

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Second Quarter Ended 30 June 2021

Note	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year	Preceding Year Corresponding Period to Date	Changes
	30-06-2021	30-06-2020		30-06-2021	30-06-2020	
	RM	RM	%	RM	RM	%
	29,271,371	28,146,196	4.0	58,430,329	56,307,013	3.8
	(1,500,480)	(1,587,885)	(5.5)	(2,911,540)	(3,092,603)	(5.9)
Net rental income	27,770,891	26,558,311	4.6	55,518,789	53,214,410	4.3
Investment income	69,308	253,103	(72.6)	255,712	562,144	(54.5)
Realised gain on foreign exchange	23,954	-	100.0	23,954	-	100.0
Unrealised gain/(loss) on foreign exchange	(176,268)	946,682	(>100)	49,084	202,214	(75.7)
Other income	133,303	180,750	(26.3)	266,303	313,750	(15.1)
Total income	27,821,188	27,938,846	(0.4)	56,113,842	54,292,518	3.4
Managers' fees	(460,882)	(459,226)	0.4	(918,962)	(913,628)	0.6
Trustees' fees	(96,196)	(96,778)	(0.6)	(191,820)	(199,712)	(4.0)
Islamic financing costs	(7,216,818)	(8,800,722)	(18.0)	(15,717,037)	(17,790,562)	(11.7)
Maintenance of properties	(408,750)	(406,350)	0.6	(1,316,200)	(406,350)	>100
Derecognition of past lease receivables	(1,140,434)	(6,982,367)	(83.7)	(1,140,434)	(6,982,367)	(83.7)
Administrative expenses	(321,389)	(352,075)	(8.7)	(781,885)	(1,312,536)	(40.4)
Professional fees	(112,276)	(62,757)	78.9	(309,424)	(181,165)	70.8
Withholding tax	(133,426)	(222,376)	(40.0)	(355,803)	(444,753)	(20.0)
Total trust expenditure	(9,890,171)	(17,382,651)	(43.1)	(20,731,565)	(28,231,073)	(26.6)
Net income before taxation	17,931,017	10,556,195	69.9	35,382,277	26,061,445	35.8
Tax	-	-	-	-	-	-
Net income after taxation	17,931,017	10,556,195	69.9	35,382,277	26,061,445	35.8
Other comprehensive income/ (expenses)						
Foreign currency translation differences for foreign operation	(563,397)	2,274,693	(>100)	158,122	646,649	(75.6)
Total comprehensive income for the period	17,367,620	12,830,888	35.4	35,540,399	26,708,094	33.1
Net income after taxation is made up as follows:						
Realised	17,371,819	9,609,513	80.8	33,862,261	25,859,231	31.0
Unrealised	559,198	946,682	(40.9)	1,520,016	202,214	>100
	17,931,017	10,556,195	69.9	35,382,277	26,061,445	35.8
Earnings per unit (sen) - Net	2.44	1.43	70.6	4.81	3.54	35.9

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

AL-'AQAR HEALTHCARE REIT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2021

	Note	Unaudited As At End Of Current Quarter 30-06-2021 RM	Audited As at preceding year ended 31-12-2020 RM
ASSETS			
Non-current assets			
Investment properties	A9	1,534,501,049	1,534,501,049
Trade receivables	B11	2,724,394	5,373,102
		<u>1,537,225,443</u>	<u>1,539,874,151</u>
Current Assets			
Trade receivables	B11	28,704,503	25,280,289
Other receivables & prepayments		1,612,198	159,066
Cash and bank balances		65,982,264	46,396,739
Fixed deposits with licensed banks		21,877,366	36,276,092
		<u>118,176,331</u>	<u>108,112,186</u>
TOTAL ASSETS		<u>1,655,401,774</u>	<u>1,647,986,337</u>
LIABILITIES			
Non-current liabilities			
Islamic financing	B12	683,379,442	109,069,690
Other payables		9,521,422	9,521,423
Deferred tax		2,534,162	2,534,162
		<u>695,435,026</u>	<u>121,125,275</u>
Current Liabilities			
Islamic financing	B12	-	574,517,565
Other payables and accruals		6,327,667	8,853,336
Provision for income distribution		14,719,701	-
		<u>21,047,368</u>	<u>583,370,901</u>
TOTAL LIABILITIES		<u>716,482,394</u>	<u>704,496,176</u>
NET ASSETS VALUE		<u>938,919,380</u>	<u>943,490,161</u>
REPRESENTED BY:			
Unitholders' capital		731,398,126	731,398,126
Undistributed income		212,897,780	217,626,683
Foreign exchange translation reserve		(5,376,526)	(5,534,648)
TOTAL UNITHOLDERS' FUND		<u>938,919,380</u>	<u>943,490,161</u>
NUMBER OF UNITS IN CIRCULATION		<u>735,985,088</u>	<u>735,985,088</u>
NET ASSETS VALUE (NAV) PER UNIT (RM)			
- Before income distribution		1.2757	1.2819
- After income distribution*		1.2557	1.2474

*after reflecting the proposed second interim income distribution for financial year ending 31 December 2021 of 2.00 sen per unit (2020: final income distribution for financial year ended 31 December 2020 of 3.45 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 2020 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 2021

Note	Unitholders' Capital RM	Undistributed Income RM	Foreign Exchange RM	Total Unitholders' Fund RM
As at 1 January 2020	731,398,126	244,651,258	(17,536,044)	958,513,340
Operation for the period ended 30 June 2020				
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
Unitholders' transactions				
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)
Net assets as at 30 June 2020	731,398,126	255,845,815	(16,889,395)	970,354,546
As at 1 January 2021	731,398,126	217,626,683	(5,534,648)	943,490,161
Operation for the period ended 30 June 2021				
Net income for the period	-	35,382,277	158,122	35,540,399
<i>Increase in net assets resulting from operation</i>	-	35,382,277	158,122	35,540,399
Unitholders' transactions				
Placement of units	-	-	-	-
Distribution to unitholders #	-	(40,111,180)	-	(40,111,180)
Issuing expenses	-	-	-	-
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(40,111,180)	-	(40,111,180)
Net assets as at 30 June 2021	731,398,126	212,897,780	(5,376,526)	938,919,380

Include:

- i) Payment of the final income distribution for financial year 2020 of 3.45 sen per unit (of which 1.84 sen per unit is taxable and 1.61 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 July to 31 December 2020 which was paid on 26 February 2021.
- ii) Provision of the first interim income distribution for the financial year ending 31 December 2021 of 2.00 sen per unit (of which 0.92 sen per unit is taxable and 1.08 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 January to 31 March 2021 which was announced on 28 May 2021.

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 2020 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 2021

	To Date	
	30-06-2021	30-06-2020
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	35,382,277	26,061,445
Adjustment for:		
Islamic financing costs	15,717,037	17,790,562
Unrealised gain on foreign exchange	(49,084)	(202,214)
Unbilled rental income	(1,470,932)	-
Investment revenue	(255,712)	(562,144)
Derecognition of past lease receivables	1,140,434	6,982,367
Operating profit before working capital changes	50,464,020	50,070,016
Changes in working capital:		
Increase in receivables and prepayments	(1,898,139)	(15,872,763)
Decrease in other payables and accruals	(4,204,830)	(11,866,070)
Cash generated from operations	44,361,051	22,331,183
Taxes	-	-
Net cash generated from operating activities	44,361,051	22,331,183
CASH FLOWS FROM INVESTING ACTIVITY		
Income received from investment	255,712	562,144
Net cash generated from investing activity	255,712	562,144
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(25,391,478)	(14,866,888)
Increase in restricted cash	(192,490)	(282,804)
Profit sharing expenses on Islamic financing	(19,245,692)	(17,600,173)
Net proceeds from islamic financing	5,000,000	-
Net cash used in financing activities	(39,829,660)	(32,749,865)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,787,103	(9,856,538)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	207,206	848,862
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	61,149,116	67,475,106
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	66,143,425	58,467,430
DEPOSITS, CASH AND BANK BALANCES		
Cash and bank balances	65,982,264	45,966,573
Fixed deposits with licensed banks	21,877,366	33,062,371
	87,859,630	79,028,944
Less: Restricted cash	(21,716,205)	(20,561,514)
CASH AND CASH EQUIVALENTS	66,143,425	58,467,430

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 2021

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 2020.

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 2020.

Standards that have been issued but not yet effective

- Amendments to MFRS 101 'Presentation of Financial Statements' (effective 1 January 2022)
- Amendments to MFRS 3 'Business Combinations' (effective 1 January 2022)
- Amendments to MFRS 116 'Property, Plant and Equipment' (effective 1 January 2022)
- Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' (effective 1 January 2022)
- Annual Improvement to MFRS Standards 2018 - 2020 (effective 1 January 2022)
- MFRS 17 'Insurance Contracts' (effective 1 January 2023)
- Amendments to MFRS 17 'Insurance Contracts' (effective 1 January 2023)
- 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 2020 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

On 4 May 2021, Al-'Aqar has fully redeemed its RM575.0 million in nominal value of Issue 2 Sukuk Ijarah via proceeds from Islamic Club Term Financing Facilities of up to RM580.0 million (kindly refer note B12).

A7. INCOME DISTRIBUTION

The first interim income distribution for the financial year ending 31 December 2021 of 2.00 sen per unit (of which 0.92 sen per unit is taxable and 1.08 sen per unit is non-taxable in the hands of unit holders) in respect of the period from 1 January to 31 March 2021, which was announced on 28 May 2021 has been paid on 16 July 2021.

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
Period Ended 30 June 2021			
Gross rental income	52,721	5,709	58,430
Property expenses	(2,882)	(29)	(2,911)
Net rental income	49,839	5,680	55,519
Investment income	256	-	256
Realised gain on foreign exchange	24	-	24
Unrealised gain on foreign exchange	49	-	49
Other income	266	-	266
Total income	50,434	5,680	56,114
Trust expenditure	(19,325)	(1,407)	(20,732)
Net income before taxation	31,109	4,273	35,382
Tax	-	-	-
Net income after taxation	31,109	4,273	35,382
Total assets	1,528,945	126,457	1,655,402
Total liabilities	715,145	1,337	716,482
	Malaysia RM'000	Australia RM'000	Total RM'000
Period Ended 30 June 2020			
Gross rental income	50,591	5,716	56,307
Property expenses	(3,014)	(79)	(3,093)
Net rental income	47,577	5,637	53,214
Investment income	562	-	562
Unrealised gain on foreign exchange	202	-	202
Other income	314	-	314
Total income	48,655	5,637	54,292
Trust expenditure	(26,912)	(1,319)	(28,231)
Net income before taxation	21,743	4,318	26,061
Tax	-	-	-
Net income 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

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 was no material events until the date of this 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	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
	RM	RM	RM	RM
Manager's fee	918,962	913,628	918,962	913,628
Maintenance fee	505,088	506,200	505,088	506,200
Miscellaneous expenses	18,895	43,080	18,895	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 2021

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 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Changes %	Current Year To Date 30.06.2021 RM'000	Preceding Year Corresponding Period To Date 30.06.2020 RM'000	Changes %
Net rental income						
Malaysia	24,929	23,775	4.8	49,839	47,577	4.8
Australia	2,842	2,783	2.1	5,680	5,637	0.8
Total	<u>27,771</u>	<u>26,558</u>	4.6	<u>55,519</u>	<u>53,214</u>	4.3
Net income before taxation						
Malaysia	16,271	8,786	85.2	31,109	21,743	43.1
Australia	1,660	1,770	(6.2)	4,273	4,318	(1.0)
Total	<u>17,931</u>	<u>10,556</u>	69.9	<u>35,382</u>	<u>26,061</u>	35.8

(a) Review of Individual Quarter Results

Malaysia segment

The Malaysia segment contributed RM24.9 million of net rental income for the current quarter ended 30 June 2021, represented an increase of RM1.1 million or 4.8% from RM23.8 million, recorded in the preceding year's corresponding quarter. The increase was mainly due to unbilled rental income of RM0.7 million related to KPJ Batu Pahat Specialist Hospital as well as annual increment on rental income.

Correspondingly, the Malaysia segment recorded net income before taxation of RM16.3 million for the current quarter, which is RM7.5 million or 85.2% higher than preceding year corresponding quarter of RM8.8 million. The increase was mainly due to Covid-19 rental support granted to tenants in the preceding year corresponding quarter of RM6.0 million.

Australia segment

Net rental income of the Australia segment for the current quarter ended 30 June 2021 was largely unchanged at RM2.8 million, as compared to preceding year's corresponding quarter.

The Australia segment recorded net income before taxation of RM1.7 million for the current quarter, which is RM0.1 million or 6.2% marginally lower than preceding year corresponding quarter of RM1.8 million.

B1. REVIEW OF PERFORMANCE (CONT'D)

(b) Review of Cumulative Quarter Results

Malaysia segment

The Malaysia segment contributed RM49.8 million of net rental income for the period ended 30 June 2021, represented an increase of RM2.3 million or 4.8% from RM47.6 million, recorded in the preceding period. The increase was mainly due to the unbilled rental income of RM1.5 million related to KPJ Batu Pahat Specialist Hospital as well as annual increment on rental income.

The Malaysia segment recorded net income before taxation of RM31.1 million for the period ended 30 June 2021, represented an increase of RM9.4 million or 43.1% mainly due to Covid-19 rental support granted to tenants in the preceding period.

Australia segment

Net rental income of the Australia segment for the period ended 30 June 2021 was largely unchanged at RM5.6 million, as compared to the preceding period.

The Australia segment recorded net income before taxation of RM4.2 million for the period ended 30 June 2021, which is RM0.1 million or 1.0% marginally lower than preceding period of RM4.3 million.

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

	Current Quarter ended 30.06.2021 RM'000	Immediate Preceding Quarter ended 31.03.2021 RM'000	Changes %
Net rental income	27,771	27,748	0.08
Net income before taxation	17,931	17,451	2.75

There was no material change in net income before taxation recorded in the current quarter as compared to the immediate preceding quarter.

B3. CHANGES IN NET ASSET VALUE

	As at 30-06-2021 RM'000	As at 31-03-2021 RM'000
Net asset value ("NAV")	938,919	936,271
NAV per unit (RM)	1.2757	1.2721

The NAV as at 30 June 2021 was higher by RM2.6 million as compared to the immediate preceding quarter, as a result of total comprehensive income of RM17.3 million and income distribution of RM14.7 million recognised during the current quarter.

B4. PROSPECTS

Despite the challenges posed by the pandemic, better-than-expected economic activity in the first quarter of 2021 continued into April, particularly on exports, retail spending and labour market conditions. The re-imposition of nation-wide containment measures to curb the resurgence in COVID-19 cases, however, will dampen the growth momentum. After considering a flare-up in Covid-19 infections and slower-than-expected vaccine rollout, the World Bank has slashed its gross domestic product (GDP) growth projection for Malaysia for the second time to 4.5% in 2021, from 6% estimated in March and 6.7% in December 2020.

Going forward, the gradual relaxation of containment measures, alongside the rapid progress of the domestic vaccination programme and continued strength in external demand will provide support for the growth recovery into 2022. The growth outlook, however, remains subject to significant downside risks, due mainly to factors that could lead to a delay in the easing of containment measures or imposition of tighter containment measures, and a weaker-than-expected global growth recovery. The materialisation of these risks could undermine the growth recovery.

Considering that private hospitals are generally not built to handle infectious diseases like Covid-19 cases, therefore KPJ's stance and focus on the public-private partnership arrangement is to take on and treat non-Covid-19 patients. The number of Covid-19 cases handled by KPJ thus far is not material and the Group has been able to transfer out Covid-19 patients, in order to better focus on non-Covid-19 cases. Nevertheless, KPJ remains committed to help take on non-Covid cases from the government to help ease the strain on our public healthcare system. Through this arrangement, it is expected to help ease the burden on the public healthcare while creating an income opportunity to the private hospitals.

Hence, the Manager does not expect any significant disruption to the earning of Al-Aqar as the Fund earning is underpinned by the long-term lease arrangements with the KPJ Group. In addition, the completion of lease renewal of 6 major KPJ Group hospitals in June 2021 is expected to contribute a positive future earnings of Al-Aqar.

Sources:

- 1 Bank Negara Monetary Policy Statement, 8 July 2021
- 2 Press Release by The World Bank, 23 June 2021
- 3 Public Invest Research Results Review by Public Investment Bank, 19 February 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	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
	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.

B7. INCOME DISTRIBUTION

Income distributions to unitholders is derived from the following sources:

	Current Year Quarter 30-06-2021 RM'000	Preceding Year Corresponding Quarter 30-06-2020 RM'000	Current Year To Date 30-06-2021 RM'000	Preceding Year Corresponding Period To Date 30-06-2020 RM'000
Net rental income	27,771	26,558	55,519	53,214
Investment income	69	253	256	562
Other income	157	181	290	314
Less: Unbilled rental income	(735)	-	(1,471)	-
	<hr/> 27,262	<hr/> 26,992	<hr/> 54,594	<hr/> 54,090
Less: Expenses	(9,890)	(17,383)	(20,732)	(28,231)
Realised/Distributable income for the period	<hr/> 17,372	<hr/> 9,609	<hr/> 33,862	<hr/> 25,859
Previous year's undistributed realised income	<hr/> 43,521	<hr/> 35,975	<hr/> 41,751	<hr/> 34,887
Total realised income available for distribution	<hr/> 60,893	<hr/> 45,584	<hr/> 75,613	<hr/> 60,746
Less: Income to be distributed for the quarter/period	<hr/> (14,720)	<hr/> (9,567)	<hr/> (29,440)	<hr/> (24,729)
Balance undistributed income realised income	<hr/> <hr/> 46,173	<hr/> <hr/> 36,017	<hr/> <hr/> 46,173	<hr/> <hr/> 36,017
Distribution per unit (sen)	2.00	1.30	4.00	3.36

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. Proposed Placement of up to RM50.0 million new units ("Proposed Private Placement")

On 27 October 2020, Al-'Aqar Healthcare REIT had announced its proposal to undertake a private placement to raise gross proceeds of up to RM50 million.

On 5 November 2020, on behalf of the Manager, Aminvestment Bank Berhad announced that Bursa Securities has granted its approval for the listing of and quotation for 43,859,649 new units to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities via its letter dated 4 November 2020.

On 22 April 2021, Al-'Aqar had obtained approval from Bursa Securities for an extension of time to 3 November 2021 to complete the implementation of the Proposed Private Placement. Subsequently, Al-'Aqar had obtain approval from the unitholders at the 9th annual general meeting (fully virtual) of Al-'Aqar convened and held on 28 April 2021.

2. Proposed Lease Renewal

On 6 April 2021, on behalf of the Manager, Aminvestment Bank Berhad had announced that Al-'Aqar proposes to enter into 6 separate lease agreements with the subsidiaries of KPJ Healthcare Berhad to renew the lease of the properties as follow:

- KPJ Ampang Puteri Specialist Hospital
- KPJ Damansara Specialist Hospital
- KPJ Ipoh Specialist Hospital
- KPJ Johor Specialist Hospital
- KPJ Puteri Specialist Hospital
- KPJ Selangor Specialist Hospital

B10. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED (CONT'D)2. Proposed Lease Renewal

The Proposed Lease Renewal is subject to the following approvals:-

- the approval of the unitholders of Al-`Aqar at its EGM to be convened for the Proposed Lease Renewal;
- the approval of the shareholders of KPJ at an EGM to be convened for the Proposed Lease Renewal; and
- all such other consents and regulatory and/or governmental approvals required to be obtained by KPJ and Al-`Aqar in order to effect the completion of the Proposed Lease Renewal, as the case may be.

The proposed lease renewal has been completed on 22 June 2021. The Lease Agreements have commenced on 30 June 2021.

B11. TRADE RECEIVABLES

	The Group	
	As at	As at
	30-06-2021	30-06-2020
	RM'000	RM'000
<u>Non-current</u>		
Trade receivables	2,724	-
<u>Current</u>		
Trade receivables	24,390	22,349
Unbilled rental income	4,315	-
	<u>28,705</u>	<u>22,349</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:

	The Group	
	As at	As at
	30-06-2021	30-06-2020
	RM'000	RM'000
0-30 days	4,246	3,132
31-60 days	2,044	1,894
61-90 days	2,051	2,149
More than 90 days	18,773	15,174
	<u>27,114</u>	<u>22,349</u>

Out of the total trade receivables of RM27.1 million, RM15.9 million is related to an Australian property. Previously, the Group had entered into a settlement agreement of RM20.9 mil with the debtor, which to be paid by an advance sum of RM10.2 million and the remaining RM10.7 million through 24 months instalment. The advance sum has been paid and reflected in the current quarter.

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 30-06-2021 RM'000	As at 30-06-2020 RM'000
<u>Non-current</u>		
<u>Secured</u>		
Commodity Murabahah Term Financing ("CMTF 1")	79,644	79,406
Commodity Murabahah Term Financing ("CMTF 2")	29,531	-
Commodity Murabahah Term Financing ("CMTF 3 Tranche 1")	277,232	-
Commodity Murabahah Term Financing ("CMTF 3 Tranche 2")	296,972	-
	683,379	79,406
<u>Current</u>		
<u>Secured</u>		
Sukuk Ijarah Issue 2	-	574,363
<u>Non-Secured</u>		
Murabahah Tawarruq Term Financing - i ("Murabahah Tawarruq")	-	29,853
	-	604,216

On 4 May 2021, Al-'Aqar has fully redeemed the Sukuk Ijarah Issue 2 of RM575.0 million in nominal value via proceeds from the CMTF 3 facilities. The nominal value of the CMTF 3 comprising of Tranche 1 and Tranche 2, amounting to RM280.0 million and RM300.0 million, respectively. The profit are payable over a period of 60 months and 84 months, respectively from the date of the first disbursement with a bullet repayment of the principal sum on the 60th month and 84th month, respectively. The effective profit rate for the CMTF 3 will be based on COF + 1.15% per annum and COF + 1.25% per annum, respectively.

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 30-06-2021	Immediate Preceding Quarter ended 31-03-2021
Number of units in issue - units	735,985,088	735,985,088
Earning per unit (EPU) - sen	2.44	2.37
Net income distribution to unitholders - RM'000	14,720	14,720
Distribution per unit (DPU) - sen	2.00	2.00
Net Asset Value (NAV) - RM'000	938,919	936,271
NAV per unit - RM	1.2757	1.2721
Market Value Per Unit - RM	1.2800	1.3100

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 30 June 2021 and of its financial performance and cash flows for the period then ended.