

AL-SALĀM REIT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the First Quarter Ended 31 March 2026

Note	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year to-date	Preceding Year Period to-date	Changes
	31-03-2026	31-03-2025	%	31-03-2026	31-03-2025	%
	RM	RM	%	RM	RM	%
	19,697,953	18,335,606	7.4	19,697,953	18,335,606	7.4
	2,927,505	3,046,517	(3.9)	2,927,505	3,046,517	(3.9)
Total revenue	22,625,458	21,382,123	5.8	22,625,458	21,382,123	5.8
Utilities expenses	(1,765,581)	(2,098,560)	(15.9)	(1,765,581)	(2,098,560)	(15.9)
Maintenance expenses	(900,314)	(917,723)	(1.9)	(900,314)	(917,723)	(1.9)
Quit rent and assessment	(429,813)	(445,977)	(3.6)	(429,813)	(445,977)	(3.6)
Other property expenses	(3,270,989)	(2,894,527)	13.0	(3,270,989)	(2,894,527)	13.0
Property manager fee	(118,500)	(118,500)	0.0	(118,500)	(118,500)	0.0
Total property expenses	(6,485,197)	(6,475,287)	0.2	(6,485,197)	(6,475,287)	0.2
Net property income	16,140,261	14,906,836	8.3	16,140,261	14,906,836	8.3
Investment income	296,804	232,283	27.8	296,804	232,283	27.8
Net fair value loss on investment properties	(665,726)	(665,726)	0.0	(665,726)	(665,726)	0.0
Net investment income	15,771,339	14,473,393	9.0	15,771,339	14,473,393	9.0
Manager's management fees	(1,140,477)	(652,837)	74.7	(1,140,477)	(652,837)	74.7
Trustee's fees	(45,830)	(32,333)	41.7	(45,830)	(32,333)	41.7
Shariah advisors' fee	(2,000)	(2,000)	0.0	(2,000)	(2,000)	0.0
Islamic financing costs	(8,006,619)	(10,054,742)	(20.4)	(8,006,619)	(10,054,742)	(20.4)
Other trust expenses	(415,143)	(452,132)	(8.2)	(415,143)	(452,132)	(8.2)
Net income / (loss) before tax	6,161,270	3,279,349	87.9	6,161,270	3,279,349	87.9
Taxation	-	-	0.0	-	-	0.0
Net income / (loss) after tax	6,161,270	3,279,349	87.9	6,161,270	3,279,349	87.9
Other comprehensive income, net of tax	-	-	0.0	-	-	0.0
Total comprehensive income / (loss) for the year	6,161,270	3,279,349	87.9	6,161,270	3,279,349	87.9
Net income / (loss) after tax is made up as follow:						
Realised	6,161,270	3,279,349	87.9	6,161,270	3,279,349	87.9
Unrealised	-	-	0.0	-	-	0.0
	6,161,270	3,279,349	87.9	6,161,270	3,279,349	87.9
Earnings per unit (sen)	1.06	0.57	87.9	1.06	0.57	87.9

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to the financial statements.

AL-SALĀM REIT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2026

		Unaudited As at End Of Current Quarter 31-03-2026	Audited As at preceding year ended 31-12-2025
	Note	RM	RM
ASSETS			
Non-current assets			
Investment properties		1,213,354,138	1,213,433,365
Property, plant & equipment		755,725	706,373
Other receivables		683,467	683,467
		<u>1,214,793,330</u>	<u>1,214,823,205</u>
Current Assets			
Trade receivables	B11	35,260,147	31,848,153
Other receivables & prepayments		5,144,088	5,697,372
Cash and bank balances		10,764,343	14,943,195
Fixed deposits with licensed banks		40,292,600	36,360,000
Amount due from related companies		2,175,065	2,175,065
		<u>93,636,243</u>	<u>91,023,785</u>
Assets classified as held for sale		9,500,000	9,500,000
TOTAL ASSETS		<u>1,317,929,573</u>	<u>1,315,346,990</u>
LIABILITIES			
Non-current liabilities			
Islamic financing	B12	512,380,448	512,723,016
Other payables and accruals		5,916,195	5,677,759
Deferred tax liability		2,377,965	2,377,965
		<u>520,674,608</u>	<u>520,778,740</u>
Current Liabilities			
Islamic financing	B12	117,764,000	117,974,998
Other payables and accruals		23,404,996	22,607,782
Amount due to related companies		2,010,424	2,010,424
		<u>143,179,420</u>	<u>142,593,204</u>
TOTAL LIABILITIES		<u>663,854,028</u>	<u>663,371,944</u>
NET ASSETS VALUE		<u>654,075,545</u>	<u>651,975,046</u>
REPRESENTED BY:			
Unitholders' capital		572,545,319	572,545,319
Undistributed income		81,530,226	79,429,727
TOTAL UNITHOLDERS' FUND		<u>654,075,545</u>	<u>651,975,046</u>
NUMBER OF UNITS IN CIRCULATION		<u>580,000,000</u>	<u>580,000,000</u>
NET ASSETS VALUE (NAV) PER UNIT (RM)			
- Before income distribution		1.1277	1.1241
- After income distribution*		1.1181	1.1171

*After reflecting the proposed interim income distribution for financial year ending 31 December 2026 of 0.96 sen per unit (2025: final income distribution for financial year ended 31 December 2025 of 0.70 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 2025 and the accompanying explanatory notes attached to the financial statements.

AL-SALĀM REIT
CONDENSED CONSOLIDATED STATEMENT OF CHANGES
IN NET ASSETS VALUE
For the First Quarter Ended 31 March 2026

	Unitholders' Capital RM	Undistributed income Realised RM	Unrealised RM	Total RM
As at 1 January 2025	572,545,319	11,059,535	64,782,290	648,387,144
Total comprehensive income for the year	-	3,279,349	-	3,279,349
Unitholders' transactions				
Issuance of new units	-	-	-	-
Distribution to unitholders	-	(1,333,573)	-	(1,333,573)
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(1,333,573)	-	(1,333,573)
As at 31 March 2025	572,545,319	13,005,311	64,782,290	650,332,920
As at 1 January 2026	572,545,319	15,160,777	64,268,950	651,975,046
Total comprehensive income for the year	-	6,161,270	-	6,161,270
Unitholders' transactions				
Issuance of new units	-	-	-	-
Distribution to unitholders#	-	(4,060,771)	-	(4,060,771)
<i>Decrease in net assets resulting from unitholders' transactions</i>	-	(4,060,771)	-	(4,060,771)
As at 31 March 2026	572,545,319	17,261,276	64,268,950	654,075,545

Include :

- i) Payment of final income distribution of 0.70 sen per unit for the financial year ended 31 December 2025 (of which 0.20 sen per unit is taxable and 0.50 sen per unit is non-taxable in the hands of unitholders) which was paid on 27 February 2026.

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 2025 and the accompanying explanatory notes attached to the financial statements.

AL-SALĀM REIT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the First Quarter Ended 31 March 2026

	To Date	
	31-03-2026	31-03-2025
	<u>RM</u>	<u>RM</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before tax	6,161,270	3,279,349
Adjustment for:		
Finance cost on loan	8,006,619	10,054,742
Depreciation of equipment	43,848	220,962
Fair value loss on investment properties	665,726	665,726
Gain on disposal of asset held for sale	-	-
Investment income	(296,804)	(232,283)
Unbilled rental income	(665,726)	(665,726)
Operating profit before working capital changes	<u>13,914,933</u>	<u>13,322,770</u>
Decrease/(Increase) in:		
Trade receivables	(2,746,267)	5,352,537
Other receivables and prepaid expenses	553,284	(3,848,330)
Amount due from related companies	-	1,315,242
Increase/(Decrease) in:		
Other payables and accrued expenses	(3,382,434)	2,000,556
Amount due to related companies	-	(1,406,791)
Cash generated from operations	<u>8,339,516</u>	<u>16,735,984</u>
Taxes paid	-	-
Net cash generated from operating activities	<u>8,339,516</u>	<u>16,735,984</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Income received from other investments	296,804	232,283
Purchase of equipment	(93,200)	(705,310)
Additions to investment properties	(586,499)	(197,856)
Net cash generated from/(used in) investing activities	<u>(382,895)</u>	<u>(670,883)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in pledged deposits with licensed banks	(1,012,600)	(13,000)
Income distributions paid	(4,060,771)	(1,333,573)
Islamic financing costs paid	(2,212,351)	(9,601,333)
Transaction cost paid	(1,929,751)	-
Net cash used in financing activities	<u>(9,215,473)</u>	<u>(10,947,906)</u>

AL-SALĀM REIT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the First Quarter Ended 31 March 2026

	To Date	
	31-03-2026	31-03-2025
	<u>RM</u>	<u>RM</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,258,852)	5,117,195
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	41,273,195	25,991,360
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>40,014,343</u>	<u>31,108,555</u>
DEPOSITS, CASH AND BANK BALANCES		
Cash and bank balances	10,764,343	10,808,555
Fixed deposits with licensed banks	<u>40,292,600</u>	<u>30,066,000</u>
	51,056,943	40,874,555
Less : Pledged deposits with licensed banks	<u>(11,042,600)</u>	<u>(9,766,000)</u>
CASH AND CASH EQUIVALENTS	<u>40,014,343</u>	<u>31,108,555</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to the financial statements.

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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 Requirement 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 2025.

The accounting policies and methods of computation adopted by the Group in this financial report are consistent with those adopted in its most recent Audited Financial Statements for the financial year ended 31 December 2024.

The Group has applied the following standards and amendments for the first time for the financial period beginning 1 January 2026:

- Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments (1 January 2026)
- Amendments to MFRS 9 and MFRS 7: Contracts referencing nature-dependent electricity (1 January 2026)
- Annual Improvements to MFRSs - Volume 11 (1 January 2026)

The standards and interpretations that are issued but not yet effective are disclosed below:

- MFRS 18 Presentation and Disclosure in Financial Statements (1 January 2027)
- MFRS 19 Subsidiaries without Public Accountability: Disclosure (1 January 2027)
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)

The Group did not early adopt these new standards.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The Audited Financial Statements of Al-Salām REIT for the financial year ended 31 December 2025 was not subject to any audit qualification.

A3. SEASONALITY AND CYCLICALITY OF OPERATIONS

Al-Salām REIT's operations are not significantly affected by seasonal or cyclical factors.

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

A4. UNUSUAL ITEMS AFFECTING THE FINANCIAL STATEMENTS

There were no unusual items affecting the financial statements of Al-Salām 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, amendments to MFRS and IC Interpretation that have a material effect during the 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

On 27 January 2026, the Fund declared the final income distribution of 0.70 sen per unit for the financial year ending 31 December 2026 (of which 0.20 sen per unit is taxable and 0.50 sen per unit is non taxable in the hand of unitholders) in respect of the period from 1 October 2025 to 31 December 2025. The said distribution has been paid on 27 February 2026.

A8. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments based on the nature of the industry of the Group's investment properties, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

- Retail outlets
- Office buildings
- Food and beverage ("F&B") properties comprising restaurant
- Industrial and others
- Others comprising Fund level operations

No information on geographical areas is presented as the Group operates solely in Malaysia.

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the First Quarter Ended 31 March 2026

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

A8. SEGMENT REPORTING (cont'd.)

For period ended 31 March 2026

	Retail outlets RM'000	Office buildings RM'000	F&B Restaurants RM'000	Industrial & Others RM'000	Other- Fund level operations RM'000	Total RM'000
Total revenue	13,776	1,816	4,084	2,950	-	22,626
Total property expenses	(5,211)	(1,042)	(20)	(94)	(119)	(6,486)
Net property income	8,565	774	4,064	2,856	(119)	16,140
Fair value (loss)/gain on investment properties	(666)	-	-	-	-	(666)
Investment income	-	-	-	-	297	297
Net investment income	7,899	774	4,064	2,856	178	15,771
Total trust expenses	-	-	-	-	(1,603)	(1,603)
Islamic financing costs	-	-	-	-	(8,007)	(8,007)
Net income before tax	7,899	774	4,064	2,856	(9,432)	6,161
Income tax expenses	-	-	-	-	-	-
Net income / (loss) after tax	7,899	774	4,064	2,856	(9,432)	6,161
Total assets	706,715	72,781	297,870	197,438	43,126	1,317,930
Total liabilities	24,253	5,672	-	1,497	632,432	663,854

For period ended 31 March 2025

	Retail outlets RM'000	Office buildings RM'000	F&B Restaurants RM'000	Industrial & Others RM'000	Other- Fund level operations RM'000	Total RM'000
Total revenue	12,452	1,683	4,355	2,892	-	21,382
Total property expenses	(5,110)	(1,145)	(8)	(93)	(119)	(6,475)
Net property income	7,342	538	4,347	2,799	(119)	14,907
Fair value (loss)/gain on investment properties	(665)	-	-	-	-	(665)
Investment income	-	-	-	-	232	232
Net investment income	6,677	538	4,347	2,799	113	14,474
Total trust expenses	-	-	-	-	(1,140)	(1,140)
Islamic financing costs	-	-	-	-	(10,055)	(10,055)
Net income before tax	6,677	538	4,347	2,799	(11,082)	3,279
Income tax expenses	-	-	-	-	-	-
Net income / (loss) after tax	6,677	538	4,347	2,799	(11,082)	3,279
Total assets	696,401	71,431	314,030	195,778	42,618	1,320,258
Total liabilities	17,524	3,652	-	723	648,026	669,925

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

A9. VALUATION OF INVESTMENT PROPERTIES

There were no valuation of properties being made in the current quarter

A10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent 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-Salām 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. CAPITAL COMMITMENT

There were no major capital commitments to be disclosed in the current quarter.

A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the Group have 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 party are subject to common control or common significant influence. Related parties may be individuals or other entities.

	The Group		The Fund	
	31-03-2026 RM'000	31-03-2025 RM'000	31-03-2026 RM'000	31-03-2025 RM'000
Rental income received/receivable from related companies	8,294	8,467	8,294	8,467
Other property management and fees charged	2,401	1,699	2,401	1,699
Finance cost paid/payable to a subsidiary	-	-	5,553	7,037

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-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

B1. REVIEW OF PERFORMANCE

	Quarter ended			Year ended		
	31-03-2026 RM'000	31-03-2025 RM'000	Change %	31-03-2026 RM'000	31-03-2025 RM'000	Change %
Total revenue						
Retail outlets	13,776	12,452	10.6	13,776	12,452	10.6
Office building	1,816	1,683	7.9	1,816	1,683	7.9
F&B restaurants	4,084	4,355	(6.2)	4,084	4,355	(6.2)
Industrial & others	2,950	2,892	2.0	2,950	2,892	2.0
Total	<u>22,626</u>	<u>21,382</u>	5.8	<u>22,626</u>	<u>21,382</u>	5.8
Net property income ("NPI")						
Retail outlets	8,565	7,342	16.7	8,565	7,342	16.7
Office building	774	538	43.9	774	538	43.9
F&B restaurants	4,064	4,347	(6.5)	4,064	4,347	(6.5)
Industrial & others	2,856	2,799	2.0	2,856	2,799	2.0
Property manager fee	(119)	(119)	0.0	(119)	(119)	0.0
Total	<u>16,140</u>	<u>14,907</u>	8.3	<u>16,140</u>	<u>14,907</u>	8.3
Investment income	297	232	28.0	297	232	28.0
Fair value adjustment on investment properties	(666)	(665)	0.2	(666)	(665)	0.2
Trust expenses	(1,603)	(1,140)	40.6	(1,603)	(1,140)	40.6
Islamic financing costs	(8,007)	(10,055)	(20.4)	(8,007)	(10,055)	(20.4)
Net income before tax	<u>6,161</u>	<u>3,279</u>	87.9	<u>6,161</u>	<u>3,279</u>	87.9

Review of Individual/Cumulative Quarter Results

Retail outlets

The retail segment reported total revenue of RM13.8 million for the current quarter and cumulative period ended 31 March 2026 (1Q2026), an increase of RM1.3 million compared to RM12.5 million in 1Q2025. The improvement was driven by higher rental income of RM1.4 million and promotional income of RM0.1 million, dampened by lower parking income of RM0.2 million. NPI increased by RM1.2 million to RM8.6 million, partly moderated by higher operating expenses of RM0.1 million across all retail outlets.

Office building

The office segment reported total revenue of RM1.8 million for 1Q2026, an increase of RM0.1 million compared to RM1.7 million in 1Q2025, principally attributable to a higher occupancy rate of 92% (2025: 90%). NPI improved by RM0.3 million to RM0.8 million, supported by higher rental income and lower operating expenses.

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the First Quarter Ended 31 March 2026

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

B1. REVIEW OF PERFORMANCE (cont'd.)

F&B restaurants

The F&B segment reported total revenue of RM4.1 million for 1Q2026, a decrease of RM0.3 million compared to RM4.4 million in 1Q2025. NPI fell modestly by RM0.3 million to RM4.1 million, reflecting the disposal of one property, with another disposal currently in progress. The retained portfolio continued to deliver steady contributions, with no material variations observed during the quarter.

Industrial & Others

The industrial & others segment reported total revenue of RM3.0 million for 1Q2026, an increase of RM0.1 million compared to RM2.9 million in 1Q2025. NPI rose to RM2.9 million, up RM0.1 million from RM2.8 million in the corresponding quarter, mainly reflecting the higher revenue contribution.

Overall

Al-Salām REIT recorded a total NPI of RM16.1 million for 1Q2026, an increase of RM1.2 million compared to RM14.9 million in 1Q2025. The improvement was primarily supported by stronger contributions from retail outlets, the office segment, and the industrial & others segment. Investment income rose by RM0.1 million, while the fair value loss on investment properties remained unchanged from the corresponding quarter. Operating expenses increased by RM0.5 million, while Islamic financing costs were significantly lower by RM2.0 million. Consequently, Al-Salām REIT recorded net income before tax of RM6.2 million, representing a 88% increase compared to RM3.3 million in the corresponding period last year.

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

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

	Quarter ended		Change %
	31-03-2026 RM'000	31-12-2025 RM'000	
Total revenue			
Retail outlets	13,776	13,475	2.2
Office buildings	1,816	1,787	1.6
F&B restaurants	4,084	4,568	(10.6)
Industrial & others	2,950	3,315	(11.0)
	22,626	23,145	(2.2)
Net property income ("NPI") :			
Retail outlets	8,565	8,424	1.7
Office buildings	774	354	118.6
F&B restaurants	4,064	4,557	(10.8)
Industrial & others	2,856	3,169	(9.9)
Property manager fee	(119)	(118)	0.8
	16,140	16,386	(1.5)
Investment income	297	294	1.0
Fair value adjustment on investment properties	(666)	(1,159)	(42.5)
Gain on disposal	-	100	(100.0)
Trust expenses	(1,603)	(1,682)	(4.7)
Islamic financing costs	(8,007)	(10,193)	(21.4)
Net income before tax	6,161	3,746	64.5

Al-Salām REIT posted a profit before tax of RM6.2 million in 1Q2026, an increase of 64.5% compared to RM3.7 million in the preceding quarter. The stronger result was mainly attributable to a lower fair value loss on investment properties of RM0.5 million, reduced trust expenses RM0.1 million, and significantly lower Islamic financing costs of RM2.2 million. These gains were partly moderated by weaker NPI of RM0.3 million, reflecting lower contributions from the F&B and industrial & others segments. Overall, Al-Salām REIT delivered a stronger quarterly performance compared to 4Q2025.

B3. CHANGES IN NET ASSET VALUE

	As at	As at
	31-03-2026 RM'000	31-12-2025 RM'000
Net asset value ("NAV")	654,076	651,975
NAV per unit (RM)	1.1277	1.1241

As at 31 March 2026, the Net Asset Value (NAV) was higher by RM2.1 million compared to the immediate preceding quarter. This increase was mainly due to the recognition of comprehensive income amounting to RM6.1 million, which was offset by the payment of the third interim income distribution of RM4.1 million.

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

B4. PROSPECTS

The global economic outlook for 2026 is expected to remain moderate, with global growth around 3%. However, risks are tilted to the downside amid ongoing geopolitical tensions in the Middle East, which could drive up energy prices, disrupt supply chains, and tighten global financial conditions.

Bank Negara Malaysia projects Malaysia's GDP growth at 4%–5% in 2026, supported primarily by continued domestic demand and exports. Looking ahead, the external environment is likely to remain fluid given these geopolitical uncertainties.

While Al-Salam REIT has not experienced any material direct impact so far, the Manager will continue to monitor developments closely and implement mitigating actions if necessary. Barring any unforeseen circumstances, the Al-Salam maintains its expectation for a satisfactory overall performance in 2026.

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	
	31-03-2026	31-03-2025	31-03-2026	31-03-2025
	RM'000	RM'000	RM'000	RM'000
Tax expense				
- Real Property Gain Tax	-	-	-	-
- Deferred 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 90% of its distributable income. The Manager also expects to distribute the net income within 2 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 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.

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

B7. INCOME DISTRIBUTION

Income distributions to unitholders is derived from the following sources:

	Quarter ended		Year ended	
	31-03-2026	31-03-2025	31-03-2026	31-03-2025
	RM'000	RM'000	RM'000	RM'000
Net rental income	22,625	21,382	22,625	21,382
Investment revenue	297	232	297	232
Less: Unbilled rental income	(666)	(666)	(666)	(666)
	22,256	20,948	22,256	20,948
Less: Expenses	(16,095)	(17,669)	(16,095)	(17,669)
Realised/distributable income for the quarter/period	6,161	3,279	6,161	3,279
Previous year's undistributed realised income	11,101	9,726	11,101	9,726
Total realised income available for distribution	17,262	13,005	17,262	13,005
Less: Income to be distributed for the quarter/period	(5,568)	(2,958)	(5,568)	(2,958)
Balance undistributed realised income	11,694	10,047	11,694	10,047
Distribution per unit (sen)	0.96	0.51	0.96	0.51

B8. GAIN OR LOSS ON SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

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

B9. PURCHASE AND DISPOSAL OF QUOTED SECURITIES

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

B10. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

On 6 March 2025, on behalf of the Manager, KAF Investment Bank Berhad announced that Al-Salām REIT entered into a land sale and purchase agreement with Lagi Tegas Sdn. Bhd. to dispose of property located at Petaling Jaya, Selangor Darul Ehsan for a total cash consideration of RM10.0 mil ("Proposed Disposal"). The Proposed Disposal is expected to be completed in the second quarter of 2026.

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

B11. TRADE RECEIVABLES

	The Group	
	As at 31-03-2026 RM'000	As at 31-03-2025 RM'000
Current		
Third parties	6,621	5,622
Related companies	5,096	3,695
	11,717	9,317
Less: Allowance for expected credit loss	(2,959)	(3,130)
	8,758	6,187
Unbilled rental income	26,502	23,802
	35,260	29,989

Trade receivables comprise rental receivable from lessees. The credit period granted by the Group and the Fund on rental receivable from lessees generally ranges from 1 to 7 days (2025: 1 to 7 days).

Unbilled rental income

Unbilled rental income relate to the Group's rights to recognise revenue. Rental income is recognised on a straight line basis including rent free period. Rental will be billed in accordance with the billing terms as set out in the tenancy agreements.

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

	As at	As at
	31-03-2026 RM'000	31-03-2025 RM'000
1 - 30 days	3,190	2,645
31 - 60 days	816	957
61 - 90 days	1,443	441
91 - 120 days	244	369
More than 120 days	6,024	4,905
	11,717	9,317

During the financial year, the Group and the Fund derecognised past lease receivables of RMnil (2024: RMnil) in respect of waiver of lease receivables and rental concessions given to tenants.

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

B12. ISLAMIC FINANCING

	The Group	
	As at 31-03-2026 RM'000	As at 31-03-2025 RM'000
<u>Non-current</u>		
Secured		
- Term Financing-i ("TF-i")	-	118,000
- Business Financing-i ("BF-i")	60,000	70,000
- Sukuk Ijarah	-	409,500
- Sukuk Wakalah	455,000	-
	515,000	597,500
Less: Transaction costs	(2,620)	(2,709)
	512,380	594,791
<u>Current</u>		
Secured		
- Term Financing-i ("TF-i")	118,000	-
- Sukuk Ijarah	-	45,500
	118,000	45,500
Less: Transaction costs	(236)	-
	117,764	45,500
Total Islamic Financing	630,144	640,291

Term Financing-i

The TF-i profit is payable over a period of 60 months from the date of first disbursement. The effective profit rate for the TF-i will be based on COF which is based on the Bank's COF + 1.45% per annum for the duration of the TF-i. The average effective profit rate for the TF-i is 5.27% (2024: 5.45%) per annum. The principal amount is expected to be paid in March 2024. The Bank, via letter dated 4 March 2024 agreed to extend the tenure for another 2 years to March 2026.

As at 31 March 2026, the current liabilities have exceeded the current assets by RM40.0 million. The Manager has requested the extension and expects the refinancing via Sukuk Wakalah programme.

The TF-i has a significant covenant in which the subsidiary shall at all times, maintain the following criteria:

- The financing payment cover ratio ("FPCR") of not less than 1.25 times;
- Total debts and financing over total assets value of not more than 50%; and
- Minimum security cover of 1.25 times.

The financing is secured by the investment properties amounting to RM167.3 million (2025: RM167.3 million)

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

B12. ISLAMIC FINANCING

Business Financing-i

The BF-i profit is payable over a period of 72 months from the date of first disbursement. The effective profit rate for the BF-i will be based on COF which is based on the Bank's COF + 0.60% per annum for the duration of the BF-i. The average effective profit rate for the BF-i is 5.30% (2024: 5.30%) per annum. The principal amount is to be expected to be paid in September 2027.

The BF-i has a significant covenant in which the subsidiary shall at all times, maintain the following criteria:

- (a) The financing payment cover ratio ("FSCR") of not less than 1.25 times;
- (b) Total debts and financing over total assets value of not more than 50%; and
- (b) Minimum security cover of 1.30 times.

The financing is secured by the investment properties amounting to RM66.9 million (2025: RM66.9 million)

Sukuk Ijarah

The Group established a Sukuk Ijarah Programme comprising IMTN of up to RM1.5 billion in nominal value.

On 24 August 2020, the Group issued RM520.0 million in nominal value of IMTNs ("Issue 2") which bears profit rate of 4.83% to 5.60% (2022: 3.75% to 5.09%) per annum. The Group redeemed RM69.0 million and RM451.0 million in nominal value of IMTNs ("Issue 2") on 24 September 2021 and 24 August 2023

On 24 August 2023, the Group issued RM455.0 million in nominal value of IMTNs ("Issue 3") which bears profit rate of 6.01% to 6.35% (2024: 6.03% to 6.25%) per annum. The principal amount is to be expected to be paid in 24 August 2026.

On November 2025, the Group paid the outstanding with issuance of Sukuk Wakalah.

The Sukuk Ijarah Programme has a significant covenant in which the subsidiary, Al-Salām REIT and its subsidiary shall at all times, maintain the following financial covenants:

- (a) Finance Service Cover Ratio ("FSCR") at Issuer level of not less than 1.5 times;
- (b) FSCR at Al-Salām REIT level of not less than 1.5 times;
- (c) Minimum Security Cover Ratio of at least 2.0; and
- (c) such other financial covenant(s) as may be determined by the Rating Agency and to be mutually agreed to by ALSREIT Capital Sdn Bhd.

The financing is secured by the investment properties amounting to RM727.2 million (2025: RM727.2 million)

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the First Quarter Ended 31 March 2026

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

B12. ISLAMIC FINANCING (cont'd.)

Sukuk Wakalah

On 29 August 2025, Al-Salām REIT, through its wholly-owned special purpose vehicle, ALSREIT Capital Sdn Bhd (“ALSREIT Capital”), lodged a Sukuk Wakalah Programme of up to RM3.0 billion with the Securities Commission Malaysia.

On 24 November 2025, ALSREIT Capital issued RM455.0 million in nominal value of IMTNs pursuant to the Sukuk Wakalah Programme, bearing a profit rate of 3.95% per annum with a tenure of five (5) years. The proceeds were utilised to redeem Sukuk Ijarah Issue 3 amounting to RM455.0 million. The principal is payable on 24 November 2030.

The RM455.0 million issuance (the “Guaranteed Sukuk Wakalah”) is guaranteed by Credit Guarantee and Investment Facility (“CGIF”) and contains financial covenants in which the subsidiary, Al-Salām REIT and its subsidiary shall at all times, maintain the following financial covenants:

- (a) Finance-to-Asset Ratio is not more than 0.50 times;
- (b) Finance Service Cover Ratio ("FSCR") of not less than 1.25 times; and
- (c) Security Cover Ratio shall not be less than 1.40 times.

The financing is secured by investment properties amounting to RM753 million (2025: RM753 million).

Revolving Credit

As of 31 March 2026, the Fund had unutilised revolving credit facilities amounting to RM10.0 million (2024: RM10.0 million) granted by a financial institution. The said facility is secured by an investment property amounting to RM18.7 million (2025: RM18.7 million).

AL-SALĀM REIT

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the First Quarter Ended 31 March 2026

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

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 in the current quarter.

B16. SUMMARY OF DPU, EPU AND NAV

	Current Quarter ended 31-03-2026	Immediate Preceding Quarter ended 31-12-2025
Number of units in issue (units)	580,000,000	580,000,000
Earnings per unit (EPU) - sen	1.06	0.68
Net income distribution to unitholders (RM'000)	5,568	4,060
Distribution per unit (DPU) - sen	0.96	0.70
Net Asset Value (NAV) - RM'000	654,076	651,975
NAV per unit (RM)	1.1277	1.1241
Market Value Per Unit (RM)	0.4500	0.4900

B17. RESPONSIBILITY STATEMENT

This quarterly report has been 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-Salām REIT as at 31 March 2026 and of its financial performance and cash flows for the period then ended.