

Headline **LTH, Columbia Asia to build new hospital in PJ**
Date **03 Jan 2011**
MediaTitle **Malaysian Reserve**
Section **Corporate Malaysia**
Journalist **N/A**
Frequency **Daily**
Circ / Read **20,000 / 35,000**

Language **English**
Page No **1,4**
Article Size **215 cm²**
Color **Black/white**
ADValue **1,600**
PRValue **4,799**



LTH, Columbia Asia to build new hospital in PJ

The RM70m project in Section 17 is scheduled to begin construction in the first-half of this year

by ANNA MARIA SAMSUDIN

LEMBAGA Tabung Haji (LTH) and healthcare group Columbia Asia Sdn Bhd are currently in the final stages of discussions for the construction of a new 100-bed hospital in Section 17, Petaling Jaya, with an estimated development cost of around RM70 million.

The project will be carried out under a built-and-lease arrangement and scheduled to begin construction in the first-half of 2011, said sources familiar with the deal.

LTH group managing director and chief executive officer Datuk Ismee Ismail, when contacted by *The Malaysian Reserve (TMR)* last week, confirmed the said deal but could not provide details on the actual development cost of the project.

"Yes, we are currently in talks with Columbia Asia to set up a new hospital in Petaling Jaya, which will be built on our

land. For now, we are unable to give a specific time when we will be able to commence the construction work on the project as we need to give sufficient time for the current tenant to move out," he said.

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Second collaboration

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Under the arrangement, it is understood that Columbia Asia will be the turnkey contractor and operator of the community-based hospital. Both land and building are owned by LTH, which will lease them to Columbia Asia.

If the deal materialises, it will be the second collaboration between the two parties, after the Columbia Asia Hospital in Seremban, which is currently operating at more than 90% occupancy rate with an average monthly revenue of more than RM3 million.

"Looking at the high population density in Petaling Jaya, this deal will certainly be another successful venture between the two, just like the hospital in Seremban," the sources told *TMR*.

Ismee said LTH is "pleased" with its current partnership

with the healthcare group and would be interested to work with Columbia Asia on future projects.

"We are happy with our relationship with Columbia Asia. They are good paymasters," he said.

Columbia Asia's officials, when contacted, declined to comment on the matter.

The Columbia Asia group, which was formed in Malaysia in 1996, currently operates 19 hospitals of which eight are located in Malaysia, eight in India, two in Vietnam and one in Indonesia.

The group has two other hospitals that have been completed and are awaiting operating licences in Malaysia plus eight more hospitals under construction, of which three are in Malaysia, four in India and one in Vietnam.

In South-East Asia, Columbia Asia is 30% owned by the Employee Provident Fund (EPF). Malaysia is the international headquarters of the group. In addition to the EPF, Columbia Asia is owned by more than 150 US-based private equity companies, fund management organisations and individual investors.