

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Fourth Quarter Ended 31 December 2017

	Note	Individual Quarter			Cumulative Quarter		
		Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year To Date	Preceding Year Corresponding To Date	Changes
		31-12-2017	31-12-2016		31-12-2017	31-12-2016	
		RM	RM	%	RM	RM	%
Gross rental income		24,777,319	25,097,225	(1.3)	99,648,169	103,839,133	(4.0)
Property expenses		(1,766,591)	(1,604,947)	10.1	(6,441,291)	(6,244,340)	3.2
Net rental income	B1	23,010,728	23,492,278	(2.1)	93,206,878	97,594,793	(4.5)
Investment income		591,310	381,741	54.9	2,272,257	1,542,599	47.3
Gain in fair value adjustment		24,534,840	1,899,958	1,191.3	24,791,923	1,899,958	1,204.9
Other income		-	-	-	1,557	27,233	(94.3)
Total income		48,136,878	25,773,977	86.8	120,272,615	101,064,583	19.0
Managers' fees		(413,190)	(434,328)	(4.9)	(2,196,079)	(1,738,665)	26.3
Trustees' fees		(67,551)	(66,486)	1.6	(266,224)	(264,310)	0.7
Accretion of long term borrowings		(435,176)	(118,684)	266.7	(474,738)	(474,738)	-
Annual financing fees		(253,249)	(189,875)	33.4	(448,340)	(711,500)	(37.0)
Maintenance of properties		(418,861)	(538,610)	(22.2)	(746,391)	(599,810)	24.4
Administrative expenses		(767,833)	(777,266)	(1.2)	(1,355,631)	(1,160,789)	16.8
Professional fees		(516,571)	(196,895)	162.4	(707,770)	(277,634)	154.9
Withholding tax		(222,376)	(222,376)	-	(889,506)	(889,506)	-
Profit sharing expenses on financing		(6,162,580)	(7,782,670)	(20.8)	(27,033,850)	(30,961,494)	(12.7)
Total trust expenditure		(9,257,387)	(10,327,190)	(10.4)	(34,118,529)	(37,078,446)	(8.0)
Profit before taxation		38,879,491	15,446,787	151.7	86,154,086	63,986,137	34.6
Tax expense		(900,730)	(545,831)	65.0	(1,509,552)	(545,831)	176.6
Profit after taxation		37,978,761	14,900,956	154.9	84,644,534	63,440,306	33.4
Other comprehensive income/(expenses)							
Foreign currency translation differences for foreign operation		199,556	(335,307)	(159.5)	(2,442,000)	(372,586)	555.4
Total comprehensive income for the year		38,178,317	14,565,649	162.1	82,202,534	63,067,720	30.3
Profit after taxation is made up as follows:							
Realised		13,443,921	13,000,998	3.4	59,852,611	61,540,348	(2.7)
Unrealised		24,534,840	1,899,958	1,191.3	24,791,923	1,899,958	1,204.9
		37,978,761	14,900,956	154.9	84,644,534	63,440,306	33.4
Earnings per unit (sen) - Net		5.21	2.04	155.4	11.62	8.71	33.4

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the financial statements.

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2017

	Note	Unaudited As At End Of Current Quarter 31-12-2017 <u>RM</u>	Audited As at preceding year ended 31-12-2016 <u>RM</u>
ASSETS			
Non-current assets			
Investment properties	A9	1,459,703,200	1,424,360,000
Current Assets			
Trade receivables	B9	5,312,154	11,249,567
Other receivables & prepayments		4,460,049	1,801,529
Cash and bank balances		35,917,278	26,451,032
Fixed deposits with licensed banks		51,032,271	47,350,853
		<u>96,721,752</u>	<u>86,852,981</u>
Asset classified as held for sale		-	100,000,000
TOTAL ASSETS		<u>1,556,424,952</u>	<u>1,611,212,981</u>
LIABILITIES			
Non-current liabilities			
Borrowing	B10	-	653,802,142
Deferred tax		3,768,348	3,750,228
		<u>3,768,348</u>	<u>657,552,370</u>
Current Liabilities			
Borrowing	B10	573,580,634	-
Other payables and accruals		55,786,148	57,583,091
Taxation		-	9,144
		<u>629,366,782</u>	<u>57,592,235</u>
TOTAL LIABILITIES		<u>633,135,130</u>	<u>715,144,605</u>
NET ASSETS VALUE		<u>923,289,822</u>	<u>896,068,376</u>
REPRESENTED BY:			
Unitholders' capital		722,398,126	722,398,126
Undistributed income		204,435,702	174,772,256
Foreign exchange translation reserve		(3,544,006)	(1,102,006)
TOTAL UNITHOLDERS' FUND		<u>923,289,822</u>	<u>896,068,376</u>
NUMBER OF UNITS IN CIRCULATION		<u>728,226,468</u>	<u>728,226,468</u>
NET ASSETS VALUE (NAV) PER UNIT (RM)		1.2679	1.2305

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 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 2017

	Unitholders' Capital	Undistributed Income	Foreign Exchange	Total Unitholders' Fund
	RM	RM	RM	RM
As at 1 January 2016	722,398,126	158,156,897	(729,420)	879,825,603
Operation for the year ended 31 December 2016				
Net income for the year	-	63,440,306	(372,586)	63,067,720
<i>Increase/(Decrease) in net assets resulting from operation</i>	-	63,440,306	(372,586)	63,067,720
Unitholders' transactions				
Placement of units	-	-	-	-
Distribution to unitholders	-	(46,824,947)	-	(46,824,947)
Issuing expenses	-	-	-	-
<i>Increase/(Decrease) in net assets resulting from unitholders' transactions</i>	-	(46,824,947)	-	(46,824,947)
Net assets as at 31 December 2016	722,398,126	174,772,256	(1,102,006)	896,068,376
As at 1 January 2017	722,398,126	174,772,256	(1,102,006)	896,068,376
Operation for the year ended 31 December 2017				
Net income for the year	-	84,644,534	(2,442,000)	82,202,534
<i>Increase/(Decrease) in net assets resulting from operation</i>	-	84,644,534	(2,442,000)	82,202,534
Unitholders' transactions				
Placement of units	-	-	-	-
Distribution to unitholders #	-	(54,981,088)	-	(54,981,088)
Issuing expenses	-	-	-	-
<i>Increase/(Decrease) in net assets resulting from unitholders' transactions</i>	-	(54,981,088)	-	(54,981,088)
Net assets as at 31 December 2017	722,398,126	204,435,702	(3,544,006)	923,289,822

Includes the payment of the final income distribution for financial year 2016 (of which 1.19 sen per unit is taxable and 2.61 sen per unit is non taxable in the hands of unitholders) in respect of the period from 1 July to 31 December 2016 of 3.80 sen per unit which was paid on 28 February 2017 and an interim income distribution for the financial year ended 31 December 2017 (taxable in the hands of unitholders) in respect of the period from 1 January to 30 June 2017 of 3.75 sen per unit which was paid on 13 October 2017.

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 2016 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 2017

	To Date	
	31-12-2017	31-12-2016
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	86,154,086	63,986,137
Adjustment for:		
Profit sharing expenses on Islamic financing	27,482,190	31,672,994
Accretion of long term Islamic financing	474,738	474,738
Gain on fair value adjustment of investment properties	(24,791,923)	(1,899,958)
Investment revenue	(2,272,257)	(1,542,599)
Operating profit before working capital changes	87,046,834	92,691,312
Decrease/(increase) in receivables and prepayments	5,670,071	(3,263,476)
Decrease in other payables and accruals	(571,285)	(1,284,581)
Cash generated from operations	92,145,620	88,143,255
Taxes paid	(3,000,000)	-
Net cash generated from operating activities	89,145,620	88,143,255
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to investment properties	(13,645,160)	(937,002)
Income received from investment	2,272,257	1,542,599
Proceeds from disposal of investment property	100,000,000	-
Net cash generated from investing activities	88,627,097	605,597
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(54,981,088)	(46,824,947)
Profit sharing expenses on Islamic financing	(29,524,094)	(31,010,697)
Payment of borrowing	(80,000,000)	-
Net cash used in financing activities	(164,505,182)	(77,835,644)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	13,267,535	10,913,208
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(119,871)	(182,809)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	73,801,885	63,071,486
	86,949,549	73,801,885

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 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 2017

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 Malaysian Financial Reporting Standard (MFRS) 134 and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in its most recent Audited Financial Statements for the financial year ended 31 December 2016.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The financial statements of Al-'Aqar Healthcare REIT for the financial year ended 31 December 2016 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 on the current quarter's results.

A6. ISSUANCES, CANCELLATIONS, REPURCHASES AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Except for those disclosed in Note B10, there were no other material transactions relating to debt and equity securities during the current quarter.

A7. INCOME DISTRIBUTION

The interim income distribution for the financial year ended 31 December 2017 amounting to RM27,308,492 or 3.75 sen per unit which was paid on 13 October 2017.

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 2017			
Gross rental income	88,550	11,098	99,648
Property expenses	(5,962)	(479)	(6,441)
Net rental income	<u>82,588</u>	<u>10,619</u>	<u>93,207</u>
Investment income	2,272	-	2,272
Gain in fair value adjustment	24,535	257	24,792
Other income	2	-	2
Total income	<u>109,397</u>	<u>10,876</u>	<u>120,273</u>
Trust expenditure	(33,856)	(262)	(34,118)
Profit before taxation	<u>75,541</u>	<u>10,614</u>	<u>86,155</u>
Tax expense	(600)	(910)	(1,510)
Profit after taxation	<u>74,941</u>	<u>9,704</u>	<u>84,645</u>
Total assets	<u>1,403,870</u>	<u>152,555</u>	<u>1,556,425</u>
Total liabilities	<u>629,083</u>	<u>4,052</u>	<u>633,135</u>
	Malaysia RM'000	Australia RM'000	Total RM'000
Year Ended 31 December 2016			
Gross rental income	92,054	11,785	103,839
Property expenses	(6,123)	(121)	(6,244)
Net rental income	<u>85,931</u>	<u>11,664</u>	<u>97,595</u>
Investment income	1,542	-	1,542
Gain in fair value adjustment	1,900	-	1,900
Other income	27	-	27
Total income	<u>89,400</u>	<u>11,664</u>	<u>101,064</u>
Trust expenditure	(36,945)	(133)	(37,078)
Profit before taxation	<u>52,455</u>	<u>11,531</u>	<u>63,986</u>
Tax expense	-	(546)	(546)
Profit after taxation	<u>52,455</u>	<u>10,985</u>	<u>63,440</u>
Total assets	<u>1,462,328</u>	<u>148,885</u>	<u>1,611,213</u>
Total liabilities	<u>711,087</u>	<u>4,058</u>	<u>715,145</u>

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

During the current quarter, a valuation exercise was undertaken for all twenty-two (22) properties of Al-'Aqar Group pursuant to FRS 140 and Clause 10.03 of the Securities Commission's REIT Guidelines. The valuation has resulted in a surplus of RM24,791,923 and has been incorporated into the financial statements of Al-'Aqar Healthcare REIT as at 31 December 2017. The details of the said valuation carried out are tabled as follows:

	Description of Property	Location	Date of Valuation	2017 Fair Value RM
1	Ampang Puteri Specialist Hospital	Ampang	3-Oct-17	135,000,000
2	Damansara Specialist Hospital	Damansara	5-Oct-17	121,700,000
3	KPJ Johor Specialist Hospital	Johor Bahru	25-Oct-17	116,800,000
4	KPJ Ipoh Specialist Hospital	Ipoh	4-Oct-17	73,000,000
5	Puteri Specialist Hospital	Johor Bahru	19-Oct-17	43,000,000
6	KPJ Selangor Specialist Hospital	Shah Alam	11-Oct-17	80,800,000
7	Kedah Medical Centre	Alor Setar	9-Oct-17	51,700,000
8	KPJ Perdana Specialist Hospital	Kota Bharu	8-Oct-17	45,000,000
9	KPJ Kuantan Dialysis Centre	Kuantan	9-Oct-17	21,700,000
10	Sentosa Medical Centre	Kuala Lumpur	11-Oct-17	30,000,000
11	KPJ Kajang Specialist Hospital	Kajang	10-Oct-17	48,400,000
12	Taiping Medical Centre	Taiping	2-Oct-17	10,000,000
13	Damai Specialist Hospital	Kota Kinabalu	17-Oct-17	15,200,000
14	KPJ College Bukit Mertajam	Bukit Mertajam	5-Oct-17	16,200,000
15	Tawakal Health Centre	Kuala Lumpur	10-Oct-17	47,000,000
16	KPJ Healthcare University College, Nilai	Seremban	5-Oct-17	100,600,000
17	KPJ Seremban Specialist Hospital	Seremban	4-Oct-17	66,300,000
18	KPJ Penang Specialist Hospital	Bukit Mertajam	3-Oct-17	64,000,000
19	KPJ Tawakkal Specialist Hospital	Kuala Lumpur	10-Oct-17	127,900,000
20	KPJ Klang Specialist Hospital	Klang	10-Oct-17	101,500,000
21	Kluang Utama Specialist Hospital	Kluang	19-Oct-17	4,300,000
22	Jeta Garden Aged Care Facility and Retirement Village	Queensland	16-Nov-17	139,603,200
				<u><u>1,459,703,200</u></u>

A10. SUBSEQUENT MATERIAL EVENTS

On 29 January 2018, the Manager, after consultation with the Trustee had announced a final income distribution of 3.95 sen per unit totaling RM28,764,945 for financial year ended 31 December 2017. The final income distribution will be paid on 28 February 2018 and has not been included as a liability in the financial statements.

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.

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	
	31-12-2017 RM	31-12-2016 RM	31-12-2017 RM	31-12-2016 RM
Purchase of investment property	13,000,000	-	13,000,000	-
Manager's fee	2,196,079	1,738,665	2,196,079	1,738,665
Professional fee	400,000	-	400,000	-
Registrar fee	91,686	65,845	91,686	65,845
Secretarial fee	7,070	2,640	-	-

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 2017

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 31.12.2017 RM'000	Preceding Year Corresponding Quarter 31.12.2016 RM'000	Changes %	Current Year To Date 31.12.2017 RM'000	Preceding Year Corresponding To Date 31.12.2016 RM'000	Changes %
Net rental income						
Malaysia	20,857	20,285	2.8	82,588	85,931	(3.9)
Australia	2,154	3,207	(32.8)	10,619	11,664	(9.0)
Total net rental income	<u>23,011</u>	<u>23,492</u>	(2.0)	<u>93,207</u>	<u>97,595</u>	(4.5)
Profit before taxation						
Malaysia	36,736	12,261	199.6	75,541	52,455	44.0
Australia	2,144	3,186	(32.7)	10,614	11,531	(8.0)
Total profit before taxation	<u>38,880</u>	<u>15,447</u>	151.7	<u>86,155</u>	<u>63,986</u>	34.6
Profit after taxation						
Malaysia	36,745	12,261	199.7	74,941	52,455	42.9
Australia	1,234	2,640	(53.3)	9,704	10,985	(11.7)
Total profit after taxation	<u>37,979</u>	<u>14,901</u>	154.9	<u>84,645</u>	<u>63,440</u>	33.4

(a) Review of Current Quarter Results

Malaysia segment

The Malaysia segment contributed RM20.8 million of net rental income for the current quarter ended 31 December 2017, represented an increase of RM0.5 million or 2.8% from RM20.3 million recorded in preceding year's quarter. The net rental income was slightly higher due to increment on rental income.

Australia segment

The Australia segment contributed RM2.1 million of net rental income for the current quarter ended 31 December 2017, represented a decrease of RM1.1 million or 32.8% from RM3.2 million recorded in preceding year's quarter. The lower net rental income was mainly due to increase in property expenses.

Profit before taxation

Al-'Aqar Healthcare REIT's profit before taxation for the current quarter ended 31 December 2017 stood at RM38.9 million, which is RM23.4 million or 151.7% higher than preceding corresponding quarter's of RM15.4 million. The increase were mainly due to higher fair value gains on investment properties and lower financing cost recorded during the current quarter.

B1. REVIEW OF PERFORMANCE (CONT'D)

(b) Review of Cumulative Quarter Results

Malaysia segment

The Malaysia segment contributed RM82.6 million of net rental income for the year ended 31 December 2017 represented a decrease of RM3.3 million or 3.9% from RM85.9 million, recorded in the previous corresponding year. The decrease was mainly due to loss on income from disposal of Selesa Tower but mitigated by annual increment on rental income.

Australia segment

The Australia segment contributed RM10.6 million of net rental income for the year ended 31 December 2017. This represented a decrease of RM1.1 million or 9.0% from RM11.7 million, recorded in the previous corresponding year. The decrease was mainly due to increase in property expenses as mentioned in Note B1 (a).

Profit before taxation

Al-'Aqar Healthcare REIT's profit before taxation for the year ended 31 December 2017 stood at RM86.2 million, which is RM22.3 million or 34.6% higher than previous corresponding year of RM63.9 million. The increase were mainly due to higher fair value gains on investment properties and lower financing cost following the redemption of unrated Sukuk of RM80.0 million in July 2017 recorded during the year.

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

	Current Quarter ended 31.12.2017 RM'000	Immediate Preceding Quarter ended 30.09.2017 RM'000	Changes %
Net rental income	23,011	23,356	(1.48)
Profit before taxation	38,880	17,238	125.55
Profit after taxation	37,979	17,238	120.32

Al-'Aqar Healthcare REIT recorded a higher profit before tax of RM38.9 million as compared to RM17.2 million in the preceding quarter. This was mainly due to fair value gains on investment properties of RM24.5 million recorded in the current quarter.

B3. PROSPECTS

Prospect for the Malaysian healthcare industry will continue to remain positive in view of stronger private healthcare consumption and improvement in healthcare affordability on the back of resilient economic growth. Various initiatives have been undertaken by the government to strengthen the industry, amongst others, bigger allocation under the Budget 2018 that will spur further growth of medical tourism industry in the country.

Notably, the positive outlook of the healthcare industry is expected to bode well for Al-'Aqar Healthcare REIT. The Manager expects Al-'Aqar Healthcare REIT to register a moderate growth for FY2018, supported by secured 100% tenancies and modest rental revision.

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

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

B5. TAXATION

	The Group		The Fund	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
	RM	RM	RM	RM
Tax expense				
- Income Tax	900,730	545,831	-	-
- Real Property Gains Tax ("RPGT")	608,822	-	608,822	-
	<u>1,509,552</u>	<u>545,831</u>	<u>608,822</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 net 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

On 11 December 2017, Al-Aqar Healthcare REIT had announced its proposal to acquire a 5 storey car park block together with a half basement level and an open roof level (building only) from Selangor Specialist Hospital Sdn Bhd, a 60% owned subsidiary of KPJ Healthcare Berhad for a total consideration of RM13,000,000 ("Proposed Acquisition"). The proposed acquisition has been completed on 27 December 2017.

B9. TRADE RECEIVABLES

	The Group	
	As at 31-12-2017	As at 31-12-2016
	RM'000	RM'000
Trade receivables	<u>5,312</u>	<u>11,249</u>

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 (2016: 30 to 60 days).

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

	The Group	
	As at 31-12-2017	As at 31-12-2016
	RM'000	RM'000
0-30 days	1,075	965
31-60 days	1,057	1,523
61-90 days	1,003	-
More than 90 days	2,177	8,761
	<u>5,312</u>	<u>11,249</u>

The Group have not recognised any allowance for doubtful debts as the Group hold tenant deposits as credit encashment as the amounts are considered recoverable.

B10. BORROWING

	The Group	
	As at 31-12-2017 RM'000	As at 31-12-2016 RM'000
<u>Non-current</u>		
<u>Secured</u>		
Sukuk Ijarah - Islamic Medium Term Notes ('IMTN')	-	653,802
<u>Current</u>		
<u>Secured</u>		
Sukuk Ijarah - Islamic Medium Term Notes ('IMTN')	573,581	-

Al-'Aqar Healthcare REIT through its special-purpose company namely Al-'Aqar Capital Sdn Bhd has made the partial one-off early redemption of unrated Class C sukuk ijarah of RM80 million on 20 July 2017 by using the proceeds received from disposal of Selesa Tower.

The Sukuk Ijarah Programme will be due in May 2018. The Manager is in the midst of undertaking steps to refinance the said issuance.

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 quarterly report.

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 31-12-2017	Immediate Preceding Quarter ended 30-09-2017
Number of units in issue - units	728,226,468	728,226,468
Earning per unit (EPU) - sen	5.21	2.37
Net income distribution to unitholders - RM'000	-	27,308
Distribution per unit (DPU) - sen	-	3.75
Net Asset Value (NAV) - RM'000	923,290	885,112
NAV per unit - RM	1.2679	1.2154
Market Value Per Unit - RM	1.4300	1.4500

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 31 December 2017 and of its financial performance and cash flows for the period then ended.