AL-SALĀM REIT

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Second Quarter Ended 30 June 2026

		Individual Quarter			Cumulative Quarter		
	Note	Current Year Quarter 30-06-2026	Preceding Year Corresponding Quarter 30-06-2025	Changes	Current Year to-date 30-06-2026	Preceding Year Corresponding Period to-date 30-06-2025	Changes
		RM	RM	%	RM	RM	%
Gross rental income		19,796,813	19,403,144	2.0	39,494,766	37,738,750	4.7
Other income		2,802,019	2,666,257	5.1	5,729,524	5,712,774	0.3
Total revenue	B1	22,598,832	22,069,401	2.4	45,224,290	43,451,524	4.1
Utilities expenses		(2,338,565)	(2,512,733)	(6.9)	(4,104,146)	(4,611,293)	(11.0)
Maintenance expenses		(1,315,301)	(1,719,662)	(23.5)	(2,215,615)	(2,637,385)	(16.0)
Quit rent and assessment		(485,735)	(443,395)	9.5	(915,548)	(889,372)	2.9
Other property expenses		(2,624,971)	(2,662,862)	(1.4)	(5,895,960)	(5,557,389)	6.1
Property manager fee		(118,500)	(118,500)	0.0	(237,000)	(237,000)	0.0
Total property expenses		(6,883,072)	(7,457,152)	(7.7)	(13,368,269)	(13,932,439)	(4.0)
Net property income	B1	15,715,760.00	14,612,249.00	7.6	31,856,021	29,519,085	7.9
Investment income		331,753.00	273,503.00	21.3	628,557	505,786	24.3
Net fair value loss on investment properties		(673,124)	(573,123)	17.4	(1,338,850)	(1,238,849)	8.1
Net investment income		15,374,389	14,312,629	7.4	31,145,728	28,786,022	8.2
Manager's management fees		(1,144,819)	(726,192)	57.6	(2,285,296)	(1,379,029)	65.7
Trustee's fees		(18,417)	(32,427)	(43.2)	(64,247)	(64,760)	(0.8)
Shariah advisors' fee		(2,000)	(2,000)	0.0	(4,000)	(4,000)	0.0
Islamic financing costs		(8,102,660)	(10,093,450)	(19.7)	(16,109,279)	(20,148,192)	(20.0)
Other trust expenses		(557,153)	(423,804)	31.5	(972,296)	(875,936)	11.0
Net income / (loss) before tax		5,549,340	3,034,756	82.9	11,710,610	6,314,105	85.5
Taxation		-	-	0.0	-	-	0.0
Net income / (loss) after tax		5,549,340	3,034,756	82.9	11,710,610	6,314,105	85.5
Other comprehensive income, net of tax		-	-	0.0	-	-	0.0
Total comprehensive income / (loss) for the year		5,549,340	3,034,756	82.9	11,710,610	6,314,105	85.5
Net income / (loss) after tax is made up as follow:							
Realised		5,549,340	3,034,756	82.9	11,710,610	6,314,105	85.5
Unrealised		-	-	0.0	-	-	0.0
		5,549,340	3,034,756	82.9	11,710,610	6,314,105	85.5
Earnings per unit (sen)		0.96	0.52	82.9	2.02	1.09	85.5

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 30 June 2026

	Note	Unaudited As at End Of Current Quarter 30-06-2026	Audited As at preceding year ended 31-12-2025
		RM	RM
ASSETS			
Non-current assets			
Investment properties		1,213,593,496	1,213,433,365
Property, plant & equipment		764,028	706,373
Other receivables		683,467	683,467
		1,215,040,991	1,214,823,205
Current Assets			
Trade receivables	B11	36,104,969	31,848,153
Other receivables & prepayments		9,085,911	5,697,372
Cash and bank balances		14,332,138	14,943,195
Fixed deposits with licensed banks		33,918,600	36,360,000
Amount due from related companies		2,199,926	2,175,065
		95,641,544	91,023,785
Assets classified as held for sale		9,500,000	9,500,000
TOTAL ASSETS		1,320,182,535	1,315,346,990
LIABILITIES			
Non-current liabilities			
Islamic financing	B12	512,533,696	512,723,016
Other payables and accruals		5,678,342	5,677,759
Deferred tax liability		2,377,965	2,377,965
		520,590,003	520,778,740
Current Liabilities			
Islamic financing	B12	117,930,614	117,974,998
Other payables and accruals		26,287,991	22,607,782
Amount due to related companies		1,316,271	2,010,424
		145,534,876	142,593,204
TOTAL LIABILITIES		666,124,879	663,371,944
NET ASSETS VALUE		654,057,656	651,975,046
REPRESENTED BY:			
Unitholders' capital		572,545,319	572,545,319
Undistributed income		81,512,337	79,429,727
TOTAL UNITHOLDERS' FUND		654,057,656	651,975,046
NUMBER OF UNITS IN CIRCULATION		580,000,000	580,000,000
NET ASSETS VALUE (NAV) PER UNIT (RM)			
- Before income distribution		1.1277	1.1241
- After income distribution*		1.1191	1.1171

*After reflecting the proposed second interim income distribution for financial year ending 31 December 2026 of 0.86 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 Second Quarter Ended 30 June 2026

	Unitholders' Capital RM	Undistributed income Realised RM	Undistributed income 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	-	6,314,105	-	6,314,105
Unitholders' transactions				
Issuance of new units	-	-	-	-
Distribution to unitholders	-	(4,291,420)	-	(4,291,420)
Decrease in net assets resulting from unitholders' transactions	-	(4,291,420)	-	(4,291,420)
As at 30 June 2025	572,545,319	13,082,220	64,782,290	650,409,829
As at 1 January 2026	572,545,319	15,160,777	64,268,950	651,975,046
Total comprehensive income for the year	-	11,710,610	-	11,710,610
Unitholders' transactions				
Issuance of new units	-	-	-	-
Distribution to unitholders#	-	(9,628,000)	-	(9,628,000)
Decrease in net assets resulting from unitholders' transactions	-	(9,628,000)	-	(9,628,000)
As at 30 June 2026	572,545,319	17,243,387	64,268,950	654,057,656

\# 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.

ii) Payment of first interim income distribution of 0.96 sen per unit for the financial year ending 31 December 2026 (taxable in the hands of unitholders) which was paid on 29 June 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 Second Quarter Ended 30 June 2026

	To Date 30-06-2026	To Date 30-06-2025
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before tax	11,710,610	6,314,105
Adjustment for:		
Finance cost on loan	16,109,279	20,148,192
Depreciation of equipment	87,649	89,149
Fair value loss on investment properties	1,338,850	1,338,850
Gain on disposal of asset held for sale	-	(100,000)
Investment income	(628,557)	(505,786)
Unbilled rental income	(1,338,850)	(1,338,850)
Operating profit before working capital changes	27,278,981	25,945,660
Decrease/(Increase) in:		
Trade receivables	(2,917,966)	5,543,810
Other receivables and prepaid expenses	(3,388,540)	(9,328,176)
Amount due from related companies	(24,861)	1,314,168
Increase/(Decrease) in:		
Other payables and accrued expenses	3,781,894	2,078,973
Amount due to related companies	(694,153)	(1,406,791)
Cash generated from operations	24,035,355	24,147,644
Taxes paid	-	-
Net cash generated from operating activities	24,035,355	24,147,644
CASH FLOWS FROM INVESTING ACTIVITIES		
Income received from other investments	628,557	505,786
Purchase of equipment	(145,304)	(4,279)
Additions to invesment properties	(1,498,981)	(1,019,111)
Disposal of investment property	-	14,600,000
Net cash generated from/(used in) investing activities	(1,015,728)	14,082,396
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in pledged deposits with licensed banks	(1,038,600)	(169,000)
Income distributions paid	(9,628,000)	(4,291,419)
Islamic financing costs paid	(15,756,140)	(19,294,252)
Transaction cost paid	(687,944)	-
Repayment of long term financing	-	(10,000,000)
Net cash used in financing activities	(27,110,684)	(33,754,671)

AL-SALĀM REIT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the Second Quarter Ended 30 June 2026

	To Date	
	30-06-2026	**30-06-2025**
	RM	**RM**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,091,057)	4,475,369
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	41,273,195	25,991,360
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	37,182,138	30,466,729
DEPOSITS, CASH AND BANK BALANCES		
Cash and bank balances	14,332,138	12,926,729
Fixed deposits with licensed banks	33,918,600	27,462,000
	48,250,738	40,388,729
Less : Pledged deposits with licensed banks	(11,068,600)	(9,922,000)
CASH AND CASH EQUIVALENTS	37,182,138	30,466,729

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.

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.

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 22 May 2026, the Fund declared the first interim income distribution of 0.96 sen per unit for the financial year ending 31 December 2026 (taxable in the hand of unitholders) in respect of the period from 1 January 2026 to 31 March 2026. The said distribution has been paid on 29 June 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.

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

A8. SEGMENT REPORTING (cont'd.)

For period ended 30 June 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	27,487	3,672	8,167	5,898	-	45,224
Total property expenses	(10,488)	(2,412)	(39)	(192)	(237)	(13,368)
Net property income	16,999	1,260	8,128	5,706	(237)	31,856
Fair value (loss)/gain on investment properties	(1,339)	-	-	-	-	(1,339)
Investment income	-	-	-	-	629	629
Net investment income	15,660	1,260	8,128	5,706	392	31,146
Total trust expenses	-	-	-		(3,326)	(3,326)
Islamic financing costs	-	-	-	-	(16,109)	(16,109)
Net income before tax	15,660	1,260	8,128	5,706	(19,043)	11,711
Income tax expenses	-	-	-	-	-	-
Net income / (loss) after tax	15,660	1,260	8,128	5,706	(19,043)	11,711
Total assets	723,846	54,503	297,870	196,703	47,261	1,320,183
Total liabilities	20,656	3,837	-	871	640,761	666,125

For period ended 30 June 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	25,482	3,456	8,728	5,785	-	43,451
Total property expenses	(10,948)	(2,366)	(20)	(361)	(237)	(13,932)
Net property income	14,534	1,090	8,708	5,424	(237)	29,519
Fair value (loss)/gain on investment properties	(1,239)	-	-	-	-	(1,239)
Investment income	-	-	-	-	506	506
Net investment income	13,295	1,090	8,708	5,424	269	28,786
Total trust expenses	-	-	-	-	(2,324)	(2,324)
Islamic financing costs	-	-	-		(20,148)	(20,148)
Net income before tax	13,295	1,090	8,708	5,424	(22,203)	6,314
Income tax expenses	-	-	-	-	-	-
Net income / (loss) after tax	13,295	1,090	8,708	5,424	(22,203)	6,314
Total assets	698,259	71,342	299,430	194,887	46,896	1,310,814
Total liabilities	18,011	3,406	-	713	638,274	660,404

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	
	30-06-2026 RM'000	30-06-2025 RM'000	30-06-2026 RM'000	30-06-2025 RM'000
Rental income received/receivable from related companies	16,544	17,053	16,544	17,053
Other property management and fees charged	4,652	3,567	4,652	3,567
Finance cost paid/payable to a subsidiary	-	-	11,169	14,154

The related party transactions described above were entered into in the normal course of business and are based on negotiated and mutually agreed terms.

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

B1. REVIEW OF PERFORMANCE

	Quarter ended			Year ended		
	30-06-2026 RM'000	30-06-2025 RM'000	Change %	30-06-2026 RM'000	30-06-2025 RM'000	Change %
Total revenue						
Retail outlets	13,711	13,030	5.2	27,487	25,482	7.9
Office building	1,856	1,773	4.7	3,672	3,456	6.3
F&B restaurants	4,083	4,373	(6.6)	8,167	8,728	(6.4)
Industrial & others	2,948	2,893	1.9	5,898	5,785	2.0
Total	22,598	22,069	2.4	45,224	43,451	4.1
Net property income ("NPI")						
Retail outlets	8,434	7,192	17.3	16,999	14,534	17.0
Office building	486	552	(12.0)	1,260	1,090	15.6
F&B restaurants	4,064	4,361	(6.8)	8,128	8,708	(6.7)
Industrial & others	2,850	2,625	8.6	5,706	5,424	5.2
Property manager fee	(118)	(118)	0.0	(237)	(237)	0.0
Total	15,716	14,612	7.6	31,856	29,519	7.9
Investment income	332	274	21.2	629	506	24.3
Fair value adjustment on investment properties	(673)	(574)	17.2	(1,339)	(1,239)	8.1
Trust expenses	(1,723)	(1,184)	45.5	(3,326)	(2,324)	43.1
Islamic financing costs	(8,102)	(10,093)	(19.7)	(16,109)	(20,148)	(20.0)
Net income before tax	5,550	3,035	82.9	11,711	6,314	85.5

Review of Individual/Cumulative Quarter Results

Retail outlets

The retail segment reported total revenue of RM13.7 million for the current quarter ended 30 June 2026 (2Q2026), representing an increase of RM0.7 million compared to RM13.0 million in 2Q2025. The improvement was mainly driven by higher rental income of RM0.6 million and higher parking income of RM0.1 million. Net property income (NPI) increased by RM1.2 million to RM8.4 million, partly contributed by lower operating expenses of RM0.5 million across the retail outlets.

For the cumulative period under review, the retail segment recorded total revenue of RM27.5 million, representing an increase of RM2.0 million compared to RM25.5 million in the corresponding period last year. The growth was mainly attributable to higher rental income of RM2.0 million and promotional income of RM0.1 million, partially offset by lower parking income of RM0.1 million. Net property income (NPI) increased by RM2.5 million to RM17.0 million, supported by higher revenue and lower operating expenses of RM0.5 million across the retail outlets.

Office building

The office segment reported total revenue of RM1.9 million for 2Q2026, representing an increase of RM0.1 million compared to RM1.8 million in 2Q2025. The increase was principally attributable to a higher occupancy rate of 92%, compared to 90% in the corresponding quarter. NPI decreased by RM0.1 million to RM0.5 million, mainly due to higher operating expenses.

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

B1. REVIEW OF PERFORMANCE (cont'd.)

Office building (cont'd.)
For the cumulative period under review, the office segment recorded total revenue of RM3.7 million for 1H2026, representing an increase of RM0.2 million compared to RM3.5 million in 1H2025. The increase was principally attributable to a higher occupancy rate of 92%, compared to 90% in the corresponding period last year. NPI increased by RM0.2 million to RM1.3 million, mainly reflecting the higher revenue contribution.

F&B restaurants
The F&B segment reported total revenue of RM4.1 million for 2Q2026, representing a decrease of RM0.3 million compared to RM4.4 million in 2Q2025. NPI similarly decreased by RM0.3 million to RM4.1 million, mainly due to the disposal of one property, while another disposal is currently in progress. The retained portfolio continued to deliver stable contributions, with no material variations observed during the quarter.

For the cumulative period under review, the F&B segment recorded total revenue of RM8.2 million, representing a decrease of RM0.5 million compared to RM8.7 million in the corresponding period last year. NPI decreased by RM0.5 million to RM8.1 million, mainly due to the lower revenue contribution arising from the disposal of one property and the ongoing disposal of another property.

Industrial & Others
The industrial & others segment reported total revenue of RM2.9 million for 2Q2026, which was consistent with 2Q2025. NPI increased by RM0.1 million to RM2.9 million, compared to RM2.8 million in the corresponding quarter, mainly due to one-off expenses incurred in 2Q2025.

For the cumulative period under review, the industrial & others segment reported total revenue of RM5.9 million, representing an increase of RM0.1 million compared to RM5.8 million in 1H2025. NPI increased by RM0.3 million to RM5.4 million, from RM5.1 million in the corresponding period last year, mainly due to higher revenue contribution and lower operating expenses.

Overall
Total NPI increased by RM1.1 million to RM15.7 million, mainly supported by stronger contributions from retail, office, and industrial & others segments. Net income before tax increased by 83.0% to RM5.6 million, mainly due to improved NPI and lower Islamic financing costs.

For the cumulative period under review, Al-Salām REIT recorded total NPI of RM31.9 million, representing an increase of RM2.4 million compared to RM29.5 million in the corresponding period last year. The improvement was primarily driven by stronger contributions from the retail, office, and industrial & others segments. The gain on disposal was lower by RM0.1 million, while operating expenses increased by RM1.0 million. However, Islamic financing costs decreased significantly by RM4.0 million, contributing positively to the overall performance. Consequently, Al-Salām REIT recorded a net income before tax of RM11.7 million, representing an increase of 85.0% compared to RM6.3 million in the corresponding period last year.

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		
	30-06-2026 RM'000	**31-03-2026 RM'000**	**Change %**
Total revenue			
Retail outlets	13,711	13,776	(0.5)
Office buildings	1,856	1,816	2.2
F&B restaurants	4,083	4,084	(0.0)
Industrial & others	2,948	2,950	(0.1)
	22,598	**22,626**	**(0.1)**
Net property income ("NPI") :			
Retail outlets	8,434	8,565	(1.5)
Office buildings	486	774	(37.2)
F&B restaurants	4,064	4,064	0.0
Industrial & others	2,850	2,856	(0.2)
Property manager fee	(118)	(119)	(0.8)
	15,716	**16,140**	**(2.6)**
Investment income	332	297	11.8
Fair value adjustment on investment properties	(673)	(666)	1.1
Trust expenses	(1,723)	(1,603)	7.5
Islamic financing costs	(8,102)	(8,007)	1.2
Net income before tax	**5,550**	**6,161**	**(9.9)**

Profit before tax decreased by RM0.6 million, or 10.0%, to RM5.6 million in 2Q2026 from RM6.2 million in the preceding quarter. The decrease was mainly attributable to lower NPI, higher trust expenses and higher Islamic financing costs during the quarter.

B3. CHANGES IN NET ASSET VALUE

	As at 30-06-2026 RM'000	**As at 31-03-2026 RM'000**
Net asset value ("NAV")	654,058	654,076
NAV per unit (RM)	1.1277	1.1277

As at 30 June 2026, the Net Asset Value (NAV) was RM654.1 million, same as compared to the immediate preceding quarter. This was mainly due to the recognition of comprehensive income amounting to RM5.6 million, which was offset by the payment of the first interim income distribution of RM5.6 million.

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

B4. PROSPECTS

Malaysia's economic outlook remains cautiously optimistic, supported by accommodative monetary policy and liquidity measures that are expected to sustain domestic demand. Nonetheless, the expanded Sales and Service Tax ("SST") framework and external trade uncertainties, particularly arising from U.S. tariff developments, may continue to weigh on consumer spending and business sentiment.

Against this backdrop, Al-Salām REIT remains supported by its diversified portfolio and proactive asset management initiatives. The rejuvenation of KOMTAR JBCC continues to enhance the performance of the retail segment, while ongoing asset enhancement initiatives ("AEIs") and maintenance programmes are expected to improve asset competitiveness and strengthen the portfolio's long-term value proposition, particularly in anticipation of the Johor Bahru-Singapore Rapid Transit System ("RTS") Link.

For the quarter ended 30 June 2026, Al-Salām REIT delivered a stable performance, underpinned by consistent contributions from the retail, office and industrial segments. Operating expenses remained manageable, while financing costs continued to benefit from a lower profit rate environment. These factors, together with active leasing and asset management initiatives, contributed to the overall resilience of the portfolio.

Moving forward, the Manager will continue to focus on rental growth, occupancy optimisation and strategic asset rejuvenation initiatives to enhance portfolio performance while navigating the prevailing economic uncertainties.

Based on the Manager's earlier guidance, Al-Salām REIT delivered performance in line with expectations for the financial period ended 30 June 2026. The trust continues to benefit from stable contributions from its diversified portfolio, ongoing asset enhancement initiatives and the rejuvenation of KOMTAR JBCC. While external economic uncertainties and cost pressures remain, the Manager believes that Al-Salām REIT is well-positioned to maintain its operational resilience through proactive asset and portfolio management strategies.

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 RM'000	31-03-2025 RM'000	31-03-2026 RM'000	31-03-2025 RM'000
Tax expense				
- Real Property Gain Tax	-	-	-	-
- Deferred tax	-	-	-	-
	-	-	-	-

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.

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

B6. TAX (cont'd.)

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.

B7. INCOME DISTRIBUTION

Income distributions to unitholders is derived from the following sources:

	Quarter ended		Year ended	
	30-06-2026 RM'000	30-06-2025 RM'000	30-06-2026 RM'000	30-06-2025 RM'000
Net rental income	22,599	22,070	45,224	43,452
Investment revenue	332	274	629	506
Less: Unbilled rental income	(673)	(673)	(1,339)	(1,339)
	22,258	21,671	44,514	42,619
Less: Expenses	(16,708)	(18,735)	(32,803)	(36,404)
Realised/distributable income for the quarter/period	5,550	2,936	11,711	6,215
Previous year's undistributed realised income	11,694	10,047	11,101	9,726
Total realised income available for distribution	17,244	12,983	22,812	15,941
Less: Income to be distributed for the quarter/period	(4,988)	(2,726)	(10,556)	(5,684)
Balance undistributed realised income	12,256	10,257	12,256	10,257
Distribution per unit (sen)	0.86	0.47	1.82	0.98

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.

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

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 fourth quarter of 2026.

B11. TRADE RECEIVABLES

	The Group	
	As at 30-06-2026 RM'000	As at 30-06-2025 RM'000
Current		
Third parties	8,006	6,249
Related companies	3,203	2,640
	11,209	8,889
Less: Allowance for expected credit loss	(2,279)	(3,142)
	8,930	5,747
Unbilled rental income	27,175	24,475
	36,105	30,222

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 30-06-2026 RM'000	As at 30-06-2025 RM'000
1 - 30 days	2,370	2,889
31 - 60 days	610	852
61 - 90 days	793	292
91 - 120 days	394	29
More than 120 days	7,042	4,827
	11,209	8,889

During the financial year, the Group and the Fund derecognised past lease receivables of RMnil (2025: RMnil) in respect of waiver of lease receivables and rental concessions given to tenants.

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

B12. ISLAMIC FINANCING

	The Group	
	As at 30-06-2026 RM'000	As at 30-06-2025 RM'000
Non-current		
Secured		
- Business Financing-i ("BF-i")	60,000	60,000
- Sukuk Ijarah	-	409,500
- Sukuk Wakalah	455,000	-
	515,000	469,500
Less: Transaction costs	(2,467)	(2,121)
	512,533	467,379
Current		
Secured		
- Term Financing-i ("TF-i")	118,000	118,000
- Sukuk Ijarah	-	45,500
	118,000	163,500
Less: Transaction costs	(69)	(75)
	117,931	163,425
Total Islamic Financing	630,464	630,804

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 5.38% (2025: 5.27%) 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 30 June 2026, the current liabilities have exceeded the current assets by RM47.0 million. The Manager has requested the extension and expects the refinancing via Sukuk Wakalah programme. The Bank, dated 2 March 2026 agreed to extend the tenure for another 1 year to March 2027.

The TF-i has a significant covenant in which the subsidiary shall at all times, maintain the following criteria:
(a) The financing payment cover ratio (“FPCR”) of not less than 1.25 times;
(b) Total debts and financing over total assets value of not more than 50%; and
(c) Minimum security cover of 1.25 times.

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

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 5.14% (2025: 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)

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 30 June 2026, the Fund had unutilised revolving credit facilities amounting to RM10.0 million (2025: 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).

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 30-06-2026	Immediate Preceding Quarter ended 31-03-2026
Number of units in issue (units)	580,000,000	580,000,000
Earnings per unit (EPU) - sen	0.96	1.06
Net income distribution to unitholders (RM'000)	4,988	5,568
Distribution per unit (DPU) - sen	0.86	0.96
Net Asset Value (NAV) - RM'000	654,058	654,076
NAV per unit (RM)	1.1277	1.1277
Market Value Per Unit (RM)	0.5650	0.4500

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 30 June 2026 and of its financial performance and cash flows for the period then ended.