

Avenue land sold to hospital for RM156 million, Guan Eng reveals

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| May 17, 2017

Private hospital plans to build mega medical city worth RM2 billion, including a 600-bed hospital and hotel to turn Penang into the top medical tourism hub in the region.



GEORGE

TOWN: The Penang government has sold a 6.4-acre land at Peel Avenue to Island Hospital Sdn Bhd for RM156 million, for the construction of a RM2 billion “medical city” project in five years.

Chief Minister Lim Guan Eng said the land owned by Chief Minister Incorporated had been alienated to the hospital on a 99-year lease, with a RM30 million down payment already made.

He said after the end of the lease, a piece of land owned by the Island Hospital, within the 6.4 acres, would be surrendered to the state. The size of this piece of land owned by the hospital was not disclosed.

Lim said the remainder of the RM126 million (of RM156 million) owed must be made within three months of the company acquiring a hospital licence.

The hospital has been given two years to acquire the licence from the health ministry.

He said the deal with the hospital was signed late last year and was kept under wraps until now as the state government had wanted to “respect non-disclosure agreements”, as the principal investors were foreigners, and

were part of listed companies.

Over the past few days, NGO Citizen Awareness Chant Group and the Penang Gerakan had demanded to know the status of the state land and if it had been sold, and if so, whether it was done through an open tender.

Lim said today the land was not sold through an open tender as it involved a high-value medical facility, with the project promising an economic value of over RM7 billion.

“Building a hospital is a massive undertaking, so when you have a RM2 billion investment based on the capacity of the purchaser, and also the ability to come up with the licence, and as you know getting a licence from the health ministry is rigorous.

“In that regard, since the offer was from a reputable hospital, and also with the needed financial resources, we treat this like any foreign investment...as the money is coming from overseas.

“In that sense, it is like Intel and other big electronics firms coming in. Not many people can afford to come up with RM2 billion.

“So, when you get multinational companies coming in, they must, of course, fulfil certain requirements, like electronic companies, people like Intel and Motorola we don't go open tender because they are electronic giants.

“Similarly we chose to treat it the same way, because they are a hospital in the process of securing a hospital licence from the health ministry for this extension, a massive expansion... this project will be the largest private hospital in Malaysia.” Lim said today.

Lim held a press conference with big guns from the Island Hospital, led by its director Benny Lim and chief operating officer Dr Goh Kok Yeong.

Benny revealed that the Island Hospital intended to build the Island Medical City comprising an initial 600-bed hospital, and to increase the capacity to 1,000 beds in the future.

He said a hotel would also be built in the later stages.

He said the project would provide Penang with over 2,000 job opportunities, covering basic labour to medical specialists.

“It will attract top Malaysian medical specialists, practising overseas, to set up their long-term practice in Penang.

“The revenue generated will lead to significant additional tax income and significantly boost medical tourism in the state, with benefits spilling over to complementing industries.”

He said upon completion, the medical city would be a first-of-its-kind medical hub in Malaysia, complete with state-of-the-art medical equipment and the largest and most advanced tertiary care facility.

“Cutting-edge medical technologies will serve to further deepen medical expertise specialties across multiple specialties including oncology, orthopaedics, neurosciences and geriatrics.

“This project will support Island Hospital's vision to shape Penang into a leading medical tourist destination in all of Asia,” Benny said.

Island Hospital, located at a corner of Macalister Road and Peel Avenue, is currently a 300-bed private hospital.

It has been awarded the 2017 Medical Tourism Hospital of the year by Frost and Sullivan.