

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Fourth Quarter Ended 31 December 2024

	Note	Individual Quarter			Cumulative Quarter		
		Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year	Preceding Year	Changes
		31-12-2024	31-12-2023		31-12-2024	31-12-2023	
		RM	RM	%	RM	RM	%
Gross rental income		29,056,402	30,634,382	(5.2)	117,215,932	121,022,481	(3.1)
Property expenses		(1,631,688)	(1,696,190)	(3.8)	(6,525,878)	(6,552,386)	(0.4)
Net rental income	B1	27,424,714	28,938,192	(5.2)	110,690,054	114,470,095	(3.3)
Investment income		576,537	387,255	48.9	1,885,072	1,450,856	29.9
Fair value adjustment of asset held for sale		(16,571,468)	-	(100.0)	(16,571,468)	-	(100.0)
Fair value adjustment of investment property		10,134,121	(5,151,250)	(>100)	10,134,121	(5,151,250)	(>100)
Gain on disposal of investment property		-	-	-	1,000,000	-	100.0
Unrealised (loss)/gain on foreign exchange		(27,856)	34,042	(>100)	(132,601)	55,712	(>100)
Other income		189,605	332,036	(42.9)	636,093	731,276	(13.0)
Total income		21,725,653	24,540,275	(11.5)	107,641,271	111,556,689	(3.5)
Managers' fees		(1,166,532)	(1,474,123)	(20.9)	(4,651,967)	(4,430,769)	5.0
Trustees' fees		(107,808)	(107,657)	0.1	(428,994)	(418,825)	2.4
Islamic financing costs		(9,676,272)	(9,639,366)	0.4	(38,608,988)	(39,147,086)	(1.4)
Maintenance of properties		(339,799)	(57,000)	>100	(1,542,427)	(958,959)	60.8
Administrative expenses		(581,883)	(812,675)	(28.4)	(1,757,628)	(2,302,907)	(23.7)
Professional fees		(164,304)	(1,958,972)	(91.6)	(2,498,731)	(3,298,450)	(24.2)
Withholding tax		(11,061)	(111,380)	(90.1)	(77,682)	(445,520)	(82.6)
Total trust expenditure		(12,047,659)	(14,161,173)	(14.9)	(49,566,417)	(51,002,516)	(2.8)
Net income before taxation		9,677,994	10,379,102	(6.8)	58,074,854	60,554,173	(4.1)
Tax		200,000	140,000	42.9	200,000	140,000	42.9
Net income after taxation		9,877,994	10,519,102	(6.1)	58,274,854	60,694,173	(4.0)
Other comprehensive (expenses)/ income for the year							
Foreign currency translation differences for foreign operation		(8,322,985)	5,251,533	(>100)	(12,380,259)	5,799,430	(>100)
Total comprehensive income for the year		1,555,009	15,770,635	(90.1)	45,894,595	66,493,603	(31.0)
Net income after taxation is made up as follows:							
Realised		15,495,293	14,866,578	4.2	62,223,269	63,246,350	(1.6)
Unrealised		(5,617,299)	(4,347,476)	29.2	(3,948,415)	(2,552,177)	54.7
		9,877,994	10,519,102	(6.1)	58,274,854	60,694,173	(4.0)
Earnings per unit (sen) - Net		1.18	1.29	(8.5)	6.94	7.45	(6.8)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	Note	Unaudited As At End Of Current Quarter 31-12-2024 RM	Audited As At Preceding Year Ended 31-12-2023 RM
ASSETS			
Non-current assets			
Investment properties	A9	1,654,401,421	1,643,220,335
Current Assets			
Trade receivables	B11	50,679,308	51,368,069
Other receivables & prepayments		1,579,265	368,783
Cash and bank balances		33,894,960	53,264,350
Fixed deposits with licensed banks		53,418,702	31,062,276
		139,572,235	136,063,478
Assets classified as held for sale		41,963,781	76,700,031
		181,536,016	212,763,509
TOTAL ASSETS		1,835,937,437	1,855,983,844
LIABILITIES			
Non-current liabilities			
Islamic financing	B12	649,221,513	677,881,184
Other payables		16,232,068	16,373,882
Deferred tax		1,322,541	1,522,541
		666,776,122	695,777,607
Current Liabilities			
Islamic financing	B12	109,920,153	79,868,000
Other payables and accruals		5,471,695	7,826,884
Provision for income distribution		226,419	213,896
		115,618,267	87,908,780
TOTAL LIABILITIES		782,394,389	783,686,387
NET ASSETS VALUE		1,053,543,048	1,072,297,457
REPRESENTED BY:			
Unitholders' capital		854,758,225	854,758,225
Undistributed income		214,917,827	221,291,977
Foreign exchange translation reserve		(16,133,004)	(3,752,745)
TOTAL UNITHOLDERS' FUND		1,053,543,048	1,072,297,457
NUMBER OF UNITS IN CIRCULATION		839,597,757	839,597,757
NET ASSETS VALUE (NAV) PER UNIT (RM)			
- Before income distribution		1.2548	1.2772
- After income distribution*		1.2391	1.2572

*after reflecting the proposed final income distribution for financial year ended 31 December 2024 of 1.57 sen per unit (2023: final income distribution for financial year ended 31 December 2023 of 2.00 sen per unit).

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS VALUE
For the Fourth Quarter Ended 31 December 2024

Note	Unitholders' Capital RM	Realised RM	Unrealised RM	Total Undistributed Income RM	Foreign Exchange RM	Total Unitholders' Fund RM
As at 1 January 2023	756,408,942	73,168,953	151,189,059	224,358,012	(9,552,175)	971,214,779
Operation for the year ended 31 December 2023						
Net income for the year	-	63,246,350	(2,552,177)	60,694,173	5,799,430	66,493,603
<i>Increase in net assets resulting from operation</i>	-	63,246,350	(2,552,177)	60,694,173	5,799,430	66,493,603
Unitholders' transactions						
Placement of units	99,734,400	-	-	-	-	99,734,400
Distribution to unitholders	-	(63,760,208)	-	(63,760,208)	-	(63,760,208)
Issuing expenses	(1,385,117)	-	-	-	-	(1,385,117)
<i>Decrease in net assets resulting from unitholders' transactions</i>	98,349,283	(63,760,208)	-	(63,760,208)	-	34,589,075
Net assets as at 31 December 2023	854,758,225	72,655,095	148,636,882	221,291,977	(3,752,745)	1,072,297,457
As at 1 January 2024	854,758,225	72,655,095	148,636,882	221,291,977	(3,752,745)	1,072,297,457
Operation for the year ended 31 December 2024						
Net income for the year	-	62,223,269	(3,948,415)	58,274,854	(12,380,259)	45,894,595
Realisation of loss from disposal of investment property	-	(1,471,410)	1,471,410	-	-	-
<i>Increase in net assets resulting from operation</i>	-	60,751,859	(2,477,005)	58,274,854	(12,380,259)	45,894,595
Unitholders' transactions						
Placement of units	-	-	-	-	-	-
Distribution to unitholders #	-	(64,649,004)	-	(64,649,004)	-	(64,649,004)
Issuing expenses	-	-	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(64,649,004)	-	(64,649,004)	-	(64,649,004)
Net assets as at 31 December 2024	854,758,225	68,757,950	146,159,877	214,917,827	(16,133,004)	1,053,543,048

Include :

- (i) Payment of the final income distribution for the financial year ended 31 December 2023 of 2.00 sen per unit (of which 0.87 sen per unit is taxable and 1.13 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 October to 31 December 2023 which was paid on 29 February 2024.
- (ii) Payment of the first interim income distribution for the financial year ended 31 December 2024 of 1.90 sen per unit (of which 0.86 sen per unit is taxable and 1.04 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 January to 31 March 2024 which was paid on 28 June 2024.
- (iii) Payment of the second interim income distribution for the financial year ended 31 December 2024 of 1.90 sen per unit (of which 0.93 sen per unit is taxable and 0.97 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 April to 30 June 2024 which was paid on 3 October 2024.
- (iv) Payment of the third interim income distribution for the financial year ended 31 December 2024 of 1.90 sen per unit (of which 0.90 sen per unit is taxable and 1.00 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 July to 30 September 2024 which was paid on 31 December 2024.

The Condensed Consolidated Statement of Changes In Net Assets Value should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Fourth Quarter Ended 31 December 2024

	To Date	
	31-12-2024	31-12-2023
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,074,854	60,554,173
Adjustment for:		
Islamic financing costs	38,608,988	39,147,086
Interest accretion of tenant deposits	447,473	424,563
Amortisation of deferred income	(504,167)	(463,085)
Fair value adjustment of asset held for sale	16,571,468	-
Fair value adjustment of investment properties	(10,134,121)	5,151,250
Unrealised loss/(gain) on foreign exchange	132,601	(55,712)
Unbilled rental income	(2,364,839)	(2,364,839)
Gain on disposal of investment property	(1,000,000)	-
Investment revenue	(1,885,072)	(1,450,856)
Operating profit before working capital changes	97,947,185	100,942,580
Changes in working capital:		
Decrease in receivables and prepayments	2,005,986	237,136
(Decrease)/increase in other payables and accruals	(3,009,038)	77,685
Cash generated from operations	96,944,133	101,257,401
Taxes	-	-
Net cash generated from operating activities	96,944,133	101,257,401
CASH FLOWS FROM INVESTING ACTIVITIES		
Income received on investment	1,721,066	1,494,280
Proceeds from disposal of investment property	13,000,000	-
Enhancement to investment properties	(2,201,040)	-
Net cash generated from investing activities	12,520,026	1,494,280
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(64,422,585)	(78,266,014)
Repayment of Islamic financing	-	(100,000,000)
Net proceeds from issuance of units	-	98,349,283
Islamic financing costs paid	(36,861,671)	(36,705,112)
Net cash used in financing activities	(101,284,256)	(116,621,843)
NET DECREASE IN CASH AND CASH EQUIVALENTS	8,179,903	(13,870,162)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(5,194,005)	2,064,910
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	84,286,760	96,092,012
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	87,272,658	84,286,760
DEPOSITS, CASH AND BANK BALANCES		
Cash and bank balances	33,894,960	53,264,350
Fixed deposits with licensed banks	53,418,702	31,062,276
	87,313,662	84,326,626
Less: Islamic fixed deposits with licensed banks with maturity period of more than 3 months	(41,004)	(39,866)
CASH AND CASH EQUIVALENTS	87,272,658	84,286,760

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

AL-'AQAR HEALTHCARE REIT
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Fourth Quarter Ended 31 December 2024

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134")

A1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Listing Requirements of the Bursa Malaysia Securities Berhad, Malaysian Financial Reporting Standard (MFRS) 134 and International Financial Reporting Standards.

The interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2023.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent Audited Financial Statements for the financial year ended 31 December 2023.

The Group has applied the following standards and amendments for the first time for the financial period beginning 1 January 2024 :

- Amendments to MFRS 101 : Classification of Liabilities as Current or Non Current
- Amendments to MFRS 16 : Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 : Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7 : Supplier Finance Arrangements

The standards and interpretations that are issued but not yet effective are disclosed below:

- Amendments to MFRS 121 : Lack of Exchangeability (effective 1 January 2025)
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (effective 1 January 2026)
- Amendments to MFRS 7 Financial Instruments: Disclosures (effective 1 January 2026)
- Amendments to MFRS 9 Financial Instruments (effective 1 January 2026)
- Amendments to MFRS 10 Consolidated Financial Statements (effective 1 January 2026)
- Amendments to MFRS 107 Statement of Cash Flows (effective 1 January 2026)
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)

The Group did not early adopt these new standards.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The financial statements of Al-'Aqar Healthcare REIT for the financial year ended 31 December 2023 was not subject to any audit qualification.

A3. SEASONALITY AND CYCLICALITY OF OPERATIONS

The business operations of Al-'Aqar Healthcare REIT are not affected by any material seasonal or cyclical factors.

A4. UNUSUAL ITEMS AFFECTING THE FINANCIAL STATEMENTS

There were no unusual items affecting the financial statements of Al-'Aqar Healthcare REIT for the current quarter.

A5. CHANGES IN ACCOUNTING ESTIMATES

There were no changes in accounting estimates arising from the adoption of the new and revised MFRSs, that have had a material effect in the current quarter.

A6. ISSUANCES, CANCELLATIONS, REPURCHASES AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchase and repayment of debt and equity securities being made in the current quarter.

A7. INCOME DISTRIBUTION

The third interim income distribution for the financial year ended 31 December 2024 of 1.90 sen per unit (of which 0.90 sen per unit is taxable and 1.00 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 July to 30 September 2024, which was announced on 28 November 2024 has been paid on 31 December 2024.

A8. SEGMENTAL REPORTING

a. Primary reporting segment - Geographical segments

Al-Aqar Healthcare REIT operates in two principal geographical areas as follows:

	Malaysia RM'000	Australia RM'000	Total RM'000
Year Ended 31 December 2024			
Gross rental income	116,248	967	117,215
Property expenses	(6,493)	(32)	(6,525)
Net rental income	109,755	935	110,690
Investment income	1,885	-	1,885
Fair value adjustment of asset held for sale	-	(16,571)	(16,571)
Fair value adjustment of investment property	10,134	-	10,134
Gain on disposal of investment property	1,000	-	1,000
Unrealised gain on foreign exchange	(133)	-	(133)
Other income	613	23	636
Total income	123,254	(15,613)	107,641
Trust expenditure	(47,464)	(2,102)	(49,566)
Net income before taxation	75,790	(17,715)	58,075
Tax	200	-	200
Net income after taxation	75,990	(17,715)	58,275
Total assets	1,711,388	124,549	1,835,937
Total liabilities	781,260	1,134	782,394

	Malaysia RM'000	Australia RM'000	Total RM'000
Year Ended 31 December 2023			
Gross rental income	115,250	5,772	121,022
Property expenses	(6,486)	(66)	(6,552)
Net rental income	108,764	5,706	114,470
Investment income	1,451	-	1,451
Fair value adjustment of investment property	8,735	(13,886)	(5,151)
Unrealised gain on foreign exchange	55	-	55
Other income	731	-	731
Total income	119,736	(8,180)	111,556
Trust expenditure	(48,333)	(2,669)	(51,002)
Net income before taxation	71,403	(10,849)	60,554
Tax	140	-	140
Net income after taxation	71,543	(10,849)	60,694
Total assets	1,731,435	124,549	1,855,984
Total liabilities	782,552	1,134	783,686

b. Secondary reporting segment - Business segments

Al-Aqar Healthcare REIT operates within the healthcare industry and accordingly, the segmental reporting by business segment was not prepared.

A9. VALUATION OF INVESTMENT PROPERTIES

	Description of Property	Location	Date of Valuation	2024 Fair Value RM
1	KPJ Ampang Puteri Specialist Hospital	Ampang	31 December 2024	140,000,000
2	KPJ Damansara Specialist Hospital	Damansara	31 December 2024	140,000,000
3	KPJ Johor Specialist Hospital	Johor Bahru	31 December 2024	124,000,000
4	KPJ Ipoh Specialist Hospital	Ipoh	31 December 2024	91,000,000
5	KPJ Puteri Specialist Hospital	Johor Bahru	31 December 2024	40,000,000
6	KPJ Selangor Specialist Hospital	Shah Alam	31 December 2024	85,000,000
7	Kedah Medical Centre	Alor Setar	31 December 2024	61,000,000
8	KPJ Perdana Specialist Hospital	Kota Bharu	31 December 2024	40,000,000
9	Kuantan Wellness Centre	Kuantan	31 December 2024	16,000,000
10	KPJ Sentosa KL Medical Centre	Kuala Lumpur	31 December 2024	32,000,000
11	KPJ Kajang Specialist Hospital	Kajang	31 December 2024	58,000,000
12	Taiping Medical Centre	Taiping	31 December 2024	22,000,000
13	KPJ International College, Penang	Bukit Mertajam	31 December 2024	14,000,000
14	Tawakkal Health Centre	Kuala Lumpur	31 December 2024	44,000,000
15	KPJ Healthcare University College, Nilai	Nilai	31 December 2024	102,000,000
16	KPJ Seremban Specialist Hospital	Seremban	31 December 2024	160,000,000
17	KPJ Penang Specialist Hospital	Bukit Mertajam	31 December 2024	66,000,000
18	KPJ Tawakkal Specialist Hospital	Kuala Lumpur	31 December 2024	141,000,000
19	KPJ Klang Specialist Hospital	Klang	31 December 2024	106,000,000
20	KPJ Haemodialysis Kluang	Kluang	31 December 2024	5,000,000
21	KPJ Batu Pahat Specialist Hospital	Batu Pahat	31 December 2024	81,000,000
22	KPJ Pasir Gudang Specialist Hospital	Pasir Gudang	31 December 2024	91,000,000
23	Jeta Garden Aged Care and Retirement Village	Queensland	31 December 2024	9,316,015
	Based on valuation reports			1,668,316,015
	Less: Accrued unbilled rental income			(13,914,594)
				<u>1,654,401,421</u>

A10. SUBSEQUENT MATERIAL EVENTS

There were no subsequent material events to the current quarter under review up to the date of this Interim Financial Report.

A11. CHANGES IN THE COMPOSITION OF THE TRUST

There were no changes in the composition of Al-Aqar Healthcare REIT for the current quarter.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed in the current quarter.

A13. SIGNIFICANT RELATED PARTY TRANSACTION

Parties are considered to be related to the Group and the Fund if the Group and the Fund has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Fund and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Fund derives all its rental income from related parties.

Significant related party transactions are as follows:

	The Group		The Fund	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
	RM	RM	RM	RM
Manager's fee	4,651,967	4,430,769	4,651,967	4,430,769
Maintenance fee	1,197,120	1,202,160	1,197,120	1,202,160
Miscellaneous expenses	164,786	43,976	164,786	43,976
Other income	532,000	532,000	532,000	532,000

Other income relates to the compensation received from Selangor Medical Centre Sdn Bhd for loss of opportunity and annual loss of potential income due to the deferment for the transfer of a Physician Consultant Building to the Group and the Fund.

The related party transactions described above were entered into in the normal course of business and are based on negotiated and mutually agreed terms.

AL-'AQAR HEALTHCARE REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Fourth Quarter Ended 31 December 2024

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. REVIEW OF PERFORMANCE

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31.12.2024 RM'000	Preceding Year Corresponding Quarter 31.12.2023 RM'000	Changes %	Current Year To Date 31.12.2024 RM'000	Preceding Year Corresponding Year To Date 31.12.2023 RM'000	Changes %
Net rental income						
Malaysia	27,286	27,466	(0.7)	109,755	108,764	0.9
Australia	139	1,472	(90.6)	935	5,706	(83.6)
Total	27,425	28,938	(5.2)	110,690	114,470	(3.3)
Net income before taxation						
Malaysia	26,085	24,709	5.6	75,790	71,403	6.1
Australia	(16,407)	(14,330)	14.5	(17,715)	(10,849)	63.3
Total	9,678	10,379	(6.8)	58,075	60,554	(4.1)

(a) Review of Individual Quarter Results

Malaysia segment

The Malaysia segment contributed RM27.3 million of net rental income for the current quarter ended 31 December 2024, represented a decrease of RM0.2 million or 0.7% from RM27.5 million, recorded in the preceding year's corresponding quarter. The decrease was mainly due to disposal of Damai Care & Wellness Centre in June 2024.

The Malaysia segment recorded net income before taxation of RM26.1 million for the current quarter, which is RM1.4 million or 5.6% higher than preceding year's corresponding quarter of RM24.7 million. The increase was mainly due to gain on fair value adjustment of investment properties of RM10.1 million recorded during the current quarter against the preceding year's corresponding quarter recorded fair value gain of RM8.7 million.

Australia segment

The Australia segment contributed RM0.1 million of net rental income for the current quarter ended 31 December 2024, represented a decrease of RM1.3 million or 90.6% from RM1.5 million, recorded in the preceding year's corresponding quarter. The decrease due to rental adjustment following the completion of the Business Sale Agreement (BSA) by the lessee.

The Australia segment recorded net loss before taxation of RM16.4 million for the current quarter, which is higher of RM2.1 million than preceding year's corresponding quarter of RM14.3 million. The increase was mainly due to fair value adjustment of asset held for sale of RM16.6 million against the preceding year's corresponding quarter recorded loss on fair value adjustment of investment property of RM13.9 million.

(b) Review of Cumulative Quarter Results

Malaysia segment

The Malaysia segment contributed RM109.8 million of net rental income for the year ended 31 December 2024, represented an increase of RM1.0 million or 0.9% from RM108.8 million, recorded in the preceding year. The increase was mainly contributed by annual increment on rental income.

The Malaysia segment recorded net income before taxation of RM75.8 million for the year ended 31 December 2024, which is RM4.4 million or 6.1% higher than preceding year of RM71.4 million. The increase was mainly due to higher gain on fair value adjustment of investment properties of RM1.4 million as well as higher net rental income of RM1.0 million as mentioned above. The increase was also due to realised gain on disposal of Damai Care & Wellness Centre of RM1.0 million (excluding incidental costs) as well as lower financing cost of RM0.5 million.

Australia segment

The net rental income of the Australia segment for the year ended 31 December 2024 represented lower of RM4.8 million from RM5.7 million, recorded in the preceding year due to rental adjustment following the completion of the BSA by the lessee as mentioned above.

The Australia segment recorded net loss before taxation of RM17.7 million for the year ended 31 December 2024, which is RM6.9 million higher than preceding year of RM10.8 million. The increase was mainly due to lower net rental income of RM4.8 million as well as higher loss on fair value adjustment of RM2.7 million but offset against lower professional fees of RM0.4 million.

B2. MATERIAL CHANGES IN NET INCOME BEFORE TAXATION FOR THE QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

	Current Quarter ended 31.12.2024 RM'000	Immediate Preceding Quarter ended 30.09.2024 RM'000	Changes %
Net rental income	27,425	27,271	0.6
Net income before taxation	9,678	15,633	(38.1)

AI - 'Aqar Healthcare REIT recorded a net income before taxation of RM9.7 million as compared to RM15.6 million in the preceding quarter. This was mainly due to fair value adjustment of asset held for sale of RM16.6 million offset against gain on fair value adjustment of investment properties of RM10.1 million recorded during the current quarter.

B3. CHANGES IN NET ASSET VALUE

	As at 31-12-2024 RM'000	As at 30-09-2024 RM'000
Net asset value ("NAV")	1,053,543	1,067,940
NAV per unit (RM)	1.2548	1.2720

The NAV as at 31 December 2024 was lower by RM14.4 million as compared to the immediate preceding quarter, as a result of total comprehensive income of RM1.5 million and income distribution of RM15.9 million recognised during the current quarter.

B4. PROSPECTS

The global economy continues to expand amid resilient labour markets and continued recovery in global trade. Looking ahead, global growth is expected to be sustained by positive labour market conditions, moderating inflation and less restrictive monetary policy. Global trade recovery is expected to continue, supported by both electrical and electronics (E&E) as well as non-E&E products. The growth outlook remains subject to downside risks, mainly from further escalation of geopolitical tensions, volatility in global financial markets, and slower growth momentum in major economies.

The Malaysian economy expanded by 5.1% in the first half of 2024. The latest indicators point towards sustained strength in economic activity driven by resilient domestic expenditure and higher export activity. Going forward, exports are expected to be further lifted by the global tech upcycle given Malaysia's position in the semiconductor supply chain, as well as continued strength in non-E&E goods. Tourist spending is expected to continue to increase. Employment and wage growth, as well as policy measures, remaining supportive of household spending. The robust expansion in investment activity would be sustained by the progress of multi-year projects in both the private and public sectors, the implementation of catalytic initiatives under the national master plans, as well as the higher realisation of approved investments. The higher intermediate and capital imports will further support export and investment activity. The growth outlook is subject to downside risks from lower-than-expected external demand and commodity production. Meanwhile, upside risks to growth mainly emanate from greater spillover from the tech upcycle, more robust tourism activity, and faster implementation of investment projects.

Health system leaders in various parts of the world intend to drive efficiencies, boost productivity, and improve patient engagement in 2025, according to the results of a survey conducted by the Deloitte US Center for Health Solutions. More than 70% of C-suite executives across five countries said that improving operational efficiencies and productivity gains will be priorities for their organizations this year. Accelerating digital transformation across health care organizations remains the top priority for health systems around the world. Regardless of geography, health care is poised for digital transformation, which can drive efficiencies by automating manual processes. This transformation can also augment staff productivity by taking over low-value administrative tasks, allowing more time for direct patient care.

KPJ Berhad's third-quarter results, which highlight expanded bed capacity and higher patient turnover, indicate a strong foundation for stable and potentially growing rental income for Al-'Aqar REIT's healthcare assets. As KPJ fills more beds and serves more patients, their revenue base becomes more solid, ensuring reliable and timely rental payments to Al-'Aqar. The rise in bed capacity and patient volume contributes to a steady stream of rental income over time, enhancing Al-'Aqar's financial stability. This consistent income from KPJ's improved operations supports Al-'Aqar's ability to maintain and potentially increase dividends to its shareholders. As KPJ continues to grow, Al-'Aqar is positioned to pass on this financial strength to investors through regular and reliable distributions.

Therefore, the Manager expects no disruption to Al-'Aqar's earnings, as the Fund's income is secured through long-term lease agreements with the KPJ Group. To maintain positive distribution growth for unitholders and uphold these lease agreements, the Fund is actively involved in various corporate initiatives and exploring third-party acquisitions. The proceeds from the sale of Damai Care & Wellness Centre and Jeta Gardens Aged Care Facilities will be used to either distribute to unitholders, acquire local healthcare properties to boost the Fund's yield, or a combination of both.

Sources:

- 1 Bank Negara Monetary Policy Statement, 5 September 2024
- 2 Deloitte 2025 Global Health Care Outlook
- 3 KPJ Healthcare Berhad Quarter 3 result, 2024

B5. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS

There was no issuance of new units during the current quarter.

B6. TAX

	The Group		The Fund	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
	RM	RM	RM	RM
Tax expense				
- Income Tax	(200,000)	(140,000)	(200,000)	(140,000)
	<u>(200,000)</u>	<u>(140,000)</u>	<u>(200,000)</u>	<u>(140,000)</u>

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, under the Finance Act 2006 which was gazetted on 31 December 2006, where in the basis period for a year assessment, 90% or more of the total income of the trust is distributed to unitholders, the total income of the trust for that year of assessment shall be exempted from tax.

In accordance with the Deed, the Fund is required to distribute at least 95% of its distributable income. The Manager also expects to distribute the net income within two months from the end of each financial year and accordingly, no estimated current tax payable is required to be provided in the financial statements.

Deferred tax liability has been provided for the investment properties at 10% which reflects the expected manner of recovery of the investment properties i.e. recovered through sale.

B7. INCOME DISTRIBUTION

Income distributions to unitholders is derived from the following sources:

	Current Year Quarter 31-12-2024 RM'000	Preceding Year Corresponding Quarter 31-12-2023 RM'000	Current Year To Date 31-12-2024 RM'000	Preceding Year Corresponding Year To Date 31-12-2023 RM'000
Net rental income	27,425	28,938	110,690	114,470
Investment income	576	387	1,885	1,451
Other income	190	332	636	731
Add: Interest accretion on tenant deposits	447	425	447	425
Gain on disposal of investment property	-	-	1,000	-
Less: Amortisation of deferred income	(504)	(463)	(504)	(463)
Less: Unbilled rental income	(591)	(591)	(2,365)	(2,365)
	<u>27,543</u>	<u>29,028</u>	<u>111,789</u>	<u>114,249</u>
Less: Expenses	(12,048)	(14,162)	(49,566)	(51,003)
Realised/Distributable income for the year	15,495	14,866	62,223	63,246
Previous year's undistributed realised income	<u>54,732</u>	<u>57,787</u>	<u>55,861</u>	<u>57,281</u>
Total realised income available for distribution	<u>70,227</u>	<u>72,653</u>	<u>118,084</u>	<u>120,527</u>
Less: Income to be distributed for the quarter/year	<u>(13,182)</u>	<u>(16,792)</u>	<u>(61,039)</u>	<u>(64,666)</u>
Balance undistributed income realised income	<u>57,045</u>	<u>55,861</u>	<u>57,045</u>	<u>55,861</u>
Distribution per unit (sen)	1.57	2.00	7.27	7.90

B8. GAIN OR LOSS ON SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There was no disposal of unquoted securities or investment properties during the current quarter.

B9. PURCHASE AND DISPOSAL OF QUOTED SECURITIES

There was no purchase or disposal of quoted securities during the current quarter.

B10. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

On 13 December 2023, on behalf of the Manager, KAF Investment Bank Berhad announced that Al-Aqar entered into a land sale contract with Principal Healthcare Finance Pty Ltd to dispose of the lands and buildings of Jeta Gardens Aged Care Facility with the disposal consideration amounted to AUD24.4 million cash (equivalent to approximately RM74.9 million) ("Proposed Disposal").

B11. TRADE RECEIVABLES

	The Group	
	As at	As at
	31-12-2024	31-12-2023
	RM'000	RM'000
<u>Current</u>		
Trade receivables	36,764	39,818
Unbilled rental income	13,915	11,550
	<u>50,679</u>	<u>51,368</u>

Trade receivables comprise rental receivable from lessees and unbilled rental income.

Unbilled rental income consist of unbilled incremental lease rental receivable from Pasir Gudang Specialist Hospital ("KPJ Batu Pahat Specialist Hospital"). The lease rental receivables from KPJ Batu Pahat is incremental by 10% every 3 years from the commencement date up to the term of 30 years. This rental income is recognised on straight-line basis over the lease term of 30 years.

The credit period granted by the Group on rental receivable from lessees ranges from 1 to 7 days.

The ageing analysis of the Group's trade receivables is as follows:

	The Group	
	As at	As at
	31-12-2024	31-12-2023
	RM'000	RM'000
0-30 days	2,157	2,906
31-60 days	358	1,242
61-90 days	272	746
More than 90 days	33,977	34,924
	<u>36,764</u>	<u>39,818</u>

Out of the total trade receivables of RM36.8 million, RM30.7 million is related to an Australian property and both parties are in the process of finalising on the settlement of the outstanding rental.

The Group has not recognised any allowance for estimated credit loss as the Group holds tenant deposits as credit enhancement and the amounts are considered recoverable.

B12. ISLAMIC FINANCING

	The Group	
	As at 31-12-2024 RM'000	As at 31-12-2023 RM'000
<u>Non-current</u>		
<u>Secured</u>		
Commodity Murabahah Term Financing ("CMTF 2")	-	29,840
Commodity Murabahah Term Financing ("CMTF 3 Tranche 1")	279,196	278,617
Commodity Murabahah Term Financing ("CMTF 3 Tranche 2")	298,479	298,031
Commodity Murabahah Term Financing ("CMTF 4 - Term Financing-i")	71,546	71,393
	<u>649,221</u>	<u>677,881</u>
<u>Current</u>		
<u>Secured</u>		
Commodity Murabahah Term Financing ("CMTF 1")	80,000	79,868
Commodity Murabahah Term Financing ("CMTF 2")	29,920	-
	<u>109,920</u>	<u>79,868</u>

OCBC Al-Amin Bank Berhad has granted on 17 December 2024 to extend the final maturity date of CMTF 1 for 3 months to 27 March 2025.

B13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

For the current quarter, the Group does not have any off balance sheet financial instruments.

B14. MATERIAL LITIGATION

There was no material litigation as at the date of the current quarter.

B15. SOFT COMMISSION RECEIVED

There was no soft commission received by the Manager during the current quarter.

B16. SUMMARY OF DPU, EPU AND NAV

	Current Quarter ended 31-12-2024	Immediate Preceding Quarter ended 30-09-2024
Number of units in issue - units	839,597,757	839,597,757
Earning per unit (EPU) - sen	1.18	1.86
Net income distribution to unitholders - RM'000	13,182	15,952
Distribution per unit (DPU) - sen	1.57	1.90
Net Asset Value (NAV) - RM'000	1,053,543	1,067,940
NAV per unit - RM	1.2548	1.2720
Market Value Per Unit - RM	1.3600	1.3000

B17. RESPONSIBILITY STATEMENT

This quarterly report was prepared in accordance with MFRS 134 : Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Al-'Aqar Healthcare REIT as at 31 December 2024 and of its financial performance and cash flows for the year then ended.