

**AL-'AQAR HEALTHCARE REIT**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the First Quarter Ended 31 March 2022**

Note	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year	Preceding Year Corresponding Period to Date	Changes
	31-03-2022	31-03-2021		31-03-2022	31-03-2021	
	RM	RM	%	RM	RM	%
	27,249,811	29,158,958	(6.6)	27,249,811	29,158,958	(6.6)
	(1,542,279)	(1,411,060)	9.3	(1,542,279)	(1,411,060)	9.3
<b>Net rental income</b>	<b>25,707,532</b>	<b>27,747,898</b>	<b>(7.4)</b>	<b>25,707,532</b>	<b>27,747,898</b>	<b>(7.4)</b>
Investment income	162,539	186,404	(12.8)	162,539	186,404	(12.8)
Unrealised gain on foreign exchange	284,484	225,352	26.2	284,484	225,352	26.2
Other income	133,000	133,000	-	133,000	133,000	-
<b>Total income</b>	<b>26,287,555</b>	<b>28,292,654</b>	<b>(7.1)</b>	<b>26,287,555</b>	<b>28,292,654</b>	<b>(7.1)</b>
Managers' fees	(451,863)	(458,080)	(1.4)	(451,863)	(458,080)	(1.4)
Trustees' fees	(93,599)	(95,624)	(2.1)	(93,599)	(95,624)	(2.1)
Islamic financing costs	(6,102,720)	(8,500,219)	(28.2)	(6,102,720)	(8,500,219)	(28.2)
Maintenance of properties	-	(907,450)	(100.0)	-	(907,450)	(100.0)
Realised loss on foreign exchange	(608)	-	100.0	(608)	-	100.0
Administrative expenses	(474,542)	(460,496)	3.1	(474,542)	(460,496)	3.1
Professional fees	(97,893)	(197,148)	(50.4)	(97,893)	(197,148)	(50.4)
Withholding tax	(111,380)	(222,377)	(49.9)	(111,380)	(222,377)	(49.9)
<b>Total trust expenditure</b>	<b>(7,332,605)</b>	<b>(10,841,394)</b>	<b>(32.4)</b>	<b>(7,332,605)</b>	<b>(10,841,394)</b>	<b>(32.4)</b>
<b>Net income before taxation</b>	<b>18,954,950</b>	<b>17,451,260</b>	<b>8.6</b>	<b>18,954,950</b>	<b>17,451,260</b>	<b>8.6</b>
Tax	-	-	-	-	-	-
<b>Net income after taxation</b>	<b>18,954,950</b>	<b>17,451,260</b>	<b>8.6</b>	<b>18,954,950</b>	<b>17,451,260</b>	<b>8.6</b>
<b>Other comprehensive income</b>						
Foreign currency translation differences for foreign operation	236,845	721,519	(67.2)	236,845	721,519	(67.2)
<b>Total comprehensive income for the period</b>	<b>19,191,795</b>	<b>18,172,779</b>	<b>5.6</b>	<b>19,191,795</b>	<b>18,172,779</b>	<b>5.6</b>
Net income after taxation is made up as follows:						
Realised	17,959,516	16,490,442	8.9	17,959,516	16,490,442	8.9
Unrealised	995,434	960,818	3.6	995,434	960,818	3.6
	<b>18,954,950</b>	<b>17,451,260</b>	<b>8.6</b>	<b>18,954,950</b>	<b>17,451,260</b>	<b>8.6</b>
<b>Earnings per unit (sen) - Net</b>	<b>2.58</b>	<b>2.37</b>	<b>8.9</b>	<b>2.58</b>	<b>2.37</b>	<b>8.9</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the financial statements.

**AL-'AQAR HEALTHCARE REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2022**

	Note	Unaudited As At End Of Current Quarter 31-03-2022 RM	Audited As at preceding year ended 31-12-2021 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	A9	1,538,210,398	1,538,210,398
<b>Current Assets</b>			
Trade receivables	B11	38,828,635	36,106,493
Other receivables & prepayments		3,013,910	574,587
Cash and bank balances		45,256,429	49,337,838
Fixed deposits with licensed banks		31,948,776	40,503,678
		<u>119,047,750</u>	<u>126,522,596</u>
<b>TOTAL ASSETS</b>		<u>1,657,258,148</u>	<u>1,664,732,994</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Islamic financing	B12	684,231,821	683,876,967
Other payables		13,475,204	13,475,204
Deferred tax		1,765,866	1,765,866
		<u>699,472,891</u>	<u>699,118,037</u>
<b>Current Liabilities</b>			
Other payables and accruals		6,839,272	5,893,348
Provision for income distribution		-	14,719,701
		<u>6,839,272</u>	<u>20,613,049</u>
<b>TOTAL LIABILITIES</b>		<u>706,312,163</u>	<u>719,731,086</u>
<b>NET ASSETS VALUE</b>		<u>950,945,985</u>	<u>945,001,908</u>
<b>REPRESENTED BY:</b>			
Unitholders' capital		731,398,126	731,398,126
Undistributed income		227,333,193	221,625,961
Foreign exchange translation reserve		(7,785,334)	(8,022,179)
<b>TOTAL UNITHOLDERS' FUND</b>		<u>950,945,985</u>	<u>945,001,908</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>			
- Before income distribution		1.2921	1.2840
- After income distribution*		1.2721	1.2660

\*after reflecting the proposed first interim income distribution for financial year ending 31 December 2022 of 2.00 sen per unit (2021: final income distribution for financial year ended 31 December 2021 of 1.80 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 2021 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 2022**

Note	Unitholders' Capital RM	Undistributed Income RM	Foreign Exchange RM	Total Unitholders' Fund RM
<b>As at 1 January 2021</b>	731,398,126	217,626,683	(5,534,648)	943,490,161
<b>Operation for the period ended 31 March 2021</b>				
Net income for the period	-	17,451,260	721,519	18,172,779
<i>Increase in net assets resulting from operation</i>	-	17,451,260	721,519	18,172,779
<b>Unitholders' transactions</b>				
Placement of units	-	-	-	-
Distribution to unitholders	-	(25,391,478)	-	(25,391,478)
Issuing expenses	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(25,391,478)	-	(25,391,478)
<b>Net assets as at 31 March 2021</b>	731,398,126	209,686,465	(4,813,129)	936,271,462
<b>As at 1 January 2022</b>	731,398,126	221,625,961	(8,022,179)	945,001,908
<b>Operation for the period ended 31 March 2022</b>				
Net income for the period	-	18,954,950	236,845	19,191,795
<i>Increase in net assets resulting from operation</i>	-	18,954,950	236,845	19,191,795
<b>Unitholders' transactions</b>				
Placement of units	-	-	-	-
Distribution to unitholders #	-	(13,247,718)	-	(13,247,718)
Issuing expenses	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(13,247,718)	-	(13,247,718)
<b>Net assets as at 31 March 2022</b>	731,398,126	227,333,193	(7,785,334)	950,945,985

# Includes the payment of the final income distribution for the financial year ended 31 December 2021 of 1.80 sen per unit (of which 1.08 sen per unit is taxable and 0.72 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 October to 31 December 2021 which was paid on 28 February 2022.

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 2021 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 2022**

	<b>To Date</b>	
	<u>31-03-2022</u>	<u>31-03-2021</u>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	18,954,950	17,451,260
Adjustment for:		
Islamic financing costs	6,102,720	8,500,219
Unrealised gain on foreign exchange	(284,484)	(225,352)
Unbilled rental income	(710,950)	(735,466)
Investment revenue	<u>(162,539)</u>	<u>(186,404)</u>
Operating profit before working capital changes	23,899,697	24,804,257
Changes in working capital:		
Increase in receivables and prepayments	(4,450,516)	(5,335,818)
(Decrease)/increase in other payables and accruals	<u>(13,876,672)</u>	<u>9,011,089</u>
Cash generated from operations	5,572,509	28,479,528
Taxes	-	-
Net cash generated from operating activities	<u>5,572,509</u>	<u>28,479,528</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Income received from investment	<u>162,539</u>	<u>186,404</u>
Net cash generated from investing activity	<u>162,539</u>	<u>186,404</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution paid	(13,247,718)	(25,391,478)
Increase in restricted cash	(24,583)	(2,284)
Islamic financing costs paid	<u>(5,644,971)</u>	<u>(8,045,622)</u>
Net cash used in financing activities	<u>(18,917,272)</u>	<u>(33,439,384)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(13,182,224)	(4,773,452)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	521,329	946,871
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	82,955,755	61,149,116
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>70,294,860</u>	<u>57,322,535</u>
<b>DEPOSITS, CASH AND BANK BALANCES</b>		
Cash and bank balances	45,256,429	49,314,969
Fixed deposits with licensed banks	<u>31,948,776</u>	<u>29,533,565</u>
	77,205,205	78,848,534
Less: Restricted cash	<u>(6,910,345)</u>	<u>(21,525,999)</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>70,294,860</u>	<u>57,322,535</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 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 2022**

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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 2021.

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 2021.

Standards that have been issued but not yet effective

- Annual improvements to MFRS Standards 2018 - 2020 (effective 1 January 2022)
- Amendments to MFRS 3: Reference to the Conceptual Framework (effective 1 January 2022)
- Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use (effective 1 January 2022)
- Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract (effective 1 January 2022)
- MFRS 17 Insurance Contracts (effective 1 January 2023)
- Amendments to MFRS 17 Insurance Contracts (effective 1 January 2023)
- Amendment to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information (effective 1 January 2023)
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current (effective 1 January 2023)
- Amendments to MFRS 101: Disclosure of Accounting Policies (effective 1 January 2023)
- Amendments to MFRS 108: Definition of Accounting Estimates (effective 1 January 2023)
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

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 2021 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

The final income distribution for the financial year ended 31 December 2021 of 1.80 sen per unit (of which 1.08 sen per unit is taxable and 0.72 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 October to 31 December 2021, which was announced on 27 January 2022 has been paid on 28 February 2022.

## 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 2022</b>			
Gross rental income	25,825	1,425	27,250
Property expenses	(1,526)	(16)	(1,542)
Net rental income	24,299	1,409	25,708
Investment income	163	-	163
Unrealised gain on foreign exchange	284	-	284
Other income	133	-	133
Total income	24,879	1,409	26,288
Trust expenditure	(7,056)	(277)	(7,333)
Net income before taxation	17,823	1,132	18,955
Tax	-	-	-
Net income after taxation	17,823	1,132	18,955
Total assets	1,528,829	128,429	1,657,258
Total liabilities	705,732	580	706,312

	Malaysia RM'000	Australia RM'000	Total RM'000
<b>Period Ended 31 March 2021</b>			
Gross rental income	26,309	2,850	29,159
Property expenses	(1,399)	(12)	(1,411)
Net rental income	24,910	2,838	27,748
Investment income	186	-	186
Unrealised gain on foreign exchange	225	-	225
Other income	133	-	133
Total income	25,454	2,838	28,292
Trust expenditure	(10,616)	(225)	(10,841)
Net income before taxation	14,838	2,613	17,451
Tax	-	-	-
Net income after taxation	14,838	2,613	17,451
Total assets	1,525,200	125,033	1,650,233
Total liabilities	712,864	1,098	713,962

### 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	
	31-03-2022 RM	31-03-2021 RM	31-03-2022 RM	31-03-2021 RM
Manager's fee	451,863	458,080	451,863	458,080
Maintenance fee	306,032	252,544	306,032	252,544
Miscellaneous expenses	-	18,895	-	18,895
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 2022

### 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 31.03.2022 RM'000	Preceding Year Corresponding Quarter 31.03.2021 RM'000	Changes %	Current Year To Date 31.03.2022 RM'000	Preceding Year Corresponding Period To Date 31.03.2021 RM'000	Changes %
<b>Net rental income</b>						
Malaysia	24,299	24,910	(2.5)	24,299	24,910	(2.5)
Australia	1,409	2,838	(50.4)	1,409	2,838	(50.4)
<b>Total</b>	<b>25,708</b>	<b>27,748</b>	<b>(7.4)</b>	<b>25,708</b>	<b>27,748</b>	<b>(7.4)</b>
<b>Net income before taxation</b>						
Malaysia	17,823	14,838	20.1	17,823	14,838	20.1
Australia	1,132	2,613	(56.7)	1,132	2,613	(56.7)
<b>Total</b>	<b>18,955</b>	<b>17,451</b>	<b>8.6</b>	<b>18,955</b>	<b>17,451</b>	<b>8.6</b>

#### Review of Individual/Cumulative Quarter Results

##### Malaysia segment

The Malaysia segment contributed RM24.3 million of net rental income for the current quarter ended 31 March 2022, represented a decrease of RM0.6 million or 2.5% from RM24.9 million, recorded in the preceding year's corresponding quarter. The decrease was mainly due to renewal of 15-year lease of 6 properties at lower rate of 5.75% on 29 June 2021.

The Malaysia segment recorded net income before taxation of RM17.8 million for the current quarter, which is RM3.0 million or 20.1% higher than preceding year corresponding quarter of RM14.8 million. The increase was mainly due to lower Islamic financing costs of RM2.4 million as well as lower maintenance and repair of RM0.9 million.

##### Australia segment

The Australia segment contributed RM1.4 million of net rental income for the current quarter ended 31 March 2022, represented a decrease of RM1.4 million or 50.4% from RM2.8 million, recorded in the preceding year's corresponding quarter. The decrease was mainly due to rental rate revision on 2nd October 2021.

The Australia segment recorded net income before taxation of RM1.1 million for the current quarter, which is RM1.5 million lower than preceding year corresponding quarter of RM2.6 million. The decrease was mainly due to rental rate revision on 2nd October 2021.



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

	<b>Current Quarter ended 31.03.2022 RM'000</b>	<b>Immediate Preceding Quarter ended 31.12.2021 RM'000</b>	<b>Changes %</b>
Net rental income	25,708	25,526	0.71
Net income before taxation	18,955	22,114	(14.28)

Al-Aqar Healthcare REIT recorded a net income before taxation of RM18.9 million as compared to RM22.1 million in the preceding quarter. This was mainly due to fair value gain on investment properties of RM5.5 million recorded in the immediate preceding quarter.

**B3. CHANGES IN NET ASSET VALUE**

	<b>As at 31-03-2022 RM'000</b>	<b>As at 31-12-2021 RM'000</b>
Net asset value ("NAV")	<u>950,946</u>	<u>945,002</u>
NAV per unit (RM)	<u>1.2921</u>	<u>1.2840</u>

The NAV as at 31 March 2022 was higher by RM5.9 million as compared to the immediate preceding quarter, as a result of total comprehensive income of RM19.1 million and income distribution of RM13.2 million recognised during the current quarter.

**B4. PROSPECTS**

The global economy continues to recover. Despite the recent moderation in economic activity due to the Omicron-driven COVID-19 resurgences, the overall recovery trajectory remains on track. Inflation in many economies remains elevated, due to both demand and supply factors. Going forward, more countries will enter into endemic management of COVID-19, hence supporting global growth prospects. The global growth outlook will also continue to be affected by developments surrounding COVID-19, risks of prolonged global supply disruptions, and heightened financial market volatility amid adjustments in monetary policy in major economies.

Despite the challenging environment, the Malaysian economy expanded by 3.1% in 2021. Looking ahead, the growth recovery will strengthen in 2022 with projected gross domestic product ("GDP") growth ranging between 5.3% and 6.3%. Significantly driven by the expansion in global demand and higher private sector expenditure, amid improvements in the labor market and continued targeted policy support. The reopening of international borders on 1 April 2022 would also provide further support to economic recovery.

In 2021, KPJ Group has recorded a 10% increase in their total revenue compared to the corresponding preceding period. The increase was due to greater collaboration with the public healthcare sector to treat COVID-19 patients, higher COVID-19 screening, laboratory testing, and vaccination services. However, the increase in operating costs as a result of complying with the COVID-19 compulsory procedure's requirement led to lower KPJ Group's EBITDA performance. In 2022 onwards, KPJ Group's performance is expected to further improve over the year through various marketing plans, the introduction of new packages to patients, and continued collaboration with the MOH to decant the patients from the public healthcare system.

As the pandemic continues to unfold, the profound impact has altered the global outlook on the needs and demands of the healthcare system. The public is more health-conscious as they are moving from preventive measures to reactive measures in seeking medical treatment.

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

Moving forward, Al-Aqar will continue to strengthen its relationship with KPJ Group via a series of future injections and currently developing new partnerships with other healthcare players within the industry. Taking the advantage of the potential growth in the healthcare industry, Al-Aqar is expected to diversify its asset class from mainly multidisciplinary hospitals to other asset types within the healthcare value chain, for example, ambulatory care centers, confinement centers, senior living care, and manufacturing of healthcare products. Based on the overall industry assessment of the respective property's business model, the Manager is expected to execute capital recycling via asset divestment and repositioning of existing properties.

The Manager believes that Al-Aqar is on the roadmap of post-pandemic recovery after taking all these initiatives which lay a good foundation and pillar to achieve the goals of sustainable development. It is expected for Al-Aqar to be a lucrative fund that is capable to generate a positive return and long-term growth investment.

Sources:

- 1 KPJ Healthcare Quarter 4, 2021 Performance Review & Prospect, 18 February 2022
- 2 Bank Negara Monetary Policy Statement, 3 March 2022
- 3 Press release by Bank Negara Malaysia, 30 March 2022
- 4 KPJ Healthcare Berhad Annual Report, 2021

**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	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
	RM	RM	RM	RM
Tax expense				
- Income Tax	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<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:

	<b>Current Year Quarter 31-03-2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-03-2021 RM'000</b>	<b>Current Year To Date 31-03-2022 RM'000</b>	<b>Preceding Year Corresponding Period To Date 31-03-2021 RM'000</b>
Net rental income	25,708	27,748	25,708	27,748
Investment income	163	186	163	186
Other income	133	133	133	133
Less: Unbilled rental income	(711)	(736)	(711)	(736)
	25,293	27,331	25,293	27,331
Less: Expenses	(7,333)	(10,841)	(7,333)	(10,841)
Realised/Distributable income for the period	17,960	16,490	17,960	16,490
Previous year's undistributed realised income	49,562	41,751	49,562	41,751
Total realised income available for distribution	67,522	58,241	67,522	58,241
Less: Income to be distributed for the quarter/period	(14,720)	(14,720)	(14,720)	(14,720)
Balance undistributed income realised income	52,802	43,521	52,802	43,521
Distribution per unit (sen)	2.00	2.00	2.00	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**

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

**B11. TRADE RECEIVABLES**

	<b>The Group</b>	
	<b>As at 31-03-2022 RM'000</b>	<b>As at 31-03-2021 RM'000</b>
<b><u>Non-current</u></b>		
Trade receivables	-	7,064
<b><u>Current</u></b>		
Trade receivables	32,430	24,070
Unbilled rental income	6,399	3,334
	38,829	27,404

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

**B11. TRADE RECEIVABLES (CONT'D)**

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 31-03-2022 RM'000	As at 31-03-2021 RM'000
0-30 days	2,936	2,665
31-60 days	2,156	1,941
61-90 days	1,962	1,934
More than 90 days	25,376	24,594
	32,430	31,134

Out of the total trade receivables of RM32.4 million, RM22.2 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 31-03-2022 RM'000	As at 31-03-2021 RM'000
<b><u>Non-current</u></b>		
<b><u>Secured</u></b>		
Commodity Murabahah Term Financing ("CMTF 1")	79,638	79,505
Commodity Murabahah Term Financing ("CMTF 2")	29,698	29,618
Commodity Murabahah Term Financing ("CMTF 3 Tranche 1")	277,629	-
Commodity Murabahah Term Financing ("CMTF 3 Tranche 2")	297,267	-
	684,232	109,123
<b><u>Current</u></b>		
<b><u>Secured</u></b>		
Sukuk Ijarah Issue 2	-	574,901
	-	574,901

**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**

	<b>Current Quarter ended 31-03-2022</b>	<b>Immediate Preceding Quarter ended 31-12-2021</b>
Number of units in issue - units	735,985,088	735,985,088
Earning per unit (EPU) - sen	2.58	3.11
Net income distribution to unitholders - RM'000	14,720	13,248
Distribution per unit (DPU) - sen	2.00	1.80
Net Asset Value (NAV) - RM'000	950,946	945,002
NAV per unit - RM	1.2921	1.2840
Market Value Per Unit - RM	1.2000	1.1600

**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 2022 and of its financial performance and cash flows for the period then ended.