

**AL-'AQAR HEALTHCARE REIT**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Second Quarter Ended 30 June 2020**

Note	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year to date	Preceding Year corresponding period to date	Changes
	30-06-2020	30-06-2019		30-06-2020	30-06-2019	
	RM	RM	%	RM	RM	%
	21,163,829	26,267,181	(19.4)	49,324,646	52,714,149	(6.4)
	(1,587,885)	(1,482,476)	7.1	(3,092,603)	(2,810,816)	10.0
<b>Net rental income</b>	<b>19,575,944</b>	<b>24,784,705</b>	<b>(21.0)</b>	<b>46,232,043</b>	<b>49,903,333</b>	<b>(7.4)</b>
Investment income	253,103	443,051	(42.9)	562,144	878,972	(36.0)
Other income	180,750	133,000	35.9	313,750	451,057	(30.4)
<b>Total income</b>	<b>20,009,797</b>	<b>25,360,756</b>	<b>(21.1)</b>	<b>47,107,937</b>	<b>51,233,362</b>	<b>(8.1)</b>
Managers' fees	(459,226)	(427,001)	7.5	(913,628)	(852,996)	7.1
Trustees' fees	(96,778)	(70,807)	36.7	(199,712)	(141,761)	40.9
Accretion of long term borrowings	(55,044)	(55,044)	-	(110,087)	(110,087)	-
Annual financing fees	(329,796)	(365,408)	(9.8)	(656,592)	(713,992)	(8.0)
Maintenance of properties	(406,350)	(647,358)	(37.2)	(406,350)	(1,361,598)	(70.2)
Administrative expenses	(352,075)	(343,432)	2.5	(1,312,536)	(914,358)	43.6
Unrealised gain on foreign exchange	946,682	-	100.0	202,214	-	100.0
Professional fees	(62,757)	(99,400)	(36.9)	(181,165)	(248,400)	(27.1)
Withholding tax	(222,376)	(222,376)	-	(444,753)	(444,753)	-
Profit sharing expenses on financing	(8,415,882)	(7,907,805)	6.4	(17,023,883)	(15,259,987)	11.6
<b>Total trust expenditure</b>	<b>(9,453,602)</b>	<b>(10,138,631)</b>	<b>(6.8)</b>	<b>(21,046,492)</b>	<b>(20,047,932)</b>	<b>5.0</b>
<b>Net income before taxation</b>	<b>10,556,195</b>	<b>15,222,125</b>	<b>(30.7)</b>	<b>26,061,445</b>	<b>31,185,430</b>	<b>(16.4)</b>
Tax	-	-	-	-	-	-
<b>Net income after taxation</b>	<b>10,556,195</b>	<b>15,222,125</b>	<b>(30.7)</b>	<b>26,061,445</b>	<b>31,185,430</b>	<b>(16.4)</b>
<b>Other comprehensive income/(expenses)</b>						
Foreign currency translation differences for foreign operation	2,274,693	(8,808)	> 100	646,649	(101,037)	> 100
<b>Total comprehensive income for the period</b>	<b>12,830,888</b>	<b>15,213,317</b>	<b>(15.7)</b>	<b>26,708,094</b>	<b>31,084,393</b>	<b>(14.1)</b>
Net income after taxation is made up as follows:						
Realised	10,353,981	15,222,125	(32.0)	25,859,231	31,185,430	(17.1)
Unrealised	202,214	-	100.0	202,214	-	100.0
	<b>10,556,195</b>	<b>15,222,125</b>	<b>(30.7)</b>	<b>26,061,445</b>	<b>31,185,430</b>	<b>(16.4)</b>
<b>Earnings per unit (sen) - Net</b>	<b>1.43</b>	<b>2.07</b>	<b>(30.9)</b>	<b>3.54</b>	<b>4.24</b>	<b>(16.5)</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the financial statements.

**AL-'AQAR HEALTHCARE REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2020**

	Note	Unaudited As At End Of Current Quarter 30-06-2020 RM	Audited As at preceding year ended 31-12-2019 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	A9	1,569,814,000	1,569,814,000
<b>Current Assets</b>			
Trade receivables	B9	22,348,844	13,267,472
Other receivables & prepayments		3,325,671	3,516,647
Cash and bank balances		45,966,573	43,470,684
Fixed deposits with licensed banks		33,062,371	44,283,132
		<u>104,703,459</u>	<u>104,537,935</u>
<b>TOTAL ASSETS</b>		<u>1,674,517,459</u>	<u>1,674,351,935</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Islamic financing	B10	79,406,000	653,639,058
Other payables		10,353,945	6,907,481
Deferred tax		1,456,671	1,453,008
		<u>91,216,616</u>	<u>661,999,547</u>
<b>Current Liabilities</b>			
Islamic financing	B10	604,215,670	29,796,526
Other payables and accruals		8,730,627	9,617,214
Provision for income distribution		-	14,425,308
		<u>612,946,297</u>	<u>53,839,048</u>
<b>TOTAL LIABILITIES</b>		<u>704,162,913</u>	<u>715,838,595</u>
<b>NET ASSETS VALUE</b>		<u>970,354,546</u>	<u>958,513,340</u>
<b>REPRESENTED BY:</b>			
Unitholders' capital		731,398,126	731,398,126
Undistributed income		255,845,815	244,651,258
Foreign exchange translation reserve		(16,889,395)	(17,536,044)
<b>TOTAL UNITHOLDERS' FUND</b>		<u>970,354,546</u>	<u>958,513,340</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		<u>735,985,088</u>	<u>735,985,088</u>
<b>NET ASSETS VALUE (NAV) PER UNIT (RM)</b>		1.3184	1.3024

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 2020**

	Unitholders' Capital	Undistributed Income	Foreign Exchange	Total Unitholders' Fund
	RM	RM	RM	RM
<b>As at 1 January 2019</b>	731,398,126	225,896,338	(9,496,498)	947,797,966
<b>Operation for the period ended 30 June 2019</b>				
Net income for the period	-	31,185,430	(101,037)	31,084,393
<i>Increase/(Decrease) in net assets resulting from operation</i>	-	31,185,430	(101,037)	31,084,393
<b>Unitholders' transactions</b>				
Placement of units	-	-	-	-
Distribution to unitholders	-	(29,292,199)	-	(29,292,199)
Issuing expenses	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(29,292,199)	-	(29,292,199)
<b>Net assets as at 30 June 2019</b>	731,398,126	227,789,569	(9,597,535)	949,590,160
<b>As at 1 January 2020</b>	731,398,126	244,651,258	(17,536,044)	958,513,340
<b>Operation for the period ended 30 June 2020</b>				
Net income for the period	-	26,061,445	646,649	26,708,094
<i>Increase in net assets resulting from operation</i>	-	26,061,445	646,649	26,708,094
<b>Unitholders' transactions</b>				
Placement of units	-	-	-	-
Distribution to unitholders #	-	(14,866,888)	-	(14,866,888)
Issuing expenses	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(14,866,888)	-	(14,866,888)
<b>Net assets as at 30 June 2020</b>	731,398,126	255,845,815	(16,889,395)	970,354,546

# Includes the payment of the final income distribution for financial year 2019 of 2.02 sen per unit (of which 0.60 sen per unit is taxable and 1.42 sen per unit is non-taxable in the hands of unitholders) in respect of the period from 1 October to 31 December 2019 which was paid on 28 February 2020.

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 2019 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 2020**

	To Date	
	30-06-2020	30-06-2019
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	26,061,445	31,185,430
Adjustment for:		
Profit sharing expenses on Islamic financing	17,680,475	15,973,979
Accretion of long term Islamic financing	110,087	110,087
Unrealised gain on foreign exchange	(202,214)	-
Investment revenue	(562,144)	(878,972)
Operating profit before working capital changes	43,087,649	46,390,524
Changes in working capital:		
Increase in receivables and prepayments	(8,890,396)	(3,274,223)
Decrease in other payables and accruals	(11,866,070)	(14,372,979)
Cash generated from operations	22,331,183	28,743,322
Taxes	-	-
Net cash generated from operating activities	22,331,183	28,743,322
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to investment properties	-	(1,200,000)
Income received from investment	562,144	878,972
Net cash generated from/(used in) investing activities	562,144	(321,028)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution paid	(14,866,888)	(15,234,884)
Increase in restricted cash	(282,804)	(357,541)
Profit sharing expenses on Islamic financing	(17,600,173)	(14,618,614)
Net cash used in financing activities	(32,749,865)	(30,211,039)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(9,856,538)	(1,788,745)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	848,862	(101,037)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	67,475,106	72,733,063
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	58,467,430	70,843,281
<b>DEPOSITS, CASH AND BANK BALANCES</b>		
Cash and bank balances	45,966,573	43,304,380
Fixed deposits with licensed banks	33,062,371	46,512,373
	79,028,944	89,816,753
Less: Restricted cash	(20,561,514)	(18,973,472)
<b>CASH AND CASH EQUIVALENTS</b>	58,467,430	70,843,281

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 2020

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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 2019.

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 2019.

##### Standards, amendments to published standards and interpretations that are effective

The Group has applied the following amendments for the financial year beginning 1 January 2020:

- Amendments to MFRS 3 'Definition of a Business'
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'
- Amendments to MFRS 9, MFRS 139 and MFRS 7 'Interest Rate Benchmark Reform'
- MFRSs 'Amendments to References to the Conceptual Framework in MFRS Standards'

The adoption of these new standards and amendments did not have any material impact on the current financial year or prior year and is not likely to affect future years.

##### Standards that have been issued but not yet effective

- MFRS 17 'Insurance Contracts' (effective 1 January 2021)
- Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' (effective date deferred to a date to be determined and announced by MASB, with earlier application permitted)

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 2019 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, repurchases and repayment of debt and equity securities being made in the current quarter.

## A7. INCOME DISTRIBUTION

No income distribution was paid during the current quarter.

## 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 30 June 2020</b>			
Gross rental income	44,546	4,779	49,325
Property expenses	(3,014)	(79)	(3,093)
Net rental income	41,532	4,700	46,232
Investment income	562	-	562
Other income	314	-	314
Total income	42,408	4,700	47,108
Trust expenditure	(20,665)	(382)	(21,047)
Profit before taxation	21,743	4,318	26,061
Tax expense	-	-	-
Profit after taxation	21,743	4,318	26,061
Total assets	1,527,447	147,070	1,674,517
Total liabilities	702,288	1,875	704,163
	Malaysia RM'000	Australia RM'000	Total RM'000
<b>Period Ended 30 June 2019</b>			
Gross rental income	46,977	5,737	52,714
Property expenses	(2,731)	(80)	(2,811)
Net rental income	44,246	5,657	49,903
Investment income	879	-	879
Other income	451	-	451
Total income	45,576	5,657	51,233
Trust expenditure	(20,010)	(38)	(20,048)
Profit before taxation	25,566	5,619	31,185
Tax expense	-	-	-
Profit after taxation	25,566	5,619	31,185
Total assets	1,433,938	149,472	1,583,410
Total liabilities	631,580	2,240	633,820

### 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

The World Health Organization (“WHO”) on March 11, declared Covid-19 as a pandemic. Subsequently on 13th March 2020, the Malaysian Government announced a Movement Control Order (“MCO”) for Malaysia as a preventive measure in response to the Covid-19 pandemic in the country. Since then, Malaysia went through 5 phases of MCO, with all the strict actions recommended by the WHO to effectively combat the Covid-19 outbreak.

The impact of the Covid-19 outbreak has put the Malaysian healthcare system in a contrasting reality, with public hospitals overstretched from increasing patients. Meanwhile, private hospitals are underwhelmingly quiet as a result of the MCO, which affecting most of Al-'Aqar's properties/tenants.

As part of the long-term business sustainability plan, the Manager after consultation with the Trustee, has agreed for Al-'Aqar to provide assistance to its tenants in the form of rental rebate. The rebate is determined based on actual performance of each properties/tenants with a certain capping.

## A11. CHANGES IN THE COMPOSITION OF THE TRUST

Al-'Aqar Healthcare REIT was listed on 10 August 2006 with an initial fund size of 340 million units.

In the Annual General Meeting (AGM) held on 25 June 2020, the following resolutions have been passed by the unit holders of Al-'Aqar Healthcare REIT:

### Ordinary Resolution 1

Proposed authority to allot and issue up to 147,197,017 new units of Al-'Aqar Healthcare REIT, representing 20% of the approved fund size of Al-'Aqar Healthcare REIT, pursuant to Clause 14.03 of the SC REIT Guidelines.

### Ordinary Resolution 2

Proposed increase in existing approved fund size of Al-'Aqar Healthcare REIT from 735,985,088 units to a maximum of 883,182,105 units pursuant to Ordinary Resolution 1.

However, there were no issuances of new units for the current quarter under review.

## 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	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	RM	RM	RM	RM
Manager's fee	913,628	852,996	913,628	852,996
Maintenance fee	506,200	499,225	506,200	499,225
Registrar fee	-	56,049	-	56,049
Secretarial fee	-	1,320	-	-
Miscellaneous expenses	43,080	-	43,080	-
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 2020

### B. ADDITIONAL INFORMATION PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

#### B1. REVIEW OF PERFORMANCE

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30.06.2020 RM'000	Preceding Year Corresponding Quarter 30.06.2019 RM'000	Changes %	Current Year To Date 30.06.2020 RM'000	Preceding Year Corresponding Period To Date 30.06.2019 RM'000	Changes %
<b>Net rental income</b>						
Malaysia	17,729	21,973	(19.3)	41,532	44,246	(6.1)
Australia	1,847	2,811	(34.3)	4,700	5,657	(16.9)
Total net rental income	19,576	24,784	(21.0)	46,232	49,903	(7.4)
<b>Net income before taxation</b>						
Malaysia	8,786	12,411	(29.2)	21,743	25,566	(15.0)
Australia	1,770	2,811	(37.0)	4,318	5,619	(23.2)
Total net income before taxation	10,556	15,222	(30.7)	26,061	31,185	(16.4)
<b>Net income after taxation</b>						
Malaysia	8,786	12,411	(29.2)	21,743	25,566	(15.0)
Australia	1,770	2,811	(37.0)	4,318	5,619	(23.2)
Total net income after taxation	10,556	15,222	(30.7)	26,061	31,185	(16.4)

#### (a) Review of Individual Quarter Results

##### Malaysia segment

The Malaysia segment contributed RM17.7 million of net rental income for the current quarter ended 30 June 2020, represented a decrease of RM4.2 million or 19.3% from RM21.9 million, recorded in the preceding year's corresponding quarter. The decrease was mainly due to provision for rental support given to assist tenants during the MCO.

##### Australia segment

The Australia segment recorded RM1.8 million of net rental income for the current quarter ended 30 June 2020, represented a decrease of RM1.0 million or 34.3% from RM2.8 million, recorded in the preceding year's corresponding quarter. The decrease was mainly due to provision for rental support as describe above.

##### Net income before taxation

Al-'Aqar Healthcare REIT's net rental income for the current quarter ended 30 June 2020, represented a decrease of RM5.2 million or 21.0% as compared to the preceding year's corresponding quarter. The decrease was mainly due to the reason as stated above.

Al-'Aqar Healthcare REIT's net income before taxation for the current quarter ended 30 June 2020, correspondingly reported a drop of RM4.7 million or 30.7% lower than corresponding quarter's last year of RM15.2 million. The decrease was mainly due to provision for rental support as mentioned earlier.

## B1. REVIEW OF PERFORMANCE (CONT'D)

### **(b) Review of Cumulative Quarter Results**

#### Malaysia segment

The Malaysia segment contributed RM41.5 million of net rental income for the 6 months period ended 30 June 2020, represented a decrease of RM2.7 million or 6.1% from RM44.2 million, recorded in the preceding period. The decrease was mainly due to provision for rental support given to assist tenants during the MCO.

#### Australia segment

The Australia segment recorded RM4.7 million of net rental income for the 6 months period ended 30 June 2020, represented a decrease of RM0.9 million or 16.9% from RM5.6 million, recorded in the preceding period. The decrease was mainly due to provision for rental support as describe above.

#### Net income before taxation

Al-'Aqar Healthcare REIT's net rental income for the 6 months period ended 30 June 2020, represented a decrease of RM3.7 million or 7.4% as compared to the preceding period. The decrease was mainly due to provision for rental support as mentioned above.

Al-'Aqar Healthcare REIT's net income before taxation for the period ended 30 June 2020 was RM26.1 million, which was RM5.1 million or 16.4% lower than preceding period of RM31.2 million. The decrease was mainly due to higher Islamic financing cost by RM1.8 million due to drawdown of additional Islamic financing in December 2019 set-off against lower maintenance of properties incurred of RM1.0 million.

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

	<b>Current Quarter ended 30.06.2020 RM'000</b>	<b>Immediate Preceding Quarter ended 31.03.2020 RM'000</b>	<b>Changes %</b>
Net rental income	19,576	26,656	(26.56)
Net income before taxation	10,556	15,505	(31.92)
Net income after taxation	10,556	15,505	(31.92)

Al-'Aqar Healthcare REIT recorded a lower net income before taxation of RM10.5 million as compared to RM15.5 million in the preceding quarter. This was mainly due to provision for rental support given to assist tenants during the MCO.

## B3. PROSPECTS

The Covid-19 outbreak and an enforcement of Movement Control Order (MCO) from 18th March 2020 has significantly impacted the private hospitals, where the non-essential cases has been deferred as patients steer clear of hospitals whenever possible. According to Malaysian Medical Association (MMA), overall patient loads at private hospitals have dropped by 60% during the MCO period.

As the country's infection rate from COVID-19 continues to drop, the Prime Minister Tan Sri Muhyiddin Yassin has made an announcements on the implementation of the Conditional MCO (CMCO) and followed by partial reopening for medical tourist effective on 4th May 2020 and 1st July 2020 respectively. This is expected to encourage the patient to seek treatment in hospitals and indirectly reduce the depressed trend of the private healthcare performance.

If there are no further resurgence of the Covid-19, it is expected that the performance of tenant will improve by end of the year. Therefore, the Manager expects the performance of the Fund will improve in the next quarters. For the long term, the Manager believes rising healthcare awareness arising from the outbreak should be positive for the healthcare sector.

**B4. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS**

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

**B5. TAX**

	The Group		The Fund	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	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 or deferred tax is required to be provided in the financial statements.

**B6. GAIN OR LOSS ON SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

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

**B7. PURCHASE AND DISPOSAL OF QUOTED SECURITIES**

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

**B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED**

There was no corporate proposal announced but not completed during the current quarter.

**B9. TRADE RECEIVABLES**

	The Group	
	As at 30-06-2020	As at 30-06-2019
	RM'000	RM'000
Trade receivables	22,349	5,750

Trade receivables comprise rental receivable from lessees. The credit period granted by the Group on rental receivable from lessees ranges from 30 to 60 days.

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

	The Group	
	As at 30-06-2020	As at 30-06-2019
	RM'000	RM'000
0-30 days	3,132	3,219
31-60 days	1,894	1,822
61-90 days	2,149	709
More than 90 days	15,174	-
	<u>22,349</u>	<u>5,750</u>

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.

Out of the total trade receivables of RM22.3 million, RM14.2 million is related to rental payable in relation to an Australian property and the parties are entering into a settlement arrangement which is currently subject to the negotiation on the periodical rental revision. The determination of the revised rental is currently pending valuation of the subject property as per the provisions of the lease agreement.

**B10. ISLAMIC FINANCING**

	The Group	
	As at 30-06-2020 RM'000	As at 30-06-2019 RM'000
<b><u>Non-current</u></b>		
<b><u>Secured</u></b>		
Sukuk Ijarah - Islamic Medium Term Notes ('IMTN')	-	574,143
Commodity Murabahah Term Financing - i ("Commodity Murabahah")	79,406	-
<b><u>Non-Secured</u></b>		
Murabahah Tawarruq Term Financing - i ("Murabahah Tawarruq")	-	29,740
	<u>79,406</u>	<u>603,883</u>
<b><u>Current</u></b>		
<b><u>Secured</u></b>		
Sukuk Ijarah - Islamic Medium Term Notes ('IMTN')	574,363	-
<b><u>Non-Secured</u></b>		
Murabahah Tawarruq Term Financing - i ("Murabahah Tawarruq")	29,853	-
	<u>604,216</u>	<u>-</u>

**B11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

**B12. MATERIAL LITIGATION**

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

**B13. SOFT COMMISSION RECEIVED**

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

**B14. SUMMARY OF DPU, EPU AND NAV**

	Current Quarter ended 30-06-2020	Immediate Preceding Quarter ended 31-03-2020
Number of units in issue - units	735,985,088	735,985,088
Earning per unit (EPU) - sen	1.43	2.11
Net income distribution to unitholders - RM'000	-	14,867
Distribution per unit (DPU) - sen	-	2.02
Net Asset Value (NAV) - RM'000	970,355	957,524
NAV per unit - RM	1.3184	1.3010
Market Value Per Unit - RM	1.3800	1.3900

**B15. 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 2020 and of its financial performance and cash flows for the period then ended.