

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Fourth Quarter Ended 31 December 2025

Note	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year	Preceding Year	Changes
	31-12-2025	31-12-2024		31-12-2025	31-12-2024	
	RM	RM	%	RM	RM	%
Gross rental income	32,682,686	29,056,402	12.5	119,957,300	117,215,932	2.3
Other income	133,000	189,605	(29.9)	532,082	636,093	(16.4)
Total income	32,815,686	29,246,007	12.2	120,489,382	117,852,025	2.2
Property expenses	(1,785,920)	(1,631,688)	9.5	(6,996,712)	(6,525,878)	7.2
Managers' fees	(1,576,206)	(1,166,532)	35.1	(5,729,463)	(4,651,967)	23.2
Professional fees	(610,934)	(164,304)	271.8	(1,055,639)	(2,498,731)	(57.8)
Valuation fees	54,500	(268,727)	(>100)	(296,000)	(595,727)	(50.3)
Trustees' fees	(105,921)	(107,808)	(1.8)	(421,817)	(428,994)	(1.7)
Disposal fee	-	-	-	-	(65,000)	(100.0)
Maintenance of properties	(240,103)	(339,799)	(29.3)	(1,089,878)	(1,542,427)	(29.3)
Total property expenses	(4,264,584)	(3,678,858)	15.9	(15,589,509)	(16,308,724)	(4.4)
Net rental income	28,551,102	25,567,149	11.7	104,899,873	101,543,301	3.3
Investment income	511,699	576,537	(11.3)	1,847,769	1,885,072	(2.0)
Fair value adjustment of asset held for sale	(2,000,000)	(16,571,468)	(87.9)	(2,000,000)	(16,571,468)	(87.9)
Fair value adjustment of investment property	(6,445,817)	10,134,121	(>100)	(6,445,817)	10,134,121	(>100)
Gain on disposal of investment property	-	-	-	-	1,000,000	(100.0)
	20,616,984	19,706,339	4.6	98,301,825	97,991,026	0.3
Islamic financing costs	(12,250,368)	(9,676,272)	26.6	(40,871,793)	(38,608,988)	5.9
Administrative expenses	(652,023)	(341,012)	91.2	(1,668,405)	(1,229,502)	35.7
Withholding tax	(11,061)	(11,061)	-	(44,242)	(77,682)	(43.1)
Total trust expenditure	(12,913,452)	(10,028,345)	28.8	(42,584,440)	(39,916,172)	6.7
Net income before taxation	7,703,532	9,677,994	(20.4)	55,717,385	58,074,854	(4.1)
Tax	-	200,000	(100.0)	-	200,000	(100.0)
Net income after taxation	7,703,532	9,877,994	(22.0)	55,717,385	58,274,854	(4.4)
Other comprehensive expenses for the year						
Foreign currency translation differences for foreign operation	(2,295,845)	(8,322,985)	(72.4)	(2,615,970)	(12,380,259)	(78.9)
Total comprehensive income for the year	5,407,687	1,555,009	>100	53,101,415	45,894,595	15.7
Net income after taxation is made up as follows:						
Realised	15,741,240	15,495,293	1.6	61,981,540	62,223,269	(0.4)
Unrealised	(8,037,708)	(5,617,299)	43.1	(6,264,155)	(3,948,415)	58.7
	7,703,532	9,877,994	(22.0)	55,717,385	58,274,854	(4.4)
Earnings per unit (sen) - Net	0.92	1.18	(22.0)	6.64	6.94	(4.3)

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 31 December 2025

	Note	Unaudited As At End Of Current Quarter 31-12-2025 RM	Audited As At Preceding Year Ended 31-12-2024 RM
ASSETS			
Non-current assets			
Investment properties	A9	1,879,245,760	1,654,401,421
Current Assets			
Trade receivables	B11	52,704,020	50,679,308
Other receivables & prepayments		1,225,275	1,579,265
Cash and bank balances		38,672,419	33,894,960
Fixed deposits with licensed banks		62,830,347	53,418,702
		<u>155,432,061</u>	<u>139,572,235</u>
Assets classified as held for sale		52,933,134	41,963,781
		<u>208,365,195</u>	<u>181,536,016</u>
TOTAL ASSETS		<u>2,087,610,955</u>	<u>1,835,937,437</u>
LIABILITIES			
Non-current liabilities			
Islamic financing	B12	370,630,333	649,221,513
Other payables		20,020,341	16,232,068
Deferred tax		1,322,541	1,322,541
		<u>391,973,215</u>	<u>666,776,122</u>
Current Liabilities			
Islamic financing	B12	638,425,933	109,920,153
Other payables and accruals		7,177,838	5,471,695
Provision for income distribution		230,246	226,419
		<u>645,834,017</u>	<u>115,618,267</u>
TOTAL LIABILITIES		<u>1,037,807,232</u>	<u>782,394,389</u>
NET ASSETS VALUE		<u>1,049,803,723</u>	<u>1,053,543,048</u>
REPRESENTED BY:			
Unitholders' capital		854,758,225	854,758,225
Undistributed income		213,794,472	214,917,827
Foreign exchange translation reserve		<u>(18,748,974)</u>	<u>(16,133,004)</u>
TOTAL UNITHOLDERS' FUND		<u>1,049,803,723</u>	<u>1,053,543,048</u>
NUMBER OF UNITS IN CIRCULATION		<u>839,597,757</u>	<u>839,597,757</u>
NET ASSETS VALUE (NAV) PER UNIT (RM)			
- Before income distribution		1.2504	1.2548
- After income distribution*		1.2318	1.2391

*after reflecting the proposed final income distribution for financial year ended 31 December 2025 of 1.86 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 Fourth Quarter Ended 31 December 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 year ended 31 December 2024						
Net income for the year	-	63,694,679	(5,419,825)	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>	-	62,223,269	(3,948,415)	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	70,229,360	144,688,467	214,917,827	(16,133,004)	1,053,543,048
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 year ended 31 December 2025						
Net income for the year	-	61,981,540	(6,264,155)	55,717,385	(2,615,970)	53,101,415
<i>Increase in net assets resulting from operation</i>	-	61,981,540	(6,264,155)	55,717,385	(2,615,970)	53,101,415
Unitholders' transactions						
Placement of units	-	-	-	-	-	-
Distribution to unitholders #	-	(56,840,740)	-	(56,840,740)	-	(56,840,740)
Issuing expenses	-	-	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(56,840,740)	-	(56,840,740)	-	(56,840,740)
Net assets as at 31 December 2025	854,758,225	75,370,160	138,424,312	213,794,472	(18,748,974)	1,049,803,723

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 ended 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.
- (iii) Payment of the second interim income distribution for the financial year ended 31 December 2025 of 1.73 sen per unit (of which 0.92 sen per unit is taxable and 0.81 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 April to 30 June 2025 which was paid on 3 October 2025.
- (iv) Payment of the third interim income distribution for the financial year ended 31 December 2025 of 1.73 sen per unit (of which 0.90 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 July to 30 September 2025 which was paid on 31 December 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 Fourth Quarter Ended 31 December 2025

	To Date	
	31-12-2025	31-12-2024
	<u>RM</u>	<u>RM</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	55,717,385	58,074,854
Adjustment for:		
Islamic financing costs	40,871,793	38,608,988
Investment revenue	(1,847,769)	(1,885,072)
Interest accretion on tenant deposits	-	447,473
Amortisation of deferred income	-	(504,167)
Gain on disposal of investment property	-	(1,000,000)
Fair value adjustment of investment properties	6,445,817	(10,134,121)
Fair value written down of asset held for sale	2,000,000	16,571,468
Unrealised loss on foreign exchange	25,921	132,601
Unbilled rental income	(2,207,583)	(2,364,839)
Operating profit before working capital changes	101,005,564	97,947,185
Changes in working capital:		
Increase in receivables and prepayments	536,861	1,798,970
Increase/(Decrease) in other payables and accruals	5,638,779	(3,729,478)
Cash generated from operations	107,181,204	96,016,677
Taxes	-	-
Net cash generated from operating activities	107,181,204	96,016,677
CASH FLOWS FROM INVESTING ACTIVITIES		
Income received on investment	1,846,704	1,929,220
Proceeds from disposal of investment property	-	13,000,000
Addition to investment properties	(241,000,000)	-
Enhancement to investment properties	(4,489,805)	(2,201,040)
Net cash (used in)/generated from investing activities	(243,643,101)	12,728,180
CASH FLOWS FROM FINANCING ACTIVITIES		
Islamic financing costs paid	(41,327,975)	(34,487,436)
Distribution paid	(56,610,494)	(66,076,382)
Repayment of Islamic financing	(109,994,050)	-
Proceeds from Islamic financing	359,994,050	-
Net cash generated/(used in) financing activities	152,061,531	(100,563,818)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,599,634	8,179,901
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(1,411,595)	(5,194,003)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	87,272,658	84,286,760
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	101,460,697	87,272,658
DEPOSITS, CASH AND BANK BALANCES		
Cash and bank balances	38,672,419	33,894,960
Fixed deposits with licensed banks	62,830,347	53,418,702
	101,502,766	87,313,662
Less: Islamic fixed deposits with licensed banks with maturity period of more than 3 months	(42,069)	(41,004)
CASH AND CASH EQUIVALENTS	101,460,697	87,272,658

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 Fourth Quarter Ended 31 December 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 2025 :

- Amendments to MFRS 121 : Lack of Exchangeability

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

- Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments (effective 1 January 2026)
- Amendments to MFRS 9 and MFRS 7: Contracts referencing nature-dependent electricity (effective 1 January 2026)
- Annual Improvements to MFRSs - Volume 11 (effective 1 January 2026)
- MFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027)
- MFRS 19 Subsidiaries without Public Accountability: Disclosure (effective 1 January 2027)
- 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 third interim income distribution for the financial year ended 31 December 2025 of 1.73 sen per unit (of which 0.90 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 July to 30 September 2025, which was announced on 27 November 2025 has been paid on 31 December 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
Year Ended 31 December 2025			
Gross rental income	119,391	566	119,957
Other income	532	-	532
Total income	119,923	566	120,489
Property expenses	(6,997)	-	(6,997)
Managers' fees	(5,729)	-	(5,729)
Professional fees	(781)	(275)	(1,056)
Valuation fees	(295)	-	(295)
Trustees' fees	(422)	-	(422)
Maintenance of properties	(1,090)	-	(1,090)
Net rental income	104,609	291	104,900
Investment income	1,847	-	1,847
Fair value adjustment of asset held for sale	(2,000)	-	(2,000)
Fair value adjustment of investment property	(4,098)	(2,348)	(6,446)
	100,358	(2,057)	98,301
Trust expenditure	(42,379)	(205)	(42,584)
Net income before taxation	57,979	(2,262)	55,717
Tax	-	-	-
Net income after taxation	57,979	(2,262)	55,717
Total assets	1,998,596	89,015	2,087,611
Total liabilities	1,037,706	101	1,037,807

	Malaysia RM'000	Australia RM'000	Total RM'000
Year Ended 31 December 2024			
Gross rental income	116,249	967	117,216
Other income	613	23	636
Total income	116,862	990	117,852
Property expenses	(6,494)	(32)	(6,526)
Managers' fees	(4,652)	-	(4,652)
Professional fees	(607)	(1,892)	(2,499)
Valuation fees	(596)	-	(596)
Trustees' fees	(429)	-	(429)
Disposal fee	(65)	-	(65)
Maintenance of properties	(1,542)	-	(1,542)
Net rental income	102,477	(934)	101,543
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
	115,496	(17,505)	97,991
Trust expenditure	(39,706)	(210)	(39,916)
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

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	2025 Fair Value RM
1	KPJ Ampang Puteri Specialist Hospital	Ampang	31 December 2025	274,000,000
2	KPJ Damansara Specialist Hospital	Damansara	31 December 2025	142,000,000
3	KPJ Johor Specialist Hospital	Johor Bahru	31 December 2025	125,000,000
4	KPJ Ipoh Specialist Hospital	Ipoh	31 December 2025	91,000,000
5	KPJ Puteri Specialist Hospital	Johor Bahru	31 December 2025	40,000,000
6	KPJ Selangor Specialist Hospital	Shah Alam	31 December 2025	85,000,000
7	Kedah Medical Centre	Alor Setar	31 December 2025	61,000,000
8	KPJ Perdana Specialist Hospital	Kota Bharu	31 December 2025	40,000,000
9	Kuantan Wellness Centre	Kuantan	31 December 2025	15,000,000
10	KPJ Sentosa KL Medical Centre	Kuala Lumpur	31 December 2025	32,000,000
11	KPJ Kajang Specialist Hospital	Kajang	31 December 2025	58,000,000
12	Taiping Medical Centre	Taiping	31 December 2025	19,000,000
13	Tawakkal Health Centre	Kuala Lumpur	31 December 2025	44,000,000
14	KPJ Healthcare University College, Nilai	Nilai	31 December 2025	102,000,000
15	KPJ Seremban Specialist Hospital	Seremban	31 December 2025	160,000,000
16	KPJ Penang Specialist Hospital	Bukit Mertajam	31 December 2025	175,000,000
17	KPJ Tawakkal Specialist Hospital	Kuala Lumpur	31 December 2025	141,000,000
18	KPJ Klang Specialist Hospital	Klang	31 December 2025	106,000,000
19	KPJ Haemodialysis Kluang	Kluang	31 December 2025	4,600,000
20	KPJ Batu Pahat Specialist Hospital	Batu Pahat	31 December 2025	82,000,000
21	KPJ Pasir Gudang Specialist Hospital	Pasir Gudang	31 December 2025	92,000,000
22	Jeta Garden Aged Care and Retirement Village	Queensland	31 December 2025	6,767,937
	Based on valuation reports			<u>1,895,367,937</u>
	Less: Accrued unbilled rental income			<u>(16,122,177)</u>
				<u><u>1,879,245,760</u></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	
	31-12-2025 RM	31-12-2024 RM	31-12-2025 RM	31-12-2024 RM
Manager's fee	5,729,463	4,651,967	5,729,463	4,651,967
Maintenance fee	1,200,480	1,197,120	1,200,480	1,197,120
Miscellaneous expenses	157,323	164,786	157,323	164,786
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 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 31.12.2025 RM'000	Preceding Year Corresponding Quarter 31.12.2024 RM'000	Changes %	Current Year To Date 31.12.2025 RM'000	Preceding Year Corresponding Year To Date 31.12.2024 RM'000	Changes %
Net rental income						
Malaysia	28,613	25,384	12.7	104,609	102,477	2.1
Australia	(62)	183	(>100)	291	(934)	>100
Total	<u>28,551</u>	<u>25,567</u>	11.7	<u>104,900</u>	<u>101,543</u>	3.3
Net income before taxation						
Malaysia	10,172	26,085	(61.0)	57,979	75,790	(23.5)
Australia	(2,469)	(16,407)	(85.0)	(2,262)	(17,715)	(87.2)
Total	<u>7,703</u>	<u>9,678</u>	(20.4)	<u>55,717</u>	<u>58,075</u>	(4.1)

(a) Review of Individual Quarter Results

Malaysia segment

The Malaysia segment contributed RM28.6 million in net rental income for the quarter ended 31 December 2025, represented an increase of RM3.2 million from RM25.4 million, recorded in the preceding year's corresponding quarter. The increase was mainly due to new rental income received from KPJ Ampang Puteri Specialist Hospital (New Building) and KPJ Penang Specialist Hospital (New Building) during the current quarter.

The Malaysia segment recorded net income before taxation of RM10.2 million for the quarter ended 31 December 2025, which was RM15.9 million lower than preceding year's corresponding quarter of RM26.1 million. The decrease was mainly due to a loss on fair value adjustment of investment properties of RM4.1 million recorded in the current quarter against the preceding year's corresponding quarter recorded a fair value gain of RM10.1 million. In addition, a fair value write down of RM2.0 million relates to the proposed disposal of KPJ Healthcare College, Penang was recorded during the current quarter.

Australia segment

The Australia segment contributed RM0.06 million in net loss rental income for the quarter ended 31 December 2025, represented a decrease of RM0.2 million from RM0.1 million, recorded in the preceding year's corresponding quarter. The decrease was mainly due to higher professional fees incurred during the current quarter.

The Australia segment recorded a net loss before taxation of RM2.5 million for the quarter ended 31 December 2025, an improvement of RM13.9 million than preceding year's corresponding quarter of RM16.4 million. The improvement was mainly due to a fair value adjustment of asset held for sale of RM16.5 million relates to the Jeta Gardens Aged Care Facility, which was recorded in the preceding year's corresponding quarter, partially offset by a loss on fair value adjustment of investment property of RM2.3 million in the current quarter.

(b) Review of Cumulative Quarter Results

Malaysia segment

The Malaysia segment contributed RM104.6 million in net rental income for the year ended 31 December 2025, represented an increase of RM2.1 million from RM102.5 million, recorded in the preceding year. The increase was mainly due to new rental income received from KPJ Ampang Puteri Specialist Hospital (New Building) and KPJ Penang Specialist Hospital (New Building) of RM3.5 million as well as annual increment on rental of RM0.9 million. The Increase offset against revision in management fee of RM1.1 million, renewal exercise for Tawakkal Health Centre of RM0.7 million as well as the loss of income of RM0.4 million from the disposal of the Damai Wellness Centre completed in June 2024.

The Malaysia segment also recorded net income before taxation of RM58.0 million for the year ended 31 December 2025, which is RM17.8 million lower than the preceding year of RM75.8 million. The decrease was mainly due to a loss on fair value adjustment of investment properties of RM4.1 million recorded in the current year against the preceding year recorded a fair value gain of RM10.1 million. In addition, a fair value write down of RM2.0 million relates to the proposed disposal of KPJ Healthcare College, Penang was recorded during the current year. In addition, the decrease was mainly due to gain on the disposal of the Damai Wellness Centre recorded in the preceding year of RM1.0 million.

Australia segment

The Australia segment contributed RM0.3 million in net rental income for the year ended 31 December 2025, represented an increase of RM1.2 million from the net loss rental income of RM0.9 million recorded in the preceding year. The increase is mainly due to lower professional fees recorded during the year.

The Australia segment recorded net loss before taxation of RM2.3 million for the year ended 31 December 2025, an improvement of RM15.4 million from the net loss before taxation of RM17.7 million. The improvement was mainly due to fair value adjustment of asset held for sale of RM16.5 million relates to the Jeta Gardens Aged Care Facility, which was recorded in the preceding year as well as loss on fair value adjustment of investment property of RM2.3 million recorded during the year.

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

	Current Quarter ended 31.12.2025 RM'000	Immediate Preceding Quarter ended 30.09.2025 RM'000	Changes %
Net rental income	28,551	25,647	11.3
Net income before taxation	7,703	16,266	(52.6)

Al-'Aqar Healthcare REIT recorded a net income before taxation of RM7.7 million as compared to RM16.3 million in the preceding quarter. The decrease was mainly due to fair value write down of RM2.0 million as well as loss on fair value adjustment of investment properties of RM6.4 million recorded during the current quarter.

B3. CHANGES IN NET ASSET VALUE

	As at 31-12-2025 RM'000	As at 30-09-2025 RM'000
Net asset value ("NAV")	1,049,804	1,058,921
NAV per unit (RM)	1.2504	1.2612

The NAV as at 31 December 2025 was lower by RM9.1 million as compared to the immediate preceding quarter, as a result of total comprehensive income of RM5.4 million and income distribution of RM14.5 million recognised during the current quarter.

B4. PROSPECTS

Global growth for 2025 turned out higher than expected, mainly reflecting lower-than-anticipated tariffs, higher artificial intelligence (AI)-led tech spending and stronger fiscal support. For 2026, while the impact of tariffs could weigh on global growth, the outlook remains resilient, supported by sustained domestic demand, moderating inflation, robust tech investments, and supportive fiscal and monetary policies. Downside risks remain, arising from potentially higher tariffs, further escalation in geopolitical tensions and heightened volatility in global financial markets. Additionally, there are continued concerns over the elevated valuations in financial markets. Upside potential includes stronger tech spending, a milder tariff impact on economic activity and pro-growth policies in major economies.

For the Malaysian economy, growth for 2025 is expected to be around the upper end of the forecast range. This growth momentum is expected to continue in 2026, supported by resilient domestic demand. Employment, wage growth and income-related policy measures will remain supportive of household spending. Investment activity will be driven by the progress of multi-year projects in both the private and public sectors, implementation of new smaller-scale public projects, continued high realisation of approved investments, as well as the ongoing implementation of national master plans. External sector will benefit from continued strength in electrical and electronics (E&E) exports and higher tourist spending. This growth outlook remains subject to uncertainties, in particular surrounding global developments. Downside risks remain from slower global trade and lower-than-expected commodity production. Meanwhile, upside potential to growth could arise from a better global growth outlook, stronger demand for E&E goods, and more robust tourism activity.

Despite ongoing challenges, health system leaders across Australia, Canada, Germany, the Netherlands, and the United Kingdom are generally optimistic about their organizations and the sector as a whole, according to Deloitte Global's 2026 Health Care Outlook Survey. More than 80% of executives surveyed in those countries reported a "positive" or "cautiously positive" outlook for their own organizations, with 1% expressing a negative view. When asked about the health care industry overall, 72% said they were upbeat about the year ahead, again with 1% having a negative view. By contrast, US health system leaders are notably more cautious, partly due to ongoing uncertainties regarding tariffs, drug pricing and regulatory changes. The current environment may have contributed to 20% of US respondents expressing a negative industry outlook for 2026 and 33% feeling uncertain a notable increase from the 3% who expressed uncertainty a year ago. As health systems around the world prepare for 2026, executives appear cautiously optimistic, focusing on growth and transformation even as they face persistent challenges with margins, workforce shortages, cybersecurity threats, and regulatory uncertainty. At the same time, care is increasingly shifting from hospitals to the home and community through virtual care, and remote monitoring. Care is also moving from reactive to proactive and preventive. The challenge for health systems is not simply to adopt new technologies, but to align them with sustainable business models, empowered workforces, and whole-health outcomes that deliver lasting value for patients.

KPJ Berhad's third quarter 2025 results, which highlighted increased bed capacity and patient visits, 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 anticipated proceeds from the sale of 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. Barring any unforeseen circumstances, the Al-'Aqar maintains its expectation for a satisfactory overall performance in 2026.

Sources:

- 1 Bank Negara Monetary Policy Statement, 22 January 2026
- 2 Deloitte 2026 Global Health Care Outlook
- 3 KPJ Healthcare Berhad Quarter 3 result for 2025

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	
	31-12-2025 RM	31-12-2024 RM	31-12-2025 RM	31-12-2024 RM
Tax expense				
- Income Tax	-	(200,000)	-	(200,000)
	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</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 31-12-2025 RM'000	Preceding Year Corresponding Quarter 31-12-2024 RM'000	Current Year To Date 31-12-2025 RM'000	Preceding Year Corresponding Year To Date 31-12-2024 RM'000
Net rental income	28,551	25,567	104,900	101,543
Investment income	511	576	1,847	1,885
Gain on disposal of investment property	-	-	-	1,000
Less: Unbilled rental income	(434)	(591)	(2,208)	(2,365)
	<u>28,628</u>	<u>25,552</u>	<u>104,539</u>	<u>102,063</u>
Less: Expenses	(12,887)	(10,057)	(42,557)	(39,840)
Realised/Distributable income for the period	15,741	15,495	61,982	62,223
Previous year's undistributed realised income	59,626	54,731	57,048	55,861
Total realised income available for distribution	<u>75,367</u>	<u>70,226</u>	<u>119,030</u>	<u>118,084</u>
Less: Income to be distributed for the quarter/period	(15,617)	(13,182)	(59,276)	(61,039)
Balance undistributed income realised income	<u>59,750</u>	<u>57,044</u>	<u>59,754</u>	<u>57,045</u>
Distribution per unit (sen)	1.86	1.57	7.06	7.27

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

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").

B11. TRADE RECEIVABLES

	The Group	
	As at 31-12-2025 RM'000	As at 31-12-2024 RM'000
<u>Current</u>		
Trade receivables	36,582	36,765
Unbilled rental income	16,122	13,914
	52,704	50,679

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 31-12-2025 RM'000	As at 31-12-2024 RM'000
0-30 days	1,176	2,158
31-60 days	389	358
61-90 days	387	272
More than 90 days	34,630	33,977
	36,582	36,765

Out of the total trade receivables of RM36.6 million, RM30.6 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 31-12-2025 RM'000	As at 31-12-2024 RM'000
<u>Non-current</u>		
<u>Secured</u>		
Commodity Murabahah Term Financing ("CMTF 3 Tranche 1")	-	279,196
Commodity Murabahah Term Financing ("CMTF 3 Tranche 2")	298,930	298,479
Commodity Murabahah Term Financing ("CMTF 4 - Term Financing-i")	71,700	71,546
	370,630	649,221
<u>Current</u>		
<u>Secured</u>		
Commodity Murabahah Term Financing ("CMTF 1")	-	80,000
Commodity Murabahah Term Financing ("CMTF 2")	-	29,920
Commodity Murabahah Term Financing ("CMTF 3 Tranche 1")	279,771	-
<u>Non-Secured</u>		
Commodity Murabahah Term Financing ("CMTF 5")	358,655	-
	638,426	109,920

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 31-12-2025	Immediate Preceding Quarter ended 30-09-2025
Number of units in issue - units	839,597,757	839,597,757
Earning per unit (EPU) - sen	0.92	1.94
Net income distribution to unitholders - RM'000	15,617	14,525
Distribution per unit (DPU) - sen	1.86	1.73
Net Asset Value (NAV) - RM'000	1,049,804	1,058,921
NAV per unit - RM	1.2504	1.2612
Market Value Per Unit - RM	1.2800	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 31 December 2025 and of its financial performance and cash flows for the year then ended.