

**AL-'AQAR HEALTHCARE REIT**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the First Quarter Ended 31 March 2024**

Note	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year Quarter	Preceding Year Corresponding Period to Date	Changes
	31-03-2024	31-03-2023		31-03-2024	31-03-2023	
	RM	RM	%	RM	RM	%
	29,843,011	30,211,377	(1.2)	29,843,011	30,211,377	(1.2)
	(1,621,944)	(1,601,015)	1.3	(1,621,944)	(1,601,015)	1.3
<b>Net rental income</b>	<b>28,221,067</b>	<b>28,610,362</b>	<b>(1.4)</b>	<b>28,221,067</b>	<b>28,610,362</b>	<b>(1.4)</b>
Investment income	360,955	330,253	9.3	360,955	330,253	9.3
Unrealised loss on foreign exchange	(21,594)	(11,651)	85.3	(21,594)	(11,651)	85.3
Other income	133,800	133,000	0.6	133,800	133,000	0.6
<b>Total income</b>	<b>28,694,228</b>	<b>29,061,964</b>	<b>(1.3)</b>	<b>28,694,228</b>	<b>29,061,964</b>	<b>(1.3)</b>
Managers' fees	(1,158,796)	(482,101)	>100	(1,158,796)	(482,101)	>100
Trustees' fees	(106,419)	(97,546)	9.1	(106,419)	(97,546)	9.1
Islamic financing costs	(9,647,104)	(9,924,534)	(2.8)	(9,647,104)	(9,924,534)	(2.8)
Maintenance of properties	(665,000)	(586,999)	13.3	(665,000)	(586,999)	13.3
Administrative expenses	(542,610)	(527,828)	2.8	(542,610)	(527,828)	2.8
Professional fees	(128,098)	(65,000)	97.1	(128,098)	(65,000)	97.1
Withholding tax	(37,127)	(111,380)	(66.7)	(37,127)	(111,380)	(66.7)
<b>Total trust expenditure</b>	<b>(12,285,154)</b>	<b>(11,795,388)</b>	<b>4.2</b>	<b>(12,285,154)</b>	<b>(11,795,388)</b>	<b>4.2</b>
<b>Net income before taxation</b>	<b>16,409,074</b>	<b>17,266,576</b>	<b>(5.0)</b>	<b>16,409,074</b>	<b>17,266,576</b>	<b>(5.0)</b>
Tax	-	-	-	-	-	-
<b>Net income after taxation</b>	<b>16,409,074</b>	<b>17,266,576</b>	<b>(5.0)</b>	<b>16,409,074</b>	<b>17,266,576</b>	<b>(5.0)</b>
<b>Other comprehensive expenses for the period</b>						
Foreign currency translation differences for foreign operation	(891,785)	(575,249)	55.0	(891,785)	(575,249)	55.0
<b>Total comprehensive income for the period</b>	<b>15,517,289</b>	<b>16,691,327</b>	<b>(7.03)</b>	<b>15,517,289</b>	<b>16,691,327</b>	<b>(7.03)</b>
Net income after taxation is made up as follows:						
Realised	15,839,458	16,687,017	(5.1)	15,839,458	16,687,017	(5.1)
Unrealised	569,616	579,559	(1.7)	569,616	579,559	(1.7)
	<b>16,409,074</b>	<b>17,266,576</b>	<b>(5.0)</b>	<b>16,409,074</b>	<b>17,266,576</b>	<b>(5.0)</b>
<b>Earnings per unit (sen) - Net</b>	<b>1.95</b>	<b>2.28</b>	<b>(14.5)</b>	<b>1.95</b>	<b>2.28</b>	<b>(14.5)</b>

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 March 2024**

	Note	Unaudited As At End Of Current Quarter 31-03-2024 <u>RM</u>	Audited As At Preceding Year Ended 31-12-2023 <u>RM</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	A9	1,644,472,595	1,643,220,335
<b>Current Assets</b>			
Trade receivables	B11	52,998,251	51,368,069
Other receivables & prepayments		4,029,966	368,783
Cash and bank balances		42,956,660	53,264,350
Fixed deposits with licensed banks		32,716,922	31,062,276
		<u>132,701,799</u>	<u>136,063,478</u>
Assets classified as held for sale		76,700,031	76,700,031
		<u>209,401,830</u>	<u>212,763,509</u>
<b>TOTAL ASSETS</b>		<u>1,853,874,425</u>	<u>1,855,983,844</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Islamic financing	B12	678,001,305	677,881,184
Other payables		16,373,882	16,373,882
Deferred tax		1,522,541	1,522,541
		<u>695,897,728</u>	<u>695,777,607</u>
<b>Current Liabilities</b>			
Islamic financing	B12	79,901,000	79,868,000
Other payables and accruals		7,052,899	7,826,884
Provision for income distribution		-	213,896
		<u>86,953,899</u>	<u>87,908,780</u>
<b>TOTAL LIABILITIES</b>		<u>782,851,627</u>	<u>783,686,387</u>
<b>NET ASSETS VALUE</b>		<u>1,071,022,798</u>	<u>1,072,297,457</u>
<b>REPRESENTED BY:</b>			
Unitholders' capital		854,758,225	854,758,225
Undistributed income		220,909,103	221,291,977
Foreign exchange translation reserve		(4,644,530)	(3,752,745)
<b>TOTAL UNITHOLDERS' FUND</b>		<u>1,071,022,798</u>	<u>1,072,297,457</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		<u>839,597,757</u>	<u>839,597,757</u>
<b>NET ASSETS VALUE (NAV) PER UNIT (RM)</b>			
- Before income distribution		1.2756	1.2772
- After income distribution*		1.2566	1.2572

\*after reflecting the proposed first interim income distribution for financial year ending 31 December 2024 of 1.90 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 First Quarter Ended 31 March 2024**

Note	Unitholders' Capital RM	Undistributed Income RM	Foreign Exchange RM	Total Unitholders' Fund RM
<b>As at 1 January 2023</b>	756,408,942	224,358,012	(9,552,175)	971,214,779
<b>Operation for the period ended 31 March 2023</b>				
Net income for the period	-	17,266,576	(575,249)	16,691,327
<i>Increase in net assets resulting from operation</i>	-	17,266,576	(575,249)	16,691,327
<b>Unitholders' transactions</b>				
Placement of units	-	-	-	-
Distribution to unitholders	-	(15,886,189)	-	(15,886,189)
Issuing expenses	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(15,886,189)	-	(15,886,189)
<b>Net assets as at 31 March 2023</b>	756,408,942	225,738,399	(10,127,424)	972,019,917
<b>As at 1 January 2024</b>	854,758,225	221,291,977	(3,752,745)	1,072,297,457
<b>Operation for the period ended 31 March 2024</b>				
Net income for the period	-	16,409,074	(891,785)	15,517,289
<i>Increase in net assets resulting from operation</i>	-	16,409,074	(891,785)	15,517,289
<b>Unitholders' transactions</b>				
Placement of units	-	-	-	-
Distribution to unitholders #	-	(16,791,948)	-	(16,791,948)
Issuing expenses	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(16,791,948)	-	(16,791,948)
<b>Net assets as at 31 March 2024</b>	854,758,225	220,909,103	(4,644,530)	1,071,022,798

# Includes 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.

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 First Quarter Ended 31 March 2024**

	To Date	
	31-03-2024	31-03-2023
	<u>RM</u>	<u>RM</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	16,409,074	17,266,576
Adjustment for:		
Islamic financing costs	9,647,104	9,924,534
Unrealised loss on foreign exchange	21,594	11,651
Unbilled rental income	(591,210)	(591,210)
Investment revenue	(360,955)	(330,253)
Operating profit before working capital changes	<u>25,125,607</u>	<u>26,281,298</u>
Changes in working capital:		
(Increase)/Decrease in receivables and prepayments	(4,700,155)	1,827,330
Decrease in other payables and accruals	(1,270,096)	(15,530,067)
Cash generated from operations	<u>19,155,356</u>	<u>12,578,561</u>
Taxes	-	-
Net cash generated from operating activities	<u>19,155,356</u>	<u>12,578,561</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Income received on investment	360,955	330,253
Enhancement to investment properties	(1,252,260)	-
Net cash (used in)/generated from investing activities	<u>(891,305)</u>	<u>330,253</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution paid	(16,791,948)	(15,886,189)
Islamic financing costs paid	(9,211,768)	(9,652,992)
Net cash used in financing activities	<u>(26,003,716)</u>	<u>(25,539,181)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(7,739,665)	(12,630,367)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	(913,379)	(586,897)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	84,286,760	96,092,012
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>75,633,716</u>	<u>82,874,748</u>
<b>DEPOSITS, CASH AND BANK BALANCES</b>		
Cash and bank balances	42,956,660	42,637,028
Fixed deposits with licensed banks	32,716,922	40,276,862
	<u>75,673,582</u>	<u>82,913,890</u>
Less: Islamic fixed deposits with licensed banks with maturity period of more than 3 months	(39,866)	(39,142)
<b>CASH AND CASH EQUIVALENTS</b>	<u>75,633,716</u>	<u>82,874,748</u>

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 First Quarter Ended 31 March 2024

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### 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 2023:

- MFRS 17 Insurance Contracts
- Amendment to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

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

- Amendments to MFRS 101 : Classification of Liabilities as Current or Non Current (effective 1 January 2024)
- Amendments to MFRS 16 : Lease Liability in a Sale and Leaseback (effective 1 January 2024)
- Amendments to MFRS 101 : Non-current Liabilities with Covenants (effective 1 January 2024)
- Amendments to MFRS 107 and MFRS 7 : Supplier Finance Arrangements (effective 1 January 2024)
- Amendments to MFRS 121 : Lack of Exchangeability (effective 1 January 2025)
- 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 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 announced on 24 January 2024 has been paid on 29 February 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
<b>Period Ended 31 March 2024</b>			
Gross rental income	29,198	645	29,843
Property expenses	(1,605)	(17)	(1,622)
Net rental income	27,593	628	28,221
Investment income	361	-	361
Unrealised loss on foreign exchange	(22)	-	(22)
Other income	134	-	134
Total income	28,066	628	28,694
Trust expenditure	(12,083)	(202)	(12,285)
Net income before taxation	15,983	426	16,409
Tax	-	-	-
Net income after taxation	15,983	426	16,409
Total assets	1,729,297	124,577	1,853,874
Total liabilities	782,062	790	782,852
	Malaysia RM'000	Australia RM'000	Total RM'000
<b>Period Ended 31 March 2023</b>			
Gross rental income	28,780	1,431	30,211
Property expenses	(1,586)	(15)	(1,601)
Net rental income	27,194	1,416	28,610
Investment income	330	-	330
Unrealised loss on foreign exchange	(11)	-	(11)
Other income	133	-	133
Total income	27,646	1,416	29,062
Trust expenditure	(11,638)	(157)	(11,795)
Net income before taxation	16,008	1,259	17,267
Tax	-	-	-
Net income after taxation	16,008	1,259	17,267
Total assets	1,720,573	132,039	1,852,612
Total liabilities	880,425	168	880,593

### 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	
	31-03-2024 RM	31-03-2023 RM	31-03-2024 RM	31-03-2023 RM
Manager's fee	1,158,796	482,101	1,158,796	482,101
Maintenance fee	300,640	301,200	300,640	301,200
Miscellaneous expenses	82,857	-	82,857	-
Other income	133,000	133,000	133,000	133,000

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 First Quarter Ended 31 March 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 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Changes %	Current Year To Date 31.03.2024 RM'000	Preceding Year Corresponding Period To Date 31.03.2023 RM'000	Changes %
<b>Net rental income</b>						
Malaysia	27,593	27,194	1.5	27,593	27,194	1.5
Australia	628	1,416	(55.6)	628	1,416	(55.6)
<b>Total</b>	<b>28,221</b>	<b>28,610</b>	<b>(1.4)</b>	<b>28,221</b>	<b>28,610</b>	<b>(1.4)</b>
<b>Net income before taxation</b>						
Malaysia	15,983	16,008	(0.2)	15,983	16,008	(0.2)
Australia	426	1,259	(66.2)	426	1,259	(66.2)
<b>Total</b>	<b>16,409</b>	<b>17,267</b>	<b>(5.0)</b>	<b>16,409</b>	<b>17,267</b>	<b>(5.0)</b>

#### Review of Individual/Cumulative Quarter Results

##### Malaysia segment

The Malaysia segment contributed RM27.6 million of net rental income for the current quarter ended 31 March 2024, represented an increase of RM0.4 million or 1.5% from RM27.2 million, recorded in the preceding year's corresponding quarter. The increase was mainly due to annual increment on rental income.

The net income before taxation of the Malaysia segment for the current quarter ended 31 March 2024 was largely unchanged at RM16.0 million, as compared to preceding year's corresponding quarter.

##### Australia segment

The Australia segment contributed RM0.6 million of net rental income for the current quarter ended 31 March 2024, represented a decrease of RM0.8 million or 55.6% from RM1.4 million, recorded in the preceding year's corresponding quarter. The decrease was mainly due to rental adjustment following the completion of the Business Sale Agreement (BSA) by the lessee.

The Australia segment recorded net income before taxation of RM0.4 million for the current quarter ended 31 March 2024, which is lower of RM0.8 million than preceding year's corresponding quarter of RM1.3 million. The decrease was mainly due reason as mentioned above.



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

	<b>Current Quarter ended 31.03.2024 RM'000</b>	<b>Immediate Preceding Quarter ended 31.12.2023 RM'000</b>	<b>Changes %</b>
Net rental income	28,221	28,938	(2.48)
Net income before taxation	16,409	10,379	58.10

Al-'Aqar Healthcare REIT recorded a net income before taxation of RM16.4 million as compared to RM10.4 million in the preceding quarter. This was mainly due to fair value loss from the annual revaluation of investment properties of RM5.1 million recorded in the immediate preceding quarter.

**B3. CHANGES IN NET ASSET VALUE**

	<b>As at 31-03-2024 RM'000</b>	<b>As at 31-12-2023 RM'000</b>
Net asset value ("NAV")	1,071,023	1,072,297
NAV per unit (RM)	1.2756	1.2772

The NAV as at 31 March 2024 was lower by RM1.3 million as compared to the immediate preceding quarter, as a result of total comprehensive income of RM15.5 million and income distribution of RM16.8 million recognised during the current quarter.

**B4. PROSPECTS**

The global economy continues to expand albeit moderately, supported by domestic demand amid improvement in trade activity. Favourable labour market conditions in some countries continue to support consumption activity. Looking ahead, growth in regional economies is expected to improve, while China's growth would likely remain modest given continued weakness in the property market. Global trade is expected to strengthen as the global tech upcycle gains momentum. Global headline and core inflation edged downwards in recent months with prospects of monetary easing in some countries in the second half of the year. Nonetheless, the global monetary policy stance is likely to remain tight in the near term, as inflation remains above average. The growth outlook remains subject to downside risks, mainly from an escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and volatility in global financial markets.

The Malaysian economy expanded by 3.7% in 2023. Moving forward, growth is expected to improve in 2024, driven by the recovery in exports and resilient domestic expenditure. Export growth is turning positive after contracting since March 2023 and will continue to be supported by stronger global trade. Tourist arrivals and spending are poised to rise further. Continued employment and wage growth remain supportive of household spending. Investment activity would be supported by the ongoing 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 investments. The growth outlook is subject to downside risks stemming from weaker-than-expected external demand and larger declines in commodity production. Meanwhile, upside risks to growth mainly emanate from greater spillover from the tech upcycle, more robust tourism activity and faster implementation of existing and new projects.

Healthcare providers are experiencing higher demand, supported by resilient operations in CY23 and anticipated trends for CY24. Factors such as the return of medical tourism, reduced impact of Covid-19, the aging population, and increased governmental budget for healthcare are expected to continue driving growth. With foreign tourist numbers rising, medical tourism is projected to contribute significantly to private hospitals. Moreover, the growing aging population is expected to increase cases of non-communicable diseases (NCDs), offering more opportunities for healthcare providers. Despite challenges like personnel shortages, policy changes, and digitalization, healthcare providers are expected to remain optimistic.

In 2023, KPJ Group, being the sponsor of Al-'Aqar witnessed a commendable increase in Bed Occupancy Rate from 58% in 2022 to 67%, reflecting growing confidence among patients in seeking hospital services, as concerns surrounding COVID-19 exposure diminished. Looking ahead, KPJ Group is optimistic about the healthcare industry's outlook for the upcoming years. KPJ Group expects an increase in the number of patients for the year, and this will be supported by ongoing plans for adding new beds and services, hiring of new consultants and enhancement of services. KPJ Group remain committed in maximising their operational efficiency to ensure excellent patient care. The strong performance in 2023 was a significant milestone and has set KPJ Group on a positive trajectory in 2024.

#### B4. PROSPECTS (CONT'D)

Hence, the Manager does not expect any disruption to the earning of Al-Aqar as the Fund earning is underpinned by the long-term lease arrangements with KPJ Group. In ensuring a positive growth of distribution to the unitholder, while maintaining ongoing long-term lease arrangements with KPJ Group, the Fund has and will continue engage in various corporate exercises. 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 that will increase the Fund's yield, or a combination of both. Furthermore, the renewal of the five existing KPJ properties and the acquisition of KPJ properties worth approximately RM300 million are anticipated to be completed by the end of 2024

Sources:

- 1 KPJ Healthcare Berhad 2023 Annual Report, 1 May 2024
- 2 Bank Negara Monetary Policy Statement, 7 March 2024
- 3 MIDF Research Report, 7 December 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	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
	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.

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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period To Date
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
	RM'000	RM'000	RM'000	RM'000
Net rental income	28,221	28,610	28,221	28,610
Investment income	361	330	361	330
Other income	133	133	133	133
Less: Unbilled rental income	(591)	(591)	(591)	(591)
	<u>28,124</u>	<u>28,482</u>	<u>28,124</u>	<u>28,482</u>
Less: Expenses	(12,285)	(11,795)	(12,285)	(11,795)
Realised/Distributable income for the period	<u>15,839</u>	<u>16,687</u>	<u>15,839</u>	<u>16,687</u>
Previous year's undistributed realised income	<u>55,861</u>	<u>57,281</u>	<u>55,861</u>	<u>57,281</u>
Total realised income available for distribution	<u>71,700</u>	<u>73,968</u>	<u>71,700</u>	<u>73,968</u>
Less: Income to be distributed for the quarter/period	<u>(15,952)</u>	<u>(15,130)</u>	<u>(15,952)</u>	<u>(15,130)</u>
Balance undistributed income realised income	<u>55,748</u>	<u>58,838</u>	<u>55,748</u>	<u>58,838</u>
Distribution per unit (sen)	1.90	2.00	1.90	2.00

**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) On 15 November 2023, on behalf of the Manager, KAF Investment Bank Berhad announced that Al-Aqar entered into a sale and purchase agreement with Sihat Damai Sdn Bhd for the disposal of Damai Care & Wellness Centre for a disposal consideration of RM13.0 million to be fully satisfied in cash ("Proposed Disposal").
- (2) 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). The Proposed Disposal is expected to be completed in the second half of 2024 ("Proposed Disposal").

**B11. TRADE RECEIVABLES**

	<b>The Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31-03-2024</b>	<b>31-03-2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Current</u></b>		
Trade receivables	40,857	36,318
Unbilled rental income	12,141	9,776
	<u>52,998</u>	<u>46,094</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:

	<b>The Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31-03-2024</b>	<b>31-03-2023</b>
	<b>RM'000</b>	<b>RM'000</b>
0-30 days	2,445	4,540
31-60 days	1,247	2,344
61-90 days	1,197	1,016
More than 90 days	35,968	28,418
	<u>40,857</u>	<u>36,318</u>

Out of the total trade receivables of RM40.9 million, RM33.6 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 31-03-2024 RM'000	As at 31-03-2023 RM'000
<b><u>Non-current</u></b>		
<b><u>Secured</u></b>		
Commodity Murabahah Term Financing ("CMTF 1")	-	79,769
Commodity Murabahah Term Financing ("CMTF 2")	29,860	29,779
Commodity Murabahah Term Financing ("CMTF 3 Tranche 1")	278,697	278,118
Commodity Murabahah Term Financing ("CMTF 3 Tranche 2")	298,073	297,625
Commodity Murabahah Term Financing ("CMTF 4 - Revolving Credit-i")	-	99,315
Commodity Murabahah Term Financing ("CMTF 4 - Term Financing-i")	71,371	71,277
	678,001	855,883
<b><u>Current</u></b>		
<b><u>Secured</u></b>		
Commodity Murabahah Term Financing ("CMTF 1")	79,901	-

**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 31-03-2024	Immediate Preceding Quarter ended 31-12-2023
Number of units in issue - units	839,597,757	839,597,757
Earning per unit (EPU) - sen	1.95	1.29
Net income distribution to unitholders - RM'000	15,952	16,792
Distribution per unit (DPU) - sen	1.90	2.00
Net Asset Value (NAV) - RM'000	1,071,023	1,072,297
NAV per unit - RM	1.2756	1.2772
Market Value Per Unit - RM	1.2600	1.2400

**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 March 2024 and of its financial performance and cash flows for the period then ended.