

**AL-'AQAR HEALTHCARE REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the First Quarter Ended 31 March 2015**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding To Date
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
Note	RM	RM	RM	RM
<b>Gross rental income</b>	27,566,222	27,141,553	27,566,222	27,141,553
Property expenses	(1,572,376)	(1,549,490)	(1,572,376)	(1,549,490)
<b>Net rental income</b>	<b>25,993,846</b>	<b>25,592,063</b>	<b>25,993,846</b>	<b>25,592,063</b>
Investment income	432,738	325,843	432,738	325,843
Gain in fair value adjustment	-	-	-	-
Other income	41,178	-	41,178	-
<b>Total income</b>	<b>26,467,762</b>	<b>25,917,906</b>	<b>26,467,762</b>	<b>25,917,906</b>
Managers' fees	(432,593)	(432,916)	(432,593)	(432,916)
Trustees' fees	(61,545)	(62,043)	(61,545)	(62,043)
Accretion of long term borrowings	(434,435)	(434,435)	(434,435)	(434,435)
Annual financing fees	(217,708)	(141,000)	(217,708)	(141,000)
Maintenance of properties	(25,123)	(6,000)	(25,123)	(6,000)
Administrative expenses	(270,624)	(410,916)	(270,624)	(410,916)
Professional fees	(170,103)	(165,631)	(170,103)	(165,631)
Withholding tax	(446,967)	(482,069)	(446,967)	(482,069)
Profit sharing expenses on financing	(8,898,748)	(8,765,072)	(8,898,748)	(8,765,072)
<b>Total trust expenditure</b>	<b>(10,957,846)</b>	<b>(10,900,082)</b>	<b>(10,957,846)</b>	<b>(10,900,082)</b>
<b>Profit before taxation</b>	<b>15,509,916</b>	<b>15,017,824</b>	<b>15,509,916</b>	<b>15,017,824</b>
Tax expense	(187,159)	(190,661)	(187,159)	(190,661)
<b>Profit after taxation</b>	<b>15,322,757</b>	<b>14,827,163</b>	<b>15,322,757</b>	<b>14,827,163</b>
<b>Other comprehensive expense</b>				
Foreign currency translation differences for foreign operation	858,097	94,038	858,097	94,038
<b>Total comprehensive income for the period/year</b>	<b>16,180,854</b>	<b>14,921,201</b>	<b>16,180,854</b>	<b>14,921,201</b>
Profit after taxation is made up as follows:				
Realised	15,322,757	14,827,163	15,322,757	14,827,163
Unrealised	-	-	-	-
	<b>15,322,757</b>	<b>14,827,163</b>	<b>15,322,757</b>	<b>14,827,163</b>
<b>Earnings per unit (sen) - Net</b>	<b>2.20</b>	<b>2.13</b>	<b>2.20</b>	<b>2.13</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.

# AL-'AQAR HEALTHCARE REIT

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2015

	Note	Unaudited As At End Of Current Quarter 31-03-2015	Audited As at preceding year ended 31-12-2014
		RM	RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	A9	1,509,996,083	1,509,996,083
<b>Current Assets</b>			
Trade receivables		7,059,601	7,069,965
Other receivables & prepayments		7,693,390	7,563,983
Cash and bank balances		34,134,034	23,214,543
Fixed deposits with licensed banks		51,360,498	44,577,435
		100,247,523	82,425,926
<b>TOTAL ASSETS</b>		1,610,243,606	1,592,422,009
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowing	B9	653,141,225	653,198,832
<b>Current Liabilities</b>			
Other payables and accruals		26,406,936	24,678,583
Deferred tax		3,014,010	3,044,013
Provision for Income Distribution		26,386,983	-
Taxation		9,144	9,144
Borrowing	B9	79,948,681	79,948,681
		135,765,754	107,680,421
<b>TOTAL LIABILITIES</b>		788,906,979	760,879,253
<b>NET ASSETS VALUE</b>		821,336,627	831,542,756
<b>REPRESENTED BY:</b>			
Unitholders' capital		682,682,499	682,682,499
Undistributed income		142,028,968	153,093,194
Foreign exchange translation reserve		(3,374,840)	(4,232,937)
<b>TOTAL UNITHOLDERS' FUND</b>		821,336,627	831,542,756
<b>NUMBER OF UNITS IN CIRCULATION</b>		696,226,468	696,226,468
<b>NET ASSETS VALUE (NAV) PER UNIT (RM)</b>		1.1797	1.1944

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

	Unitholders' Capital	Undistributed Income	Foreign Exchange	Total Unitholders' Fund
	RM	RM	RM	RM
<b>As at 1 Jan 2014</b>	682,682,499	136,538,247	(4,327,037)	814,893,709
<b>Operation for the year ended 31 Dec 2014</b>				
Net income for the year	-	71,208,725	94,100	71,302,825
<i>Increase/(Decrease) in net assets resulting from operation</i>	-	71,208,725	94,100	71,302,825
<b>Unitholders' transactions</b>				
Placement of units	-	-	-	-
Distribution to unitholders	-	(54,653,778)	-	(54,653,778)
Issuing expenses	-	-	-	-
<i>Increase/(Decrease) in net assets resulting from unitholders' transactions</i>	-	(54,653,778)	-	(54,653,778)
<b>Net assets as at 31 Dec 2014</b>	682,682,499	153,093,194	(4,232,937)	831,542,756
<b>As at 1 Jan 2015</b>	682,682,499	153,093,194	(4,232,937)	831,542,756
<b>Operation for the year ended 31 March 2015</b>				
Net income for the period	-	15,322,757	858,097	16,180,854
<i>Increase/(Decrease) in net assets resulting from operation</i>	-	15,322,757	858,097	16,180,854
<b>Unitholders' transactions</b>				
Placement of units	-	-	-	-
Distribution to unitholders#	-	(26,386,983)	-	(26,386,983)
Issuing expenses	-	-	-	-
<i>Increase/(Decrease) in net assets resulting from unitholders' transactions</i>	-	(26,386,983)	-	(26,386,983)
<b>Net assets as at 31 March 2015</b>	682,682,499	142,028,968	(3,374,840)	821,336,627

# Includes the provision of the final income distribution for financial year 2014 of 3.79 sen per unit which was announced on 27 February 2015.

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 2014 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 2015**

	To Date	
	31-03-2015	31-03-2014
	<u>RM</u>	<u>RM</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	15,509,916	15,017,824
Adjustment for:		
Profit sharing expenses on Islamic financing	9,116,456	8,765,072
Accretion of long term Islamic financing	434,435	434,435
Investment revenue	<u>(432,738)</u>	<u>(325,843)</u>
Operating profit before working capital changes	24,628,069	23,891,488
Decrease in receivables and prepayments	1,423,699	1,347,217
(Decrease)/Increase in other payables and accruals	<u>(2,098,888)</u>	<u>6,098,011</u>
Cash generated from operations	23,952,880	31,336,716
Taxes paid	<u>(217,162)</u>	<u>(45,599)</u>
Net cash generated from operating activities	<u>23,735,718</u>	<u>31,291,117</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Income received from investment	432,738	325,843
Purchase of investment properties	-	<u>(1,924,529)</u>
Net cash generated from/ (used in) investing activities	<u>432,738</u>	<u>(1,598,686)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit sharing expenses on Islamic financing paid	<u>(7,323,999)</u>	<u>(7,673,151)</u>
Net cash used in financing activities	<u>(7,323,999)</u>	<u>(7,673,151)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	16,844,457	22,019,280
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	858,097	94,038
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	67,791,978	67,829,327
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>85,494,532</u>	<u>89,942,645</u>

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 2014 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 2015

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### A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 ("MFRS 134")

#### A1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Malaysia 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 2014.

#### A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The financial statements of Al-'Aqar Healthcare REIT for the financial year ended 31 December 2014 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 FRSs, that have had a material effect on the current quarter's results.

#### 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

Final income distribution for the financial year ended 31 December 2014 amounting to RM26,386,983 or 3.79 sen per unit which was announced on 27 February 2015 has been paid on 20 April 2015.

#### A8. SEGMENTAL REPORTING

No segmental reporting is required as the Al-'Aqar Healthcare REIT's activities are predominantly in one industry segment.

**A9. VALUATION OF INVESTMENT PROPERTIES**

There were no valuation of property being made in the current quarter.

**A10. SUBSEQUENT MATERIAL EVENTS**

There were no material events from 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 under review.

**A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets to be disclosed.

## AL-'AQAR HEALTHCARE REIT

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the First Quarter Ended 31 March 2015

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

##### B1. REVIEW OF PERFORMANCE

The net rental income for Al-'Aqar Healthcare REIT of RM26 million for the 3 months period ended 31 March 2015 represented an increase of RM0.4 million or 1.6% from RM25.6 million recorded in the previous corresponding period. The increase was mainly due to yearly increment on rental income.

Al-'Aqar Healthcare REIT's profit before taxation for the same period stood at RM15.5 million, which is RM0.5 million or 3.3% higher than previous corresponding period's of RM15 million. The increase was due to higher rental income as mentioned above.

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

	Current Quarter ended 31.03.2015 RM	Immediate Preceding Quarter ended 31.12.2014 RM
Profit before tax	15,509,916	28,266,280

There was decrease in profit before tax recorded in the current quarter as compared with the immediate preceding quarter due to gain on valuation of properties.

##### B3. PROSPECTS

Al-'Aqar Healthcare REIT, after considering the strength of healthcare real estate portfolio invested, will enjoy 100% rate of occupancy and collection.

The performance of the Al-'Aqar Healthcare REIT is expected to be satisfactory for the next quarter, with the existing investment portfolio and consistent acquisition in order to maintain its performance.

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

There was no issuance of new units during the quarter under review.

**B5. TAXATION**

	The Group		The Fund	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
	RM	RM	RM	RM
Tax expense	187,159	190,661	-	-

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 of 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.

The Group tax expense relates to the tax expense of foreign subsidiaries of the Fund.

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

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

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

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

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

(a) On 3 October 2014, Al-'Aqar Healthcare REIT had announced its proposal to acquire two (2) parcels of freehold land in Nilai, Negeri Sembilan together with buildings erected thereon from Puteri Nursing College Sdn. Bhd., a wholly owned subsidiary of KPJ Healthcare Berhad for a total consideration of RM77,800,000 ("Proposed Acquisition").

(b) On 19 March 2015, Al-'Aqar Healthcare REIT had announced its proposal to acquire a parcel of freehold land in Seremban, Negeri Sembilan from Seremban Specialist Hospital Sdn. Bhd., a wholly owned subsidiary of KPJ Healthcare Berhad for a total consideration of RM4.25 million ("Proposed Acquisition").

(c) On 31 March 2015, Al-'Aqar Healthcare REIT had announced its proposal to dispose the entire equity interests in Crossborder Hall (M) Sdn. Bhd. and Crossborder Aim (M) Sdn. Bhd., wholly owned subsidiaries of Al-'Aqar, to Kumpulan Perubatan (Johor) Sdn. Bhd., a wholly-owned subsidiary of KPJ Healthcare Berhad for a total consideration of RM4.718 million ("Proposed Disposal").

**B9. BORROWINGS**

	The Group	
	As at 31-03-2015 RM'000	As at 31-12-2014 RM'000
<b><u>Non-current</u></b>		
Sukuk Ijarah of RM 1.0 billion - IMTN	653,141	653,198
<b><u>Current</u></b>		
Ijarah Muntahiah Bitamlik Financing	79,949	79,949



**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

**B11. MATERIAL LITIGATION**

There was no pending material litigation as at the latest practicable date from the date of issuance of this report.

**B12. SOFT COMMISSION RECEIVED**

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

**B13. SUMMARY OF DPU, EPU AND NAV**

	<b>Current Quarter ended 31-03-2015</b>	<b>Immediate Preceding Quarter ended 31-12-2014</b>
Number of units in issue (units)	696,226,468	696,226,468
Earning per unit (EPU) - sen	2.20	3.87
Net income distribution to unitholders (RM'000)	-	-
Distribution per unit (DPU) - sen	3.79	-
Net Asset Value (NAV) - RM'000	821,337	831,543
NAV per unit (RM)	1.1797	1.1944
Market Value Per Unit (RM)	1.3800	1.4100

**B14. RESPONSIBILITY STATEMENT**

This quarterly report has been prepared in accordance with FRS 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 2015 and of its financial performance and cash flows for the period then ended.