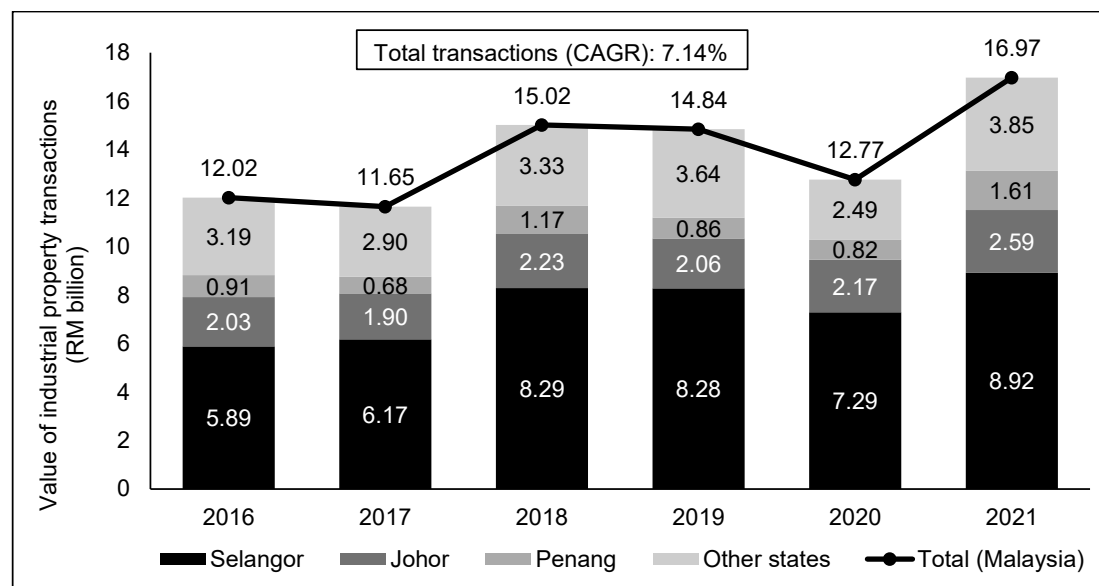
### 3.2 PERFORMANCE, SIZE AND GROWTH OF INDUSTRIAL PROPERTY MARKET IN MALAYSIA

The demand for industrial properties in Malaysia is represented by the value of industrial property transactions. The total value of industrial property transactions in Malaysia increased from RM12.02 billion in 2016 to RM16.97 billion in 2021, at a CAGR of 7.14%. In 2018, the total value of industrial property transactions achieved a YOY growth of 28.93%, in line with an increase in total approved investments for manufacturing projects at a YOY growth of 37.20% in 2018. Subsequently, the total value of industrial property transactions recorded a YOY decrease of 1.20% in 2019 which was due to a YOY decrease of 5.31% in total approved investments for manufacturing projects in the same year. In 2020, the total value of industrial property transactions further declined at a YOY of 13.95% due to the Covid-19 pandemic which had impacted many economic activities. The Covid-19 pandemic had led to disruptions to many businesses, causing business owners to be more prudent in their investment and business expansion strategies, thus leading to the reduction in the total value of industrial property transactions. The decline was also due to



## SMITH ZANDER

the implementation of movement restrictions and standard operating procedures which led to factory visit restrictions with agents, and also land office closures which led to a slowdown in the property acquisition process. The decline in the total value of industrial properties in 2020 was in line with the overall decline in the property market, which recorded a YOY decline of 15.79% in value of transactions. Nevertheless, the total value of industrial property transactions in 2021 registered a strong YOY growth of 32.89% despite the Covid-19 pandemic.

**Value of industrial property transactions (Malaysia and selected states), 2016 – 2021**


Source: NAPIC

The total value of industrial property transactions in Malaysia between 2016 and 2021 was dominated by transactions in Selangor, followed by Johor between 2016 and 2021. This was due to Selangor and Johor being the key economic zones in Malaysia that are favourable for businesses to establish and/or expand their facilities.

From 2016 to 2021, the total value of industrial property transactions in Johor increased from RM2.03 billion to RM2.59 billion, at a CAGR of 4.99%. Despite the outbreak of the Covid-19 virus in Malaysia, Johor recorded positive YOY growth of 5.34% and 19.35% in the value of industrial property transactions in 2020 and 2021 respectively. The Government has announced attractive tax incentives to attract foreign companies to relocate their operations to Malaysia which include tax incentives for new capital investments in the manufacturing industry as well as special reinvestment allowance for manufacturing companies from year assessment of 2020 to year assessment of 2024.

Further, the on-going effects of the United States (“US”) – China trade war has led to some multinational companies diverting their expansion to countries in Southeast Asia, which may include Malaysia, from their original expansion plans in China. With Johor’s strategic location and well-developed infrastructure, it is poised to benefit from these events, which led to the increase in value of industrial property transactions in 2020 and 2021 amidst the Covid-19 pandemic.

While the Covid-19 pandemic has adversely impacted many businesses and industries, some industries (e.g. logistics and electronic commerce (“e-commerce”) industries) have benefited from booming demand for their products and services due to the adoption of the ‘new normal’ as a result of movement restrictions put in place by the Government (i.e. MCO, conditional MCO, recovery MCO, enhanced MCO and various phases of NRP). Moving forward, the overall demand for industrial properties in Malaysia, including demand from the rental/leasing market, is dependent on the recovery of economic conditions including the recovery and future growth of the manufacturing sector, growth in e-commerce activities, the development of infrastructure that supports economic activities and the Government’s economic plans to drive industrial activities. Please refer to **Chapter 4.1 – Key Market Drivers** for further information on the drivers driving the industrial property market in Malaysia and in Johor.

## INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

SMITH ZANDER

The table below sets out selected purchases of industrial properties by selected REITs in Malaysia between 2016 and 2021.

## Selected industrial property transactions of selected REITs in Malaysia

Year	Purchaser	Type of building <sup>b</sup>	Building location	Net lettable area ("NLA") <sup>a</sup> (sq ft)	Land Tenure	Tenant <sup>b</sup>
2016	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	67,260	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	60,967	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	55,476	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	104,606	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	Kawasan Industri Sungai Choh, Selangor	302,621	Freehold	Shuangfei Wire Harness Sdn Bhd
	Amanah Raya REIT	Manufacturing facility	SiLC Industrial Park Nusajaya, Johor	62,474	Freehold	RHF Stone Sdn Bhd
2017	Axis REIT	Logistics warehouse	Kawasan Perindustrian Pasir Gudang	163,000	Leasehold	Kerry Ingredients (Malaysia) Sdn Bhd
	Atrium REIT	Logistics warehouse	Shah Alam Industrial Estate, Selangor	89,468	Freehold	Agility Logistics Sdn Bhd
2018	Axis REIT	Logistics warehouse	Shah Alam, Selangor	254,233	Freehold	J&T Express (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	132,706	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	33,448	Freehold	Oerlikon Balzers Coating Malaysia Sdn Bhd
	Axis REIT	Logistics warehouse	Senawang Industrial Park, Negeri Sembilan	148,011	Freehold	Denso Wiper Systems (Malaysia) Sdn Bhd
2019	Axis REIT	Manufacturing facility	Nusajaya Tech Park, Johor	104,694	Freehold	GKN Engine Systems Component Repair Sdn Bhd
	Axis REIT	Manufacturing facility	Nusajaya Tech Park, Johor	42,068	Freehold	SternMaid Asia Pacific Sdn Bhd
	Atrium REIT	Manufacturing facility	Bayan Lepas Industrial Park, Penang	298,569	Leasehold	Lumileds Malaysia Sdn Bhd

## INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

SMITH ZANDER

Year	Purchaser	Type of building <sup>b</sup>	Building location	Net lettable area ("NLA") <sup>a</sup> (sq ft)	Land Tenure	Tenant <sup>b</sup>
2020	Axis REIT	Manufacturing facility	Kawasan Perindustrian Nilai II, Negeri Sembilan	246,500	Leasehold	K-Plastics Industries Sdn Bhd
	Axis REIT	Manufacturing facility	Kawasan Perindustrian Bukit Raja, Selangor	149,605	Leasehold	Lion Steelworks Sdn Bhd
	Axis REIT	Logistics warehouse	Distripark B, Tanjung Pelepas, Johor	222,723	Leasehold	Schenker Logistics (Malaysia) Sdn Bhd
	Axis REIT	Logistics warehouse	Shah Alam, Selangor	285,249	Leasehold	One Total Logistics (M) Sdn Bhd
	Axis REIT	Manufacturing facility	Shah Alam, Selangor	41,061	Leasehold	GT-Max Construction Sdn Bhd
	Atrium REIT	Manufacturing facility	Bayan Lepas Industrial Park, Penang	189,932	Leasehold	Lumileds Malaysia Sdn Bhd
2021	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	35,339	Freehold	KES International Sdn Bhd
	Axis REIT	Automobile service centre	i-Park @ Indahpura, Johor	24,950	Freehold	Perodua Sales Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	57,545	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	Kawasan Perindustrian Bukit Raja Selatan, Selangor	326,231	Freehold	FIW Steel Sdn Bhd
	Axis REIT	Logistics warehouse	Kawasan Perindustrian Pasir Gudang, Johor	464,613	Leasehold	Xin Hwa Trading & Transport Sdn Bhd
	Atrium REIT	Logistics warehouse	Shah Alam, Selangor	167,431	Leasehold	N/A <sup>c</sup>

## Notes:

<sup>a</sup> Based on the NLA at the time of acquisition and may not reflect the latest NLA as there may be expansion/renovation works carried out after the acquisition.

<sup>b</sup> Based on the information in the latest available annual reports of the respective REITs.

<sup>c</sup> Not applicable. The property is currently being upgraded to a bigger warehouse, which is targeted to be completed in the fourth quarter of 2022. Quantium Solutions International (M) Sdn Bhd signed a tenancy agreement to occupy the whole ground floor and mezzanine floor spaces for a period of 3 years. The tenancy is expected to commence upon the handing over of vacant possession of the upgraded warehouse.

Sources: Various company sources, SMITH ZANDER analysis

## 4 MARKET DRIVERS, RISKS AND CHALLENGES

### 4.1 KEY MARKET DRIVERS

- **Recovery of Malaysia's overall economic conditions, including the recovery and future growth of the manufacturing sector, will lead to increasing demand for industrial properties**

From 2016 to 2019, Malaysia's economy, measured by total GDP, increased from RM1.23 trillion to RM1.42 trillion at a CAGR of 4.90%. The manufacturing sector was the second largest contributor to Malaysia's total GDP from 2016 to 2019, after the service sector. The GDP from the manufacturing sector grew from RM273.90 billion to RM316.32 billion during the same period at a CAGR of 4.92%.

Due to the outbreak of the Covid-19 pandemic since early 2020, Malaysia recorded a 5.53% YOY decline in total GDP in 2020, indicating temporary adverse economic conditions for the year. Further, the GDP from the manufacturing sector, which is one of the key sectors driving the demand for industrial properties, also recorded a YOY decline of 2.67% in 2020. Nonetheless, Malaysia's total GDP and the GDP from the manufacturing sector recovered in 2021 and registered a YOY growth of 3.09% and 9.54% respectively.

#### Total GDP and GDP from the manufacturing sector (Malaysia), 2016 - 2021

Year	Total GDP (RM billion)	YOY growth (%)	GDP from the manufacturing sector (RM billion)	YOY growth (%)
2016	1,229.31	4.45%	273.90	4.39%
2017	1,300.77	5.81%	290.46	6.05%
2018	1,363.77	4.84%	304.84	4.95%
2019	1,423.95	4.41%	316.28	3.75%
2020	1,345.14	-5.53%	307.85	-2.67%
2021	1,386.74	3.09%	337.22	9.54%

Sources: Department of Statistics Malaysia ("DOSM"), SMITH ZANDER analysis

To support the manufacturing sector, the Government has introduced several initiatives through the PENJANA Short-Term Economic Recovery Plan. Amongst some of the government initiatives are:

- Provision of tax incentives (i.e. 0% tax rate) for new capital investments in the manufacturing industry in Malaysia from new companies for a period of up to 10 years or 15 years, depending on the amount of investments, with applications submitted to MIDA by 31 December 2021. Under the Budget 2021, the Government extended the application period for the 10-year tax incentive to 31 December 2022; while under the Budget 2022, the Government further extended the application period for the 15-year tax incentive to 31 December 2022.
- Provision of 100% investment tax allowance for existing companies in Malaysia which relocate their overseas facilities in Malaysia, with application submitted to MIDA by 31 December 2022.
- Provision of special reinvestment allowance given to manufacturing companies from year of assessment 2020 to year of assessment 2022. Under the Budget 2022, the Government extended the special reinvestment allowance to year of assessment 2024.

Further, MIDA has launched the Automation Project Initiatives to promote the adoption of automation amongst Malaysian companies and to assist Malaysian companies to adapt to the new normal in the post-pandemic era. Under the Automation Project Initiatives, a series of webinars involving automation providers and system integrators have been organised to facilitate Malaysian businesses in adopting automation in their operations, particularly those heavily dependent on unskilled or foreign labour.

These initiatives are expected to encourage further investments in the manufacturing sector in Malaysia, which may stimulate the demand for industrial properties, including demand from the rental/leasing market.

Following the transitioning into the endemic phase beginning 1 April 2022, business and economic activities are allowed to operate as usual and international borders have reopened, which is expected to further drive the recovery of economic conditions in Malaysia. According to the latest Economic and Monetary Review published by BNM, BNM expects Malaysia's GDP to grow within the range of 5.30% to 6.30% in 2022, supported by better Covid-19 management and higher vaccination rates as well as spill-over benefits from

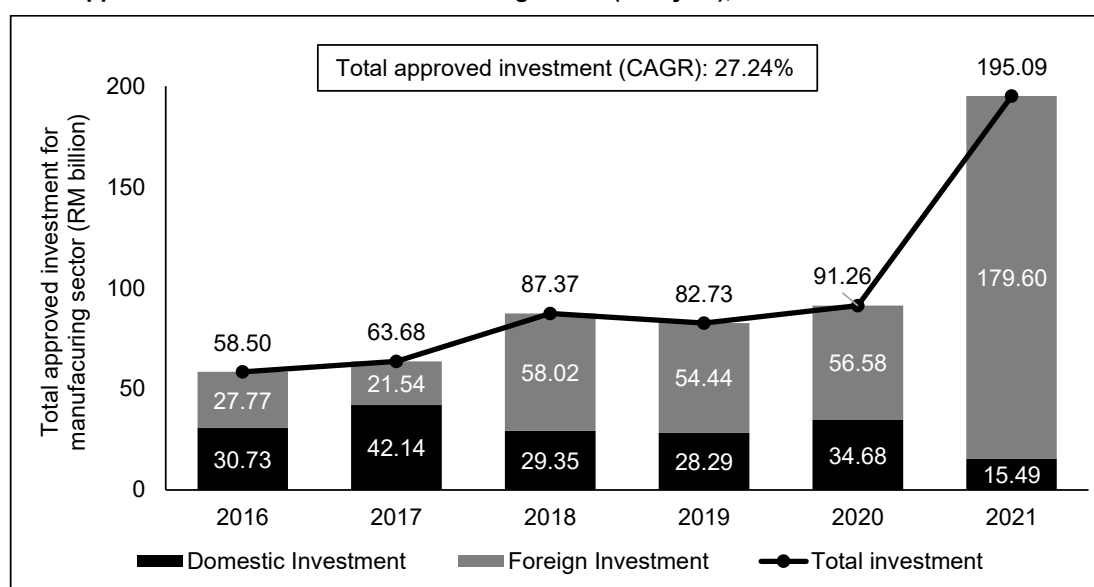
## SMITH ZANDER

expansion in global demand. According to the latest economic outlook announced with the Budget 2022, the GDP from the manufacturing sector is expected to grow by 4.75% in 2022. Improved economic conditions and the anticipated growth in the manufacturing sector are expected to boost the recovery and growth of business and industrial activities, thereby driving the recovery of the industrial property market in Malaysia.

► **Continuous investments and demand for manufactured goods will drive the growth of the manufacturing sector, which will subsequently lead to an increase in the demand for industrial properties**

From 2016 to 2021, total approved investments for the manufacturing sector increased from RM58.50 billion to RM195.09 billion at a CAGR of 27.24%. In 2020, the approved investments for manufacturing sector recorded a YOY increase of 10.31% from RM82.73 billion in 2019 amidst the Covid-19 pandemic. In 2021, the approved investments for manufacturing sector recorded a strong YOY increase by 113.77% from RM91.26 billion in 2020, which was mainly contributed by the FDI received in the electrical and electronic ("E&E") sector at RM146.27 billion. Out of the total approved investments received by the manufacturing sector in 2021, FDIs accounted for RM179.60 billion (92.06%) and domestic investments accounted for RM15.49 billion (7.94%). The increases in FDI inflows in 2020 and 2021 may be partly attributed to the escalation of the US-China trade war that has resulted in the relocation of manufacturing facilities by foreign companies from China to Southeast Asia, including Malaysia.

**Total approved investments for manufacturing sector (Malaysia), 2016 – 2021**



Source: MIDA

Manufacturing investments in the E&E products industry attracted the largest FDI in 2021, followed by basic metal products; food manufacturing; chemicals and chemical products; and scientific and measuring equipment industries. This reflects investors' confidence in Malaysia's investment environment. This is expected to impact favourably on the demand for industrial properties, including demand from the rental/leasing market.

[The rest of this page is intentionally left blank]

## SMITH ZANDER

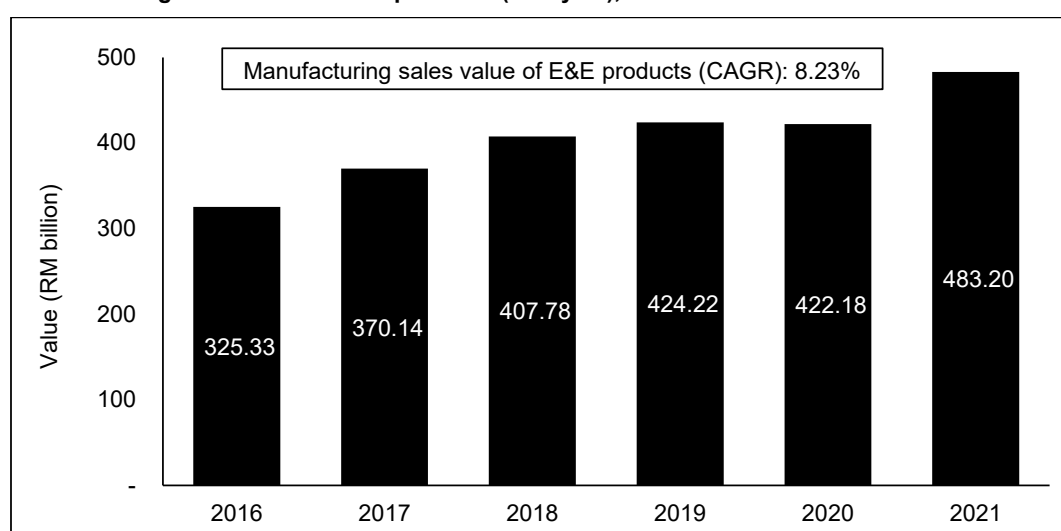
Further, the continuous demand for manufactured goods will continue to spur the growth of the manufacturing sector. The following focuses on E&E industry as it is the top industry based on the percentage of occupied NLA of AME REIT's subject properties.

- **E&E industry**

E&E products developed today play essential roles in consumer lifestyles and in various industries such as retail, manufacturing and telecommunications. One of the most prevalent trends in the E&E industry is the rise of mobile and portable engineering designs which promote convenience. Further, with the increase in demand for mobile devices, industry players are constantly developing newer E&E products to meet market requirements for smaller, and more lightweight products.

The E&E industry in Malaysia, represented by the manufacturing sales value of E&E products, increased from RM325.33 billion in 2016 to RM483.20 billion in 2021, at a CAGR of 8.23%.

### Manufacturing sales value of E&E products (Malaysia), 2016 – 2021



Sources: DOSM, SMITH ZANDER analysis

The growth of the E&E industry is driven by continuous technological advancements leading to innovation in E&E products. The E&E industry has seen developments in terms of the performance, size and technology of various electronic products. For example, the internet of things (IoT) has emerged as a key technology trend today. IoT allows devices and objects to be interconnected through the internet to facilitate data exchange and remote access. It is enabled through the integration of sensors and related E&E products/accessories in the network devices. Moving forward, it is expected that the introduction of new and innovative E&E products compatible with the lifestyle of today's society will continue to increase further, thereby driving the growth of the E&E industry.

In addition, the E&E industry is expected to contribute RM120 billion to GDP by 2025 as announced in the Twelfth Malaysia Plan 2021 – 2025 ("12MP"), from RM75.92 billion in 2020, at a CAGR of 9.59%. Further, notwithstanding the on-going global chip shortage since 2020, Malaysia's E&E industry has thus far benefitted from the global chip shortage which contributed from the strong order books among chip manufacturers. As such, E&E industry players are encouraged to adopt advanced technologies in order to achieve higher productivity and growth through, amongst others, strengthening manufacturing ecosystems, uplifting the development of talent as well as enhancing research and development activities.<sup>2</sup>

With the continuous local and foreign investments received by the manufacturing sector as well as the continuous demand for manufactured goods including E&E products, the manufacturing sector is expected to grow in the long term. This will in turn pose demand for industrial properties in Malaysia, including demand from the rental/leasing market.

In addition, as the nation strives to position itself as a destination for investments in high value-added, high technology, knowledge-intensive and innovation-based industries, businesses and companies will grow in

<sup>2</sup> Sources: DOSM, Economic Planning Unit, SMITH ZANDER analysis

---

## SMITH ZANDER

terms of scale and reach. Some of the recently announced or implemented local and foreign expansions in Malaysia are as follows:

- Several rubber glove manufacturers in Malaysia including Hartalega, Supermax and Kossan have announced plans to expand their production capacity by setting up new manufacturing facilities in Malaysia to cater to the increasing demand for rubber gloves due to the Covid-19 pandemic;
- Daikin Malaysia Group announced the commencement of construction of their centralised distribution hub measuring 32,300 square metres in Rawang, Selangor in October 2020 which is expected to be completed by September 2021, according to the latest available news as of October 2020;
- Enics AG, a Switzerland-based electronics manufacturing services provider, established a manufacturing site measuring 10,000 square metres in i-Park @ SAC, Johor in April 2021;
- Microsoft Malaysia announced that Microsoft Corporation is building a regional data centre in Kulai, Johor; the construction was 40% complete according to the latest available news as of April 2021;
- TTM Technologies, Inc, a US-based global manufacturer of printed circuit boards, radio frequency components and radio frequency microwave/microelectronic assemblies, began the establishment of a manufacturing plant measuring approximately 27 acres in Penang Science Park which is expected to be completed by 2023;
- Smith & Nephew Plc, a United Kingdom-based medical equipment manufacturing company, established a manufacturing facility measuring 250,000 sq ft in Penang in June 2022; and
- Risen Energy Co Ltd, a global solar company originated from China, announced its first investment in Southeast Asia by setting up a production base in Kulim Hi-Tech Park, Kedah to produce high efficiency photovoltaic modules to meet growing global demand. The commercial activities are expected to begin in April 2022, according to the Malaysia Investment Performance Report 2021 published by MIDA.

As investments in manufacturing and other business facilities grow, this is expected to lead to a positive trend for industrial property development activities in the country.

### ► The growth in the e-commerce industry boosts the demand for logistics services which subsequently drives the demand for industrial properties

The e-commerce industry in Malaysia, measured in terms of online retail sales value, increased from RM5.01 billion in 2016 to RM35.61 billion in 2021 at a CAGR of 48.03%. Further, the percentage of e-commerce sales over total retail sales in Malaysia also grew during the same period, from 1.24% in 2016 to 6.67% in 2021. In e-commerce, logistics services play an essential role to ensure proper product handling and storage, and timely delivery of products to customers. With the growth in e-commerce activities, businesses in the logistics industry strive to expand their operational and storage capacity in order to cater to the increasing demand for their services. As such, these businesses may secure industrial properties to support their rapid business expansion. In such situations, renting/leasing ready-built industrial properties may be a preferred option as it allows businesses to secure suitable premises in a shorter period of time as opposed to purchasing premises which requires relatively high investment and a lengthy acquisition process.

E-commerce continues to witness strong growth rates as the number of consumers gaining access to the internet has risen. Internet sales benefit consumers and retailers alike, allowing consumers to compare prices and widening purchasing options, including purchasing from overseas. Technology has been a key factor affecting retail sales and has broadened distribution channels, with internet-savvy youths and young adults contributing to growth in online retail transactions through various e-commerce platforms. Internet retailing is becoming a significant retail channel and there are a large number of internet retailers that carry out business transactions via social media channels such as Facebook and Instagram, as well as online shopping platforms such as Lazada and Shopee.

The Covid-19 pandemic and the physical distancing and movement restriction measures imposed by the Government have resulted in a shift in consumer shopping behaviour towards online shopping and which has subsequently boosted the growth in e-commerce activities in 2020 and 2021. In order to practice physical distancing, individuals had been encouraged to stay at home; likewise, many physical storefront owners faced prohibitions and/or limitations from operating during the movement restriction periods. To maintain business continuity, many merchants have ventured into e-commerce to sustain and to grow their businesses. This includes merchants who were previously not involved in online businesses before the Covid-19 pandemic such as food producers, grocery merchants (i.e wet markets, mini markets, supermarkets and food ingredient suppliers), food truck operators, hawker stalls and convenience stores.

---

## SMITH ZANDER

Many merchants that were already operating in e-commerce platforms have expanded their market reach by operating in different e-commerce platforms or taking part in more aggressive online marketing.

In Malaysia, e-commerce is considered an essential service and thus was allowed to operate during the movement restriction periods. Therefore, despite the slowdown in economic conditions due to the Covid-19 pandemic, e-commerce is well-positioned to serve the increasing demand for goods and services online due to the increased number of customers and participating merchants on e-commerce platforms. In 2021, the Government implemented the Shop Malaysia Online campaign which was aimed at encouraging purchases via e-commerce platforms by providing discount vouchers for selected e-commerce platforms. Another campaign called Go eCommerce Onboarding was also introduced to encourage the adoption of e-commerce platforms as a sales channel by local businesses. Under the Budget 2022, the Government has proposed to allocate RM250 million to continue the implementation of both programmes. Moreover, micro SME entrepreneurs are eligible to receive benefits of up to RM2,000 for e-commerce implementation activities and training in marketing and digital payments. Under the 12MP, the National eCommerce Strategic Roadmap 2.0, 2021-2025 was introduced to further spur e-commerce activities in Malaysia. The roadmap includes developing a national e-Invoicing framework to enable trade partners to seamlessly transact using digital mechanisms, particularly in the export of digital products and services. With this initiative in place, it will help ease transactions for both sellers and buyers in the e-commerce industry and subsequently encourage higher usage of e-commerce.

While Malaysia is transitioning into the endemic phase and the impact of the Covid-19 pandemic is steadily subsiding, consumers are expected to continue to practise online shopping as they have adapted to the lifestyle and convenience of online shopping. Thus, this behavioural shift is expected to continue to drive demand for e-commerce and subsequently sustain the demand for industrial properties.

### ► Well-developed infrastructure drives the demand for local industrial properties

In addition to economic growth, demand for industrial properties is also significantly affected by infrastructure and transportation enhancements. Peninsular Malaysia has an established and well-maintained network of highways connecting major growth centres to seaports and airports, providing efficient means of transportation of goods for businesses. Malaysia has a total of 10 seaports and 28 airports, which handle incoming and outgoing containers and cargo. These ports are located near major cities to facilitate international trade. In addition to easing the logistics of goods to facilitate trade activities, the easy accessibility also contributes to ease of recruitment by attracting local and international talent.

Selangor, Kuala Lumpur, Johor and Penang, being the key economic zones in Malaysia, continue to be attractive investment destinations due to the following factors:

- **Established land transportation network** – All these states are connected to the North-South Expressway and the national railway network operated by Keretapi Tanah Melayu Berhad. There are also developed highways in each of these states, allowing excellent connectivity within the state and with the rest of the country. Examples of highways in these states are as follows:

Selangor and Kuala Lumpur : Federal Highway, Shah Alam Expressway, New Klang Valley Expressway, Maju Expressway, Sungai Besi-Ulu Klang Elevated Expressway, Duta-Ulu Kelang Expressway, Damansara-Puchong Expressway and Rawang-Serendah Highway

Johor : Bakar Batu-Pasir Gudang Coastal Road, Johor Causeway, Eastern Dispersal Link, North-South Expressway, Second Link Expressway, Senai-Desaru Expressway and Singapore-Johor Bahru Ring Road

Penang : Penang Bridge, Penang Second Bridge, Butterworth-Kulim Expressway, Gelugor Highway, Tun Dr. Lim Chong Eu Highway

Further, IRDA has also launched the Iskandar Rapid Transit ("IRT"), which is formerly known as Iskandar Malaysia Bus Rapid Transit project, to enhance public transportation coverage, accessibility and connectivity within the Iskandar Malaysia region. The first phase of the IRT is expected to be ready for operations by 2024.

In addition, two major railway projects are expected to enhance the connectivity within Malaysia and between Johor and Singapore. The Electrified Double Track Gemas-Johor Bahru ("EDT Gemas – JB") project is expected to be completed by 2023 which will reduce the journey time between Padang Besar, Perlis and Johor Bahru, Johor. Further, MRT Corp has commenced the construction of the Johor Bahru – Singapore Rapid Transit System (RTS) which connects Bukit Chagar, Johor Bahru, Malaysia and Woodlands, Singapore. The project is expected to complete by the end of 2026 and start operations in January 2027. It aims to provide fast and efficient transportation between the two countries. These



---

## SMITH ZANDER

projects are expected to increase accessibility and connectivity in Johor, which may in turn attract investments and business expansions to Johor, thereby driving the demand for industrial properties in the state.

- **Easy accessibility to major seaports and airports** – The principal port of Malaysia, Port Klang is located in Selangor, and is in close proximity to Kuala Lumpur (around 40 km). It has a total handling capacity of 19.60 million twenty-foot equivalent units (“TEU”), and has trade connections with over 120 countries and dealings with more than 500 ports around the world<sup>3</sup>. In Johor, the major ports are Johor Port (“PGU”) and Port of Tanjung Pelepas (“PTP”). The latter is a major trans-shipment hub in Malaysia, registering total container trans-shipment of 10.67 million TEU in 2021<sup>4</sup>, while the former is located in the Pasir Gudang Industrial Estate which is a major industrial hub where manufacturing activities (including electronics, petrochemicals and oleochemicals) and oil storage terminals thrive. In Penang, the major port is Penang Port which has multiple terminals catering for shipping activities.

Apart from seaports, each of these states also have international airports (i.e. Kuala Lumpur International Airport (KLIA) in Kuala Lumpur/Selangor, Senai International Airport (“SIA”) in Johor and Penang International Airport in Penang). The connectivity via air travel well-positions these states to welcome foreign investors and businesses to establish manufacturing facilities.

- **Strategic location** – Malaysia is located at the centre of Southeast Asia, with Peninsular Malaysia located between the Straits of Malacca and South China Sea. The key economic zones in Malaysia (i.e. Selangor, Kuala Lumpur, Johor and Penang) are all located on the west coast of Peninsular Malaysia and have direct access to the Straits of Malacca for shipment of goods. Further, Peninsular Malaysia, especially Johor, may also benefit from spillover investment effects from Singapore due to its close proximity. Singapore continues to attract foreign players such as Zoom and Tencent which have announced their plans to establish branches in Singapore. The spillover from Singapore as a result of higher operating cost and limited land space may drive other foreign players within related value chains to set up or expand their facilities in Johor.

[The rest of this page is intentionally left blank]

---

<sup>3</sup> Source: Port Klang Authority

<sup>4</sup> Source: Ministry of Transport, Malaysia

**4.2 KEY MARKET RISKS AND CHALLENGES****► Slowdown in demand due to exposure from political, economic, regulatory and social risks**

The industrial property market is subject to prevailing political, economic and regulatory conditions in Malaysia. Any adverse changes in political, economic and regulatory conditions such as political uncertainties, changes in Government policies and regulations in relation to the industrial property market that may affect the attractiveness for FDI, changes to major infrastructure projects, prolonged economic slowdown and weak investment sentiment, could adversely affect the demand for industrial properties in Malaysia. For example, the cancellation of the Kuala Lumpur-Singapore high-speed rail project that was announced in January 2021 may have an indirect impact on the attractiveness of industrial properties which are located close to the proposed sites for this project.

Further, social risks such as international conflicts, terrorism activities and riots may adversely impact business operations and thus, result in a slowdown in business activities or even closure of businesses. Social risks may also affect investment sentiment due to the inherent instability it brings. Hence, social risks may also create negative impact on the demand for industrial properties in Malaysia.

**► Occurrence of pandemics due to outbreak of diseases may result in economic slowdown and subsequently affecting the demand for industrial properties in Malaysia**

The major outbreak of diseases such as the Covid-19 pandemic has resulted in a global economic slowdown. Malaysia's economy was also adversely affected by the pandemic as evidenced by a 5.53% decline in GDP observed in 2020, indicating a slowdown in economic activities. This was further seen in declines in GDP from the manufacturing sector and total exports of 2.67% and 1.13% respectively. Save for those involved in essential services, local businesses in general are likely to be more cautious in undertaking expansion plans during and post pandemic in view of the uncertainties in economic recovery. As a result, this may temporarily slow down the demand for industrial properties in Malaysia. Malaysia is transitioning into the endemic phase where business and economic activities are allowed to operate as usual and economic conditions are expected to continue to recover. However, any such future pandemic outbreaks, as well as epidemic outbreaks affecting a significantly large but more localised population, may result in economic slowdown which may adversely affect the demand for industrial properties.

Any global economic slowdowns as a result of health pandemics may also result in multinational companies in Malaysia putting on hold expansion plans and/or downsizing or relocating their businesses. Amongst the major restructuring plans announced in 2021 include Hyundai planning to relocate its Asia Pacific headquarters to Indonesia and to subsequently build a production plant in Indonesia; Panasonic to cease its manufacturing of solar cells and panels at factories in Malaysia due to increasing price competition from Chinese manufacturers; and Toyo Tire to downsize its production capacity with the closure of its tyre manufacturing plant in Perak. Further major restructuring of multinational companies leading to closures or downsizing of businesses in Malaysia may indirectly affect supporting industries in the country and thus, may result in a slowdown in demand for industrial properties.

[The rest of this page is intentionally left blank]

## 5 COMPETITIVE OVERVIEW

### 5.1 GATED AND GUARDED INDUSTRIAL PARKS IN MALAYSIA

The industrial property market in Malaysia is fragmented in nature and competitive owing to a large number of industry players that compete in this space. Industry players include property developers who develop and sell industrial properties to buyers, and/or rent/lease industrial properties to businesses. Industrial properties are typically constructed in industrial parks which are areas zoned for industrial use. Industrial parks can be segmented into free zone, mixed, specialised as well as gated and guarded industrial parks.

As AME REIT has multiple industrial properties under its portfolio for leasing, this section of the IMR Report will focus on the leasing of industrial properties. Owners of industrial properties who focus on leasing of their properties generally compete on, amongst others, rental rate; location, size, age and condition of the buildings; security features; availability of amenities such as workers' dormitories; and landscaping.

As a majority of the industrial properties under the portfolio of AME REIT are located in gated and guarded industrial parks, AME REIT competes with other owners of industrial properties in gated and guarded industrial parks for lessees/tenants. Gated and guarded industrial parks are industrial parks that feature modern buildings, well-managed environment and landscaping, as well as more organised infrastructure. Some gated and guarded industrial parks have ready-built dormitories within the industrial parks to accommodate workers.

The table below sets out the details of industrial parks in which AME REIT's subject properties are located, as well as selected industrial parks in Malaysia with the following basis for selection:

- Industrial parks in Malaysia that are gated and guarded; and
- Industrial parks in Malaysia that have ready-built industrial property(s) with built-up area of at least 30,000 sq ft (as most of the subject properties of AME REIT have an NLA of 30,000 sq ft and above), and/or industrial parks in Malaysia that cater for built-to-suit industrial properties based on customer requirements.

#### Selected gated and guarded industrial parks in Malaysia

Gated and guard industrial park	Location	Type of industrial property	Built-up area of ready-built property (sq ft)	Availability of workers' dormitories <sup>a</sup>	Approximate distance to city centre and major transportation hubs
Alam Jaya Business Park	Nusajaya, Iskandar Puteri, Johor	Semi-detached, detached and built-to-suit	5,900 – 15,400	No	- 29 km to SIA - 45 km to PGU - 24 km to PTP - 27 km to Johor Bahru City Centre ("JB city")
Eco Business Park I	Tebrau, Johor	Semi-detached, detached, cluster and built-to-suit	2,700 – 6,700	No	- 18.9 km to SIA - 33.9 km to PGU - 40.4 km to PTP - 17.3 km to JB city
Eco Business Park II	Senai, Johor	Semi-detached, cluster and built-to-suit	2,700 – 4,700	Yes	- 6.4 km to SIA - 36.5 km to PGU - 39.8 km to PTP - 15.5 km to JB city
Frontier Park	Ulu Tiram, Johor	Semi-detached, detached, cluster and built-to-suit	5,300 – 13,400	Yes	- 33 km to SIA - 18 km to PGU - 45 km to PTP - 18 km to JB city
i-Park Indahpura <sup>b</sup>	Kulai, Johor	Semi-detached, detached and built-to-suit	12,100 – 61,000	Yes	- 8 km to SIA - 43 km to PGU - 35 km to PTP - 29 km to JB city

---



---

**SMITH ZANDER**

Gated and guard industrial park	Location	Type of industrial property	Built-up area of ready-built property (sq ft)	Availability of workers' dormitories <sup>a</sup>	Approximate distance to city centre and major transportation hubs
i-Park @ SAC <sup>b</sup>	Senai, Johor	Semi-detached, detached and built-to-suit	12,000 – 74,000	Yes	- 6 km to SIA - 33 km to PGU - 39 km to PTP - 16 km to JB city
Nusajaya Tech Park	Nusajaya Iskandar Puteri, Johor	Semi-detached, detached and built-to-suit	13,000 – 33,000	No	- 29 km to SIA - 49 km to PGU - 13 km to PTP - 23 km to JB city
Setia Business Park	Gelang Patah, Johor Bahru, Johor	Semi-detached and detached	7,700 – 46,100	No	- 28 km to SIA - 40 km to PGU - 23 km to PTP - 29 km to JB city
Setia Business Park II	Ulu Tiram, Johor	Semi-detached, cluster and built-to-suit	7,000 – 13,200	No	- 17 km to SIA - 26 km to PGU - 39 km to PTP - 14 km to JB city

**Notes:**

- Latest available as at 18 July 2022.
- This list is not exhaustive.

<sup>a</sup> Refers to workers' dormitories that are located within, or in close proximity to, the respective industrial parks to support the accommodation needs of foreign workers working in the respective industrial parks.

<sup>b</sup> Industrial parks in which AME REIT's subject properties located.

Sources: Various company sources, SMITH ZANDER

[The rest of this page is intentionally left blank]

## 5.2 REITS WITH INDUSTRIAL PROPERTIES IN MALAYSIA

AME REIT is a REIT that carries a portfolio of industrial properties in Johor. The following presents an overview of REITs listed on Bursa Malaysia where more than 10.00% of subject property units under their respective portfolio are industrial properties, as well as details of AME REIT for comparison purposes:

REIT	Type of property under portfolio	REIT manager	Total number of subject properties	Number of industrial properties	Location of industrial properties /number of industrial properties in each state	NLA of industrial properties (sq ft by location)	Latest available financial year	Market capitalisation <sup>b</sup> (RM billion)	Revenue <sup>a</sup> (RM million)	Distribution per unit <sup>b</sup> (RM sen)	Distribution yield <sup>b</sup> (%)
Al-Salam REIT	Commercial, retail, office and industrial	Damansara REIT Managers Sdn Bhd	54	6	- Selangor (3) - Penang (1) - Sabah (2)	- 573,371 - 3,082 - 27,274	31 Dec 2021	0.28	71.54	2.30	4.74
Atrium REIT	Industrial	Atrium REIT Managers Sdn Bhd	8	8	- Selangor (6) - Penang (2)	- 1,161,849 - 488,501	31 Dec 2021	0.31	39.06	9.75	6.50
Axis REIT	Office, industrial and hypermarket	Axis REIT Managers Berhad	58	53	- Selangor (24) - Penang (5) - Negeri Sembilan (3) - Pahang (1) - Johor (20)	- 5,492,523 - 792,361 - 686,153 - 506,753 - 3,037,881	31 Dec 2021	3.17	246.20	9.49	4.89
AME REIT	Industrial and dormitories	I REIT Managers Sdn Bhd	34	31 <sup>c</sup>	- Johor (31)	- 1,613,694	31 March 2022	N/A <sup>d</sup>	35.24 <sup>e</sup>	N/A <sup>d</sup>	N/A <sup>d</sup>

**Notes:**

- Latest available as at 18 July 2022.
- <sup>a</sup> The REITs may have properties besides industrial properties under their respective portfolio and as such, total revenue may include revenue generated from other types of properties.
- <sup>b</sup> As at 31 December 2021.
- <sup>c</sup> Out of the 34 subject properties under AME REIT's initial portfolio, 31 properties are factories/warehouses and the remaining 3 properties are workers' dormitories.
- <sup>d</sup> Not applicable.
- <sup>e</sup> Comprises rental income based on pro forma statement of profit or loss and other comprehensive income.

Sources: AME REIT, various company sources, SMITH ZANDER