

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Second Quarter Ended 30 June 2025

	Note	Individual Quarter			Cumulative Quarter		
		Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year Quarter	Preceding Year Corresponding Period to Date	Changes
		30-06-2025	30-06-2024		30-06-2025	30-06-2024	
		RM	RM	%	RM	RM	%
Gross rental income		28,839,865	29,394,780	(1.9)	58,026,019	59,237,791	(2.0)
Property expenses		(1,734,775)	(1,621,479)	7.0	(3,469,497)	(3,243,423)	7.0
Managers' fees		(1,387,453)	(1,162,862)	19.3	(2,763,412)	(2,321,658)	19.0
Professional fees		(33,550)	(1,299,923)	(97.4)	(34,218)	(1,428,021)	(97.6)
Valuation fees		(175,500)	(112,500)	56.0	(263,000)	(229,500)	14.6
Trustees' fees		(105,806)	(107,338)	(1.4)	(209,962)	(213,757)	(1.8)
Disposal fee		-	(65,000)	(100.0)	-	(65,000)	(100.0)
Maintenance of properties		(825)	(447,828)	(99.8)	(849,775)	(1,112,828)	(23.7)
Total property expenses		(3,437,909)	(4,816,930)	(28.6)	(7,589,864)	(8,614,187)	(11.9)
Net rental income	B1	25,401,956	24,577,850	3.4	50,436,155	50,623,604	(0.4)
Investment income		420,478	421,889	(0.3)	902,053	782,844	15.2
Gain on disposal of investment property		-	1,000,000	(100.0)	-	1,000,000	(100.0)
Unrealised (loss)/gain on foreign exchange		(14,042)	22,960	(>100)	(10,475)	1,366	(>100)
Other income		133,000	156,313	(14.9)	266,082	290,113	(8.3)
Total income		25,941,392	26,179,012	(0.9)	51,593,815	52,697,927	(2.1)
Islamic financing costs		(9,678,425)	(9,590,564)	0.9	(19,192,468)	(19,237,668)	(0.2)
Administrative expenses		(299,274)	(200,612)	49.2	(631,103)	(626,222)	0.8
Withholding tax		(11,061)	(32,958)	(66.4)	(22,121)	(70,085)	(68.4)
Total trust expenditure		(9,988,760)	(9,824,134)	1.7	(19,845,692)	(19,933,975)	(0.4)
Net income before taxation		15,952,632	16,354,878	(2.5)	31,748,123	32,763,952	(3.1)
Tax		-	-	-	-	-	-
Net income after taxation		15,952,632	16,354,878	(2.5)	31,748,123	32,763,952	(3.1)
Other comprehensive (expenses)/ income for the period							
Foreign currency translation differences for foreign operation		(475,665)	1,101,483	(>100)	(379,525)	209,698	(>100)
Total comprehensive income for the period		15,476,967	17,456,361	(11.3)	31,368,598	32,973,650	(4.9)
Net income after taxation is made up as follows:							
Realised		15,375,465	15,740,709	(2.3)	30,576,179	31,580,167	(3.2)
Unrealised		577,167	614,169	(6.0)	1,171,944	1,183,785	(1.0)
		15,952,632	16,354,878	(2.5)	31,748,123	32,763,952	(3.1)
Earnings per unit (sen) - Net		1.90	1.95	(2.6)	3.78	3.90	(3.1)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements.

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2025

	Note	Unaudited As At End Of Current Quarter 30-06-2025 RM	Audited As At Preceding Year Ended 31-12-2024 RM
ASSETS			
Non-current assets			
Investment properties	A9	1,654,401,421	1,654,401,421
Current Assets			
Trade receivables	B11	55,167,823	50,679,308
Other receivables & prepayments		19,462,989	1,579,265
Cash and bank balances		41,189,817	33,894,960
Fixed deposits with licensed banks		32,651,683	53,418,702
		148,472,312	139,572,235
Assets classified as held for sale		41,963,781	41,963,781
		190,436,093	181,536,016
TOTAL ASSETS		1,844,837,514	1,835,937,437
LIABILITIES			
Non-current liabilities			
Islamic financing	B12	482,009,368	649,221,513
Other payables		16,232,069	16,232,068
Deferred tax		1,322,541	1,322,541
		499,563,978	666,776,122
Current Liabilities			
Islamic financing	B12	279,438,410	109,920,153
Other payables and accruals		8,481,131	5,471,695
Provision for income distribution		-	226,419
		287,919,541	115,618,267
TOTAL LIABILITIES		787,483,519	782,394,389
NET ASSETS VALUE		1,057,353,995	1,053,543,048
REPRESENTED BY:			
Unitholders' capital		854,758,225	854,758,225
Undistributed income		219,108,299	214,917,827
Foreign exchange translation reserve		(16,512,529)	(16,133,004)
TOTAL UNITHOLDERS' FUND		1,057,353,995	1,053,543,048
NUMBER OF UNITS IN CIRCULATION		839,597,757	839,597,757
NET ASSETS VALUE (NAV) PER UNIT (RM)			
- Before income distribution		1.2594	1.2548
- After income distribution*		1.2421	1.2391

*after reflecting the proposed second interim income distribution for financial year ending 31 December 2025 of 1.73 sen per unit (2024: final income distribution for financial year ended 31 December 2024 of 1.57 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 2024 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 Second Quarter Ended 30 June 2025

Note	Unitholders' Capital RM	Realised RM	Unrealised RM	Total Undistributed Income RM	Foreign Exchange RM	Total Unitholders' Fund RM
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 period ended 30 June 2024						
Net income for the period	-	31,580,167	1,183,785	32,763,952	209,698	32,973,650
<i>Increase in net assets resulting from operation</i>	-	31,580,167	1,183,785	32,763,952	209,698	32,973,650
Unitholders' transactions						
Placement of units	-	-	-	-	-	-
Distribution to unitholders	-	(32,744,299)	-	(32,744,299)	-	(32,744,299)
Issuing expenses	-	-	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(32,744,299)	-	(32,744,299)	-	(32,744,299)
Net assets as at 30 June 2024	854,758,225	71,490,963	149,820,667	221,311,630	(3,543,047)	1,072,526,808
As at 1 January 2025	854,758,225	70,229,360	144,688,467	214,917,827	(16,133,004)	1,053,543,048
Operation for the period ended 30 June 2025						
Net income for the period	-	30,576,179	1,171,944	31,748,123	(379,525)	31,368,598
<i>Increase in net assets resulting from operation</i>	-	30,576,179	1,171,944	31,748,123	(379,525)	31,368,598
Unitholders' transactions						
Placement of units	-	-	-	-	-	-
Distribution to unitholders #	-	(27,557,651)	-	(27,557,651)	-	(27,557,651)
Issuing expenses	-	-	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(27,557,651)	-	(27,557,651)	-	(27,557,651)
Net assets as at 30 June 2025	854,758,225	73,247,888	145,860,411	219,108,299	(16,512,529)	1,057,353,995

Include :

- (i) Payment of the final income distribution for the financial year ended 31 December 2024 of 1.57 sen per unit (of which 0.84 sen per unit is taxable and 0.73 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 October to 31 December 2024 which was paid on 28 February 2025.
- (ii) Payment of the first interim income distribution for the financial year ending 31 December 2025 of 1.74 sen per unit (of which 0.91 sen per unit is taxable and 0.83 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 January to 31 March 2025 which was paid on 30 June 2025.

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 2024 and the accompanying explanatory notes attached to the financial statements.

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Second Quarter Ended 30 June 2025

	To Date	
	30-06-2025	30-06-2024
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31,748,123	32,763,952
Adjustment for:		
Islamic financing costs	19,192,468	19,237,668
Unrealised loss/(gain) on foreign exchange	10,475	(1,366)
Unbilled rental income	(1,182,419)	(1,182,419)
Gain on disposal of investment property	-	(1,000,000)
Investment revenue	(902,053)	(782,844)
Operating profit before working capital changes	48,866,594	49,034,991
Changes in working capital:		
Increase in receivables and prepayments	(21,189,820)	(6,092,702)
Increase/(Decrease) in other payables and accruals	2,846,421	(3,760,083)
Cash generated from operations	30,523,195	39,182,206
Taxes	-	-
Net cash generated from operating activities	30,523,195	39,182,206
CASH FLOWS FROM INVESTING ACTIVITIES		
Income received on investment	902,053	782,844
Proceeds from disposal of investment property	-	13,000,000
Enhancement to investment properties	-	(1,252,260)
Net cash generated from investing activities	902,053	12,530,584
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(27,557,651)	(32,525,852)
Repayment of Islamic financing	(109,994,050)	-
Proceeds from Islamic financing	113,000,000	-
Islamic financing costs paid	(19,955,709)	(18,455,348)
Net cash used in financing activities	(44,507,410)	(50,981,200)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(13,082,162)	731,590
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(390,000)	211,064
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	87,272,658	84,286,760
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	73,800,496	85,229,414
DEPOSITS, CASH AND BANK BALANCES		
Cash and bank balances	41,189,817	40,054,508
Fixed deposits with licensed banks	32,651,683	45,214,772
	73,841,500	85,269,280
Less: Islamic fixed deposits with licensed banks with maturity period of more than 3 months	(41,004)	(39,866)
CASH AND CASH EQUIVALENTS	73,800,496	85,229,414

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements.

AL-'AQAR HEALTHCARE REIT
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Second Quarter Ended 30 June 2025

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 2024.

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 2024.

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 2024 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 first interim income distribution for the financial year ending 31 December 2025 of 1.74 sen per unit (of which 0.91 sen per unit is taxable and 0.83 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 January to 31 March 2025, which was announced on 26 May 2025 has been paid on 30 June 2025.

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
Period Ended 30 June 2025			
Gross rental income	57,742	284	58,026
Property expenses	(3,470)	-	(3,470)
Managers' fees	(2,763)	-	(2,763)
Professional fees	(31)	(3)	(34)
Valuation fees	(263)	-	(263)
Trustees' fees	(210)	-	(210)
Maintenance of properties	(850)	-	(850)
Net rental income	50,155	281	50,436
Investment income	902	-	902
Unrealised loss on foreign exchange	(10)	-	(10)
Other income	266	-	266
Total income	51,313	281	51,594
Trust expenditure	(19,707)	(139)	(19,846)
Net income before taxation	31,606	142	31,748
Tax	-	-	-
Net income after taxation	31,606	142	31,748
Total assets	1,751,279	93,559	1,844,838
Total liabilities	787,423	61	787,484
	Malaysia RM'000	Australia RM'000	Total RM'000
Period Ended 30 June 2024			
Gross rental income	58,331	906	59,237
Property expenses	(3,209)	(34)	(3,243)
Managers' fees	(2,322)	-	(2,322)
Professional fees	(343)	(1,085)	(1,428)
Valuation fees	(229)	-	(229)
Trustees' fees	(213)	-	(213)
Disposal fee	(65)	-	(65)
Maintenance of properties	(1,113)	-	(1,113)
Net rental income	50,837	(213)	50,624
Investment income	783	-	783
Gain on disposal of investment property	1,000	-	1,000
Unrealised gain on foreign exchange	1	-	1
Other income	290	-	290
Total income	52,911	(213)	52,698
Trust expenditure	(19,761)	(173)	(19,934)
Net income before taxation	33,150	(386)	32,764
Tax	-	-	-
Net income after taxation	33,150	(386)	32,764
Total assets	1,729,879	123,575	1,853,454
Total liabilities	780,879	48	780,927

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

There was no valuation of property being made in the current quarter.

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	
	30-06-2025	30-06-2024	30-06-2025	30-06-2024
	RM	RM	RM	RM
Manager's fee	2,763,412	2,321,658	2,763,412	2,321,658
Maintenance fee	600,240	601,280	600,240	601,280
Miscellaneous expenses	54,523	82,857	54,523	82,857
Other income	266,000	266,000	266,000	266,000

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 Second Quarter Ended 30 June 2025

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 30.06.2025 RM'000	Preceding Year Corresponding Quarter 30.06.2024 RM'000	Changes %	Current Year To Date 30.06.2025 RM'000	Preceding Year Corresponding Period To Date 30.06.2024 RM'000	Changes %
Net rental income						
Malaysia	25,262	25,370	(0.4)	50,155	50,837	(1.3)
Australia	140	(792)	(>100)	281	(213)	(>100)
Total	25,402	24,578	3.4	50,436	50,624	(0.4)
Net income before taxation						
Malaysia	15,817	17,167	(7.9)	31,606	33,150	(4.7)
Australia	136	(812)	(>100)	142	(386)	(>100)
Total	15,953	16,355	(2.5)	31,748	32,764	(3.1)

(a) Review of Individual Quarter Results

Malaysia segment

The Malaysia segment contributed RM25.3 million in net rental income for the quarter ended 30 June 2025, represented a marginal decrease of RM0.1 million from RM25.4 million, recorded in the preceding year's corresponding quarter. The decrease was mainly due to renewal exercise for Tawakkal Health Centre of RM0.4 million as well as loss of income due to the disposal of Damai Wellness Centre of RM0.1 million partially cushioned by an annual rental increment of RM0.3 million.

The Malaysia segment also recorded net income before taxation of RM15.8 million for the quarter ended 30 June 2025, which is RM1.4 million lower than preceding year's corresponding quarter of RM17.2 million. The decrease was mainly due to gain on disposal of Damai Wellness Centre recorded in the preceding year's corresponding quarter of RM1.0 million.

Australia segment

The Australia segment contributed RM0.1 million in net rental income for the quarter ended 30 June 2025, represented an increase of RM0.9 million from net loss rental income of RM0.8 million, recorded in the preceding year's corresponding quarter. The increase mainly due to lower professional fees incurred during the quarter.

The Australia segment also recorded net income before taxation of RM0.1 million for the quarter ended 30 June 2025, which is RM0.9 million higher than preceding year's corresponding quarter of RM0.8 million. The increase was in line with the increase in net rental income as mentioned above.

(b) Review of Cumulative Quarter Results

Malaysia segment

The Malaysia segment contributed RM50.2 million in net rental income for the six-month period ended 30 June 2025, represented a decrease of RM0.6 million from RM50.8 million, recorded in the preceding period. The decrease was mainly due to renewal exercise for Tawakkal Health Centre of RM0.4 million as well as the loss of income of RM0.4 million from the disposal of the Damai Wellness Centre completed in June 2024 partially cushioned by an annual increment on rental income of RM0.1 million.

The Malaysia segment also recorded net income before taxation of RM31.6 million for the six-month period ended 30 June 2025, which is RM1.6 million lower than the preceding period of RM33.2 million. The decrease was mainly due a gain on the disposal of the Damai Wellness Centre recorded in the preceding year's corresponding quarter of RM1.0 million as well as a lower net rental income of RM0.6 million as mentioned above.

Australia segment

The Australia segment contributed RM0.3 million in net rental income for the six-month period ended 30 June 2025, represented an increase of RM0.5 million from net loss rental income of RM0.2 million recorded in the preceding period. The increase is mainly due to lower professional fees recorded during the six-month period.

The Australia segment also recorded net income before taxation of RM0.1 million for the six-month period ended 30 June 2025, which is higher by RM0.5 million than the preceding period of RM0.4 million. The increase was mainly due to the reasons mentioned above.

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

	Current Quarter ended 30.06.2025 RM'000	Immediate Preceding Quarter ended 31.03.2025 RM'000	Changes %
Net rental income	25,402	25,034	1.5
Net income before taxation	15,953	15,795	1.0

AI - 'Aqar Healthcare REIT recorded a net income before taxation of RM15.9 million as compared to RM15.8 million in the preceding quarter. This was mainly due to lower repair and maintenance costs of RM0.8 million partially cushioned by lower rental income of RM0.4 million, higher finance costs of RM0.2 million as well as valuation fee of RM0.1 million recorded in the current quarter.

B3. CHANGES IN NET ASSET VALUE

	As at 30-06-2025 RM'000	As at 31-03-2025 RM'000
Net asset value ("NAV")	1,057,354	1,056,253
NAV per unit (RM)	1.2594	1.2580

The NAV as at 30 June 2025 was higher by RM1.1 million as compared to the immediate preceding quarter, as a result of total comprehensive income of RM15.5 million and income distribution of RM14.4 million recognised during the current quarter.

B4. PROSPECTS

Despite a revision in GDP forecast for FY2025, strong domestic consumption drives robust demand for Malaysia's private healthcare sector. The services sector, which includes healthcare, remained the largest contributor to GDP growth at 5.3%, reflecting ongoing strength in consumer-facing industries.

With the healthcare sector supported by rising demand for specialised treatments and continued expansion of private medical facilities, particularly as households continue to prioritise health and wellness, Al-'Aqar remains confident in its ability to deliver sustainable returns, with near-term challenges viewed as necessary steps toward long-term portfolio enhancement and value creation.

Looking ahead, Al-'Aqar remains focused on its long-term growth strategy under the Venture27 roadmap, which outlines plans to strengthen and expand the portfolio. With lower financing rates, we continue to actively explore growth opportunities, both locally and regionally, aligning with our investment goals.

Recent acquisitions of new buildings within our existing hospital portfolio reflect our commitment to enhancing asset value and supporting tenant growth. At the same time, we remain dedicated to operational efficiency, digitalisation, and responsible investing, ensuring our growth remains resilient and aligned with our Shariah-compliant principles.

Despite global and local economic headwinds, Al-'Aqar remains steady to navigate uncertainties, underpinned by strong fundamentals and strategic growth initiatives. Barring any unforeseen circumstances, the Al-'Aqar maintains its expectation for a satisfactory overall performance in 2025.

Sources:

- 1 Bank Negara Malaysia
- 2 Advanced estimate GDP as at 18 July 2025, Department of Statistics
- 3 MIDF's economist consensus forecast
- 4 Department of Statistics Malaysia

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	
	30-06-2025	30-06-2024	30-06-2025	30-06-2024
	RM	RM	RM	RM
Tax expense				
- Income Tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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.

B7. INCOME DISTRIBUTION

Income distributions to unitholders is derived from the following sources:

	Current Year Quarter 30-06-2025 RM'000	Preceding Year Corresponding Quarter 30-06-2024 RM'000	Current Year To Date 30-06-2025 RM'000	Preceding Year Corresponding Period To Date 30-06-2024 RM'000
Net rental income	25,402	24,578	50,436	50,624
Investment income	420	422	902	783
Gain on disposal of investment property	-	1,000	-	1,000
Other income	133	156	266	290
Less: Unbilled rental income	(591)	(591)	(1,182)	(1,182)
	25,364	25,565	50,422	51,515
Less: Expenses	(9,989)	(9,824)	(19,846)	(19,934)
Realised/Distributable income for the period	15,375	15,741	30,576	31,581
Previous year's undistributed realised income	57,637	55,749	57,045	55,861
Total realised income available for distribution	73,012	71,490	87,621	87,442
Less: Income to be distributed for the quarter/period	(14,525)	(15,952)	(29,134)	(31,905)
Balance undistributed income realised income	58,487	55,538	58,487	55,537
Distribution per unit (sen)	1.73	1.90	3.47	3.80

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**(1) Proposed Disposal**

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").

B10. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED (CONT'D)

(2) Proposed Acquisitions and Leases

On 27 March 2025 Al-Aqar had entered into the following agreements:

- (i) Conditional sale and purchase agreement ("SPA") with Ampang Puteri Specialist Hospital Sdn Bhd ("APSH"), a subsidiary of KPJ Healthcare Bhd ("KPJ"), in relation to the Proposed Acquisition of APSH New Building ("APSH SPA") and a conditional lease agreement with APSH in relation to the Proposed Lease of APSH New Building ("APSH Lease Agreement"); and
- (ii) Conditional sale and purchase agreement ("SPA") with Penang Specialist Hospital Sdn Bhd ("PNG"), a subsidiary of KPJ Healthcare Bhd ("KPJ"), in relation to the Proposed Acquisition of PNG New Building ("PNG SPA") and a conditional lease agreement with PNG in relation to the Proposed Lease of PNG New Building ("PNG Lease Agreement").

Proposed Lease Renewal

In addition, Al-Aqar also proposes to enter into separate lease agreements with the companies of KPJ to renew the lease of the properties as follow:

- (i) KPJ Penang Specialist Hospital
- (ii) Taiping Medical Centre and TMC Health Centre
- (ii) KPJ Seremban Specialist Hospital (Old Building, New Building and Vacant Land)
- (iv) KPJ Healthcare University College
- (v) KPJ International College of Nursing and Health Sciences

The Proposed Acquisitions and Leases and the Proposed Lease Renewal are collectively referred to as the "Proposals". The Proposals are subject to the approvals to be obtained from the following:

- (i) the approval of the unitholders of Al-Aqar at its EGM to be convened for the Proposed Acquisitions and Leases and the Proposed Lease Renewal;
- (ii) the approval of the shareholders of KPJ at an EGM to be convened for the Proposed Acquisitions and Leases and the Proposed Lease Renewal; and
- (ii) all such other consents and regulatory and/or governmental approvals required to be obtained by KPJ and Al-Aqar in order to effect the completion of the Proposed Acquisitions and Leases, as the case may be.

Subsequently, Al-Aqar had obtained approval from the Unitholders at the Extraordinary General Meeting of Al-Aqar held on 25 June 2025. The proposed lease renewals has been completed and the respective lease agreements have commenced on 1 August 2025, save for the lease in respect of KPJ Penang Specialist Hospital, which will be announced in due course.

B11. TRADE RECEIVABLES

	The Group	
	As at 30-06-2025 RM'000	As at 30-06-2024 RM'000
<u>Current</u>		
Trade receivables	40,071	42,976
Unbilled rental income	15,097	12,732
	<u>55,168</u>	<u>55,708</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.

B11. TRADE RECEIVABLES (CONT'D)

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 30-06-2025 RM'000	As at 30-06-2024 RM'000
0-30 days	1,840	1,968
31-60 days	1,785	1,952
61-90 days	2,605	402
More than 90 days	33,841	38,654
	<u>40,071</u>	<u>42,976</u>

Out of the total trade receivables of RM40.1 million, RM30.8 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 30-06-2025 RM'000	As at 30-06-2024 RM'000
<u>Non-current</u>		
<u>Secured</u>		
Commodity Murabahah Term Financing ("CMTF 2")	-	29,880
Commodity Murabahah Term Financing ("CMTF 3 Tranche 1")	-	278,863
Commodity Murabahah Term Financing ("CMTF 3 Tranche 2")	298,660	298,209
Commodity Murabahah Term Financing ("CMTF 4 - Term Financing-i")	71,584	71,429
	<u>370,244</u>	<u>678,381</u>
<u>Non-Secured</u>		
Commodity Murabahah Term Financing ("CMTF 5")	111,765	-
	<u>111,765</u>	<u>-</u>
Total Non-current	<u>482,009</u>	<u>678,381</u>
<u>Current</u>		
<u>Secured</u>		
Commodity Murabahah Term Financing ("CMTF 1")	-	79,934
Commodity Murabahah Term Financing ("CMTF 3 Tranche 1")	279,438	-
Total Current	<u>279,438</u>	<u>79,934</u>

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 30-06-2025	Immediate Preceding Quarter ended 31-03-2025
Number of units in issue - units	839,597,757	839,597,757
Earning per unit (EPU) - sen	1.90	1.88
Net income distribution to unitholders - RM'000	14,525	14,609
Distribution per unit (DPU) - sen	1.73	1.74
Net Asset Value (NAV) - RM'000	1,057,354	1,056,253
NAV per unit - RM	1.2594	1.2580
Market Value Per Unit - RM	1.2500	1.2500

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 30 June 2025 and of its financial performance and cash flows for the period then ended.