

AL-`AQAR HEALTHCARE REIT (“AL-`AQAR”)

PROPOSED DISPOSAL

ADDITIONAL ANNOUNCEMENT

*Unless stated otherwise, abbreviations and definitions used throughout this announcement shall be the same as the announcement in relation to the Proposed Disposal on 13 December 2023 (“**Announcement**”)*

1. INTRODUCTION

On behalf of the Board of DRMSB, the manager of Al-`Aqar, KAF IB wishes to provide additional information in relation to the Proposed Disposal.

2. APPROVALS REQUIRED FOR LAND RECONFIGURATION EXERCISE

The Land Reconfiguration Exercise is subject to the approval from the Logan City Council, Queensland, Australia and the estimated timeframe for the said approval is one (1) year from the date of application for the Land Reconfiguration Exercise.

3. ADDITIONAL DETAILS ON THE PROPOSED DISPOSAL

3.1 Apportionment of proceeds

The actual amount for the apportionment of proceeds to Jeta Gardens will only be determined later due to the finalisation of the appropriate division of sale proceed report from the appointed independent expert.

The key factor of consideration in finalising the actual amount is the consistency between the report from the appointed independent expert and the latest available valuation report.

3.2 Interest savings

Assuming the entire sum of AUD18.831 million / RM57.82 million is utilised for redemption of Al-`Aqar financing facilities, the interest savings is expected to be amounting to RM2.83 million per annum.

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3.3 Expected proforma loss

Based on the market value of properties held by Al-`Aqar as at 1 December 2023, the Proposed Disposal is expected to result in a proforma loss of approximately RM3.4 million to Al-`Aqar, after taking into consideration the net Disposal Consideration of AUD20.5 million or RM62.9 million for the Proposed Disposal. The detailed computation is illustrated below:

	<u>(RM)*</u>
Disposal Consideration	62,907,633
Less: Market value as at 1 December 2023	66,322,800
Expected loss on disposal	<u>(3,415,167)</u>

Note:

* Based on the rate translated at the Exchange Rate

The actual loss from the Proposed Disposal can only be ascertained upon the completion of the Proposed Disposal.

4. PORTFOLIO OF AL-`AQAR

As at the LPD, the portfolio size of Al-`Aqar is approximately RM1.73 billion. As stated in Al-`Aqar's annual report for the FYE 31 December 2022, the Manager has developed a comprehensive 5-Year Plan, taking into consideration of the future healthcare trends, such as telemedicine and data-driven models, which have accelerated substantially during the Covid-19 pandemic period.

In the next five years, the Manager will carefully evaluate potential asset acquisitions to ensure alignment with Al-`Aqar's growth and diversification strategies. The Manager is currently in negotiations with both KPJ and third-party asset owners/operators to acquire new healthcare properties.

5. DETAILS OF PROPERTIES UNDER LEASE RENEWAL

Renewal of lease of the following properties between the subsidiaries and associated company of KPJ with AmanahRaya Trustees Berhad and DRMSB for and on behalf of Al-`Aqar:

<u>No.</u>	<u>Properties</u>	<u>Companies of KPJ</u>
(i)	KPJ Perdana Specialist Hospital	- Perdana Specialist Hospital Sdn Bhd
(ii)	KPJ Kajang Specialist Hospital	- Kajang Specialist Hospital Sdn Bhd
(iii)	KPJ Sentosa KL Specialist Hospital	- Sentosa Medical Centre Sdn Bhd
(iv)	Kedah Medical Centre	- Kedah Medical Centre Sdn Bhd*
(v)	Kuantan Care and Wellness Centre	- Kuantan Wellness Center Sdn Bhd

Note:

* Kedah Medical Centre Sdn Bhd is an associated company of KPJ.

6. INTERESTED DIRECTORS

The Interested Directors have and will continue to exclude themselves from giving their opinion and recommendation in respect of the Proposed Disposal.

7. RIGHTS OF THE SELLER

Clause 9 of the Terms of Contract sets out the parties' default clause which states the rights of the Seller are inter alia as follows:

- (i) If the Buyer fails to comply with an essential term or makes a fundamental breach of an intermediate term, the Seller may affirm or terminate the Land Sale Contract.
- (ii) If the Seller affirms the Land Sale Contract, it may sue the Buyer for:
 - (a) damages;
 - (b) specific performance; or
 - (c) damages and specific performance.
- (iii) If the Seller terminated the Land Sale Contract, it may do all or any of the following:
 - (a) resume possession of the Properties;
 - (b) forfeit the Deposit and interest earned;
 - (c) sue the Buyer for damages;
 - (d) resell the Properties.
- (iv) If the Seller terminates the Land Sale Contract and resells the Property, the Seller may recover from the Buyer as liquidated damages:
 - (a) any deficiency in price on a resale; and
 - (b) its expenses connected with any repossession, any failed attempt to resell, and the resale;

provided the resale settles within 2 years of termination of the Land Sale Contract. Further, any profit on a resale belongs to the Seller.
- (v) The Seller may claim damages for any loss it suffers as a result of the Buyer's default, including its legal costs on an indemnity basis and the cost of any work or expenditure under Clause 7.3(3) of the Terms of Contract.

This announcement is dated 2 January 2024.