



al-aqar
HEALTHCARE REIT



BUILDING STRONG PARTNERSHIP FOR SHARED EXCELLENCE

INTEGRATED ANNUAL REPORT 2025

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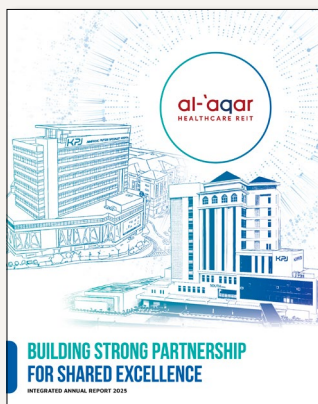
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COVER RATIONALE

BUILDING STRONG PARTNERSHIP FOR SHARED EXCELLENCE

At the core of Al-`Aqar Healthcare REIT's journey is the understanding that sustainable progress in healthcare infrastructure relies on trusted, long-standing relationships. "Building Strong Partnership for Shared Excellence" reflects its commitment to fostering enduring collaborations that create value throughout its healthcare ecosystem. The hospital assets are depicted in teal and dark blue to symbolise trust, stability, and the strength of strategic alliances, with the complementary colours reinforcing unity in partnership. The abstract converging elements in the background further express the alignment of expertise, capital, and operational excellence, illustrating how collective effort drives resilience, growth, and shared excellence in delivering quality healthcare infrastructure.

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DIGITAL REPORT AVAILABLE

This report can be accessed online via our website: www.alaqar.com.my



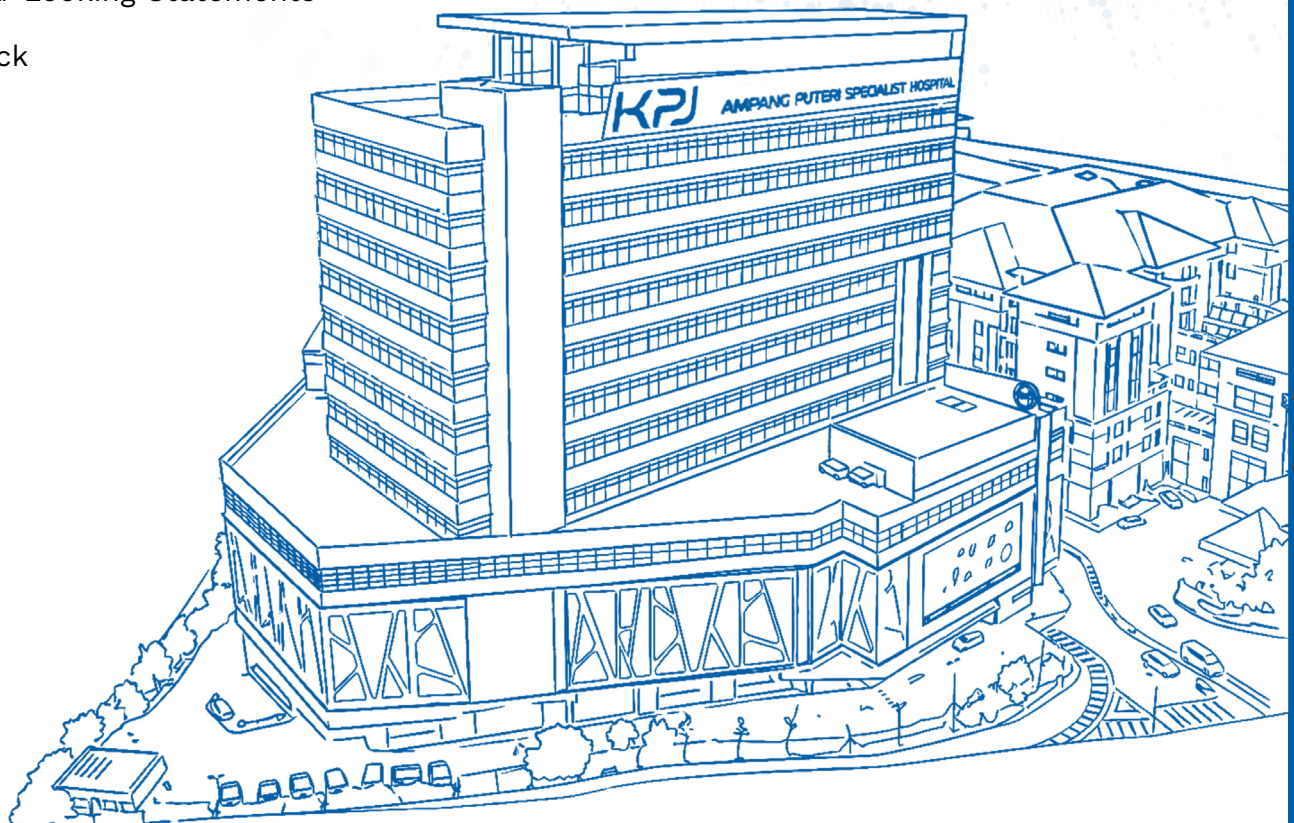
If you wish to obtain a printed copy of the Integrated Annual Report 2025, kindly email us at jlgrm.investorrelations@jlandgroup.com.my

As part of our commitment to environmental stewardship, stakeholders are encouraged to access the digital version where practicable.

01

ABOUT THIS REPORT

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- 3 Basis of Preparation
- 4 Reporting Scope and Boundary
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- 5 Feedback



ABOUT THIS REPORT

Introduction







Al-`Aqar Healthcare REIT (“Al-`Aqar” or “the REIT”) presents its inaugural Integrated Annual Report for the financial year ended 31 December 2025 (“IAR2025”). The IAR2025 provides expanded disclosures on the financial, business, and operational performance of Al-`Aqar, including its business model, value creation approach, risks and mitigation measures, and future outlook concerning the REIT’s plans and implementations.

Board Statement of Responsibility:

The Board of Directors (“Board”) of Al-`Aqar acknowledges its responsibility for ensuring the integrity, accuracy, and completeness of the data and disclosures contained in this IAR2025 document.

BASIS OF PREPARATION

The IAR2025 is developed in accordance with the Integrated Reporting Framework established by the International Financial Reporting Standards (“IFRS”) International Sustainability Standards Board (“ISSB”). The REIT’s disclosures are aligned with the following core principles:

SIX CAPITALS	SEVEN GUIDING PRINCIPLES	EIGHT CONTENT ELEMENTS
<ul style="list-style-type: none">  Financial Capital  Portfolio Capital  Intellectual Capital  Human Capital  Social Capital  Natural Capital 	<ul style="list-style-type: none"> • Strategic focus and future orientation • Connectivity of information • Conciseness • Reliability and completeness • Consistency and comparability • Materiality • Stakeholder relationships 	<ul style="list-style-type: none"> • Organisational overview and external environment • Governance • Business model • Risks and opportunities • Strategy and resource allocation • Performance • Outlook • Basis of preparation and presentation

This approach ensures full alignment with the upcoming regulatory mandates of the Securities Commission (“SC”) under the National Sustainability Reporting Framework (“NSRF”), emphasising the following concepts and disclosures:

<ul style="list-style-type: none"> • Securities Commission Guidelines on Listed Real Estate Investment Trusts (“Listed REIT Guidelines”) • Malaysian Code on Corporate Governance (“MCCG”) • Bursa Malaysia Corporate Governance Guide (4th Edition) • Malaysian Financial Reporting Standards (“MFRS”) • Bursa Malaysia Main Market Listing Requirements (“MMLR”) • Securities Commission Licensing Handbook • Securities Commission Guidelines on Corporate Governance for Capital Market Intermediaries 	<ul style="list-style-type: none"> • Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities (Amendment) Act 2025 • Capital Market and Services Act 2007 • Companies Act 2016 • National Sustainability Reporting Framework (“NSRF”) • Bursa Malaysia Sustainability Reporting Guidelines 3rd Edition (“SRG3”) • FTSE4Good Bursa Malaysia Index • Sustainability Accounting Standards Board (“SASB”) Standards • Global Reporting Initiative (“GRI”) Standards • United Nations Sustainable Development Goals (“UN SDGs”)
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ABOUT THIS REPORT

REPORTING SCOPE AND BOUNDARY

The disclosures in this IAR2025 cover AL-`Aqar's operations across the healthcare sector, including hospital, wellness centre, colleges, and aged care facilities. All data and disclosures presented are derived from operations under the REIT's direct control, ensuring consistency with its financial statements, sustainability statements, and audited accounts. This includes assets directly managed and operated by the REIT, including common areas in leased facilities.

AL-`Aqar extends this operational boundary for greenhouse gas ("GHG") reporting in strict alignment with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). This methodology allows us to categorise emissions as follows:

Entities and assets in the reporting entity	Information considered and included the reporting boundary
Assets owned and managed by the REIT	100% of operational data and disclosures investment properties under the REIT fund
Assets leased by the REIT	100% of operational data and disclosures from leased spaces, including administrative spaces the REIT Manager requires to function

As a healthcare REIT, AL-`Aqar operates under a master lease structure, which precludes it from maintaining operational control over its assets. Therefore, most operational data disclosures related to GHG emissions are categorised under Scope 3 emissions.

The assessment of the REIT's sustainability risks extends to entities within the value chain. This includes JLG REIT Managers Sdn Bhd (the "Manager"), tenants, property managers, and third-party vendors, ensuring a comprehensive view of AL-`Aqar's environmental and social impact.

LIMITATIONS AND EXCLUSIONS

While AL-`Aqar has enhanced the transparency and the comprehensiveness of its disclosures, the REIT acknowledges that certain data gaps remain. Recognising the importance of these metrics to the REIT's stakeholders, AL-`Aqar is committed to the continuous refinement of its data collection processes and future disclosures. As part of this commitment, AL-`Aqar conducts rigorous internal reviews and audits to safeguard the accuracy and credibility of all disclosed data.

AL-`Aqar approaches reporting through the lens of proportionality. In determining the scope of its disclosures, the REIT evaluates data based on its applicability, relevance, and accessibility at the time of reporting. Focusing on

cost-effective and accessible data ensures a sustainable reporting trajectory that will continue to expand in depth and detail in the future.

AUDIT AND ASSURANCE

The IAR2025 has been audited for all disclosed financial statements and accounts. Selected material non-financial disclosures, particularly those relating to sustainability performance, have also been subject to independent assurance to enhance credibility and data accuracy.

Internal review and data validation has been conducted by the relevant data owners, information holders, and the REIT's Senior Management.

ABOUT THIS REPORT

FORWARD-LOOKING STATEMENTS

The IAR2025 may contain disclosures and statements regarding future estimations, strategic direction, and anticipated financial performance of Al-`Aqar. These projections are created based on reasonable assumptions and information available at the time of reporting. While the REIT strives for the highest degree of precision, external variables may cause expected outcomes to differ from these estimations.


Readers are advised to exercise discretion when making decisions based on future-oriented disclosures. Al-`Aqar will not be held liable for any damages or negative impacts resulting from discrepancies between projections and actual outcomes.


Furthermore, Al-`Aqar recommends that readers from subsequent periods refer to publications from the corresponding year to obtain verified data and reduce the uncertainty inherent in future projections. Any updates or revisions to the REIT's strategies and disclosures made in future reports will not be retroactively reflected in this document. Management reserves the right to modify Al-`Aqar's strategic plans and operational direction as necessary to adapt to an evolving global business environment.

NAVIGATION ICONS

The inclusion of navigation icons in IAR 2025 serves to enhance readers' experience by providing a more intuitive approach to explore Al-`Aqar integrated reporting narrative. These icons are designed to highlight key areas of the business, illustrating the interconnectedness and interrelationship of various segments, capitals, strategies and stakeholders across the business.

Cross References

 This icon indicates where more detail can be accessed elsewhere in this report.

 This icon indicates where more detail can be accessed online.

Capitals

-  Financial Capital
-  Human Capital
-  Portfolio Capital
-  Social Capital
-  Intellectual Capital
-  Natural Capital

Stakeholders

-  Investors
-  Tenants
-  Regulatory Agencies and Statutory Bodies
-  Service Providers and Suppliers
-  Employees
-  Customers and Communities
-  Property, Services, Maintenance Managers



FEEDBACK

The Manager welcomes feedback from stakeholders as part of our ongoing efforts to enhance the quality and transparency of our reporting.

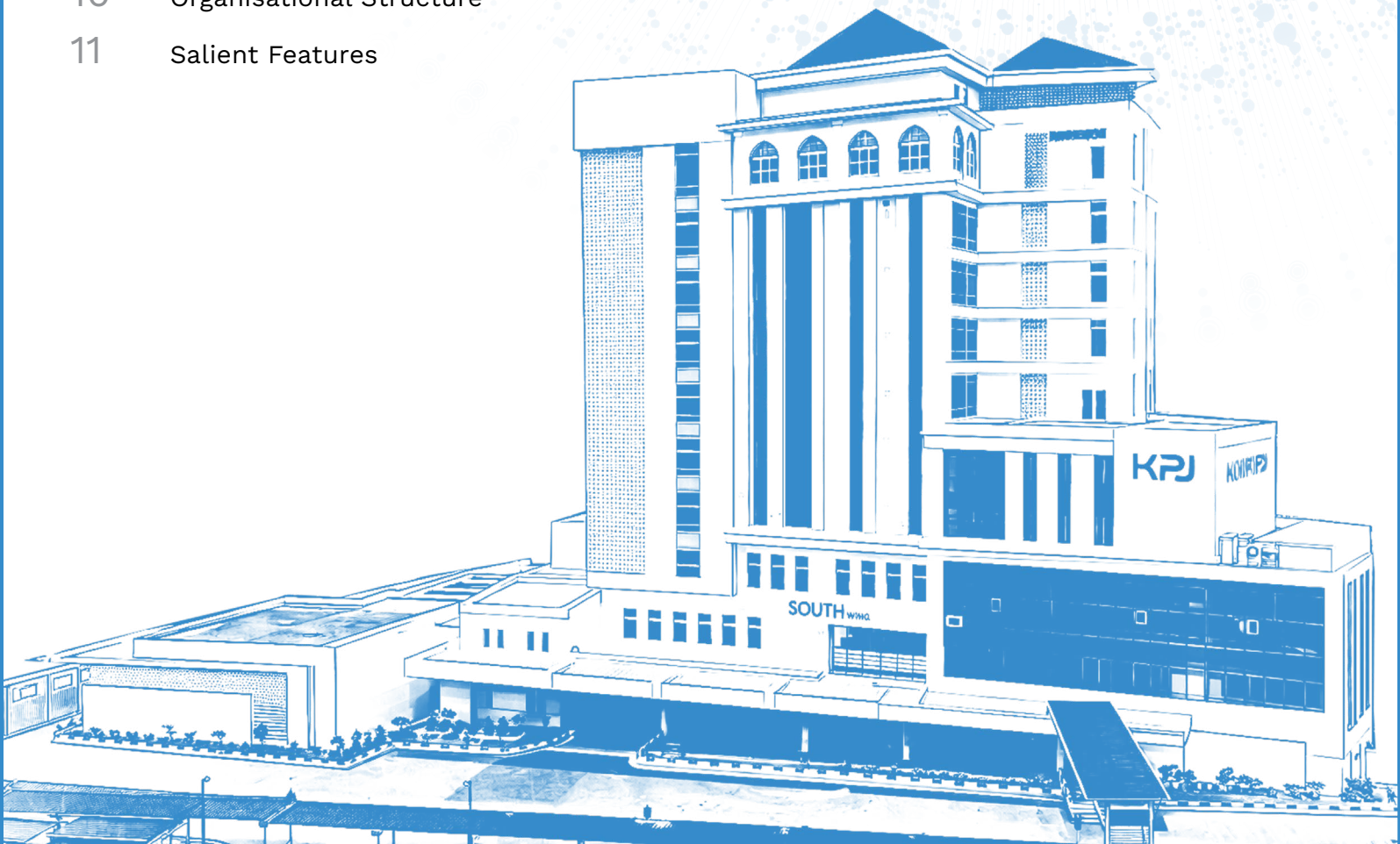
For any enquiries, comments or suggestions, please contact us at jlgrm.investorrelations@jlandgroup.com.my

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HEALTHCARE REIT

02

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2025 HIGHLIGHTS



NO OF ASSETS

23



MARKET CAPITALISATION

RM1.07 billion



DISTRIBUTION PER UNIT

7.06 sen



DISTRIBUTION YIELD

5.52%



GROSS FLOOR AREA

6.0 million sq. ft.



OCCUPANCY RATE

100%

Hospital



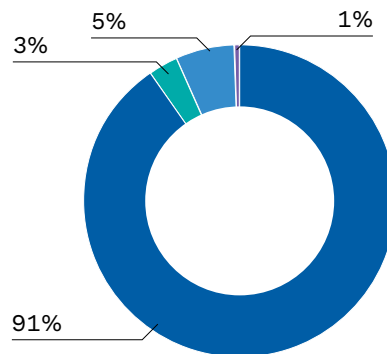
Wellness Centres



Colleges

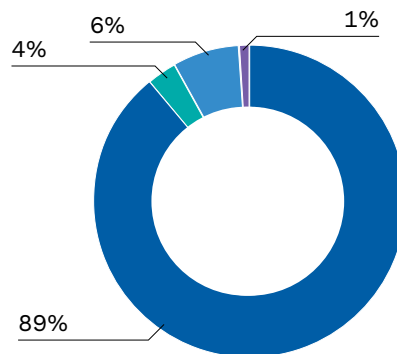


Aged Care Facilities



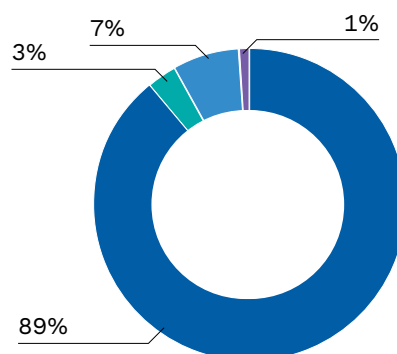
PROPERTY VALUE

RM1.88 billion



GROSS REVENUE

RM120.0 million



NET PROPERTY INCOME

RM104.9 million

CORPORATE PROFILE

Established in 2006, Al-`Aqar operates as the world's first Islamic healthcare-themed REIT, focusing on a Shariah-compliant portfolio of healthcare properties. The REIT's core business centres around the ownership and management of 23 assets.

The focus of Al-`Aqar's business operation revolves around the acquisition, development, and lease of health-centric properties that improve the wellbeing of local communities while attracting residents and visitors, stimulating the local economy. The REIT's business model is summarised below.

- 1 Raise funds through Islamic financing and unitholder capital
- 2 Acquire specialised healthcare real estate assets
- 3 Lease back properties to reputable healthcare operators
- 4 Provide dividends to unitholders based on the share of generated income
- 5 Reinvest revenue into property modernisation and expansion

Managed by JLG REIT Managers ("the Manager") and part of the Johor Corporation ("JCorp"), Al-`Aqar pursues a growth strategy centred on acquiring a strategic and diversified asset portfolio that generates stable, sustainable, and long-term rental income, while executing Asset Enhancement Initiatives ("AEI") to increase the value and income potential of existing properties.

As healthcare is an essential service, Al-`Aqar is less susceptible to economic volatility compared to REITs operating in retail or office sectors. A primary driver of this stability is a strong relationship with the REIT's anchor tenant, KPJ Healthcare Berhad ("KPJ"), coupled with long-term lease structures that provide high visibility for future income. This resilience is evidenced by Al-`Aqar's 100% occupancy rate and substantial market presence across Malaysia, reinforced by the REIT's status as the first Islamic healthcare REIT in Malaysia.

The REIT's ongoing operations are guided by three strategic pillars embedded within the overarching VENTURE27 strategic framework:



[More information on the REIT's strategic pillar and the VENTURE27 strategic framework can be found in the Management Discussion and Analysis \("MD&A"\) section.](#)



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Hospitals



3

Wellness Centres



2

Colleges



1

Aged Care Facilities



More detailed information on the REIT's assets can be found in the Portfolio Capital section

TRUST STRUCTURE

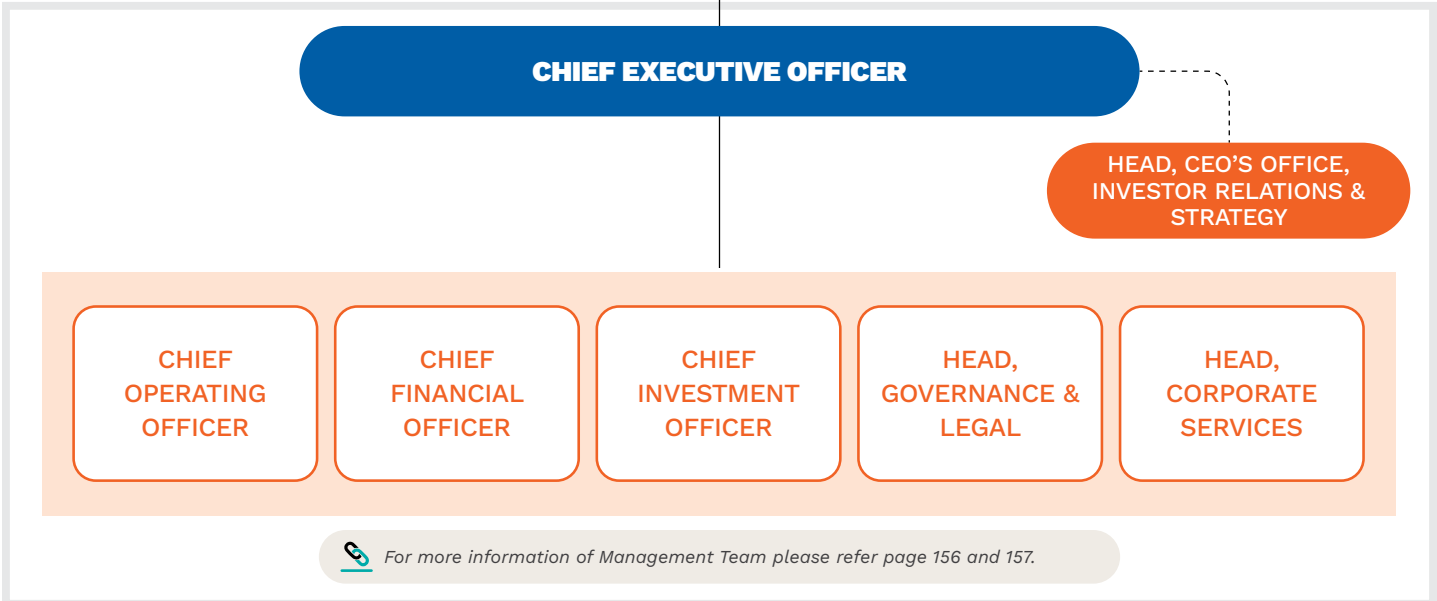
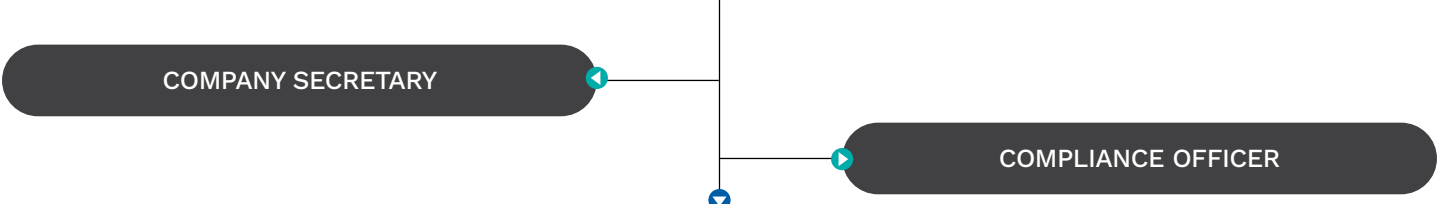
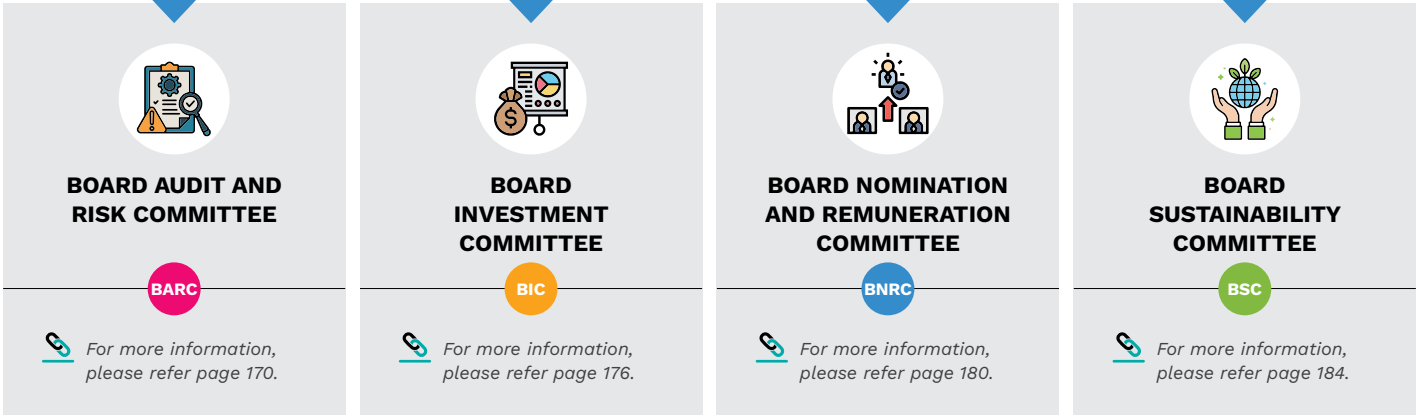


ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS

[For more information of Board of Directors please refer pages 142 to 153.](#)

Our Board Committees:



[For more information of Management Team please refer page 156 and 157.](#)

SALIENT FEATURES



Name of Fund	▶ AL-`Aqar Healthcare REIT
Type of Fund	▶ Income and growth
Category of Fund	▶ Islamic healthcare real estate and healthcare related assets
Listing	▶ Main Market of Bursa Malaysia Securities Berhad
Listing Date	▶ 10 August 2006
Stock Name	▶ ALAQAR
Stock Code	▶ 5116
Fund Size	▶ 839,597,757
Initial Public Offering Price	▶ Retail Price RM0.95 Institutional Price RM1.00
Financial Year End	▶ 31 December
Trustee Fee	▶ 0.04% per annum of the Fund's Net Asset Value
Manager's Fee	▶ Up to 0.3% per annum of the Fund's Total Asset Value
Distribution Policy	▶ At least 95% of distributable income
Revaluation Policy	▶ Annually by independent registered valuer
Gearing Policy	▶ Not exceed 50% of the REIT's Total Asset Value

OPERATING STRATEGY

To continuously improve the performance of its properties by improving yields and returns. This is achieved through a combination of strategies, including:

Meeting the needs of the tenants;

- Maintaining the quality and physical conditions of the properties;
- Minimising disruptions to rental income and operational costs;
- Implementing enhancement initiatives such as repositioning or repurposing underperforming or underutilised properties

INVESTMENT OBJECTIVE

To deliver stable and sustainable distributions per unit to unitholders, with the potential for consistent growth in both distributions and NAV per unit over the long term.

INVESTMENT POLICY

To diversify its Shariah-compliant real estate portfolio, with a strategic emphasis on healthcare-related properties. The Fund focuses on expanding its holdings across various properties and locations, while continuously seeking opportunities that offer attractive and sustainable returns.

INVESTMENT MANAGEMENT STRATEGY

To increase cash flow and enhancing unit value through selective acquisitions. Additionally, the Fund aims to preserve and enhance the value of its property portfolio via portfolio diversification and combination of:

- Capitalising on acquisition growth opportunities; and
- Identifying assets that are approaching or have reached their optimal returns for potential disposal consideration.

CAPITAL MANAGEMENT STRATEGY

To optimise its capital structure and minimise the cost of capital while adhering to the financing limits prescribed by REIT Guidelines. AL-`Aqar intends to fund future acquisitions and AEI works through a balanced approach, combining both debt and REIT units to maintain financial flexibility and support long-term growth.

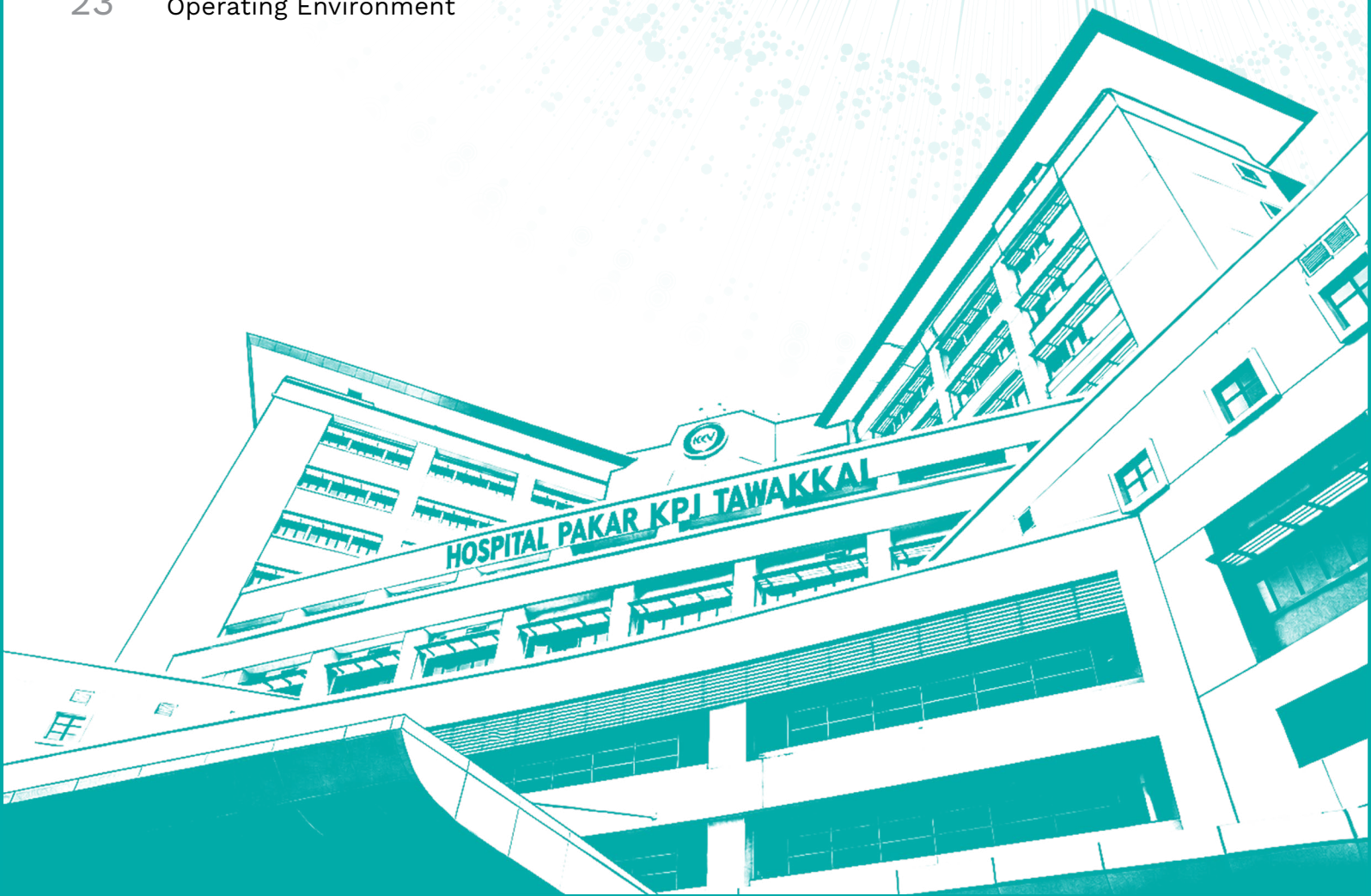
The logo for al-'aqqar Healthcare REIT is contained within a teal circle. The text 'al-'aqqar' is in a large, white, lowercase sans-serif font, and 'HEALTHCARE REIT' is in a smaller, white, uppercase sans-serif font below it.

al-'aqqar
HEALTHCARE REIT

03

BUSINESS OVERVIEW

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LETTER TO STAKEHOLDERS

Dear Valued Stakeholders,

It is my pleasure to present our first Integrated Annual Report for the financial year ended 31 December 2025.

Despite rising medical inflation, particularly on the domestic front, AL-`Aqar showed resilient financial and operational performance, achieving a distribution per unit of 7.06 sen.

This is a testament to AL-`Aqar's unique value proposition in providing Unitholders with stable returns throughout economic cycles. AL-`Aqar also marked a major milestone with the acquisitions of KPJ Ampang Puteri's new building and KPJ Penang Specialist's new building in October 2025, bringing the REIT's Investment Property value to RM1.88 billion for Financial Year Ended 31 December 2025 ("FY2025"). With these two acquisitions, the Weighted Average Lease Expiry ("WALE") stood at 10.57 years, reflecting continued long-term income stability.

PERFORMANCE AT A GLANCE



Gross Revenue

RM120.0
million




Realised Profit

RM62.0
million



Market Capitalisation

RM1.07
billion

 For more information of Financial Review please refer page 38.



DATUK HASHIM BIN WAHIR

Chairman

LETTER TO STAKEHOLDERS

HEALTHCARE SECTOR REMAINS RESILIENT WITH SLIGHT COST PRESSURES

On the global front, 2025 was a year of global economic uncertainty, burdened by geopolitical tensions and tariff wars. Despite macroeconomic headwinds, healthcare remained a resilient sector poised for robust expansion, particularly in the medical tourism sector.

Looking forward to 2026 and beyond, the healthcare sector is expected to maintain its strength even as global geopolitical tensions and shifting tariff policies introduce uncertainty into broader financial markets. AL-`Aqar is poised to benefit from the silver economy and the structural, non-discretionary demand for medical services driven by Malaysia's ageing population. Furthermore, national initiatives such as the Malaysia Year of Medical Tourism ("MYMT") 2026, led by the by the Malaysia Healthcare Travel Council ("MHTC"), are expected to act as significant catalysts for our hospital assets in key regional hubs, as patients increasingly seek more affordable, high-quality care across borders, with Asia-Pacific emerging as a key regional hub underpinned by competitive pricing and expanding hospital capacity. While we anticipate continued pressure from medical inflation, our focus on long-term master leases and strategic asset enhancements will ensure that AL-`Aqar remains resilient, providing unitholders with stable, risk-adjusted returns throughout future economic cycles.

In an era of global economic uncertainty and rising cost pressures, AL-`Aqar's business resilience remains a cornerstone of our value proposition. Crucially, AL-`Aqar's business resilience is anchored by our core portfolio of KPJ hospitals, which serve as high-quality underlying assets within the essential healthcare sector. This inherent stability is fortified by our strategic partnership with KPJ through master lease structures with an average minimum tenure

of fifteen years and built-in rental escalations, providing us with exceptional income visibility and robust downside protection. By utilising long-term master lease structures and built-in rental escalations, we enjoy high visibility for future income and robust downside protection. Our maintained 100% occupancy rate and consistent distribution performance further underscore the defensive strength of our assets.

On the domestic front, the healthcare sector was driven significantly by domestic demand for higher complexity procedures, supported by income growth and an ageing population; while medical tourism is also an emerging driver, particularly in location-specific hospitals such as Klang Valley, Penang and Johor.

Looking forward, private healthcare costs are likely to continue facing pressure from rising medical inflation throughout 2026. The cap on increases in medical insurance premiums until end-2026 and the impending rollout of a diagnosis-related group ("DRG") reimbursement framework also add to margin uncertainty for the healthcare sector.

As an asset owner, AL-`Aqar benefits from a strong sponsor and tenant-landlord relationship with KPJ, enjoying downside rental revenue protection from its long leases averaging at a minimum of fifteen (15) years.

AL-`Aqar's growth trajectory is also strongly supported by KPJ's expansion plans, in line with its targeted growth of more than 2,200 beds from 3,394 beds by 2030. This provides AL-`Aqar with strong visibility of an acquisition pipeline for completed extension buildings of KPJ's hospitals in prime, mature townships.

OVERVIEW OF M-REITS

Total Return

10.5%

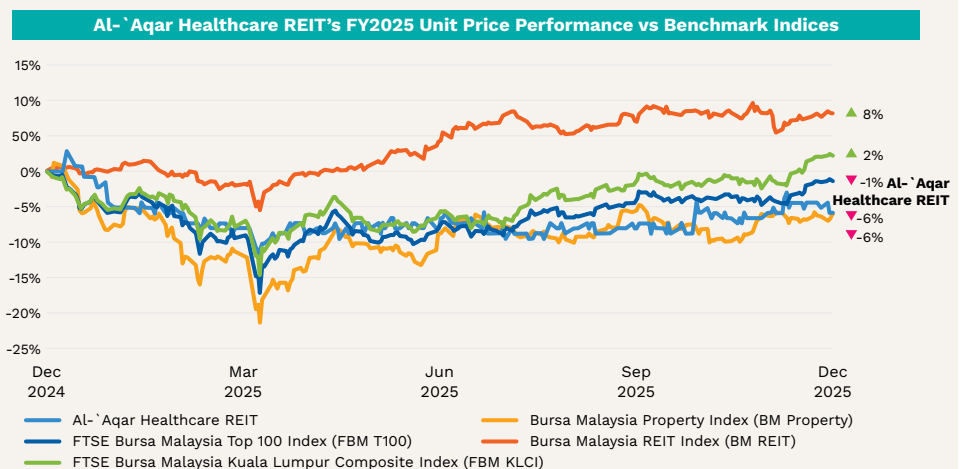
Average Distribution Yield

5.9%

The M-REITs sector recorded solid performance in 2025, underpinned by resilient sector fundamentals and a stable interest rate environment. Market sentiment improved following the 25 basis points reduction in the OPR in July, while growth was led by the retail and hospitality segments on the back of robust consumer spending and a continued recovery in tourism. The imposition of the 8% Sales and Services Tax on rental and leasing activities had a limited impact, as landlords were able to sustain occupancy levels and secure positive rental reversions.

Following the expiry of the concessional 10% withholding tax rate on REIT distributions effective from Year of Assessment ("YA") 2026, the tax treatment of REIT distributions will revert to prevailing tax rates applicable to different investor categories. This development may have implications for investor demand and market sentiment, particularly among affected investor groups.

Nonetheless, the sector's underlying fundamentals remain intact, with rental income continuing to demonstrate resilience and earnings largely unaffected.



LETTER TO STAKEHOLDERS

AL-`AQAR UNDERPINNED BY LONG-TERM LEASE STRUCTURE

Total Return

-0.36%

Distribution Yield

5.52%

In FY2025, AL-`Aqar continued to deliver sustained distributions to unitholders, supported by its stable rental income base and long-term lease structure. Despite softer unit price performance amid market volatility, the REIT maintained a competitive distribution yield, reinforcing its income-oriented investment proposition. The consistency of DPU highlights the resilience of AL-`Aqar and its ability to provide stable returns with long-term earnings visibility in a challenging macroeconomic environment.

TWO ACQUISITIONS COMPLETED

As we reflect on our past year, we are excited to announce the completion of two major acquisitions for AL-`Aqar, bringing the Investment Property value to RM1.88 billion as at 31 December 2025. With the acquisition of KPJ Ampang Puteri's new extension building and KPJ Penang Specialist's new extension building in October 2025, AL-`Aqar achieved a Net Property Income ("NPI") of RM104.9 million for FY2025, an improvement of 3.31% from FY2024.

In 2025, we focused on reviewing our portfolio strategy, growth trajectory and laying the groundwork for improved operational efficiency. While we enjoy a strong sponsor-cum-tenant relationship with KPJ, the Board recognises the need for tenant diversification as part of AL-`Aqar's overall portfolio management strategy. This also reduces the pressure of depending solely on KPJ's pipeline assets as a sole sponsor.

Nonetheless, the competition for quality healthcare assets is stiff even amongst owner-operators. AL-`Aqar is focused on expanding its core hospital assets and will conduct a review to reduce exposure to non-core assets such as wellness centres and aged care facilities, according to market conditions.

In our commitment to preserve the stability of returns to our Unitholders, AL-`Aqar also placed emphasis on improving operational efficiency and cost-tightening measures through the strengthening of business processes and review of capital expenditure requirements. This is aimed at improving the accuracy of cost forecasting for replacement, repair and maintenance, particularly in older hospitals, providing AL-`Aqar with better control of NPI margins.

STEADY ACQUISITION PIPELINE, IMPROVING OPERATIONAL EFFICIENCIES

In line with our target to achieve an investment portfolio value of RM2.5 billion by 2028, our medium-term strategy is to expand our portfolio through sponsor-led acquisitions, aligning with KPJ's expansion plans. Leases entered with KPJ provide us with long-term earnings visibility, providing Unitholders with stable risk-adjusted returns throughout economic cycles.

Despite rising cost pressures on the domestic private healthcare industry, we are optimistic that there are still bright spots for the industry, driven by resilient domestic demand for higher complexity cases, resulting in higher revenue per patient in strategic locations, a rise in the ageing population and strong growth in medical tourism to support hospital operator margins, providing security for our lease rentals.

We will also continue to reduce our exposure to non-core segments and underperforming assets, aimed at improving our portfolio focus and overall asset quality. In preserving overall portfolio yields, we intend to reduce borrowing costs through active capital management and improve operational efficiency through tighter asset management measures, particularly in capital expenditure ("CAPEX") spending for older hospital buildings without compromising tenant satisfaction.

Complementing our growth strategy, we remain committed to disciplined CAPEX initiatives and AELs to ensure our assets are maintained in optimal condition. By prioritising preventive maintenance and upgrading ageing infrastructure, we support ongoing portfolio optimisation while ensuring our facilities remain at the forefront of clinical and operational excellence for our tenants.

LETTER TO STAKEHOLDERS

OPERATIONS ANCHORED IN SUSTAINABILITY

2025 represents a strategic inflection point for AL-`Aqar as we undertake our first Integrated Annual Reporting exercise, reinforcing our commitment to disciplined governance, long-term value creation and sustainable capital stewardship. This marks an important shift in how we articulate performance and moving beyond financial outcomes to a more holistic view that integrates sustainability considerations as a core driver of resilience and growth.

In response to the evolving global and national landscape, AL-`Aqar has taken steps to prepare for alignment with the ISSB standards, specifically IFRS S1 and IFRS S2. As the REIT falls within the second phase of Malaysia's NSRF, our full adoption of these standards is scheduled to commence in the 2026 financial year.

We view this preparation not merely as a reporting exercise but as a strategic enabler that strengthens our data quality and demonstrates our commitment to institutional excellence. Sustainability is increasingly central to our

business and investment strategy. In this context, we have prioritised the development of a comprehensive ESG framework, aligned with the UN SDGs, to guide our strategic direction. This framework enables a structured approach to identifying material sustainability risks and opportunities, strengthening risk management, informing capital allocation decisions, and supporting the long-term performance of our portfolio.

Looking ahead, our sustainability agenda will continue to evolve in tandem with our VENTURE27 strategy, ensuring that ESG considerations are embedded across asset management, investment evaluation, and operational execution. While this first year of integrated reporting establishes a foundational baseline, our focus remains on continuous enhancement by deepening disclosures, strengthening data quality, and translating sustainability commitments into measurable outcomes. Through this approach, we aim to build a resilient REIT and deliver sustainable, long-term value to our unitholders and stakeholders.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I am pleased to welcome Ong Li Lee as our new Independent Non-Executive Director and Abdul Aziz bin Abdul Rasheed as our new Non-Independent Non-Executive Director in August 2025, bringing their extensive knowledge and experience in real estate asset management and governance.

I would also like to record our sincere appreciation to Lailatul Azma binti Abdullah for her valuable contributions and dedicated service during her tenure as Independent Non-Executive Director. We also extend our appreciation to Dato' Haji Mohammed Ridha bin Dato' Haji Abd Kadir and Shamsul Anuar bin Abdul Majid, both Non-Independent Non-Executive Directors, for their continued guidance and contributions to the Board. We wish them all the very best in their future endeavours.

I express my heartfelt appreciation to our valued stakeholders, including unitholders, REIT manager, trustee, shariah advisor, property manager, management teams of various business units, our sponsor, business partners, government agencies, regulators, valued investment community and the media. We sincerely thank you for your unwavering support and trust in the Board of Directors and management team of AL-`Aqar in driving our business performance. Together, we are excited to scale new heights of success towards our next phase of growth.

Yours sincerely,

Datuk Hashim bin Wahir

Chairman

JLG REIT Managers Sdn Bhd

for and on behalf of AL-`Aqar

BUSINESS REVIEW

OPERATIONAL OVERVIEW

In 2025, Al-`Aqar successfully completed a landmark acquisition and leaseback of two new buildings from KPJ in October 2025, growing its portfolio value by 13.6% from RM1.7 billion to RM1.9 billion, further solidifying the REIT's strong tenant relationship with KPJ. This is a key milestone and a significant expansion of the portfolio as it marks the first time since 2011 that the REIT acquired more than RM200 million worth of assets in a year.



KPJ Penang Specialist Hospital

The REIT introduction of these new extension buildings presents a strategic addition to its key portfolio assets, increasing the number of licensed beds in KPJ Ampang Puteri Specialist Hospital and KPJ Penang Specialist Hospital from 197 to 297, and 193 to 256, respectively. With the completion of these acquisitions, the number of licensed beds in the REIT's portfolio stands at 3,175. The new buildings will improve the capacity and operational efficiencies of the existing hospitals in Al-`Aqar's portfolio, KPJ Ampang Puteri Specialist Hospital and KPJ Penang Specialist Hospital, respectively, further safeguarding earnings visibility for the expanded core hospital segment. The acquisitions and leasebacks contributed a total of RM3.5 million in revenue and RM3.4 million in NPI for FY2025.



KPJ Ampang Puteri Specialist Hospital

The KPJ Ampang Puteri Specialist's new extension building is also awaiting Green Building Index ("GBI") certification, making it a strategic fit in the REIT's efforts to promote sustainability and advocate for tenant efforts in sustainability.

In 2025, Al-`Aqar also renewed lease agreements for five (5) investment properties, ranging from one (1) year to fifteen (15) years with rental escalations. The renewal tenure is in accordance with the REIT's portfolio management strategy to reduce exposure to non-core assets and strengthen the core hospital segment. Despite macroeconomic headwinds, Al-`Aqar's earnings resilience and visibility are supported by long-term lease agreements with KPJ for the core hospital segment, providing Unitholders with stable returns. Through these implementations, the REIT maintains an occupancy rate of 100% as at 31 December 2025.

BUSINESS REVIEW

On the operational front, Al-`Aqar focused on laying the groundwork with the aim of achieving operational efficiencies from value extraction and tightening capital expenditure (“CAPEX”) spending without compromising on tenant satisfaction.

As assets continue ageing, the REIT takes a proactive approach in establishing a long-term budget to avoid ad-hoc repair and maintenance, which may introduce higher cost burdens. By maintaining discipline in preventive maintenance, optimising resources, and strategic implementation of renewals and maintenance, the REIT ensures tenant operations can continue with minimal disruptions while preserving long-term asset value.

In terms of portfolio management, the REIT continues to strengthen its core hospital segment and reduce exposure to non-core segments, including the Australian portfolio. As the healthcare industry progresses, healthcare asset classes are also adapting to cater to evolving demand, in tandem with the rise of an ageing population. While Al-`Aqar sees expansion in areas such as senior living facilities, specialised care centres and specialised medical

centres focusing on medical tourism, the REIT is employing a disciplined approach to its acquisitions, ensuring that the assets are a strategic fit to the overarching portfolio.

The REIT actively engages with its sponsor, KPJ, to establish a pipeline of acquisition assets in line with KPJ’s expansion plan. This engagement allows for active coordination with KPJ to exit non-core segments in accordance with market conditions and when opportunities arise. Besides KPJ’s pipeline, the Board and management of Al-`Aqar are placing greater focus on portfolio growth through third-party acquisitions to reduce single-sponsor concentration risk in the long term. While Al-`Aqar remains open to third-party acquisitions and portfolio diversification, the REIT is maintaining a disciplined approach in its acquisitions in alignment with its gearing limit and with the REIT’s overall strategic direction.

PORTFOLIO EXPANSION IN 2025

2

ACQUISITIONS COMPLETED
IN OCTOBER 2025



PORTFOLIO VALUE

2024: **RM1.7**
billion

2025: **RM1.9**
billion

▲
13.6%

ENHANCING HEALTHCARE CAPACITY



TOTAL LICENSED BED

2024: **2,602**

2025: **3,175**

▲
22.0%

CONTRIBUTION FROM NEW ACQUISITION



REVENUE

RM3.5
million



NPI

RM3.4
million

BUSINESS REVIEW

VENTURE27: BUILDING A RESILIENT PORTFOLIO IN HEALTHCARE ASSETS

Al-`Aqar's VENTURE27 strategic framework establishes the REIT's strategic goals and guides near-term to medium-term goals, translating into long-term value creation for Unitholders. In developing the VENTURE27 strategy, the REIT identified areas in need of change in strategic direction and a sharper focus in operational execution, allowing for the improved identification of opportunities, risks, corresponding mitigation plans, and targets under the Objective and Key Results framework for performance measurement.

This strategy also aligns with the six value creation capitals, placing emphasis on improved transparency in business operations, governance, stakeholder engagement and data integrity, in line with the REIT's efforts to promote investor confidence and stakeholder feedback.

01 Growing our portfolio via acquisitions in our core hospital segment

01



02 Building long-term income resilience through economic cycles through long leases

02

03 Preserving asset quality and tenant satisfaction

03

04 Value extraction to achieve operational efficiencies

04

Under this strategic framework, the REIT has identified key pillars of growth and strategic change, which we will focus on for the coming years to achieve an Investment Portfolio value of RM2.5 billion by 2028.

TAV Growth

- Acquisitions of core, quality assets
- Asset preservation through preventative maintenance measures

GROWTH PILLARS

Distribution Per Unit ("DPU") Growth

- Value extraction from repair and maintenance
- Asset recycling and yield-accretive acquisitions

al-`aqar
HEALTHCARE REIT

STRATEGIC PILLARS

Grow TAV

- Review of asset class
- Establishment of core segments within the healthcare realm
- Acquisitions aligning with investment direction and portfolio identity
- Reduction of exposure to non-core segments and mature assets

Active Capital Management

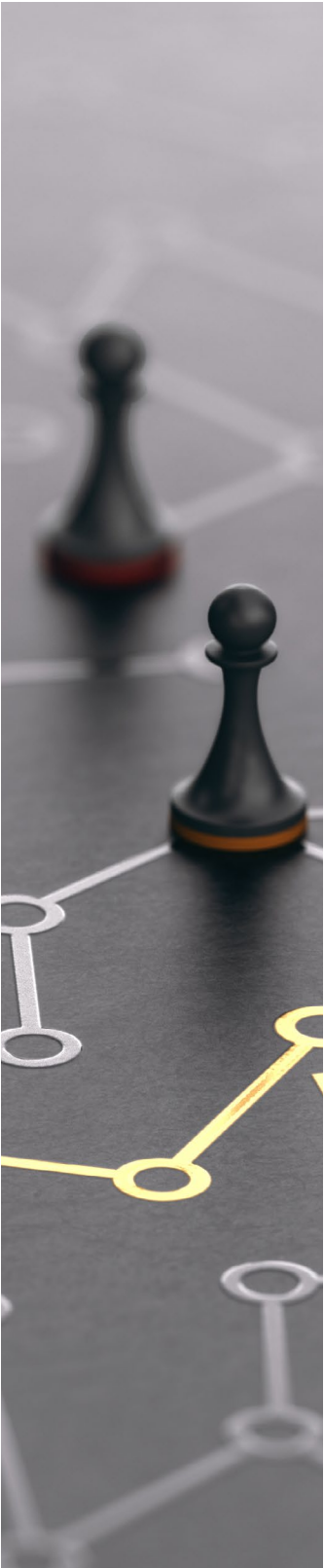
- Reduction of gearing to create headroom for acquisitions
- Positioning improvement for speedy acquisitions
- Management of borrowing costs in accordance with the timeline of pipeline acquisitions from Sponsor-cum-tenant, KPJ

Achieve Share Price at Par with NAV

- Long-term value creation, DPU growth, TAV growth
- Clear portfolio identity and strategic goals
- Transparency to investors
- Improved share liquidity

BUSINESS REVIEW

Strategy



Grow TAV - Pipeline Acquisitions from KPJ



Results

- TAV increased by 13.6% to RM1.88 billion in 2025 from RM1.65 billion in 2024
- Occupancy maintained at 100%



Financial Impact

- Portfolio value growth
- Revenue and NPI improved
- DPU slightly decreased by 2.89% to RM7.06 sen in 2025 from RM7.27 sen in 2024

Non-Financial Impact

- Expansion of core hospital segment within portfolio in line with portfolio strategy



Capitals Enhanced:



Achieve Share Price at Par with NAV - Renewals of Long Leases



Results

- Leases for the core hospital segment renewed for 15 years, providing earnings visibility
- Occupancy maintained at 100%



Financial Impact

- Revenue and NPI improved
- DPU slightly decreased by 2.89% to RM7.06 sen in 2025 from RM7.27 sen in 2024
- Portfolio value preserved

Non-Financial Impact

- Improved investor confidence in the visibility of earnings and returns to Unitholders



Capitals Enhanced:



Active Capital Management



Results

- Borrowing costs reduced to 4.80% in 2025 vs 5.04% in 2024



Financial Impact

- DPU slightly decreased by 2.89% to RM7.06 sen in 2025 from RM7.27 sen in 2024

Non-Financial Impact

- Improved investor confidence
- Portfolio is better positioned for future fundraising



Capitals Enhanced:



BUSINESS REVIEW

Operational - Asset Assessment & Condition Prioritisation



Results

- Replacement projects executed based on technical assessment findings (chillers, lifts, etc.)
- Improved reliability of key building systems
- Prioritisation aligned with asset condition and risk level



Financial Impact

- Emergency costs reduced due to early identification of asset issues
- Asset value protected through timely replacement aligned with assessment findings

Non-Financial Impact

- Improved safety and operational reliability within hospitals
- Stronger readiness for audits and inspections



Capitals Enhanced:



Operational - Lease Obligations & Compliance



Results

- Accomplished all lease obligations with tenants
- Ensured compliance with statutory requirements
- Strengthened procurement documentations for trustee approval



Financial Impact

- Compliance risk exposure reduced
- Efficiently utilised fund budget for fulfilling all lessor obligations

Non-Financial Impact

- Strengthened governance culture through adherence to lease obligations
- Reduced statutory risks



Capitals Enhanced:



Operational - Tenant Coordination & Execution Planning



Results

- Minimised disruption through increased tenant engagement and project coordination
- Improved communication flow between Al-`Aqar, consultants, and hospital engineering teams



Financial Impact

- Efficient project planning reduced risk of delays and potential added costs

Non-Financial Impact

- Improved tenant relationship and trust through transparent coordination
- Ensured smooth project execution with minimal service disruption



Capitals Enhanced:



Sustainability - ESG Support & Renewable Energy Participation



Results

- Supported planning and site readiness for Photovoltaic Panel Phase Two
- Promoted energy efficient equipment in major replacements
- Enhanced ESG alignment for long term asset sustainability



Financial Impact

- Long term enhancement of asset attractiveness through ESG aligned investments and lower operational costs

Non-Financial Impact

- Aligned and contributed to national sustainability targets
- Improved environmental performance of assets
- Supported tenant sustainability credentials and performance



Capitals Enhanced:



BUSINESS REVIEW

OPERATIONAL HIGHLIGHT: ASSET ENHANCEMENT INITIATIVE (AEI)

Throughout FY2025, Al-`Aqar strengthened its sustainability performance by integrating ESG considerations directly into day to day operations and asset management practices across its healthcare portfolio.

The REIT's approach focused on enhancing operational efficiency, reducing environmental impact and improving the long term resilience of critical hospital infrastructure. These efforts were supported by rigorous technical assessments, robust governance processes and close collaboration with KPJ to ensure responsible and efficient stewardship of essential healthcare assets.

During the year, the REIT implemented a series of targeted asset enhancement initiatives, encompassing chiller replacement, lift replacement, and external repainting works. Ageing chillers and lift systems were upgraded to energy-efficient models incorporating demand-responsive cooling technologies and regenerative lift mechanisms, resulting in reduced electricity consumption, lower carbon emissions, and improved maintenance efficiency. In addition, the use of low volatile organic compound (VOC) materials in repainting works contributed to healthier building environments while enhancing façade durability and long-term asset protection. Collectively, these initiatives enhanced overall building performance, mitigated operational risks, supported sustainability objectives, and reinforced long-term cost stability through reduced utility demand and extended asset lifecycles.

In parallel, Al-`Aqar supported tenant-initiated decarbonisation efforts through the Solar Expansion Programme implemented under the Supply Agreement within the Renewable Energy (SARE) framework. While the initiative was driven by tenants, the REIT played a proactive enabling role by facilitating and approving the implementation of solar installations across its assets. Although the resulting energy savings accrue directly to tenants, the REIT's support reflects its commitment to enabling clean energy adoption, fostering collaborative tenant relationships, and contributing to the broader decarbonisation of hospital operations across its portfolio.

Al-`Aqar continues to embed sustainability and ESG principles into its operations through its Green Lease Programme, which has been formally incorporated into the lease agreements for its latest hospital acquisitions, namely KPJ Ampang Puteri and KPJ Penang. These leases reflect a shared commitment between the parties to support environmental stewardship initiatives, including energy efficiency, water conservation, responsible waste management, and decarbonisation efforts, in line with applicable sustainability frameworks and regulatory requirements.

Under the agreed lease terms, the REIT upholds disciplined environmental management practices covering waste, water, drainage, chemical usage, and sustainability data transparency. Clear roles and responsibilities are established for the implementation of green initiatives, supported by accurate record-keeping and collaborative engagement with the Lessor and Manager. These measures demonstrate the REIT's proactive approach to integrating sustainability into its asset acquisitions and operations, reinforcing long-term value creation and alignment with national sustainability aspirations.

Collectively, these operational sustainability initiatives highlight Al-`Aqar's role as an active and responsible owner that prioritises environmental performance, supports efficient tenant operations, and creates enduring value for stakeholders, while strengthening the resilience and sustainability of its healthcare assets.

OPERATING ENVIRONMENT

RESILIENT ECONOMIC LANDSCAPE UNDERPINNED 2025 PERFORMANCE

Throughout FY2025, Al-`Aqar navigated a shifting macroeconomic landscape characterised by both emerging opportunities and external challenges. Global economic output reached an estimated 3.3% in 2025, rebounding in the second half of the year after a slow start. The International Monetary Fund (“IMF”) projects this growth to hold steady at 3.3% in 2026, with a slight moderation to 3.2% in 2027.

Despite this stability, persistent trade tensions remain a primary risk, with the potential to disrupt global supply chains and impact the vibrancy of financial markets. Al-`Aqar remains vigilant, ensuring our strategic planning accounts for this international volatility.

Global growth is expected to be driven by emerging economies, with projections holding steady at 4.0% for 2026 and 2027. In contrast, advanced economies are forecast to moderate to 1.8% and 1.7% over the same period. Notably, the US economy is anticipated to expand by 2.4% in 2026, bolstered by lower policy rates, supportive fiscal measures, and sustained momentum from late 2025. Complementing this growth, global headline inflation is projected to gradually retreat from 4.2% in 2025 to 3.8% in 2026 and 3.4% in 2027.

Domestically, the Malaysian economy demonstrated exceptional strength, recording a full-year Gross Domestic Product (“GDP”) growth of 5.2% in 2025. This performance significantly exceeded the forecast range of 4.0% to 4.8% set by Bank Negara Malaysia, the IMF, and the World Bank. Key indicators from the Department of Statistics Malaysia (“DOSM”) further reinforce this upward trajectory: the unemployment rate reached an 11-year low of 2.9% by year-end, while headline inflation remained stable at 1.4%. Additionally, the Malaysian Ringgit emerged as the top-performing currency in Southeast Asia, appreciating by approximately 10.3% against the US Dollar by December 2025.

Building on the momentum of 2025, Malaysia’s economic growth is projected to remain steady throughout 2026. While a slight moderation is anticipated due to geopolitical tensions and shifting global tariff policies, domestic fundamentals remain resilient. According to the Ministry of Finance’s Outlook 2026, headline inflation is expected to remain well-contained between 1.3% and 2.0%. While global uncertainties present downside risks, the strength of the domestic economy provides a stable environment for Al-`Aqar’s continued operational growth and strategic execution.

Ongoing fiscal consolidation and structural policy reforms continue to bolster investor confidence, sustaining strong Foreign Direct Investment (“FDI”) inflows. This momentum is particularly evident in the data centre, technology, and Electrical and Electronics (“E&E”) sectors. Furthermore, Malaysia’s pivotal role in the global E&E value chain remains a cornerstone of export growth, with the sector’s inherent resilience expected to drive national trade performance throughout 2026.

MEDICAL AND HEALTHCARE TRENDS IN MALAYSIA

Malaysia’s healthcare sector is entering a phase of structural expansion, supported by long-term demand drivers as opposed to short-term economic cycles. Healthcare demand remains inherently non-discretionary, driven by population health needs, epidemiological trends, and public policy priorities. These characteristics position healthcare as a resilient segment of the economy, with direct implications for the stability and utilisation of healthcare real estate assets.

Malaysia operates a dual healthcare system comprising a publicly funded healthcare network alongside a well-developed private healthcare sector. While public healthcare continues to ensure broad access to essential services, the private healthcare segment has increasingly driven capacity expansion, service differentiation and adoption of advanced medical technologies. This has supported sustained utilisation levels across private hospitals and specialist medical centres, reinforcing demand for modern, purpose-built healthcare facilities.

Healthcare expenditure in Malaysia continues to trend upward, supported by rising income levels, increasing health awareness, and greater willingness among patients to seek private healthcare services. At the same time, private healthcare providers have expanded their focus on specialised and higher value-added treatments, strengthening Malaysia’s position as a regional healthcare destination. From a real estate perspective, these developments translate into consistent occupancy, longer operating hours, and sustained relevance of healthcare assets across economic cycles.

OPERATING ENVIRONMENT

MEDICAL TOURISM AND CROSS-BORDER HEALTHCARE DEMAND

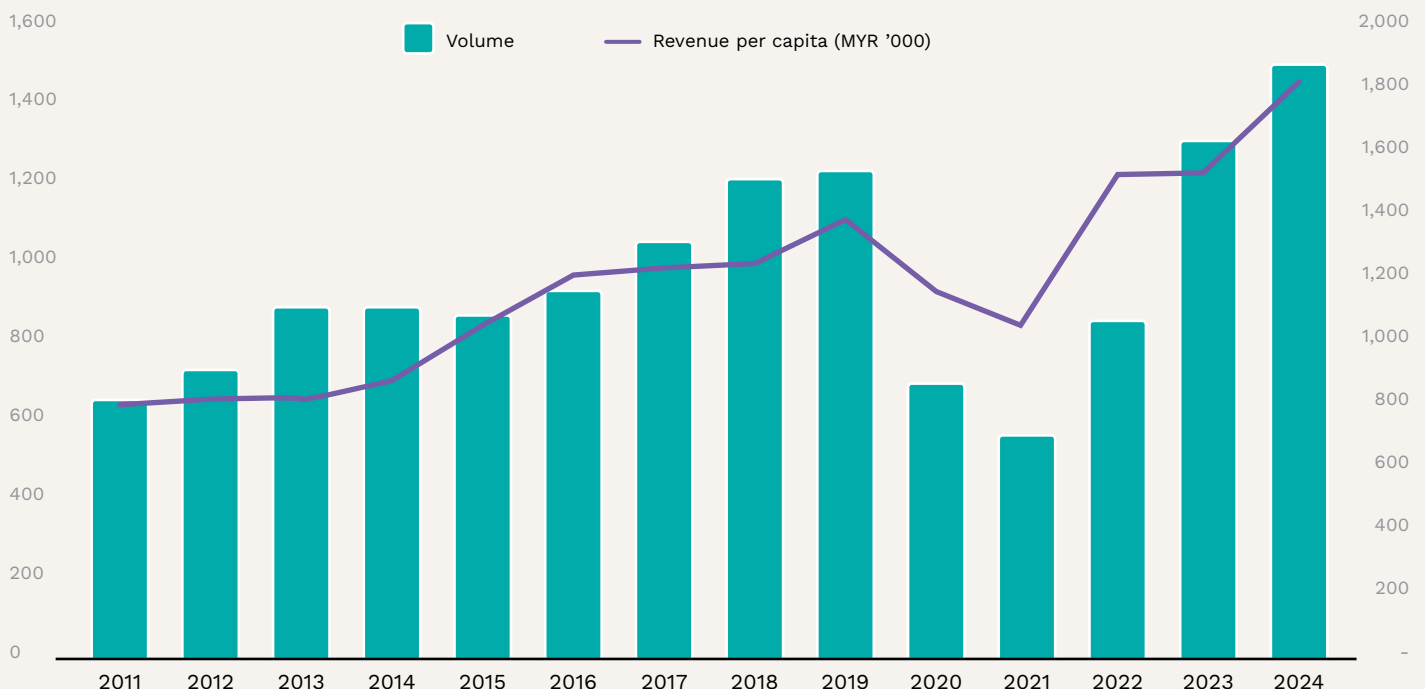
Medical tourism has emerged as a key growth driver for Malaysia's private healthcare sector and a meaningful contributor to healthcare facility utilisation. Malaysia has historically attracted more than one million medical travellers annually since 2017, with volumes temporarily disrupted during the COVID-19 pandemic period. Since the reopening of international borders, medical tourism has demonstrated a strong recovery, with arrivals once again exceeding one million visitors annually from 2023 onwards. According to the data published by MHTC in 2024, the country recorded approximately 1.5 to 1.6 million medical travellers, generating an estimated RM2.7 billion in healthcare travel revenue.

Malaysia's medical tourism proposition is underpinned by comparatively lower treatment costs relative to developed markets and regional peers, combined with high standards of clinical care and internationally

recognised accreditations. Private hospitals in Malaysia have also developed strong capabilities in specialised treatments such as cardiology, fertility services, oncology, orthopaedics, and comprehensive health screening, which continue to attract foreign patients.

Ongoing government support through the MHTC, together with targeted promotional initiatives, continues to strengthen Malaysia's positioning as a regional healthcare hub. The upcoming MYMT 2026 is expected to further support sector growth by expanding international outreach and promoting integrated healthcare and wellness offerings. From a healthcare real estate perspective, medical tourism supports higher utilisation intensity at private hospitals and specialist facilities, particularly those catering to complex and high-value treatments, reinforce demand for high-quality healthcare assets.

**MALAYSIA INBOUND HEALTH TRAVELERS – VOLUME ('000)
AGAINST REVENUE PER CAPITA (MYR '000)**



Source: Malaysia Healthcare Travel Council (MHTC), 2025

OPERATING ENVIRONMENT

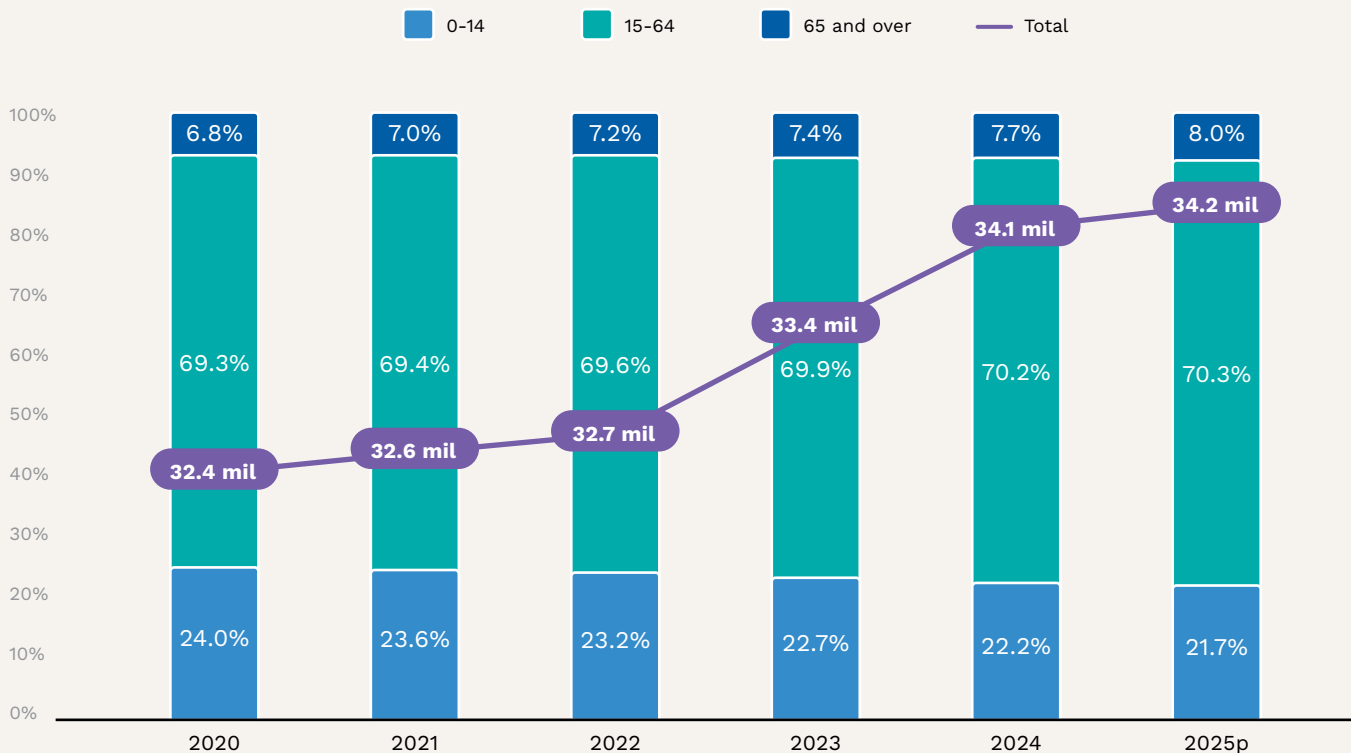
DEMOGRAPHIC SHIFTS AND THE SILVER ECONOMY

Malaysia is undergoing a significant demographic transition as the population ages, with individuals aged 60 and above accounting for approximately 10% of the total population since 2016, at 9.6% to 11.6% in 2024, translating into a Compound Annual Growth Rate (“CAGR”) of approximately 2.4%. According to the DOSM, this demographic shift is expected to accelerate further, with Malaysia projected to become an aged nation by 2048, supported by rising life expectancy and improved healthcare outcomes. At the same time, Malaysia faces a growing prevalence of non-communicable diseases such as diabetes, cardiovascular conditions and cancer, which necessitate long-term medical management, specialised treatment, and sustained demand for healthcare infrastructure.

Malaysia records one of the highest diabetes prevalence rates in Southeast Asia, with an estimated one in five adults affected. These demographic and epidemiological trends are expected to drive sustained demand for healthcare services, including inpatient treatment, outpatient specialist care, diagnostics, rehabilitation and chronic disease management. The growing “silver economy” further reinforces demand for healthcare infrastructure, as ageing populations typically require more frequent medical interventions, higher hospital admission rates and longer treatment durations.

For healthcare real estate, these trends support long-term utilisation visibility and reinforce the relevance of purpose-built healthcare facilities designed to accommodate complex clinical requirements and advanced medical technologies, supported by demographic-driven demand.

MALAYSIA RESIDENT POPULATION BY AGE DISTRIBUTION (‘000)



Source: Department of Statistics Malaysia (DOSM), 2025

OPERATING ENVIRONMENT

PESTLE ANALYSIS

The REIT utilises the PESTLE analysis to ensure it is adaptable to additional external factors impacting its operations. This framework allows the REIT to anticipate potential macroeconomic shifts, ensuring that negative external changes are managed effectively, minimising their impact on the REIT's operations and safeguarding the long-term financial, business, and operational stability.

Macro-Economic Resilience and Financial Stability

Malaysia's healthcare expenditure has shown consistent growth, reaching RM84.19 billion in 2023, reflecting a resilient sector that benefits from rising disposable incomes and broader insurance coverage. However, this growth occurs during global economic uncertainty and tariff threats that can dampen consumer sentiment. Monetary policy also plays a critical role, where interest rate cuts lower the cost of financing and improve profits and the value of distributions per unit, hindering asset injections from sponsors due to the availability of more affordable alternatives in other regions.

To maintain financial stability, the REIT prioritises long-term master lease structures and yield-accretive acquisitions that align with national economic fundamentals, using lower financing costs to accelerate growth while positioning asset sales as capital recycling opportunities.

Healthcare Infrastructure and Policy Direction

The healthcare operating landscape is reinforced by long-term policy direction and public sector support. The Health White Paper ("HWP") tabled on 15 June 2023 outlines a 15-year roadmap focused on healthcare system sustainability, preventive care, digitalisation and enhanced public-private collaboration. Key reform initiatives include a gradual shift toward preventive and value-based care models, expansion of digital health infrastructure such as electronic medical records, and improved integration between public and private healthcare providers.

These policy measures are expected to enhance healthcare system efficiency while supporting capacity expansion and service quality improvements across the sector. For private healthcare operators, a supportive policy environment enhances operating stability and demand visibility, which in turn underpins long-term demand for healthcare facilities.

Regulatory, Tax, and Shariah Governance

Operating as a Shariah-compliant healthcare REIT requires extensive compliance with more complex requirements than most other industries. This involves taking into consideration clinical regulations, tax frameworks, and religious principles aligned with Shariah Principles.

In addition, the supply of healthcare infrastructure remains relatively disciplined, as the development of new hospitals and specialist medical centres is subject to regulatory approvals and licensing requirements, including strict licensing timelines associated with capacity expansion and service enhancement. This contributes to a more controlled supply environment compared to other commercial property segments, helping to mitigate oversupply risks and support sustainable utilisation and occupancy levels for existing healthcare assets.

The REIT manages these requirements through regular Shariah reviews and strengthened governance reporting with international bodies like the Junior Chamber International ("JCI") and Malaysian Society for Quality in Health ("MSQH"). Additionally, the REIT adopted cost pass-through mechanisms where contractually permissible and ensures Sales and Service Tax ("SST") considerations are integrated into all new lease agreements to protect its income stream from tax-driven cost increases.

Strategic Market Growth and Demographic Demand

Healthcare tourism, particularly in hubs like Kuala Lumpur and Penang, attracts international patients seeking premium services, which stabilises rental income through foreign exchange earnings. Simultaneously, the demographic shift toward an older population ensures a long-term, recession-resilient floor for healthcare utilisation. This rising demand is further amplified by a current shortage of modern, purpose-built hospital facilities, putting pressure on existing infrastructure and increasing the value of healthcare assets.

In response to the anticipated demand, the REIT focuses its acquisition strategy on medical tourism hubs and high-value treatment segments. Al-`Aqar actively supports facility expansions, such as the KPJ Ampang Puteri project, to address overcapacity issues.

OPERATING ENVIRONMENT

Operational Resilience, ESG, and Climate Readiness

AL-`Aqar faces increasing operational pressure from rising inflation, including higher energy and maintenance costs. This follows developing trends such as the commencement of Tenaga Nasional Berhad's ("TNB") Regulatory Period 4 ("RP4"), electricity tariffs that increased prices by 13.6%, establishing a rate of 45.4 sen/kWh through December 31, 2027. These environmental and financial costs can impact tenant margins and rental affordability. Furthermore, physical climate-related risks such as flooding and heat stress pose direct threats to the integrity of healthcare assets, where operational uptime is critical for patient safety.

Further downstream, healthcare operators continue to manage operating and regulatory challenges, including labour cost pressures arising from clinical staff shortages, exposure to higher utility tariffs, and selected SST on non-core services, as well as regulatory and Talent attraction and retention remain key focus areas, particularly for specialised clinical roles. These challenges are mitigated through operational efficiencies, service mix optimisation, technology adoption, phased capacity planning, and long-term workforce development strategies.

The REIT addresses these challenges through targeted AEs designed to reduce utility costs and improve the environmental footprint of its properties. Climate risks are further taken into consideration through climate risk assessments that are integrated into the REIT's 8x8 Strategy, alongside implementing preventive maintenance measures.

Strategic Asset Management and Portfolio Optimisation

When existing facilities reach overcapacity, the REIT takes measures to act as a strategic partner to enable expansion. This is achieved through strategic cost management at both the property and fund levels to ensure sustainable margins, prioritising acquisitions in high-demand hubs and collaborating with healthcare operators to enhance patient flow and service design.

Technological Transformation and Digital Innovation

The adoption of virtual healthcare service platforms is reshaping the healthcare delivery model. The surge in telemedicine and digital health services directly influences how physical space is used and requires significant investment in technology integration. While digital platforms provide convenience, they do not replace the need for physical care, instead necessitating a hybrid approach where physical hospitals act as a high-tech hub for complex treatments and digital coordination. To stay competitive, AL-`Aqar ensures that both new and existing healthcare properties are equipped with the infrastructure necessary to support virtual care.

MARKET OUTLOOK AND FUTURE CATALYSTS

Looking ahead, Malaysia's healthcare sector is expected to maintain steady growth. Industry forecasts by Malaysian Industrial Development Finance ("MIDF") Berhad Research indicate annual growth of approximately 6% to 8% through 2030, reflecting strong fundamentals and ongoing structural demand. This outlook is supported by a combination of demographic shifts, rising healthcare needs, policy support and continued medical tourism momentum.

Capital market developments within the healthcare space, including the anticipated listing of large healthcare platforms, are expected to enhance sector visibility and establish clearer valuation benchmarks. Increased investor interest in healthcare-related assets may also contribute to broader recognition of healthcare real estate as a distinct and defensive property segment.

Growth is also expected to extend beyond traditional acute care hospitals into adjacent segments such as outpatient services, rehabilitation, diagnostics and elderly-related care facilities. These segments broaden the scope of healthcare real estate demand and further support the long-term relevance of purpose-built healthcare properties. Continued promotion of medical tourism under initiatives such as MYMT 2026 is expected to provide additional demand support for private healthcare facilities and associated real estate assets.

Overall, healthcare real estate is expected to retain its defensive investment characteristics, supported by long-term leases, stable occupancy profiles and demand driven by essential services rather than discretionary spending. These attributes remain particularly relevant amid global economic uncertainties and evolving dynamics across traditional commercial property sectors.



al-aqar
HEALTHCARE REIT

04

INVESTOR RELATIONS REPORT

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FINANCIAL CALENDAR

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS

1st Quarter Ended

31 March 2025



26 May 2025

2nd Quarter Ended

30 June 2025



26 August 2025

3rd Quarter Ended

30 September 2025



27 November 2025

4th Quarter Ended

31 December 2025



25 February 2026

DIVIDEND

Quarter	Date of Entitlement	Date of Payment
1 st Quarter	11 June 2025	30 June 2025
2 nd Quarter	17 September 2025	3 October 2025
3 rd Quarter	12 December 2025	31 December 2025
4 th Quarter	11 February 2026	27 February 2026

13TH ANNUAL GENERAL MEETING & EXTRAORDINARY GENERAL MEETING



NOTICE DATE

27 May 2025



MEETING DATE

25 June 2025

INVESTOR RELATIONS REPORT

<h2>4</h2> <p>Analyst Briefings</p>	<h2>2</h2> <p>Property Site Visit</p>	<h2>1</h2> <p>AGM for FY2025 held on 25 June 2025</p>	<h2>1</h2> <p>EGM for FY2025 held on 25 June 2025</p>	<h2>1</h2> <p>New research house coverage</p>
--------------------------------------------	----------------------------------------------	----------------------------------------------------------------------	----------------------------------------------------------------------	------------------------------------------------------

Al-`Aqar conducted numerous stakeholder engagements throughout FY2025 with a heightened focus on investor relations. These engagements were held to provide investors with an accurate representation of the REIT, including past, present, and future estimations of Al-`Aqar's performance and plans.

Throughout FY2025, Al-`Aqar conducted 8 investor engagement sessions, covering site visits, analyst briefings, and the Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM"), as shown below:

Date	Event
21 February 2025	Fourth Quarter 2024 Analyst Briefing
09 June 2025	First Quarter 2025 Analyst Briefing
25 June 2025	Al-`Aqar AGM and EGM at Persada Johor International Convention Centre
11 August 2025	Permodalan Nasional Berhad (PNB), Employees Provident Fund (EPF) and CIMB Securities Property Site Visit
11 September 2025	Second Quarter 2025 Analyst Briefing
30 September 2025	BIMB Securities Property Site Visit
19 November 2025	One-on-One Engagement Meeting with Unitholders – Kumpulan Wang Persaraan (KWAP)
10 December 2025	Third Quarter 2025 Analyst Briefing

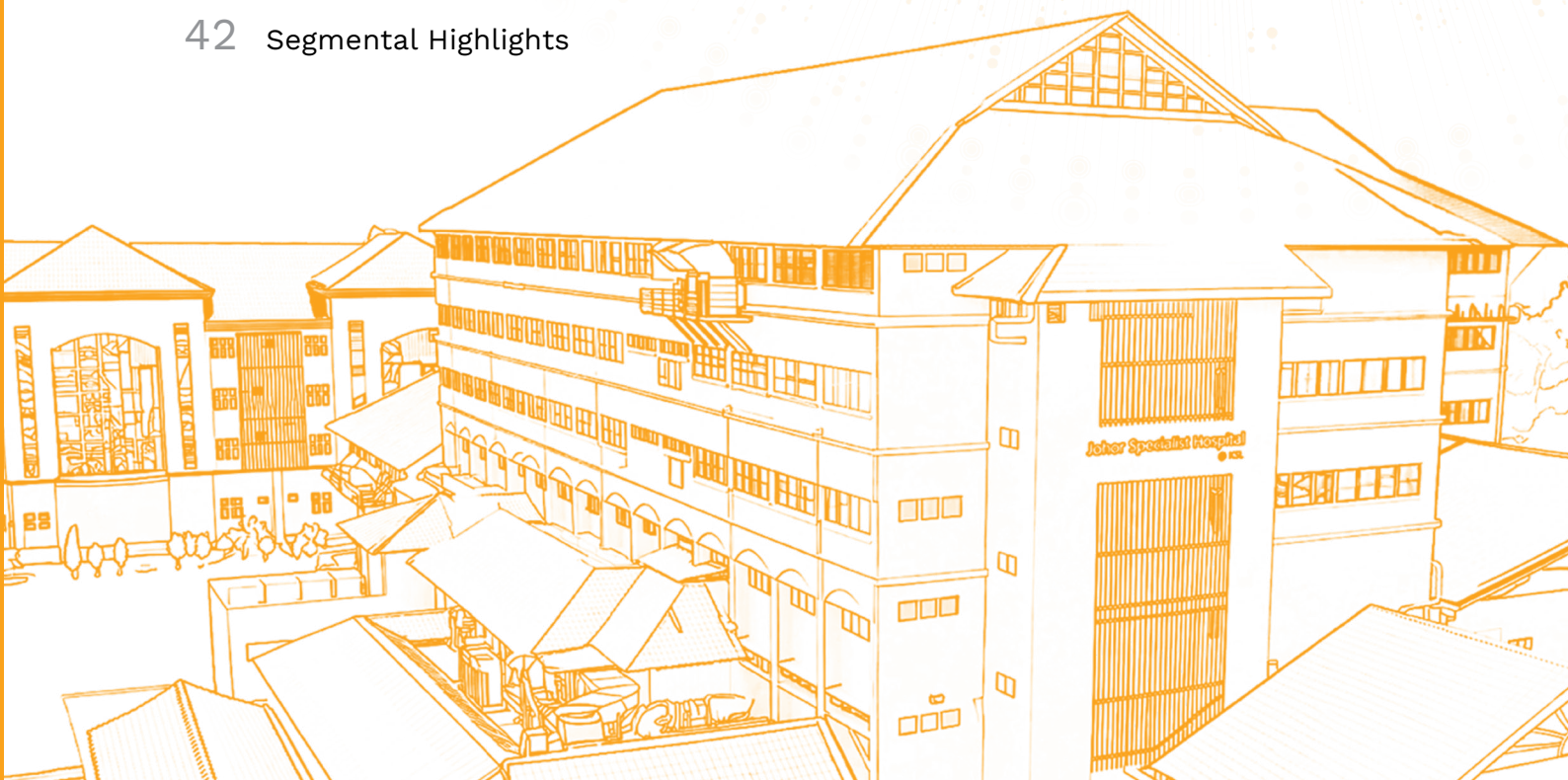
[More information on Al-`Aqar's stakeholder policy and engagement initiatives can be found in the Sustainability Statement section.](#)



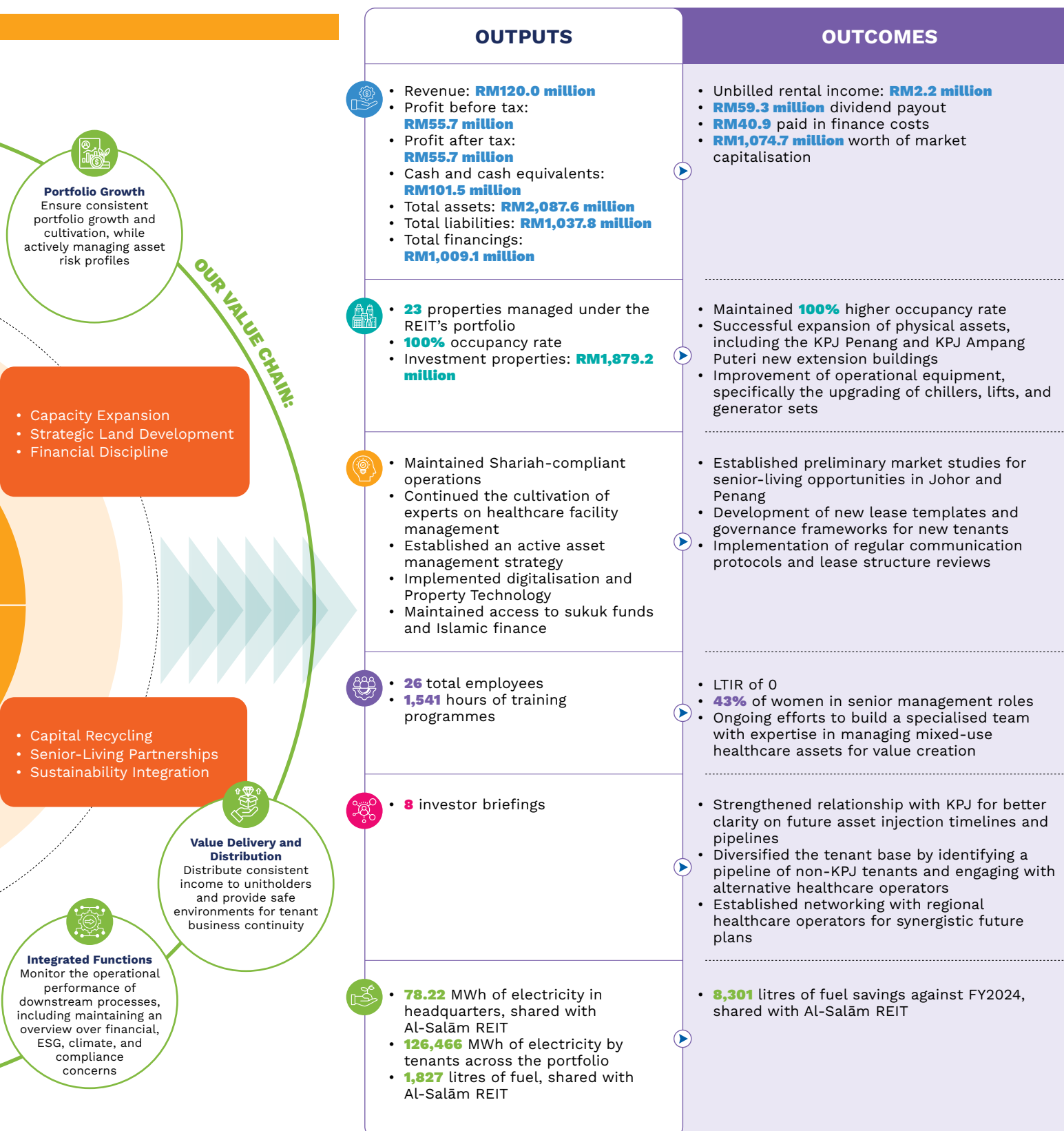
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APPROACH TO VALUE CREATION

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VALUE CREATION MODEL



FINANCIAL CAPITAL

Financial Capital is the cornerstone of Al-`Aqar's value creation framework, derived from rental income, property revaluation gains, and strategic debt and equity financing. The effective management of these resources ensures operational resilience and fuels portfolio growth, ultimately enabling the REIT to deliver consistent, sustainable returns to the Unitholders.

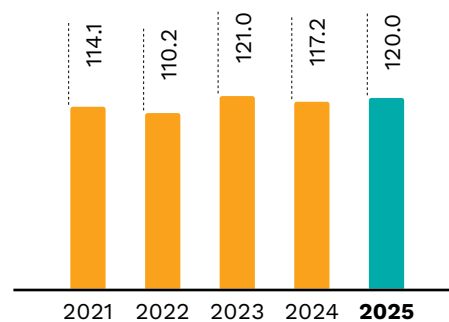
Al-`Aqar's capital management strategy prioritises a disciplined balance between growth initiatives and prudent financial policies. By maintaining robust cash flows and a strong balance sheet, the REIT is well-positioned to capitalise on emerging market opportunities while safeguarding the REIT's long-term stability.

Crucially, Financial Capital serves as the catalyst for the growth of all other Capitals. It provides the necessary funding to expand Manufactured Capital, invest in Human Capital, and drive the innovations that strengthen the REIT's Intellectual Capital. These strategic investments reinforce Social Capital by fostering stakeholder confidence and contribute to Natural Capital through the implementation of sustainability-led risk mitigation.

FIVE-YEAR FINANCIAL PERFORMANCE

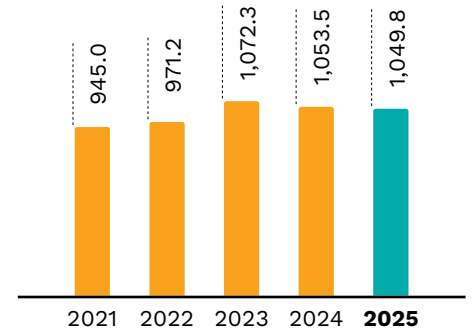
GROSS REVENUE (RM MILLION)

RM120.0 million ▲ 2.4%



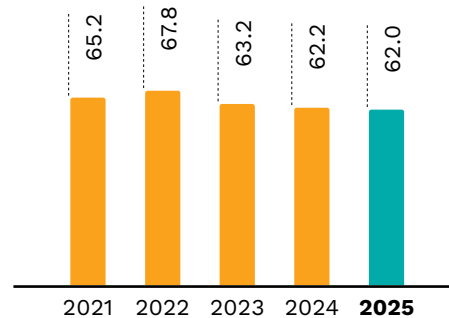
NET ASSET VALUE (RM MILLION)

RM1,049.8 million ▼ (0.4%)



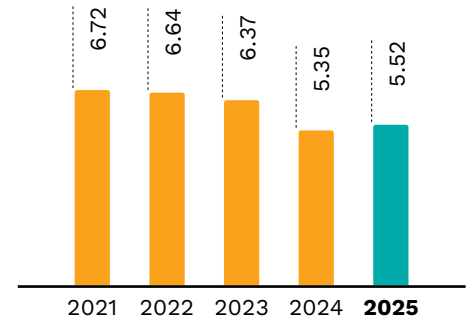
PROFIT FOR THE YEAR (REALISED) (RM MILLION)

RM62.0 million ▼ (0.3%)



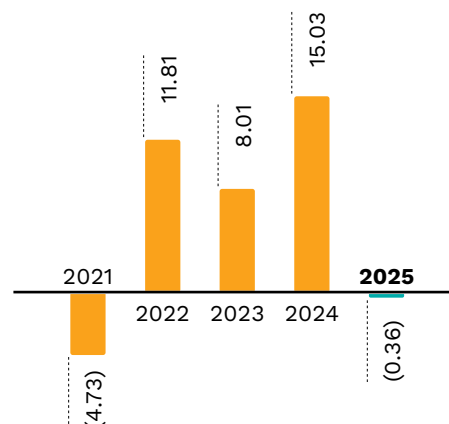
DISTRIBUTION YIELD (%)

5.52% ▲ 3.2%



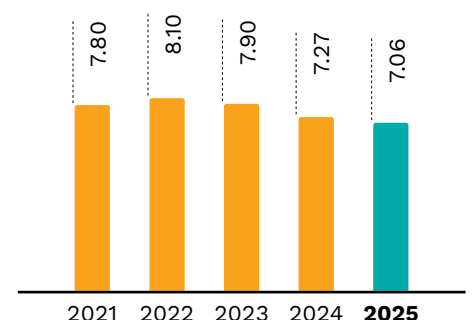
ANNUAL TOTAL RETURN (%)

(0.36%) ▼ (15.4%)



DISTRIBUTION PER UNIT (SEN)

7.06 sen ▼ (2.9%)



FINANCIAL CAPITAL

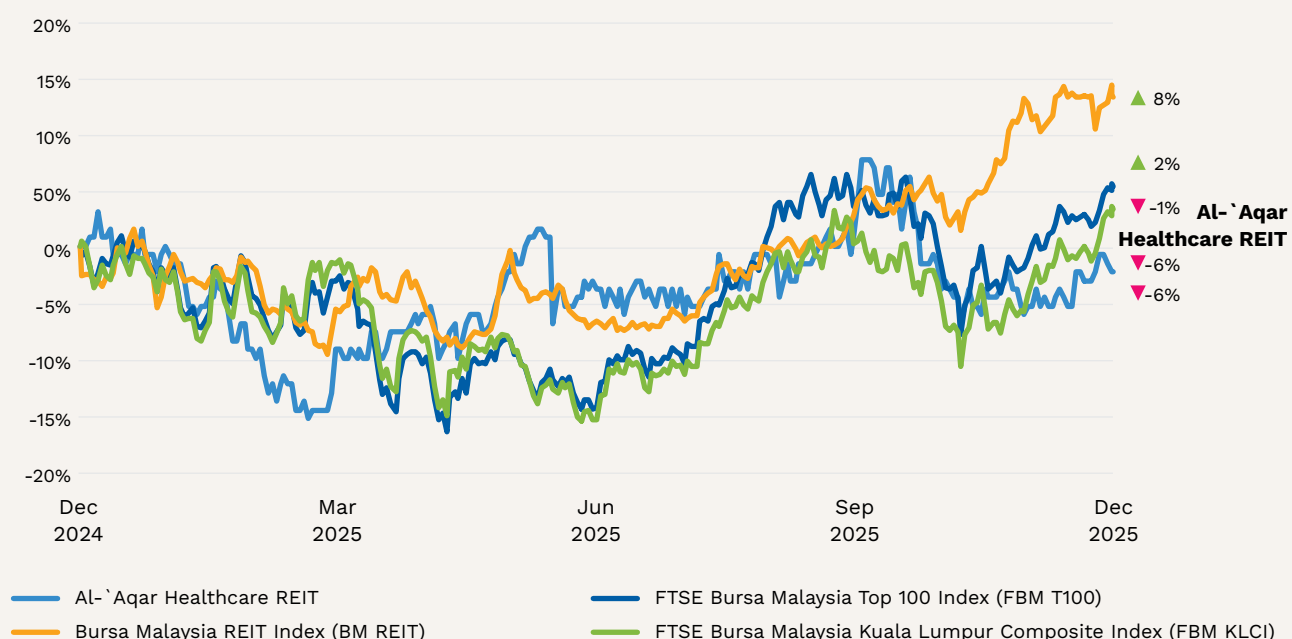
Financial Highlights – Group	2021	2022	2023	2024	2025
Gross Revenue (RM'000)	114,072	110,239	121,022	117,216	119,957
Net Property Income (RM'000)	108,222	104,199	105,441	101,543	104,900
Profit Before Tax (RM'000)	72,781	60,036	60,554	58,075	55,717
Profit for the Year					
- Realised (RM'000)	65,218	67,766	63,246	62,223	61,981
- Unrealised (RM'000)	8,331	(7,627)	(2,552)	(3,948)	(6,264)
Earnings per Unit					
- Realised (sen)	8.86	9.20	7.76	7.41	7.38
- Unrealised (sen)	1.13	(1.03)	(0.31)	(0.47)	(0.74)
Investment Properties (RM'000)	1,538,210	1,721,281	1,643,220	1,654,401	1,879,246
Total Asset Value (RM'000)	1,664,733	1,867,066	1,855,984	1,835,937	2,087,611
Net Asset Value (RM'000)					
- Before Distribution (RM)	945,002	971,215	1,072,297	1,053,543	1,049,804
- After Distribution (RM)	931,754	955,329	1,055,506	1,040,361	1,034,187
NAV per Unit					
- Before Distribution (RM)	1.2840	1.2839	1.2772	1.2548	1.2504
- After Distribution (RM)	1.2660	1.2629	1.2572	1.2391	1.2318
Financial Highlights – Fund	2021	2022	2023	2024	2025
Gross Revenue (RM'000)	104,245	104,588	115,250	116,249	119,390
Net Property Income (RM'000)	98,405	98,610	102,033	102,477	104,608
Profit Before Tax (RM'000)	46,602	58,083	66,378	45,718	58,449
Profit for the Year					
- Realised (RM'000)	64,400	66,707	64,694	64,171	62,364
- Unrealised (RM'000)	(17,030)	(8,521)	1,824	(18,254)	(3,915)
Earnings per Unit					
- Realised (sen)	8.75	9.06	7.94	7.64	7.43
- Unrealised (sen)	(2.31)	(1.16)	0.22	(2.17)	(0.47)
Investment Properties (RM'000)	1,451,912	1,636,015	1,632,750	1,645,085	1,872,478
Total Asset Value (RM'000)	1,664,797	1,867,100	1,854,869	1,836,154	2,092,874
Net Asset Value (RM'000)					
- Before Distribution (RM)	945,419	971,209	1,072,316	1,053,585	1,055,193
- After Distribution (RM)	932,171	955,323	1,055,524	1,040,403	1,039,576
NAV per Unit					
- Before Distribution (RM)	1.2846	1.2838	1.2772	1.2549	1.2568
- After Distribution (RM)	1.2666	1.2628	1.2572	1.2392	1.2382
Market Capitalisation (RM'000)	853,743	922,913	1,041,101	1,141,853	1,074,685
Distribution per Unit (sen)	7.80	8.10	7.90	7.27	7.06
Annualised Distribution Yield (%)	6.72	6.64	6.37	5.35	5.52

FINANCIAL CAPITAL

TRADING PERFORMANCE

AL-`Aqar's share price remained consistent, closing at RM1.28 with a total Distribution Per Unit ("DPU") of 7.06 sen, translating into a dividend yield of 5.52%, recording total unitholder returns of -0.36% for FY2025.

AL-`AQAR HEALTHCARE REIT'S FIVE-YEAR UNIT PRICE PERFORMANCE VS BENCHMARK INDICES

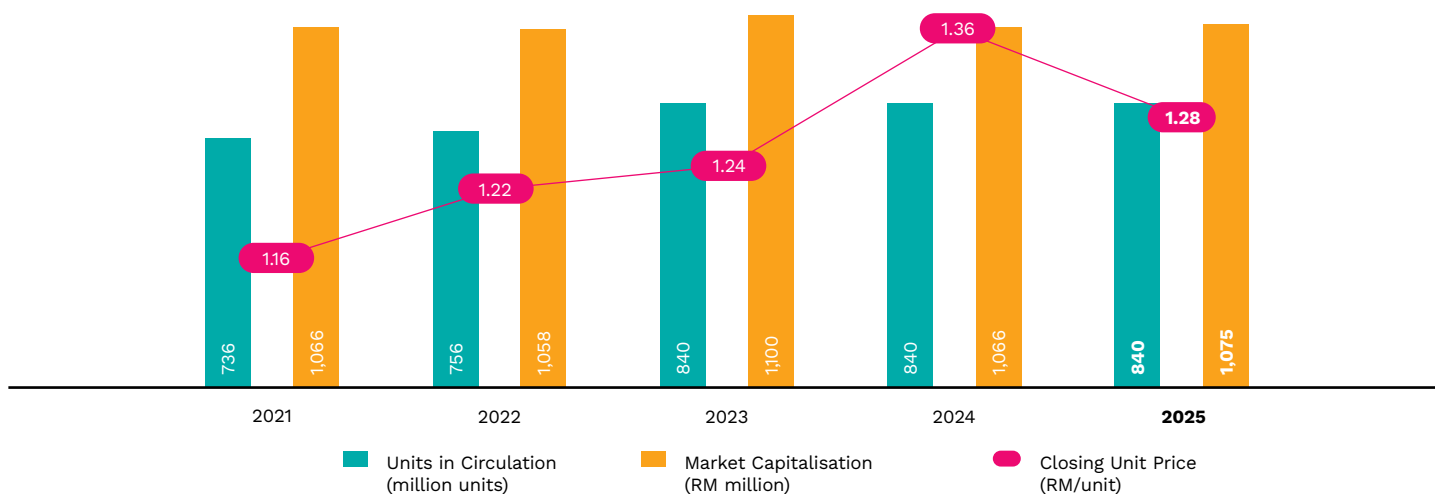


Trading Summary	FY2021	FY2022	FY2023	FY2024	FY2025
Closing Unit Price (RM)	1.16	1.22	1.24	1.36	1.28
52-week Highest Traded Price (RM)	1.37	1.25	1.35	1.42	1.40
52-week Lowest Traded Price (RM)	1.09	1.09	1.22	1.23	1.20
Price Movement (%)	(11.45)	5.17	1.64	9.68	(5.58)
Annual Total Return (%)	(4.73)	11.81	8.01	15.03	(0.36)
Number of Units in Circulations ('000)	735,985	756,486	839,598	839,598	839,598

FINANCIAL CAPITAL

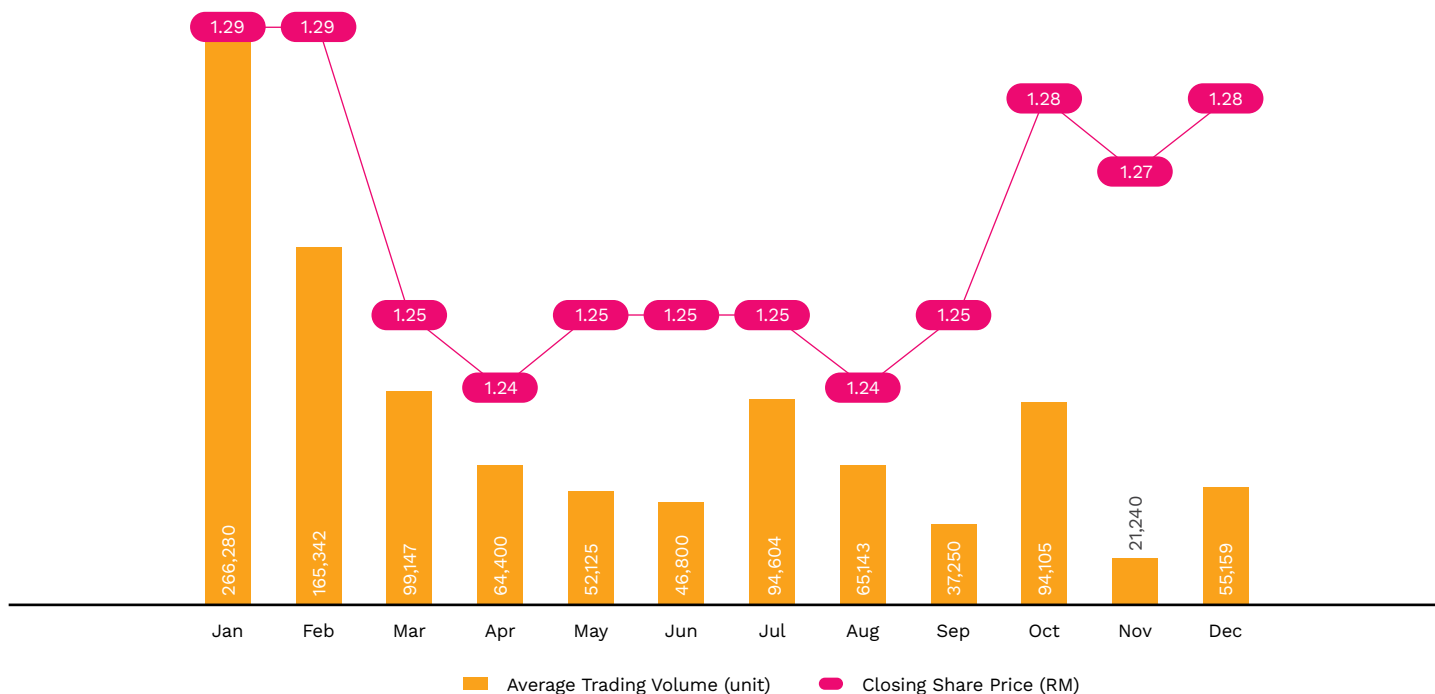
MARKET CAPITALISATION, UNIT PRICE AND UNITS IN CIRCULATION

RM1,075 million



FY2025 TRADING PERFORMANCE

RM1.28 Closing Share Price



FINANCIAL CAPITAL

FINANCIAL REVIEW

Overall, AL-`Aqar delivered an NPI of RM104.9 million in FY2025, an improvement of 3.3% from RM101.5 million in FY2024. This growth was driven from new rental income received from KPJ Ampang Puteri Specialist Hospital (New Building) and KPJ Penang Specialist Hospital (New Building) of RM3.5 million, along with annual rental increments.

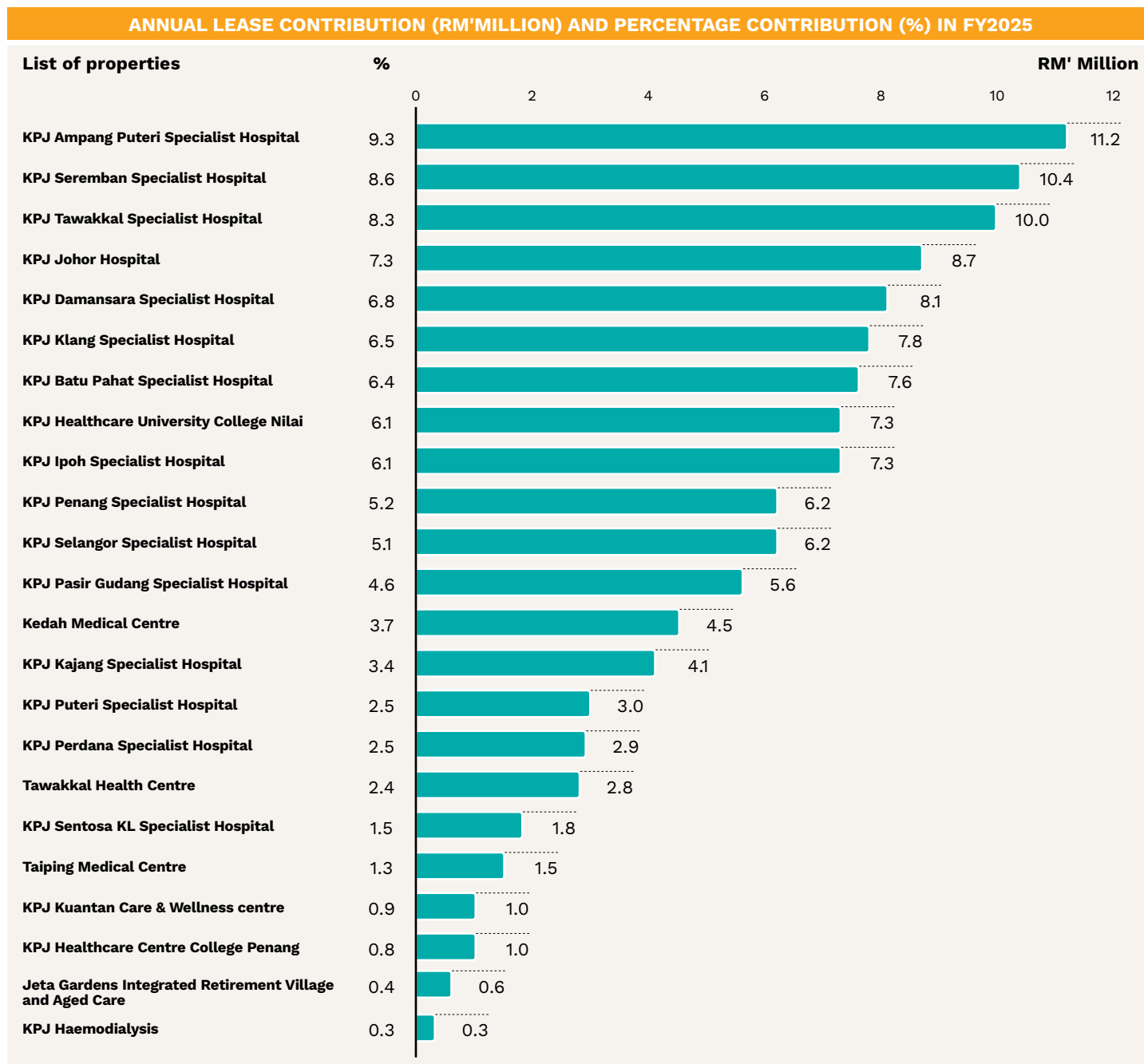
The Malaysian segment contributed to 99.7% of total portfolio NPI, with segmental NPI yield recorded at 5.5% in FY2025. Portfolio occupancy stood at 100% as at 31 December 2025 due to the nature of master leases with KPJ.

REVENUE	FY2024 RM'000	FY2025 RM'000	GROWTH %
Malaysia	116,249	119,390	2.7
Australia	967	567	(41.4)

NET PROPERTY INCOME (NPI)	FY2024 RM'000	FY2025 RM'000	GROWTH %
Malaysia	102,477	104,608	2.1
Australia	(934)	292	131.3

PERFORMANCE BENCHMARK	FY2024	FY2025	COMMENTARY
Management expense ratio (%)	0.54	0.50	This reduction was primarily attributable to an increase in the Fund's average Net Asset Value (NAV), particularly in the fourth quarter, despite higher expenses incurred.
Total return (%)	15.03	-0.36	Total return for the financial year was negative due to lower closing price of RM1.28 compared to RM1.36 in FY2024.
Average annual total unit price return - 5 years (%)	6.91	5.95	The 3-year average annual total return decreased due to lower closing price in FY2025.
Average annual total unit price return - 3 years (%)	11.62	7.56	The 5-year average annual total return decreased due to lower closing price in FY2025.
Distribution yield (%)	5.35	5.52	Distribution yield increased from 5.35% to 5.52% due to lower closing price in FY2025.
NAV per unit (RM)	1.2391	1.2318	No significance changes on NAV per unit (after income distribution).

FINANCIAL CAPITAL



CAPITAL REVIEW

Al-`Aqar's primary objective is to provide its unitholders risk-adjusted, long-term capital growth through investing in Al-`Aqar's portfolio. The Manager aims to support Al-`Aqar's operational and acquisition growth strategies within a prudent risk management framework, by employing an efficient capital management strategy.

The Manager believes that an efficient capital management strategy will improve total returns while reducing risks for unitholders by maintaining financial flexibility to meet capital expenditure requirements. The Manager will regularly review its capital management strategy to reflect Al-`Aqar's investment opportunities, its operating and the general economic environment, and Al-`Aqar's requirements.

PORTFOLIO CAPITAL

PORTFOLIO OVERVIEW

The Portfolio Capital represents Al-`Aqar's diversified portfolio of high-quality assets within the healthcare sector with a strong partnership with KPJ. This diversified portfolio stretches to numerous specialisations within the healthcare sector, managing hospitals, wellness centres, medical colleges, and aged care facilities.

Al-`Aqar's growth strategy focuses on its three strategic pillars under the VENTURE27 framework, which includes expanding the REIT's tenant base through alternative healthcare partnerships and operational readiness; driving KPJ-complementary growth via capacity expansion and land development; diversifying the healthcare value chain into niche services and integrated facilities; and addressing

the aged market through capital recycling and senior-living partnerships. Underpinned by financial discipline and sustainability integration, these initiatives ensure the REIT remains competitive while delivering sustainable unitholder returns.

This capital is deeply interconnected with the REIT's broader resources. The acquisition and operation of properties rely on the expertise from the Human Capital, the systems from the Intellectual Capital, and the resources from available Natural Capital. Conversely, a well-managed portfolio generates the stable rental income necessary to replenish and grow the REIT's Financial Capital, creating a self-sustaining cycle of value.

FEATURED ASSETS

KPJ Ampang Puteri Specialist Hospital



Renowned as the first private hospital in Malaysia to achieve full MSQH accreditation, this facility is a benchmark for quality in the healthcare sector. Its capacity and service capabilities have been significantly enhanced by a 15-storey extension building specifically designed to accommodate the growing international demand for medical tourism.

KPJ Damansara Specialist Hospital



Located in one of the Klang Valley's most affluent enclaves, this premier hospital is a global destination for specialised treatments in cardiology, oncology, and bariatric surgery. Recognised as the 'Women's Health and Wellness Service Provider of the Year', it combines world-class medical expertise with state-of-the-art facilities to serve a sophisticated patient base.

In FY2025, Al-`Aqar achieved a significant milestone by completing RM241 million in acquisitions, the highest annual investment volume since 2011. These assets, comprising new extension buildings in the prime, mature markets of the Klang Valley and Penang, are integral to the long-term expansion strategies of both the REIT and its sponsor, KPJ.

These extensions directly support KPJ's goal of increasing its total bed count to 6,100 by 2030 to meet surging healthcare demand. Beyond increasing capacity, these initiatives modernise existing hospital layouts, significantly enhancing the environment for both patients and medical staff.

PORTFOLIO CAPITAL

Sponsor-Led Growth and Financial Synergy

The REIT's acquisition pipeline is inherently sponsor-led, reflecting the robust relationship between KPJ as the tenant-cum-sponsor and the REIT as the asset owner. This close collaboration on construction and operational timelines provides the REIT with clear visibility regarding portfolio growth. Consequently, it allows for optimised gearing management and the strategic timing of equity placements to secure favourable funding costs.

Both newly acquired assets are secured under 15-year leaseback agreements, with options to extend for an additional 15 years. Featuring built-in rent escalations, these agreements ensure long-term earnings visibility and DPU stability for Unitholders, aligning with the REIT's RM2.5 billion portfolio target for 2028.

Lease Renewals and Portfolio Resilience

In addition to new acquisitions, the REIT successfully renewed leases for five key properties: KPJ Penang Specialist Hospital, KPJ Seremban Specialist Hospital, Taiping Medical Centre, KPJ Healthcare University, and KPJ International College of Nursing and Health Sciences.

These renewals, with tenures ranging from one to 15 years, underscore the resilience of the core hospital segment. Furthermore, KPJ's commitment to brownfield expansions reinforces the likelihood of future lease renewals for existing hospital buildings, providing a sustainable foundation for portfolio growth.

MASTER LEASE RENEWAL	No. of Properties	% of Total Rental
FY2026	3	3.2
FY2027	2	6.8
FY2028	1	1.3

As a result of these strategic implementations, the REIT's investment property value reached RM1.88 billion as at 31 December 2025, a 16% increase from RM1.65 billion in FY2024.

ASSET DETAILS	FY2025
Number of Assets (No.)	23
Net Lettable Floor Area (sq.ft.)	6,023,671
Percentage of Indirectly Managed Assets (% by floor area)	100
Average Occupancy Rate (%)	100
Property Value (RM million)	1,879.2
Gross Revenue (RM million)	120.0
Net Property Income (RM million)	104.9
Annual Gross Yield (%)	6.4
Annual Net Yield (%)	5.6

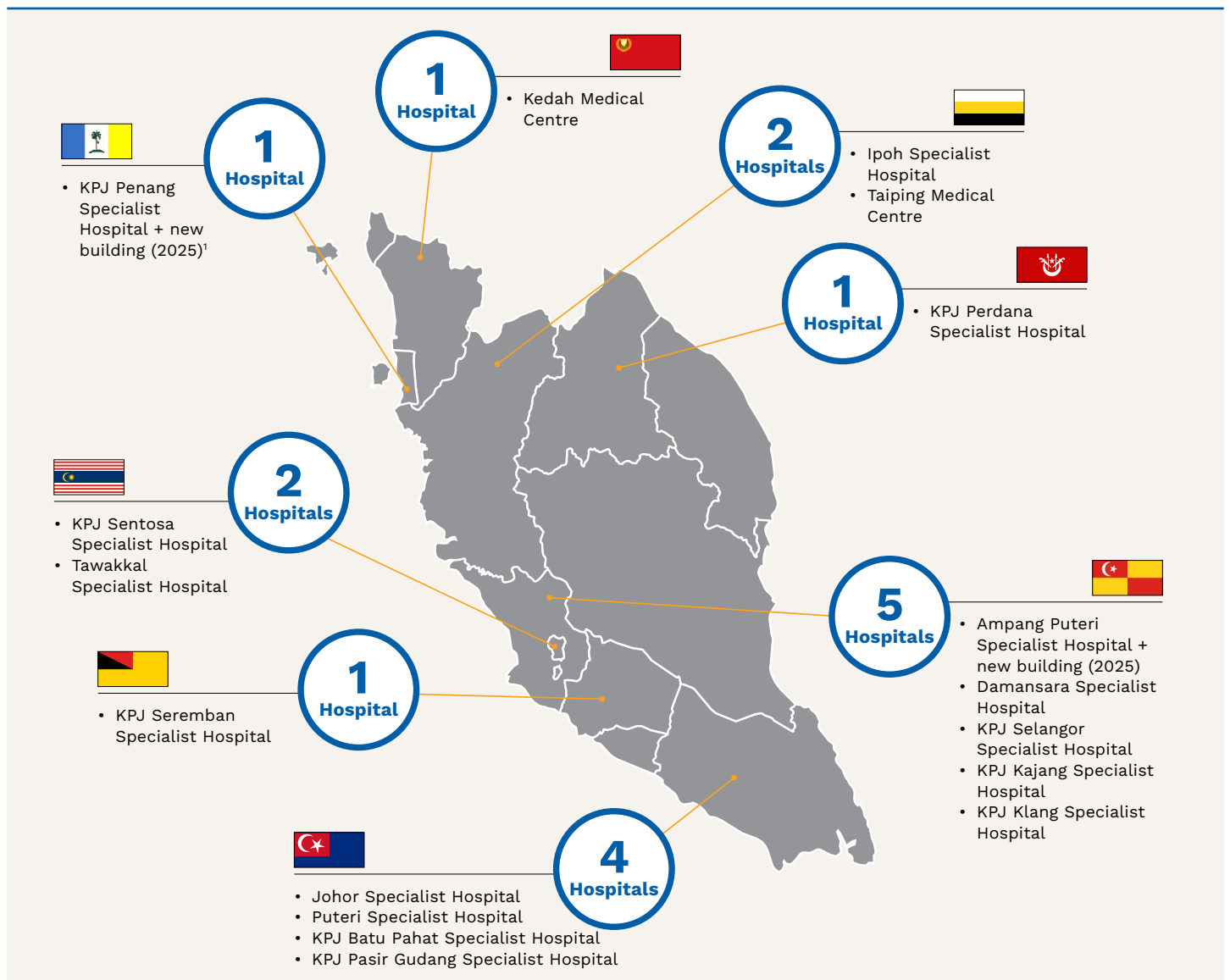
PORTFOLIO CAPITAL

SEGMENTAL HIGHLIGHTS

HOSPITALS

As the represent the primary component within its portfolio. Featuring key assets such as KPJ Ampang Puteri Specialist Hospital and KPJ Damansara Specialist Hospital and further supported by government initiatives aiming at increasing medical tourism, this asset class will continue to be the main driver of the REIT's growing revenue and NPI.

As the main asset class owned by the REIT, AL-`Aqar manages seventeen hospital assets across Peninsular Malaysia, as follows:



Note:

¹ Including new acquisitions for 2025 – announced on 27 March 2025

PORTFOLIO CAPITAL



HOSPITAL

AMPANG PUTERI SPECIALIST HOSPITAL



Date of acquisition:
2006

Acquisition Cost:
RM120 mil (2006)
RM131 mil (2025)

Title:
PT 25119 held under Title HSM 26550, situated in Mukim Ampang, District of Hulu Langat, Selangor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 17 April 2089

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
i) Old wing: 1995
ii) New wing: 2019

Age of Building:
i) Old wing: 30 years
ii) New wing: 6 years

Appraised Value:
RM274 mil
(Date of valuation 31 December 2025)



KPJ Ampang Puteri Specialist Hospital, No. 1, Jalan Memanda 9, Taman Dato' Ahmad Razali, 68000, Ampang, Selangor



+603-4289 5000



<https://kpjhealth.com.my/ampang/>



apsh@kpjampang.com

As a premier pillar of the Al-`Aqar portfolio, Ampang Puteri Specialist Hospital maintains its legacy as Malaysia's first MSQH-accredited private hospital, now operating as a world-class medical hub with over 800 staff and 80 specialised consultants. The facility's capacity has grown significantly since the 2020 commencement of its West Wing, further bolstered by a newly acquired 15-storey purpose-built extension. Strategically located in the heart of Kuala Lumpur, this extension adds 120 licensed beds, bringing the hospital's total licensed capacity to 297 beds.

Operational performance remains strong, with the new extension achieving 60% occupancy in 2024 following the September opening of a 33-bed ward on Level 7. This phased growth ensures immediate revenue contribution while maintaining high-quality care standards. With an additional three vacant floors remaining for future expansion.

Land area (sqft)	233,254
GFA (sqft)	907,715
NLA (sqft)	907,715
Tenant	Ampang Puteri Specialist Hospital Sdn Bhd
Value per sqft (RM)	302
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

DAMANSARA SPECIALIST HOSPITAL



Date of acquisition:
2006

Acquisition Cost:
RM105 mil

Title:
Lot No. 60950, Section 39 held under Title No. 336358 situated in Town of Petaling Jaya, District of Petaling, Selangor

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
1997

Age of Building:
28 years

Appraised Value:
RM142 mil
(Date of valuation 31 December 2025)



KPJ Damansara Specialist Hospital, No.119, Jalan SS 20/10, Damansara Utama, 47400, Petaling Jaya, Selangor



+603-7718 1000



<https://kpjhealth.com.my/damansara>



marcommdsh@kpjdamansara.com

Situated within a premier residential and commercial hub in the Klang Valley, Damansara Specialist Hospital is a 228-bed, six-storey facility dedicated to delivering world-class healthcare. With a medical staff exceeding 80 specialist consultants, the hospital provides state-of-the-art treatments supported by first-rate clinical infrastructure. The institution's commitment to excellence is underscored by its status as a multi-year recipient of the 'Women's Health and Wellness Service Provider of the Year in Asia Pacific' at the Global Health Awards for the years 2022 and 2023.

Land area (sqft)	180,521
GFA (sqft)	445,114
NLA (sqft)	445,114
Tenant	Rawang Specialist Hospital Sdn Bhd
Value per sqft (RM)	319.02
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KPJ SELANGOR SPECIALIST HOSPITAL



Date of acquisition:
2006

Acquisition Cost:
RM58 mil

Title:
PT 2 Section 20 held under Title No. HSD 112884, Town of Shah Alam, District of Petaling, Selangor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 1 July 2096

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
1996

Age of Building:
29 years

Appraised Value:
RM85 mil
(Date of valuation 31 December 2025)



KPJ Selangor Specialist Hospital, Lot 1, Jalan Singa 20/1, Section 20, 40300, Shah Alam, Selangor



+603-5543 1111



<https://www.kpjhealth.com.my/selangor>



cs@kpjselangor.com

KPJ Selangor Specialist Hospital serves as a premier healthcare destination, featuring a 192-bed six-storey inpatient block supported by a dedicated six-storey parking facility. The institution is powered by a robust faculty of over 90 specialists across diverse medical and surgical disciplines, utilising an extensive suite of cutting-edge medical equipment. Recognised for its sophisticated clinical services, the hospital offers highly specialised care in Orthopaedics and Joint Replacement, Neurosurgery, Electrophysiology and Cardiology, Ophthalmology, Nephrology, and Paediatrics. By integrating expert human capital with advanced diagnostic technology, the facility maintains its standing as a leader in comprehensive, high-precision medical intervention.

Land area (sqft)	204,342
GFA (sqft)	314,844
NLA (sqft)	314,844
Tenant	Selangor Specialist Hospital Sdn Bhd
Value per sqft (RM)	269.97
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KPJ KAJANG SPECIALIST HOSPITAL



Date of acquisition:
2008

Acquisition Cost:
RM39.06 mil

Title:
Lot No. 42997, Section 9 held under Title No. GM 2494, situated in Mukim of Kajang, District of Hulu Langat, Selangor

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
2005

Age of Building:
20 years

Appraised Value:
RM58 mil
(Date of valuation 31 December 2025)



KPJ Kajang Specialist Hospital, Jalan Cheras,
43000, Kajang, Selangor



+603-8769 2999



<https://www.kpjhealth.com.my/kajang>



cs.kjsh@kpjkajang.com

KPJ Kajang Specialist Hospital is a premier 145-bed healthcare institution housed within a modern seven-storey facility featuring a lower ground floor. The hospital distinguishes itself through rigorous quality standards, holding prestigious accreditations from the MSQH and the Baby-Friendly Hospital Initiative ("BFHI"). Supported by a comprehensive team of medical consultants, the facility provides a wide array of specialised services, including Obstetrics and Gynaecology, Paediatrics, Orthopaedic Surgery, Neurosurgery, and Cardiology. Through its commitment to clinical excellence and patient safety, the hospital remains a trusted provider of integrated specialist care for the local community and beyond.

Land area (sqft)	68,932
GFA (sqft)	191,142
NLA (sqft)	191,142
Tenant	Kajang Specialist Hospital Sdn Bhd
Value per sqft (RM)	303.44
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KPJ KLANG SPECIALIST HOSPITAL



Date of acquisition:
2012

Acquisition Cost:
RM93 mil

Title:
Lot No. 31870 held under Title No. PM 648, situated in Mukim of Kapar, District of Klang, Selangor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 8 May 2093

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
2011

Age of Building:
14 years

Appraised Value:
RM106 mil
(Date of valuation 31 December 2025)



KPJ Klang Specialist Hospital, No. 102, Persiaran Rajawali/ KU 1, Bandar Baru Klang, 41150, Klang, Selangor



+603-3377 7888



<https://www.kpjhealth.com.my/klang>



customer@kpjklang.com

KPJ Klang Specialist Hospital stands as a prominent tertiary healthcare provider, strategically situated in Bandar Baru Klang with convenient connectivity to Shah Alam, Kota Kemuning, and the surrounding region. The facility comprises a dual-block infrastructure, featuring a 137-bed six-storey main hospital block alongside a dedicated six-storey Physician and Consultant block. As a community-oriented institution, the hospital is supported by more than 30 resident specialist consultants delivering expertise across numerous disciplines, including Obstetrics and Gynaecology, Cardiology, Orthopaedics, and Urology.

The facility is distinguished by its modern operating theatres, which are electronically integrated to ensure swift operational coordination during critical medical procedures. Equipped with state-of-the-art diagnostic and surgical technology, the hospital remains a sought-after destination for high-quality, accessible private healthcare in the Klang Valley.

Land area (sqft)	117,391
GFA (sqft)	353,494
NLA (sqft)	353,494
Tenant	Bandar Baru Klang Specialist Hospital Sdn Bhd
Value per sqft (RM)	299.86
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KPJ SENTOSA KL SPECIALIST HOSPITAL



Date of acquisition:
2008

Acquisition Cost:
RM24 mil

Title:
Lot No. 671, Section 47 held under Title No. GRN 43923, Town of Kuala Lumpur, District of Kuala Lumpur, Kuala Lumpur

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
1998

Age of Building:
27 years

Appraised Value:
RM32 mil
(Date of valuation 31 December 2025)



KPJ Sentosa KL Specialist Hospital, No. 36, Jalan Chemur Damai Complex, 50400, Kuala Lumpur



+603-4043 7166



<https://www.kpjhealth.com.my/sentosa>



kpjsentosa@kpjsentosa.com

KPJ Sentosa KL Specialist Hospital represents a storied evolution in private healthcare, originating as a private clinic in 1952 before being acquired by the KPJ network in 2006 following decades of service expansion. The facility operates as an 80-bed, nine-storey specialist hospital equipped with a basement car park and is supported by a robust faculty of over 60 specialist consultants.

Distinguished by its exceptional accessibility within Kuala Lumpur's transit network, the hospital is situated within a five-minute walk of the Titiwangsa LRT and MRT stations, the Chow Kit and Titiwangsa Monorail lines, and the Pekeliling Bus Station. This strategic urban location, combined with its comprehensive clinical offerings in disciplines such as Internal Medicine, General Surgery, and Obstetrics and Gynaecology, ensures that the institution remains a primary and highly accessible choice for specialised medical care in the city centre.

Land area (sqft)	23,659
GFA (sqft)	91,762
NLA (sqft)	91,762
Tenant	Sentosa Medical Centre Sdn Bhd
Value per sqft (RM)	349.07
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

TAWAKKAL SPECIALIST HOSPITAL



Date of acquisition:
2010

Acquisition Cost:
RM103 mil

Title:
Lot No. 522 Section 85A held under Title No. GRN 68175, situated in Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
2009

Age of Building:
16 years

Appraised Value:
RM141 mil
(Date of valuation 31 December 2025)



Tawakkal Specialist Hospital, 1, Jalan Pahang Barat, 53000 Kuala Lumpur



+603-4026 7777



<https://www.kpjhealth.com.my/tawakkal>



tawakkal@kptawakkal.com

Tawakkal Specialist Hospital is a premier 225-bed tertiary institution housed within an 11-storey complex, featuring a 7-storey hospital tower atop a podium and elevated parking structure. Supported by a dedicated workforce of over 700 employees and more than 70 specialist consultants, the hospital serves an extensive patient base, managing over 17,000 inpatients and 180,000 outpatients annually.

The facility is a recognised destination for medical tourism, with international patients comprising approximately 5% of its annual volume. The hospital provides a comprehensive range of clinical specialties, including Anaesthesiology and Critical Care, Cardiology, Oncology, Radiology, Dermatology, Paediatrics, Obstetrics & Gynaecology, Ophthalmology, Orthopaedics, Urology, General Surgery, and Internal Medicine. Through its commitment to high-volume clinical excellence and sophisticated infrastructure, the institution remains a cornerstone of specialised healthcare in the Kuala Lumpur region.

Land area (sqft)	89,168
GFA (sqft)	344,983
NLA (sqft)	344,983
Tenant	Pusat Pakar Tawakkal Sdn Bhd
Value per sqft (RM)	408.72
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

IPOH SPECIALIST HOSPITAL


Date of acquisition:

2006

Acquisition Cost:

RM66 mil

Title:

Lot No. PT 254356 held under Title No. HSD 221754, Town of Ipoh, in District of Kinta, Perak

Tenure & Expiry Date:

Freehold

Encumbrance:

Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:

- i) Old wing: 1992
- ii) New wing: 2007

Age of Building:

- i) Old wing: 33 years
- ii) New wing: 18 years

Appraised Value:

RM91 mil

(Date of valuation 31 December 2025)



KPJ Ipoh Specialist Hospital, No. 26, Jalan Raja Dihilir, 30350, Ipoh, Perak



+605-240 8777



<https://www.kpjhealth.com.my/ipoh>



kpjipoh@kpjipoh.com

Ipoh Specialist Hospital stands as a landmark institution in Perak, featuring a 267-bed capacity distributed between its 3.5-storey original wing and a modern five-storey annexed block. Recognised as a premier tertiary provider, it holds the distinction of being the first private hospital in the state to offer Cardiothoracic Surgery and was among the first in Malaysia to provide Neurosurgery, Oncology, and Cardiac Catheterisation.

Supported by a vast network of over 150 consultants, the facility has achieved significant regulatory milestones, including being the first hospital in Malaysia to receive OHSAS certification and the first in Perak to be accredited by the MSQH. Furthermore, the hospital is a certified BFHI and remains a pioneer in community welfare through the successful launch of its Baby Hatch initiative. By merging historical clinical leadership with modern accredited standards, the institution continues to provide a comprehensive range of specialised services to both local and international patients.

Land area (sqft)	142,116
GFA (sqft)	382,865
NLA (sqft)	382,865
Tenant	Ipoh Specialist Hospital Sdn Bhd
Value per sqft (RM)	237.68
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

TAIPING MEDICAL CENTRE (“TMC”)



Date of acquisition:
2009

Acquisition Cost:
RM8.8 mil

Title:
Lot Nos. 3102 to 3107 and Lot 3140 held under Title Nos. PN 235465 to PN 235468, PN 235470, PN 235471 and PN 361304 respectively all situated in Bandar Taiping, District of Larut Matang, Perak

Tenure & Expiry Date:
Leasehold 99 years, expiring on 25 July 2088

Encumbrance:
Charged by AmanahRaya Trustees Berhad to CIMB Islamic Bank Berhad

Year of Completion:
i) Lot Nos. 3102-3104: 2001
ii) Lot Nos. 3105-3107: 1993
iii) Lot No. 3140: 2020

Age of Building:
i) Lot Nos. 3102-3104: 24 years
ii) Lot Nos. 3105-3107: 32 years
iii) Lot No. 3140: 5 years

Appraised Value:
RM19 mil
(Date of valuation 31 December 2025)



Taiping Medical Centre, Nos. 39, 41, 43, 45, 47 & 49, Jalan Medan Taiping 2, Medan Taiping, 34000, Taiping, Perak



+605-807 1049

TMC Health Centre, PT 1106, Jalan Medan Taiping, 34000, Taiping, Perak



<https://www.kpjhealth.com.my/taiping>



tmc@kpjtaiping.com

Taiping Medical Centre operates as a specialised boutique healthcare facility, featuring a 53-bed capacity across its four-storey shop-office main building and a dedicated four-storey private Ambulatory Care Centre (TMC Health Centre). The medical faculty is comprised of a diverse team of 10 resident consultants, 6 sessional consultants, and 6 visiting consultants, ensuring a wide range of expert medical oversight.

The facility is equipped with state-of-the-art diagnostic and therapeutic infrastructure, including a full-fledged pharmacy, advanced laboratory services, and cutting-edge imaging capabilities such as CT scanning, ultrasound, and general X-ray. Furthermore, the centre provides specialised dialysis services, a well-equipped operating theatre, and an efficient 24-hour Accident and Emergency Unit, reinforcing its commitment to providing high-quality, accessible medical intervention to the Taiping community.

Land area (sqft)	47,845
GFA (sqft)	71,769
NLA (sqft)	71,769
Tenant	Penang Specialist Hospital Sdn Bhd
Value per sqft (RM)	264.74
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KPJ PENANG SPECIALIST HOSPITAL



Date of acquisition:
2009

Acquisition Cost:
RM53.6 mil (2006)
RM110 mil (2025)

Title:
Lot 10150 held under Title No. GM 1453, situated in Mukim 7, District of Seberang Perai Tengah, Pulau Pinang

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
i) Old wing: 2008
ii) New wing: 2022

Age of Building:
i) Old wing: 17 years
ii) New wing: 3 years

Appraised Value:
RM175 mil
(Date of valuation 31 December 2025)



KPJ Penang Specialist Hospital, No. 570, Jalan Perda Utama, Bandar Perda, 14000, Bukit Mertajam, Pulau Pinang



+604-548 6688



<https://www.kpjhealth.com.my/penang>



inquiry@kpjpenang.com

KPJ Penang Specialist Hospital stands as a key tertiary healthcare provider in Northern Malaysia, featuring 193 beds in the primary building with an additional 126 beds following the commissioning of its ten-storey South Wing extension in 2022. This modern infrastructure complements the existing five-storey North Wing, integrating specialised medical services with cutting-edge therapeutic technologies such as Cryo-7 Cryotherapy and Hand Robotic Rehabilitation. Upon acquisition, KPJ Penang Specialist Hospital's licensed bed count stands at 319 beds. This represents an increase of 40% in licensed beds with future expansion capacity, in line with KPJ's growth trajectory.

The hospital offers a comprehensive array of clinical specialties, including Cardiology and Cardiothoracic Surgery, Gastroenterology and Hepatology, Respiratory Medicine, Orthopaedic Surgery, and Rheumatology, alongside dedicated units for Obstetrics and Gynaecology and Paediatrics. Supported by advanced diagnostic imaging and multidisciplinary rehabilitation services, including physiotherapy, occupational therapy, and speech therapy, the JCI accredited facility continues to serve as a vital destination for both local residents and international medical tourists.

Land area (sqft)	190,930
GFA (sqft)	408,677
NLA (sqft)	408,677
Tenant	Penang Specialist Hospital Sdn Bhd
Value per sqft (RM)	428,211
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KEDAH MEDICAL CENTRE



Date of acquisition:
2008

Acquisition Cost:
RM46.9 mil

Title:
PT No. 35 held under Title No. HSD 21030, Bandar Alor Merah and 9425 Section 54 held under Title No. GM 34919, situated in Bandar Alor Setar, all in District of Kota Setar, Kedah

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
2004

Age of Building:
21 years

Appraised Value:
RM61 mil
(Date of valuation 31 December 2025)



No. 175 - 175-A, Kedah Medical Centre (KMC), Jalan Pumpong, 05250, Alor Setar, Kedah



+604-730 8878



<https://www.kpjhealth.com.my/kedah>



kmccustcare@kpjkmc.com

Kedah Medical Centre stands as a leading one-stop private specialist hospital in Northern Malaysia, featuring a 159-bed capacity across its ten-storey main block and an annexed three-storey building. Recognised as the first dedicated Heart Centre for the Kedah and Perlis regions, the hospital offers a comprehensive range of medical and surgical services, including both private and semi-private accommodations.

The institution is supported by an expert faculty of consultants across diverse disciplines, including Cardiology and Cardiothoracic Surgery, Oncology, Orthopaedics (Bone, Joint and Spine), Urology, and Gastroenterology. Equipped with state-of-the-art diagnostic technology, including the 64-slice CT scanning, MRI, and specialised renal dialysis services, the hospital also maintains an efficient 24-hour Emergency and Trauma Centre.

As the first and only private hospital in Kedah to achieve accreditation from the MSQH, the facility remains committed to delivering timely, high-precision healthcare in a patient-centred environment.

Land area (sqft)	83,183
GFA (sqft)	215,851
NLA (sqft)	215,851
Tenant	Kedah Medical Centre Sdn Bhd
Value per sqft (RM)	282.60
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KPJ PERDANA SPECIALIST HOSPITAL



Date of acquisition:
2008

Acquisition Cost:
RM40.7 mil

Title:
Lot Nos. 657 Section 14 held under Title No. PN 4133 and PT 705 Section 14, held under Title No. HSD 11253, Town and Jajahan of Kota Bharu, Kelantan

Tenure & Expiry Date:
Leasehold 66 years,
expiring on 25 May 2064 and 8 May 2082

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
2001

Age of Building:
24 years

Appraised Value:
RM40 mil
(Date of valuation 31 December 2025)



KPJ Perdana Specialist Hospital, PT 37 & 600,
Section 14, Jalan Bayam, 15200 Kota Bharu,
Kelantan



+609-745 8000



<https://www.kpjhealth.com.my/perdana>



feedbackkpj@perdana.kpjhealth.com.my

KPJ Perdana Specialist Hospital serves as a premier 169-bed tertiary healthcare provider strategically located in the heart of Kota Bharu, Kelantan. Housed within a five-storey main block with a basement level, the institution has consistently expanded its clinical capabilities since the introduction of inpatient services in April 2002.

The hospital is distinguished by its award-winning excellence, recently recognised as the Paediatric Hospital of the Year - Malaysia at the Healthcare Asia Awards 2024 and the Obstetrics and Gynaecology Service Provider of the Year at the Global Health Asia-Pacific Awards 2025.

Equipped with state-of-the-art medical technology and advanced diagnostic facilities, the hospital provides a comprehensive range of specialties, including Cardiology, Cardiothoracic Surgery, Oncology, Orthopaedics, and Neonatology. As a MSQH-accredited facility, the hospital remains committed to delivering sophisticated, patient-centred care and handling complex medical cases for the community and the burgeoning medical tourism sector.

Land area (sqft)	94,162
GFA (sqft)	146,686
NLA (sqft)	146,686
Tenant	KPJ Perdana Specialist Hospital Sdn Bhd
Value per sqft (RM)	272.69
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

JOHOR SPECIALIST HOSPITAL



Date of acquisition:
2006

Acquisition Cost:
RM75.3 mil

Title:
PTB No. 12319 held under Title No. HSD 420217, situated in Town and District of Johor Bahru, Johor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 1st March 2079

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
i) Inpatient building: 1981
ii) Premier block: 2009
iii) PCB building: 2002
iv) Car Park building: 2010

Age of Building:
i) Inpatient building: 44 years
ii) Premier block: 16 years
iii) PCB building: 23 years
iv) Car Park building: 15 years

Appraised Value:
RM125 mil
(Date of valuation 31 December 2025)



KPJ Johor Specialist Hospital, No. 39-B, Jalan Abdul Samad, 80100 Johor Bahru, Johor



+607-225 3000



<https://www.kpjhealth.com.my/johor>



jsh@jsh.kpjhealth.com.my

Johor Specialist Hospital serves as a premier 282-bed healthcare destination, comprising a seven-storey inpatient block (Begonia), a premier outpatient block (Azalea), and the multi-storey Begonia Physician and Consultant block.

As the first private hospital in Johor, the institution has evolved into a comprehensive diagnostic and therapeutic centre, distinguished by its self-developed and collaborative Centres of Excellence. Notable among these are the Cancer Centre, the Cardiac Centre, and the IVF & Fertility Centre, the latter being a specialised partnership with Monash IVF.

The hospital is further recognised for its clinical leadership, having launched Malaysia’s first Heart & Lung Centre of Excellence in 2025 in collaboration with Mayo Clinic Global Consulting. Supported by more than 150 specialist consultants and 24-hour Accident & Emergency services, the JCI and MSQH accredited facility remains a regional benchmark for high-precision medical intervention and patient safety.

Land area (sqft)	217,800
GFA (sqft)	477,974
NLA (sqft)	477,974
Tenant	Johor Specialist Hospital Sdn Bhd
Value per sqft (RM)	261.52
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

PUTERI SPECIALIST HOSPITAL


Date of acquisition:

2006

Acquisition Cost:

RM40 mil

Title:

Lot No. PTB 24134, held under Title No. HSD 535599, situated in Town and District of Johor Bahru, Johor

Tenure & Expiry Date:

Leasehold 99 years, expiring on 31 December 2053

Encumbrance:

Nil

Year of Completion:

1986

Age of Building:

39 years

Appraised Value:

RM40 mil

(Date of valuation 31 December 2025)



KPJ Puteri Specialist Hospital, No. 33, Jalan Tun Abdul Razak (Susur 5), 80350, Johor Bahru, Johor



+607-225 3222



<https://www.kpjhealth.com.my/puteri>



kpjsh@kpjputeri.com

Puteri Specialist Hospital serves as a vital healthcare hub in Johor Bahru, strategically located in Larkin with exceptional proximity to major transit nodes including the Larkin Central Bus Terminal and the city centre. The facility's prime location ensures seamless accessibility for both local and international patients, supported by its proximity to Senai International Airport, international ferry terminals, and neighbouring Singapore and Indonesia.

The hospital operates with a dual-wing infrastructure, comprising the six-storey Tiara block and the nine-storey Jauhar block, with a combined capacity of up to 132 beds. Supported by a faculty of over 60 specialist consultants, the institution offers a complete range of multidisciplinary care, including Obstetrics & Gynaecology, Orthopaedic & Trauma Surgery, Cardiology, and Neurology.

Recognised for its clinical and operational excellence, the hospital was awarded Paediatric Service Provider of the Year in Asia-Pacific and Management Innovation of the Year at the Healthcare Asia Awards 2023. As a MSQH and JCI accredited facility, KPJ Puteri continues to integrate advanced medical technology with a patient-centred "Care for Life" philosophy to serve a diverse regional and global demographic.

Land area (sqft)	104,109
GFA (sqft)	134,098
NLA (sqft)	134,098
Tenant	Pasir Gudang Specialist Hospital Sdn Bhd
Value per sqft (RM)	298.29
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KPJ PASIR GUDANG SPECIALIST HOSPITAL



Date of acquisition:
2022

Acquisition Cost:
RM93 mil

Title:
Lot No. 198635, held under Title No. PN 70767, situated in Mukim Plentong, District of Johor Bahru, Johor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 28 December 2108

Encumbrance:
Charged by AmanahRaya Trustees Berhad to CIMB Islamic Bank Berhad

Year of Completion:
2012

Age of Building:
13 years

Appraised Value:
RM92 mil
(Date of valuation 31 December 2025)



KPJ Pasir Gudang Specialist Hospital, PTD 204781, Jalan Persiaran Dahlia 2, Taman Bukit Dahlia, 81700, Pasir Gudang, Johor



+607-257 3999



<https://www.kpjhealth.com.my/pasirgudang>



info@kpjgsh.com

KPJ Pasir Gudang Specialist Hospital serves as a vital healthcare institution primarily catering to the industrial community of Pasir Gudang and its neighbouring regions in Johor. Operating within an advanced eight-storey facility with a 148-bed capacity, the hospital is integrated with a paperless hospital information system that utilises electronic medical records to ensure seamless patient data management.

The institution provides a comprehensive suite of clinical services, including Cardiology, Gastroenterology & Hepatology, Orthopaedic Surgery (Bone, Joint & Spine), Obstetrics & Gynaecology, and Paediatrics. These offerings are supported by a 24-hour Accident and Emergency Unit, specialised renal dialysis services, and cutting-edge diagnostic imaging technology such as MRI and CT scanning.

Through its commitment to digital innovation and patient safety, featuring the adoption of secure, compliant enterprise messaging for clinical collaboration, the hospital remains a primary destination for high-quality, high-precision medical care in the southern corridor.

Land area (sqft)	141,481
GFA (sqft)	203,280
NLA (sqft)	203,280
Tenant	Pasir Gudang Specialist Hospital Sdn Bhd
Value per sqft (RM)	452.58
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KPJ BATU PAHAT SPECIALIST HOSPITAL



Date of acquisition:
2019

Acquisition Cost:
RM78 mil

Title:
Lot No. PTD 63523 held under Title No. HSD 69760, situated in Mukim of Simpang Kanan, District of Batu Pahat, Johor

Tenure & Expiry Date:
Freehold

Encumbrance:
Nil

Year of Completion:
2019

Age of Building:
6 years

Appraised Value:
RM82 mil
(Date of valuation 31 December 2025)



KPJ Batu Pahat Specialist Hospital, No 1, Jalan Mutiara Gading Utama 1, Taman Mutiara Gading, 83000, Sri Gading, Johor



+607-459 1000



<https://www.kpjhealth.com.my/batupahat>



bpsh@kpjbatupahat.com

KPJ Batu Pahat Specialist Hospital stands as a premier 61-bed, seven-storey medical facility dedicated to providing advanced, multidisciplinary care to the Batu Pahat community and its neighbouring regions. Officially opened in September 2019, the hospital integrates sophisticated clinical services, including Cardiology, Orthopaedics, Oncology, Neurology, and Paediatrics, with state-of-the-art diagnostic infrastructure such as 160-slice CT scanning and 1.5 Tesla MRI technology.

Distinguishing itself as an environmentally conscious institution, the facility has successfully implemented a comprehensive paperless initiative, utilising an integrated Hospital Information System ("HIS") with electronic medical records and digital radiology to enhance operational efficiency and patient data security. Supported by an expert team of specialists and accredited by the MSQH, the hospital remains at the forefront of regional healthcare by combining high-precision medical intervention with a modern, patient-friendly healing environment.

Land area (sqft)	217,813
GFA (sqft)	173,645
NLA (sqft)	173,645
Tenant	Pasir Gudang Specialist Hospital Sdn Bhd
Value per sqft (RM)	472.22
Occupancy Rate	100%

PORTFOLIO CAPITAL



HOSPITAL

KPJ SEREMBAN SPECIALIST HOSPITAL



Date of acquisition:
2009

Acquisition Cost:
RM50.1 mil (2009)
RM4.25 mil (2015) - Land only
RM84.7 mil (2022)

Title:
P.T. No. 50604, Seksyen 2 held under Title No. GRN 277698, situated in Pekan Bukit Kepayang, District of Seremban, Negeri Sembilan

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged by AmanahRaya Trustees Berhad to CIMB Islamic Bank Berhad

Year of Completion:
i) Old wing: 2004
ii) New wing: 2018

Age of Building:
i) Old wing: 21 years
ii) New wing: 7 years

Appraised Value:
RM160 mil
(Date of valuation 31 December 2025)



KPJ Seremban Specialist Hospital Lot 6219 & 6220, Jalan Toman 1, Kemayan Square, 70200, Seremban, Negeri Sembilan



+606-768 6000



<https://www.kpjhealth.com.my/seremban>



ssh@kpjseremban.com

KPJ Seremban Specialist Hospital serves as a premier one-stop medical institution for Negeri Sembilan, featuring a 206-bed capacity within a five-storey inpatient building and an annexed eight-storey Physician and Consultant block. The hospital is distinguished by its extensive list of international and national certifications, including accreditation from the JCI, MSQH, BFHI, and ISO standards for quality (ISO 9001:2015), environment (ISO 14001:2015), and occupational health (ISO 45001:2018).

Supported by a comprehensive faculty of consultants, the facility provides advanced specialised care in Cardiology and Cardiothoracic Surgery, Oncology, Neurosurgery, Orthopaedics, and Obstetrics & Gynaecology. With state-of-the-art diagnostic infrastructure, including a specialised Cardiac Catheterisation Laboratory and a 24-hour Emergency Department, the hospital remains a regional leader in delivering high-precision medical intervention and patient-centred healing.

Land area (sqft)	241,860
GFA (sqft)	389,139
NLA (sqft)	389,139
Tenant	Maharani Specialist Hospital Sdn Bhd
Value per sqft (RM)	411.13
Occupancy Rate	100%

PORTFOLIO CAPITAL

HOSPITAL SEGMENT OUTLOOK

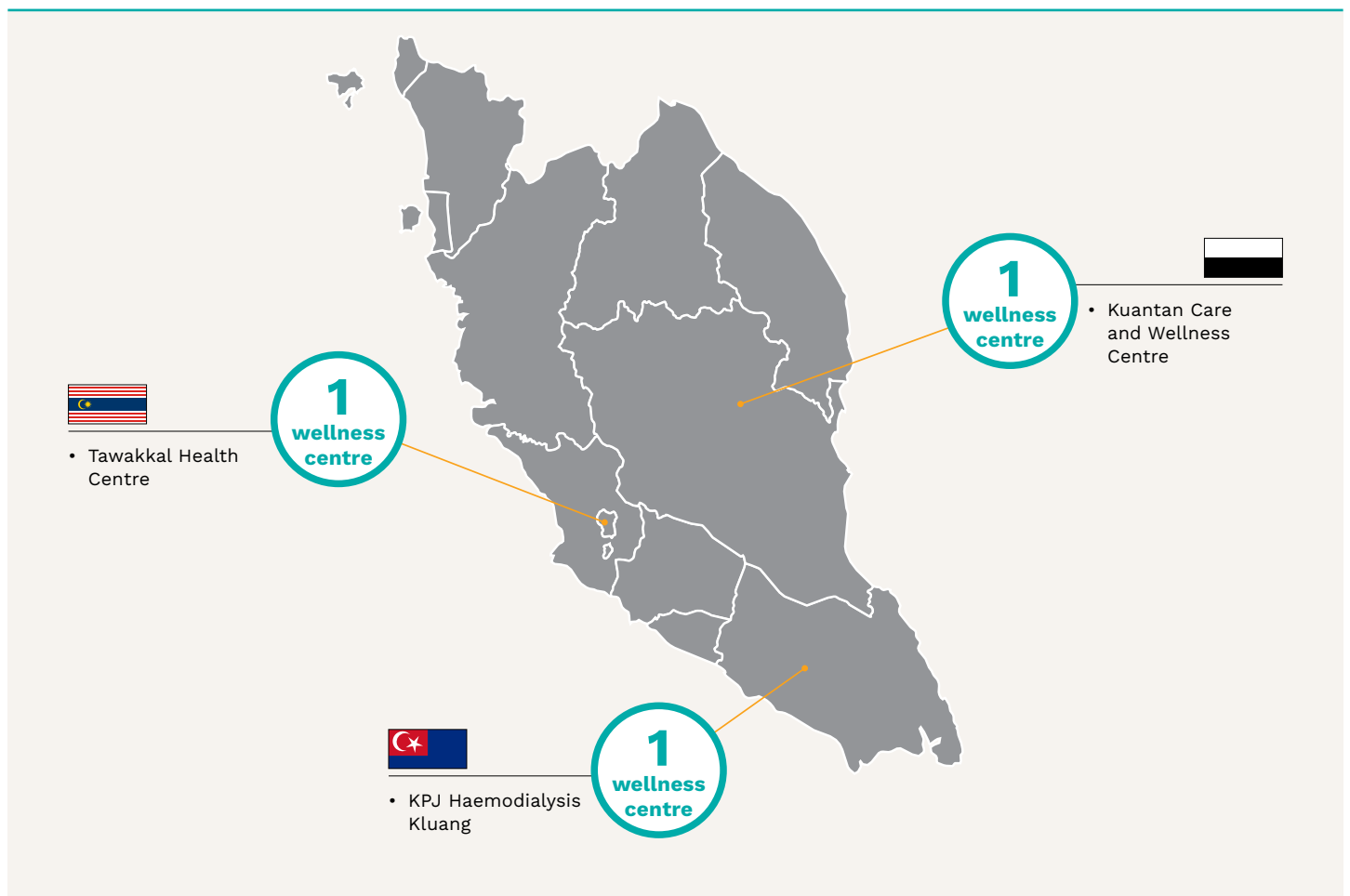
The Malaysian economy is forecasted to grow between 4.0% and 4.8% in 2025, driven by domestic demand arising from higher employment, wage growth, and favourable income-related policy measures. This upward trend is expected to continue in 2026 and beyond. Against the strong economic environment, the disposable income of Malaysians is expected to increase, better positioning the population to allocate funds toward private healthcare services, including long-term care and specialised treatments.

The private hospital industry in Malaysia grew between 2019 and 2024, driven by favourable local demographics (i.e., growing population, increasing income level, etc), growing incidence of chronic diseases (including those in CONGO disciplines), increasing life expectancy, rising health insurance spending driving demand for private healthcare, and strong growth from the medical tourism sector. These factors are expected to continue to drive the private hospital industry in Malaysia.

WELLNESS CENTRES

As a complementary component supporting healthcare delivery and preventive care, Al-`Aqar's wellness assets represent a modest yet strategic segment within its portfolio. Comprising three wellness and healthcare-related facilities, the segment contributes to the fund's revenue diversification within the ancillary healthcare space.

There are three wellness centres under the REIT's portfolio, as follows:



PORTFOLIO CAPITAL



WELLNESS CENTRE

KPJ HAEMODIALYSIS KLUANG



Date of acquisition:
2012

Acquisition Cost:
RM3.5 mil

Title:
PTB No. 9468-9473 held under Title Nos. HSD 44911-44916, situated in Town and District of Kluang, Johor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 19 July 2100

Encumbrance:
Nil

Year of Completion:
2000

Age of Building:
25 years

Appraised Value:
RM4.6 mil
(Date of valuation 31 December 2025)



KPJ Haemodialysis Kluang, No. 1,3,5,7,9, & 11, Jalan Susur 1, Jalan Besar, 86000, Kluang, Johor Darul Takzim



+607-771 8999



Nil



kush@kpjkluang.com

KPJ Haemodialysis Kluang is a specialised medical facility operating out of six adjoining units of three-storey shop offices, strategically located approximately three kilometres southeast of Kluang town.

Originally the site of the Kluang Utama Specialist Hospital, the facility transitioned into a dedicated centre for renal care following the opening of the new KPJ Kluang Specialist Hospital in Taman Saujana.

The centre is specifically designed to provide high-quality haemodialysis and hemodiafiltration services, utilising modern dialysis equipment in a comfortable, fully air-conditioned environment. Supported by trained renal nurses and medical officers, the facility offers essential life-sustaining treatments for patients with end-stage renal disease (“ESRD”), ensuring that comprehensive kidney care remains highly accessible to the local Kluang community.

Land area (sqft)	10,607
GFA (sqft)	31,347
NLA (sqft)	31,347
Tenant	Pusat Pakar Kluang Utama Sdn Bhd
Value per sqft (RM)	146.74
Occupancy Rate	100%

PORTFOLIO CAPITAL



WELLNESS CENTRE

TAWAKKAL HEALTH CENTRE



Date of acquisition:
2009

Acquisition Cost:
RM37 mil

Title:
Geran 4413-4424, 4433-4435, 4425, 4432, 4436, 4412, PN 6271, PN 6272, PN 51156, situated in Section 85A, Bandar and District of Kuala Lumpur, Kuala Lumpur

Tenure & Expiry Date:

- i) Freehold: Lot Nos. 78-91, 98-102
- ii) Leasehold: Lot 124 and 125 – Leasehold 99 years, expiring on 25th July 2077;
- iii) Leasehold: Lot 20003 – Leasehold 99 years, expiring on 29th January 2112

Encumbrance:
Charged by AmanahRaya Trustees Berhad to Maybank Investment Bank Berhad

Year of Completion:
1983

Age of Building:
42 years

Appraised Value:
RM44 mil
(Date of valuation 31 December 2025)



Tawakkal Health Centre, No. 202-A, Jalan Pahang, 53000, Kuala Lumpur



+603-4023 3599



<https://www.kpjhealth.com.my/speciality-centre/haemodialysis-service/kpj-tawakkal-health-centre>



info@kpjhealthcentre.com

Tawakkal Health Centre serves as a sophisticated ambulatory care facility, strategically housed within 18 adjoining units of four-storey shop offices in the heart of Kuala Lumpur. Located just five minutes from its sister institution, KPJ Tawakkal Specialist Hospital, the centre provides a comprehensive ecosystem of specialised services designed for efficiency and patient convenience.

Key clinical offerings include the KPJ KL Dental Specialist Centre, the KPJ KL Rehabilitation Centre, and a dedicated Haemodialysis Centre, supported by a faculty of consultant clinics. The facility is fully equipped with advanced diagnostic imaging, a pharmacy, a minor operation theatre, and day ward facilities, allowing for a seamless transition from diagnosis to outpatient surgical procedures. By integrating diverse medical disciplines under one roof, the centre remains a primary destination for high-quality, accessible outpatient care in the urban centre.

Land area (sqft)	135,066
GFA (sqft)	121,700
NLA (sqft)	121,700
Tenant	Pusat Pakar Tawakkal Sdn Bhd
Value per sqft (RM)	361.54
Occupancy Rate	100%

PORTFOLIO CAPITAL



WELLNESS CENTRE

KPJ Kuantan Care & Wellness Centre



Date of acquisition:
2008

Acquisition Cost:
RM19.25 mil

Title:
Title Nos. GM 3441, GM 3442, GM 3466, GM 2827, GM 2823, GM 3443, GM 1575, GM 6875, Lot Nos. 5885, 5886, 5888, 5889, 5890, 5891, 10747 and 10748 respectively, situated in Mukim of Kuala Kuantan, District of Kuantan, Pahang

Tenure & Expiry Date:
Freehold

Encumbrance:
Nil

Year of Completion:
1986

Age of Building:
39 years

Appraised Value:
RM15 mil
(Date of valuation 31 December 2025)



No 51, Jalan Alor Akar, 25250 Kuantan, Pahang



+609-567 8588



<https://pain.com.my/malaysia/treatment-centres/pahang/kpj-kuantan-care-wellness-centre?treatment=pain-management-rehab>



kphg@kpjpahang.com

Kuantan Care & Wellness Centre functions as a premier extended-care facility in Pahang, uniquely designed to provide a broad spectrum of specialised healthcare options beyond traditional acute hospital services. The centre is housed within a dual-block infrastructure comprising a three-storey Block A and an annexed five-storey Block B, creating a dedicated environment for long-term healing and wellness.

As a pioneer in the region, the facility offers a comprehensive suite of services including Assisted Living Care for seniors, Mom and Baby Care for postnatal recovery, and specialised Haemodialysis treatments. Its clinical expertise extends to advanced Wound Care, home nursing with diabetes counselling, and integrated rehabilitation medicine. By combining professional clinical oversight with a supportive, community-oriented setting, the centre ensures that patients transitioning from acute care or requiring ongoing lifestyle support receive high-quality, personalised medical attention.

Land area (sqft)	72,323
GFA (sqft)	69,060
NLA (sqft)	69,060
Tenant	Kuantan Wellness Centre Sdn Bhd
Value per sqft (RM)	217.20
Occupancy Rate	100%

PORTFOLIO CAPITAL

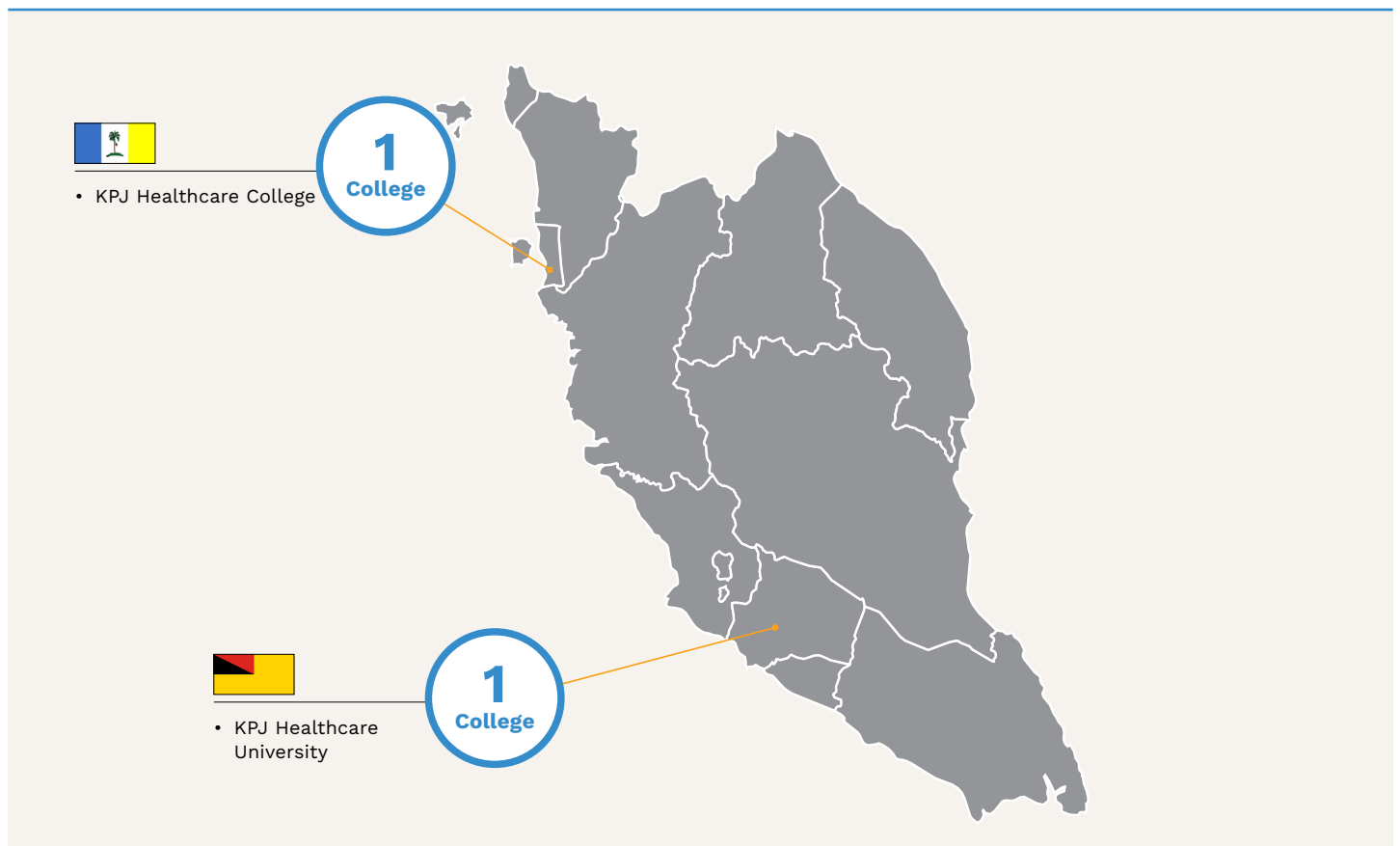
WELLNESS CENTRE SEGMENT OUTLOOK

The wellness centres segment in Malaysia is expected to maintain strong growth momentum in 2026, supported by structural shifts toward preventive healthcare, medical tourism expansion, and rising health awareness among consumers. Malaysia's wellness economy has entered a sustained expansion phase, with the country emerging as a top ten wellness economy in Asia-Pacific, valued at approximately USD31.8 billion, driven particularly by preventive health and wellness real estate growth.

Globally, wellness is also becoming a major economic sector, reaching USD6.8 trillion in 2024, reinforcing long-term demand fundamentals for wellness services and facilities. Demand is increasingly shifting from reactive hospital treatment toward preventive, rehabilitative, and lifestyle-oriented healthcare, directly benefiting wellness assets.

COLLEGES

Al-`Aqar's college assets forms the portfolio segment that provides healthcare education and the development of future healthcare professionals. Comprising KPJ Healthcare University in Nilai and KPJ Healthcare College in Penang, this segment provides stable income to the fund whilst strengthening the healthcare value chain by providing education and training facilities that support the long-term sustainability of the healthcare workforce.



PORTFOLIO CAPITAL



COLLEGES

KPJ HEALTHCARE COLLEGE



Date of acquisition:
2009

Acquisition Cost:
RM14.1 mil

Title:
Lot Nos. 55 & 10093, held under Title Nos. GRN 41544 and 179267, situated in Section 5, Town of Bukit Mertajam, District of Seberang Perai Tengah, Pulau Pinang

Tenure & Expiry Date:
Freehold

Encumbrance:
Nil

Year of Completion:
1986

Age of Building:
39 years

Appraised Value:
RM13 mil
(Date of valuation 31 December 2025)



No. 565, Jalan Sungai Rambai, Bukit Mertajam, 14000, Bukit Mertajam, Pulau Pinang



+604-538 2692



<https://kpju.edu.my/>



penang@kpju.edu.my

KPJ Healthcare College Penang is a premier educational institution dedicated to cultivating the next generation of healthcare professionals, with a capacity to accommodate 600 students. Strategically situated just five minutes from KPJ Penang Specialist Hospital, the college provides an ideal environment for clinical integration and practical learning.

The campus is outfitted with advanced nursing and pharmacy laboratories, alongside spacious tutorial rooms and classrooms designed for interactive education. Its academic portfolio focuses on high-demand disciplines, offering a Diploma in Pharmacy and several specialised Post Basic Nursing programmes, including Perioperative Nursing and Renal Nursing. Beyond formal diplomas, the college serves as a vital centre for lifelong learning, actively conducting Continuous Professional Development (“CPD”) training programmes for both KPJ group employees and the general public, ensuring the regional healthcare workforce remains at the forefront of clinical standards.

Land area (sqft)	126,238
GFA (sqft)	42,989
NLA (sqft)	42,989
Tenant	KPJ Healthcare University Sdn Bhd
Value per sqft (RM)	302.40
Occupancy Rate	100%

PORTFOLIO CAPITAL



COLLEGES

KPJ HEALTHCARE UNIVERSITY



Date of acquisition:
2009

Acquisition Cost:
RM16.5 mil (2009)
RM77.8 mil (2014)

Title:
P.T. Nos. 551 and 552 held under Title Nos. HSD 246826 and 246827, situated in Bandar Baru Kota Sri Mas, District of Seremban, Negeri Sembilan

Tenure & Expiry Date:
Freehold

Encumbrance:
Nil

Year of Completion:
i) Existing building - 2005
ii) New building - 2014

Age of Building:
i) Existing building - 20 years
ii) New building - 11 years

Appraised Value:
RM102 mil
(Date of valuation 31 December 2025)



KPJ Healthcare University College Nilai,
Persiaran Seriemas, Kota Seriemas, 71800, Nilai,
Negeri Sembilan



+606-726 9199



<https://kpju.edu.my/>



info@kpju.edu.my

KPJ Healthcare University Nilai, situated in the educational hub of Nilai within the Kota Seriemas township, serves as the flagship higher education institution of the KPJ Healthcare Group. The 20-acre residential campus features two specialised academic buildings, comprehensive male and female hostels, and modern student amenities including a large cafeteria, prayer rooms, and sports facilities.

The university is organised into five specialised schools of Medicine, Nursing, Pharmacy, Health Sciences, and Business and Management, alongside the Centre for Global Professional and Social Development, collectively offering over 20 accredited programmes.

Land area (sqft)	983,840
GFA (sqft)	447,827
NLA (sqft)	447,827
Tenant	KPJ Healthcare University Sdn Bhd
Value per sqft (RM)	227.77
Occupancy Rate	100%

PORTFOLIO CAPITAL

COLLEGES SEGMENT OUTLOOK

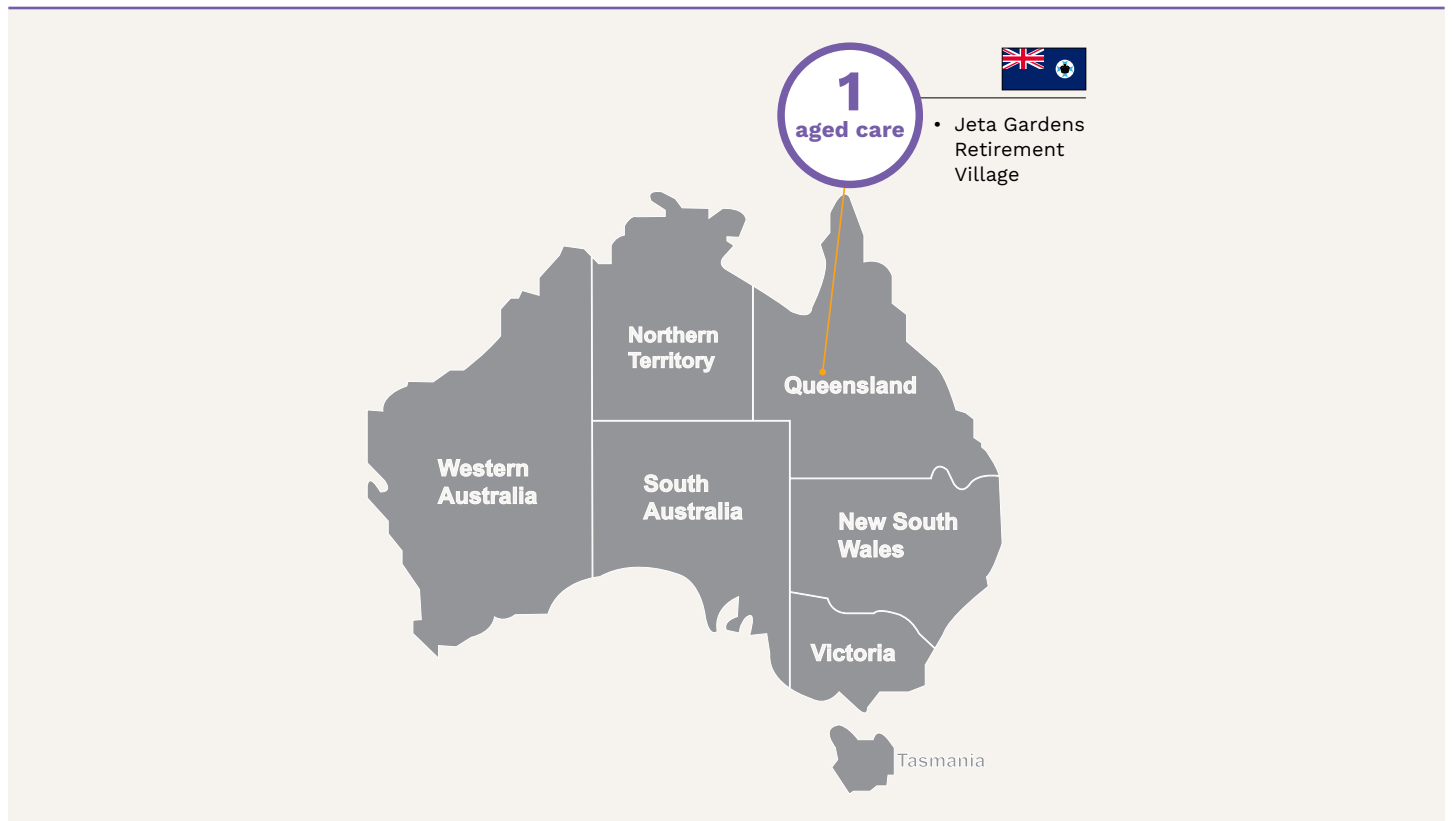
The outlook for healthcare colleges in Malaysia in 2026 is structurally positive, driven primarily by the growing demand for healthcare professionals. Malaysia faces a significant shortage of healthcare workers. Estimates indicate the country will require approximately 75,000 doctors and 240,000 nurses by 2026 to meet healthcare demand, reflecting substantial increases from current workforce levels.

In particular, the nursing profession faces a critical gap. Malaysia’s health authorities project that the shortage of nurses could reach nearly 60% by 2030, highlighting the urgent need to expand training capacity and student intake.

Considering these trends, it is foreseen that the healthcare college segment is expected to remain a strategically important and growing component of Malaysia’s healthcare ecosystem, supporting the development of the healthcare workforce required to sustain the country’s expanding healthcare sector.

AGED CARE FACILITIES

AL-`Aqar’s aged care portfolio comprises the Retirement Village property in Australia, providing retirement living solutions for the elderly. This segment supports the fund’s healthcare value chain by addressing the growing demand for aged care and retirement living driven by ageing population trends.



PORTFOLIO CAPITAL



AGED CARE FACILITIES

JETA GARDENS RETIREMENT VILLAGE


Date of acquisition:

2011

Acquisition Cost:

RM131 mil (\$24.50 mil AUD)

Title:

Lots 2, 3 and 4 held under Title References 50855908, 50855909 and 50855910 respectively

Tenure & Expiry Date:

Freehold

Encumbrance:

Free from any mortgage but subject to subleases and easements

Year of Completion:

2009

Age of Building:

16 years

Appraised Value:

RM6.77 mil (\$2.50 mil AUD)
(Date of valuation 31 December 2025)



Jeta Gardens, Aged Care and Retirement Village, 98, Albert Street and 27 Clarendon Avenue, Bethania Queensland 4205, Australia



+617-3011 9015



<https://jetagardens.com/>



Nil

Jeta Gardens is a retirement village comprising 64 independent living units and apartments, complemented by a community centre. The property also includes additional development land and is set within the tranquil surroundings of Bethania Parklands, offering an idyllic setting for senior living.

Strategically located for convenient access to urban amenities, it is approximately a 30-minute drive to both Brisbane City and Gold Coast City Central via the nearby Pacific Motorway (M1). Spanning a vast area, Jeta Gardens provides a serene living environment while maintaining close proximity to major urban centres.

Land area (sqft)	1,287,191
GFA (sqft)	57,587
NLA (sqft)	57,587
Tenant	Jeta Gardens (QLD) Pty Ltd
Value per sqft (RM)	117.41
Occupancy Rate	100%

PORTFOLIO CAPITAL

AGED CARE FACILITIES SEGMENT OUTLOOK

The outlook for Australia's aged care and retirement village sector in 2026 remains strong and structurally supported by demographic trends. Australia's population aged 65 and above is projected to increase from around 4.75 million today to about 7.0 million by 2040, significantly expanding the demand for senior living accommodation and care services.

Despite rising demand, the sector continues to face significant supply shortages, which supports long-term investment prospects. Industry estimates suggest Australia will require approximately 67,000 additional retirement living units by 2030, reflecting a widening gap between supply and demand.

Similarly, residential aged care capacity needs to expand significantly, with calls to build around 10,000 new aged care beds annually over the next decade to meet future demand. Current supply growth remains relatively modest, increasing at roughly 1–1.7% per year, which is below the growth rate of the ageing population.

The Australian aged care system has undergone major reforms following the Royal Commission into Aged Care Quality and Safety, which has resulted in increased regulatory oversight and funding changes. These reforms are expected to improve quality standards and transparency in the sector, although they may increase compliance costs for operators.

OPERATIONAL REVIEW

Since its establishment in 2006, Al-`Aqar has demonstrated a consistent track record of disciplined growth, portfolio optimisation, and resilient performance as the world's first Islamic healthcare REIT. From an initial base of 6 assets, the REIT has grown into a diversified healthcare portfolio of 23 assets valued at RM1.88 billion as at FY2025, reflecting a portfolio expansion of over four-fold since the REIT was listed.

This growth has been achieved through a balanced strategy of targeted acquisitions and timely disposals, with total acquisitions of RM1.3 billion and total disposals of RM310 million since IPO, resulting in a net investment of RM1.6 billion into high-quality healthcare assets. The portfolio remains predominantly hospital-focused, with 21 healthcare assets in Malaysia and one aged care facility in Australia, reinforcing income stability and defensive characteristics.

Strengthened Performance Year-on-Year

In FY2025, Al-`Aqar delivered a stronger operating profile compared to the previous financial year, underpinned by portfolio expansion and stable asset performance. The completion of two new acquisitions in the Central/Klang Valley and Northern region valued at RM241.0 million further strengthened the REIT's core markets and contributed to a 2.3% year-on-year increase in revenue.

Total asset value increased to RM2.1 billion, while gross revenue reached RM120.0 million and NPI stood at RM104.9 million, reflecting improved income contribution from

newly acquired assets and full occupancy across the portfolio. The REIT maintained a 100% occupancy rate and a prudent gearing ratio of 48.3%, reinforcing balance sheet resilience.

A Portfolio Anchored in Core Healthcare Hubs

Operationally, the portfolio remains firmly anchored in the Central/Klang Valley, which contributes 60.3% of net lettable area, 60.9% of property value, and 59.3% of NPI, underscoring its role as the REIT's primary healthcare and income hub. The Northern and Southern regions provide meaningful diversification, while smaller exposures in the East Coast and Australia enhance geographical balance without diluting operational focus.

With a total net lettable area of approximately 6.0 million sqft, the portfolio continues to support essential healthcare services nationwide, reinforcing tenancy stability and long-term income sustainability.

Confidence Through Consistency

The REIT's steady year-on-year progress, supported by disciplined capital allocation, portfolio optimisation and resilient hospital assets, positions Al-Aqar Healthcare REIT as a trusted long-term owner of essential healthcare real estate. As the portfolio continues to mature, Al-Aqar remains focused on delivering stable distributions, sustainable growth and long-term value for unitholders.

06

SUSTAINABILITY STATEMENT



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SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

BASIS OF PREPARATION

JLG REIT Managers Sdn Bhd (“the Manager”) is pleased to present the Sustainability Statement (“SS2025”) of Al-`Aqar Healthcare REIT (“Al-`Aqar” or “the REIT”) for the financial period between 1 January and 31 December 2025 (“FY2025”).

The SS2025 provides a comprehensive overview of Al-`Aqar’s sustainability initiatives, performance, and disclosures in accordance Paragraph 29, Part A of Bursa Malaysia MMLR and Practice Note 9.

The REIT has applied the reporting principles of relevance, completeness, consistency and comparability as outlined in Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) and the National Sustainability Reporting Framework (“NSRF”). Reference has also been made to the following:

- International Financial Reporting Standards (“IFRS”) S1 and S2
- Sustainability Accounting Standards Board (“SASB”)
- FTSE4Good Bursa Malaysia Index (“FTSE”)
- Global Reporting Initiative (“GRI”) Standards
- United Nations Sustainable Development Goals (“UN SDGs”)

Unless otherwise stated, the information presented within this SS2025 covers all assets under the management of Al-`Aqar. The scope of reporting is limited to areas where the REIT has direct operational control as an asset manager. Any sustainability-related policies, initiatives, or performance data that fall under the operational control of tenants are excluded from this SS2025. If needed, tenant-related information shall be included for illustrative purposes, but this shall be clearly identified as third-party disclosures.

Where available, the SS2025 shall present three-year performance data in relation to Al-`Aqar’s value chain. This includes suppliers, business partners, contractors, vendors, and other service providers.

For the purposes of this report, the term “local” refers to regions where the REIT operates.

Reporting Boundary Clarification

The REIT adopts an operational control approach in defining its reporting boundary. While the majority of environmental data is tenant-controlled, the REIT has progressively

expanded its data collection scope through tenant engagement initiatives. Any exclusions and limitations are disclosed within the relevant sections of this report.

ASSURANCE AND DATA ACCURACY

The Board of Directors (“Board”) and Senior Management have reviewed the disclosures to ensure that they fairly represent Al-`Aqar’s sustainability performance and initiatives during the reporting period. All data presented has been compiled through established internal processes, with verification conducted by the relevant departments and data owners.

As an added level of validation, selected sustainability indicators have undergone limited independent assurance in accordance with ISAE 3000 (Revised). The scope of assurance covers key environmental and governance indicators, including GHG emissions (Scope 1 and Scope 2) and selected KPI disclosures.

The assurance was conducted by an independent third-party assurance provider. The assurance statement, including scope, methodology and conclusions, is presented in the Assurance Statement section. Details of the assurance can be found in the Assurance Statement of this SS2025.

DISTRIBUTION AND FEEDBACK

Any inquiries, suggestions, and feedback on the SS2025 can be provided through the contacts provided below:

Roziyah Abu Bakar
Head of Corporate Services

Email
roziyah.bakar@jlandgroup.com.my



The REIT’s report can be accessed via:
<https://alaqar.com.my/investor.php>

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT REPORT

AL-`Aqar considers the inputs of stakeholders as central to shaping its operations and sustainability strategy. By engaging continuously and providing channels for communication, the REIT gains a diverse array of perspectives that allow us to improve the operations while identifying key areas of concern that need the utmost attention. This commitment allows it to ensure that the voices of all the stakeholders are heard, building strong and long-lasting relationships that is essential to the long-term sustainability of the operations.

The REIT has identified several key stakeholders and outlined the engagement method and frequency below. These platforms act as the primary method for gathering feedback, monitoring, assessing, and addressing the evolving needs of the diverse stakeholders, allowing the REIT to adapt the operations accordingly and ensuring the robust, long-term continuity of the operations.

Engagement frequency legend:

- 3 years
- Annually
- Biannually
- Quarterly
- Monthly
- Ongoing
- When required

Stakeholders



INVESTORS

Investors supply the financial capital essential for growth. Investor confidence affects the REIT's valuation, trading activity, dividend distributions, access to capital access, portfolio management, and overall market standing.

Engagement Platform

- Annual General Meeting
- REIT website
- Yearly and quarterly financial reports
- Investor relations presentations
- Investment

Areas of Concern

- Financial performance
- Governance practices
- Investor relations
- Environmental issues
- Asset security

Response

- Annual audits
- Uphold strong governance practices

Stakeholders



REGULATORY AGENCIES AND STATUTORY BODIES

Regulatory agencies and statutory bodies play a crucial role for the REIT by ensuring compliance, preserving customer trust and contributing to financial market stability. Their oversight is vital for AL-`Aqar's credibility and success.

Engagement Platform

- Quarterly compliance reports submitted to the Board
- Announcements, notifications & regular updates
- Compliance reviews and audits

Areas of Concern

- Adherence to regulations
- Employment practices
- Openness and information sharing

Response

- Adheres to current laws and regulations

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT REPORT (CONT'D)

Stakeholders



EMPLOYEES

Employees are central to the REIT's operations, playing a crucial role in managing, maintaining, and enhancing its properties. Their efforts significantly contribute to operational efficiency and the overall success of Al- 'Aqar's operations.

Engagement Platform	Areas of Concern	Response
<ul style="list-style-type: none"> • Performance and career growth plans • Townhall sessions • Salary package reviews • Balancing work and personal life 	<ul style="list-style-type: none"> • Employees' performance and growth • Business strategies, goals and achievements • Employees well-being • Employees benefits 	<ul style="list-style-type: none"> • Provides career advancement and skill development opportunities, along with attractive benefits, to attract and retain top talent

Stakeholders



PROPERTY, SERVICES, MAINTENANCE MANAGERS

Property, service, and maintenance managers are critical in overseeing the efficient operation, upkeep, and value enhancement of assets. Their contributions are vital to the overall success and performance of the investment fund.

Engagement Platform	Areas of Concern	Response
<ul style="list-style-type: none"> • Monthly reporting • Monthly meetings 	<ul style="list-style-type: none"> • Maintenance overview 	<ul style="list-style-type: none"> • Senior management consistently engages in discussions with all managers to address improvement opportunities • Maintenance managers submit monthly updates to REIT

Stakeholders



TENANTS

Tenants are essential to the REIT by generating rental income, which ensures the financial performance and continuous growth of the real estate investment fund.

Engagement Platform	Areas of Concern	Response
<ul style="list-style-type: none"> • Tenant satisfactory survey • Monthly reports • Quarterly meeting 	<ul style="list-style-type: none"> • Lease contracts • Keeping leased premises in good repair and condition 	<ul style="list-style-type: none"> • Tenants are engaged through performance evaluations conducted by the property or maintenance manager • The maintenance manager holds formal sessions with tenants to address their queries and concerns

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT REPORT (CONT'D)

Stakeholders



SERVICE PROVIDERS AND SUPPLIERS

Service providers and suppliers ensure the smooth operation of property management, maintenance, and other essential services, supporting the overall health and sustainability of the business.

Engagement Platform

- Assessment and performance reviews
- Adherence to the MACC Act
- Procurement Guidelines
- Adherence to Personal Data Protection Act ("PDPA")

Areas of Concern

- Tenant Procurement Procedures
- Business Practices

Response

- A representative from the Manager participates in supplier interviews to ensure compliance with the Manager's ESG-related policies and regulations

Stakeholders



CUSTOMERS AND COMMUNITIES

The presence and engagement of customers and communities are vital, as they enhance the vibrancy and success of the properties, leading to positive economic and social impacts in the areas served by the REIT.

Engagement Platform

- Complaint handling
- Social media such as Facebook and Instagram
- E-mail communication
- Community activities
- Foodbank/volunteer work

Areas of Concern

- Corporate Social Responsibility ("CSR")
- Community Growth
- Environmental Effects

Response

- Participates in local community initiatives and charitable projects
- Implements environmentally sustainable practices, such as adopting energy-efficient technologies

KEY OUTCOMES FROM STAKEHOLDER ENGAGEMENT (FY2025)

Based on stakeholder engagements conducted during the financial year, the following key themes were identified:

Increased demand for climate-related disclosures and transparency

Expectations for enhanced tenant engagement on ESG matters

Focus on regulatory compliance and governance practices

These inputs have directly influenced the REIT's prioritisation of climate risk management, ESG data governance improvements and enhancement of sustainability disclosures.

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT

The REIT conducts periodic materiality assessments to identify and prioritise the most relevant ESG concerns to both the REIT's operations and all identified stakeholders. This allows for the effective allocation of resources, mitigating any potential negative impacts while continuing operations and offering the highest value to stakeholders, including the protection of the environment, maintaining good governance practices, and ensuring the well-being of communities.

The REIT's materiality matters are determined through:

1

Materiality Identification:

Material topics were identified based on stakeholder inputs regular engagement, sustainability indicators provided by ESG frameworks and regulatory requirements, operating and financially material concerns for the REIT, and benchmark with industry peers.

2

Refinement and Categorisation of Material Topics:

The identification process resulted in 13 identified topics, which are further divided by each ESG pillar under Economic, Environment, Social, and Governance focuses.

3

Assessment and Prioritisation:

Identified material topics are further refined and prioritised through a materiality assessment survey, involving the participation of internal and external stakeholders. This survey allowed participants to rate the significance of each material topic, allowing the REIT to obtain various perspectives and align its value creation with the needs of all stakeholders involved with the REIT.

4

Materiality Matrix Formulation:

As various stakeholders have an array of impacts on Al-`Aqar's operations, each stakeholder group were assigned weightages which are then averaged to obtain a normalised materiality priority score. These scores are then plotted on the REIT's materiality matrix that guides it in resource allocation and strategy decision making.

5

Validation:

The results of the surveys, assessments, and the finalised materiality matrix are presented to the Board of Directors for validation, which are conducted on an annual basis to ensure the REIT's directives and priorities remain relevant to all involved stakeholders.

The materiality matrix follows the topics from FY2023 as the identified issues remain relevant to both the REIT's internal and external stakeholders. The REIT's materiality matrix plots material topics based on the significance to stakeholders and the impact on the REIT's business.

PRIORITY MATERIAL MATTERS

The following material matters were identified as high priority:

01

Corporate Governance and Anti-Corruption

02

Economic Performance

03

Regulatory Compliance and Risk Management

04

Tenant and Customer Satisfaction

05

Data Privacy and Cybersecurity

06

Occupational Health and Safety

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT (CONT'D)

Each material matter is linked to specific KPIs, targets and risk management measures, ensuring alignment between strategy, performance and disclosures.



Robust Corporate Governance

- 01 Corporate Governance and Anti-Corruption
- 03 Regulatory Compliance and Risk Management
- 05 Data Privacy and Cybersecurity

Sustainability Trust Fund

- 02 Economic Performance
- 11 Supply Chain Management

Strong Social Relationships

- 04 Tenant and Customer Satisfaction
- 06 Occupational Health and Safety
- 07 Labour Practices and Standards
- 08 Diversity and Inclusion
- 10 Community Enrichment

Environmental Stewardship


- 09 Energy, Emissions and Climate Resilience
- 12 Waste Management
- 13 Water Consumption



SUSTAINABILITY STATEMENT




MATERIALITY ASSESSMENT (CONT'D)


MATERIAL MATTER ALIGNMENT



The REIT mapped all identified material matters with its stakeholders, ensuring all identified concerns are aligned and relevant to the REIT's stakeholders and global sustainability targets outlined by the UN SDGs.




Robust Corporate Governance

Material Matter	Relevant Stakeholders
<p>01 Corporate Governance and Anti-Corruption Embracing the values, principles, standards, and norms that are critical for keeping the business sustainable and preventing corruption, bribery, and any unethical behaviour</p>	
<p>03 Regulatory Compliance and Risk Management Ensuring long-term sustainable growth through the effective management of operational, financial, and compliance risks, while complying with the relevant laws, regulations, guidelines, and specifications that relate to Al-`Aqar's business activities</p>	
<p>05 Data Privacy and Cybersecurity Protecting the data privacy and cybersecurity of customers' personal and financial data, while taking an active approach to risk mitigation, positioning the REIT as a trustworthy entity in digital transactions and communications</p>	









Sustainability Trust Fund


















Material Matter	Relevant Stakeholders
<p>02 Economic Performance Effectively managing broader economic impacts of infrastructure investments and associated services, alongside enhancing financial performance, to ensure the beneficial value creation to the stakeholders</p>	
<p>11 Supply Chain Management Ensuring suppliers' products and services fulfil the Manager's requirements and standards while optimising supply chain activities to provide the best value for customers and tenants</p>	

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT (CONT'D)

 Strong Social Relationships		 8 DECENT WORK AND ECONOMIC GROWTH
Material Matter 04 Tenant and Customer Satisfaction Providing consistent high-quality properties that prioritise comfort and safety, ensuring the best experience for tenants and customers	Relevant Stakeholders  	
Material Matter 06 Occupational Health and Safety Proactively deploying measures that prevent workplace accidents and injuries, providing a safe and supportive working environment	Relevant Stakeholders  	
Material Matter 07 Labour Practices and Standards Providing benefits, training, and development opportunities for employees while protecting the rights of the workforce, suppliers, and stakeholders	Relevant Stakeholders   	
Material Matter 08 Diversity and Inclusion Creating an inclusive workplace with a culture that celebrates diversity, ensuring all employees are treated with dignity and respect	Relevant Stakeholders  	
Material Matter 10 Community Enrichment Cultivating strong relationships with local communities that facilitates mutual development and supports their wellbeing through regular engagements	Relevant Stakeholders  	

 Environmental Stewardship		 11 SUSTAINABLE CONSUMPTION AND RESPONSIBLE PRODUCTION	 13 CLIMATE ACTION
Material Matter 09 Energy Emissions and Climate Resilience Implementing initiatives that minimise energy consumption, reduce greenhouse gas emissions, and strengthen the climate resilience of AL-`Aqar's properties	Relevant Stakeholders     		
Material Matter 12 Water Consumption Reducing water consumption through water use optimisation measures	Relevant Stakeholders   		
Material Matter 13 Waste Management Employing measures that reduce resource consumption and minimise waste generation, while increasing allocations to recycling	Relevant Stakeholders   		

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY

SUSTAINABILITY APPROACH

As Malaysia’s first and only Islamic healthcare-focused REIT and recognised as the world’s first listed Islamic healthcare REIT, Al-`Aqar occupies a distinctive position in advancing ethical and Shariah-compliant investment in the healthcare real estate sector.

To support this role, the REIT continues to implement initiatives to reduce its environmental footprint, uphold transparency, accountability, and integrity across its operations, and safeguard the wellbeing of employees and the communities that have contributed to Al-`Aqar’s growth.

In alignment with evolving global and national sustainability reporting expectations, the REIT has progressed towards compliance with the International Sustainability Standards Board (ISSB) IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures. These standards form the baseline of Malaysia’s National Sustainability Reporting Framework (NSRF), which has been developed to enhance the quality, comparability, and decision-usefulness of sustainability disclosures across the Malaysian capital market.

Central to the REIT’s ongoing sustainability journey is the development of a comprehensive ESG framework, aligned with the United Nations Sustainable Development Goals (UN SDGs), which strategically guides the REIT’s sustainable practices and long-term value creation.



REIT MANAGERS

Vision Leader in sustainable real estate solutions with core competencies to own, build, operate and monetise across the value chain

Mission We Create Value and Build Opportunities to Thrive for a Smarter and More Sustainable Future

Massive Transformative Purpose: Enhancing Human Experience

Building Trust by Strengthening Governance Practices

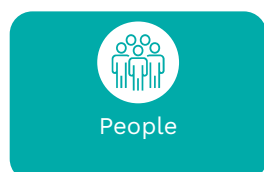
- Supply Chain Management
- Anti-corruption, Ethics and Transparency
- Governance, Risk and Regulatory Compliance
- Data Privacy and Security
- Innovation and Research & Development
- Economic Performance

Driving Energy Transition and Low-Carbon Within the Real Estate Industry

- Climate Change
- Biodiversity and Conservation
- Environmental Footprint
- Product Lifecycle Management

Enriching the Wellbeing of Employee and Communities

- Customer Satisfaction
- Health and Safety
- Human Rights and Labour Practices
- Diversity, Equity and Inclusion
- Community Development



SUSTAINABILITY STATEMENT

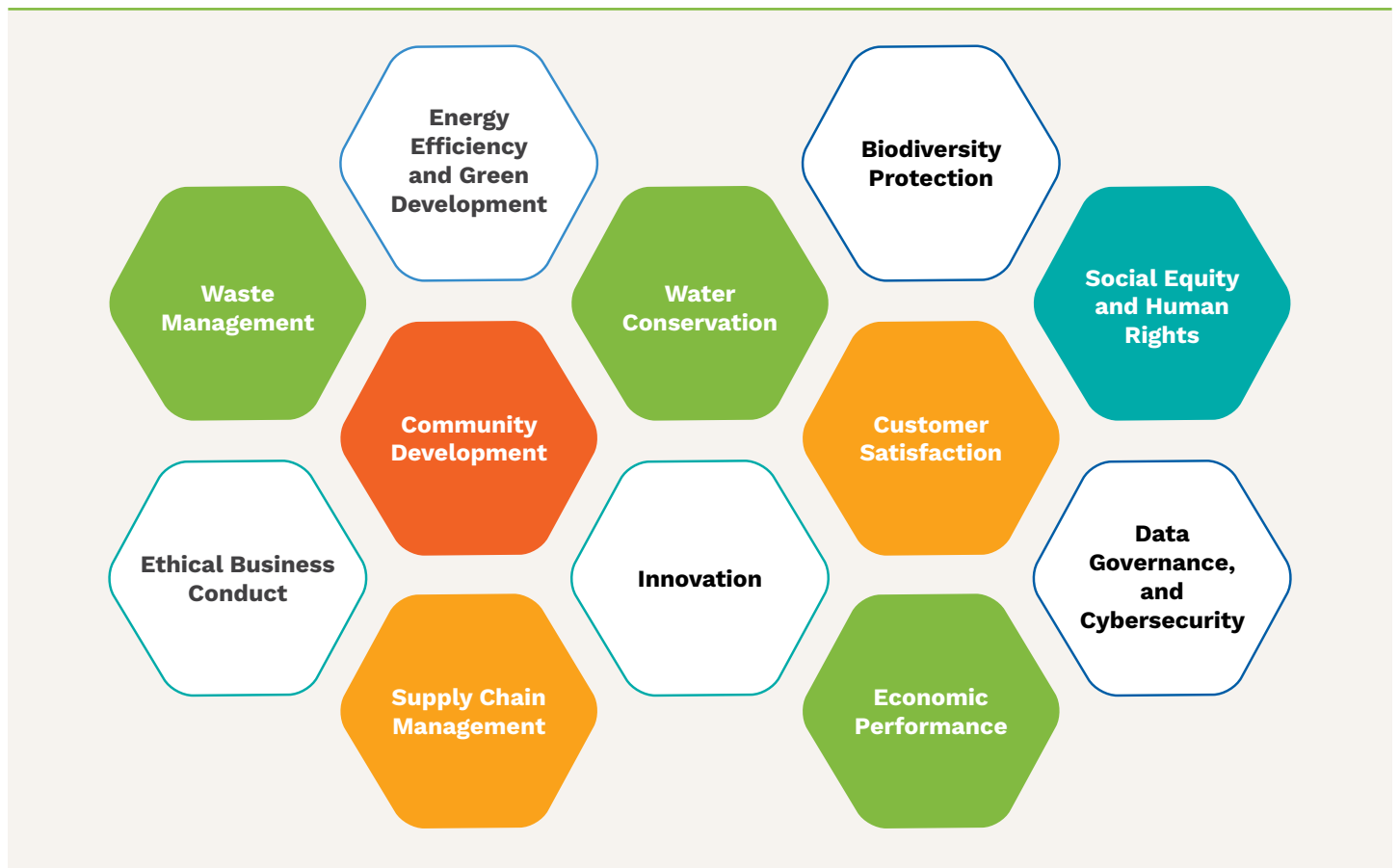
SUSTAINABILITY STRATEGY (CONT'D)

SUSTAINABILITY POLICY AND FRAMEWORK

The Sustainability Policy and Framework emphasise transparency, accountability, and the integration of Environmental, Social, and Governance (“ESG”) principles across all aspects of the REIT’s operations. Sustainability is embedded into decision-making processes, reflecting the aspiration to lead in delivering sustainable real estate solutions.

The REIT’s approach focuses on strengthening governance practices, advancing a low-carbon energy transition, and enhancing the wellbeing of employees and the communities in which it operates. Through this approach, the REIT seeks to balance business growth with responsible environmental and social outcomes.

To support these efforts, the REIT has established both short- and long-term goals across a wide range of sustainability areas. These include energy efficiency, green development, water conservation, waste management, biodiversity protection, social equity, human rights, community development, customer satisfaction, ethical business conduct, supply chain management, innovation, economic performance, data governance, and cybersecurity.



Oversight of sustainability matters is provided by the Board, which evaluates ESG targets, monitors performance, and provides strategic direction on sustainability-related initiatives. A structured governance framework involving the Board of Directors, the Board Sustainability Committee, the Management Committee, the Management Sustainability Committee, and the ESG Team ensures effective monitoring, decision-making and implementation of ESG initiatives across the organisation.

Overall, the Sustainability Framework reflects Al-`Aqar’s commitment to achieving Net-Zero carbon targets by 2050, promoting green practices, fostering innovation, and supporting community development while maintaining ethical and sustainable business operations.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY (CONT'D)

SUSTAINABILITY POLICY AND FRAMEWORK (CONT'D)

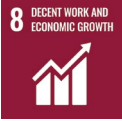




Initiative Categories		<input type="checkbox"/> Governance	<input type="checkbox"/> Social	<input type="checkbox"/> Environmental		
Short Term	Access ESG-related risks and opportunities	Establish anti-bribery framework	Establish Supplier Assessment Framework & Green Procurement Policy	Conduct Health and Safety Training with 90-100% participation	Forge partnerships with community support groups	Formulate a decarbonisation strategy and roadmap
	Set up Diversity, Equality, and Inclusiveness ("DEI") Policy	Implement 30% green mobility solutions in new developments	Sources at least 90% of procurement needs from local suppliers	Develop Strategic partnerships to address needs of customers	Adopt green leases for all lease renewals starting from 2025	Conduct preliminary Life Cycle Assessment ("LCA") exercise for supply chain
Medium Term	Align disclosures with global standards and highlight key achievements	Risk assessment exercise on Data Governance and cybersecurity	Conduct cyber security awareness and training for all staff	Implement 50% rooftop solar and 50% of fiberisation of new developments	Establish and streamline digital platforms	
	Establish implement a Green Financing Framework	Establish ESG parameters and conduct performance evaluations	Establish clear policies for data governance	Green building certification for newly developed and owned buildings	Conduct compliance review on a quarterly basis	
	Establish plan on community development strategy	Incorporate Social Return on Investment as part of community strategy	Engage internal staff in community engagement programmes	Conduct employee engagement surveys with 90 - 100% participation rate	Engage suppliers quarterly on sustainability standards	
	Achieve 30% of women in leadership roles	Establish human rights policy which includes confidential reporting system	Training on the topic of human rights and labour policy		Minimum L&D hours per employee annually on key matters	
Long Term	Reduce overall water consumption from municipal water supply by 10% by 2028	Net Zero by 2050	Achieve 30% of women participation in the Board by 2030		Develop and implement emergency preparedness and response plans, with drills year on year	
					Ensure 100% of reported human rights/labour compliants reported are investigated	

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY (CONT'D)

GLOBAL SUSTAINABILITY ALIGNMENT

While the REIT strives to be the leader in REIT sustainability in Malaysia, it proactively works towards implementing ESG concepts beyond national boundaries, offering value internationally. To achieve this, the REIT aligns its practices with the UN SDG agenda for sustainable development by 2030, allowing the REIT to provide the most significant impact in fostering peace, prosperity, and an equitable future for everyone. While the initiatives have the most significant impact in advancing the targets of the five UN SDGs below, the sustainability initiatives go beyond the recommendations of the UN SDGs, creating a positive impact in all its activities.

UN SDG	Target Description	The REIT Initiatives
 UN SDG 8: Decent Work and Economic Growth	Target 8.7: Measures to eradicate forced labour, modern slavery and child labour Target 8.8: Protection of labour rights and promotion of safe working environment	Ensured compliance with labour-related regulations
 UN SDG 9: Industry, Innovation and Infrastructure	Target 9.4: Upgrade infrastructure with greater adoption of clean and environmentally sound technologies	Conducted energy audits, LED retrofit pilots, establish baseline energy and carbon performance
 UN SDG 11: Sustainable Cities and Communities	Target 11.6: Reduce the adverse per capita environmental impact of cities by paying attention to municipal and waste management	Installed two AI-based recycling machines at Damansara Specialist Hospital (DSH) and KPJ Tawakkal Specialist Hospital
 UN SDG 13: Climate Action	Target 13.1: Integration of climate change measures into policies, strategies and planning	Proactively evaluated energy efficiency improvements to minimise its carbon footprint Disclosed Scope 1, Scope 2 and limited Scope 3 GHG emissions Enhanced climate-related disclosures by evaluating climate-related risk and opportunities over short-, medium and long-term - In progress in obtaining green building index for the building
 UN SDG 16: Peace, Justice and Strong Institutions	Target 16.5: Reduce all forms of corruption and bribery	Established Code of Conduct and Business Ethics, Anti-Bribery and Anti-Corruption Policy, and Whistleblowing Policy Quarterly review of risks in accordance with the Enterprise-Wide Risk Management (ERM) Policy and Framework

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY (CONT'D)

SUSTAINABILITY MILESTONES



SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY (CONT'D)

INTEGRATION WITH BUSINESS STRATEGY

The Manager is responsible for integrating climate risk management into investment evaluations, asset enhancement initiatives, property operations, and tenant engagement activities. Through a structured governance and reporting mechanism, the Manager ensures that climate-related matters are escalated to the Board, BARC and BSC for oversight and decision-making.

Climate Risk Management Framework




Climate Risk Management Framework	
Through this Policy, the Manager seeks to:	Integrate climate-related risk identification and management within the overall ERM framework
	Strengthen the resilience and adaptability of the REIT assets against climate impacts
	Enhance energy efficiency, resource management, and operational sustainability
	Support Malaysia's and the region's transition toward a low-carbon and sustainable economy
	Promote transparency, accountability, and stakeholder confidence through clear disclosure and continuous performance monitoring

SUSTAINABILITY TARGETS & PERFORMANCE

As part of its commitment to adopt sustainability throughout every facet of the REIT's operations, the REIT has developed sustainability KPIs that not only drive its strategic ESG directives but also provide transparency and accountability to ensure all sustainability goals remain a priority.

KPI METHODOLOGY AND TARGET SETTING

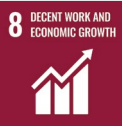




All KPIs are developed based on identified material matters and aligned with the REIT's strategic priorities. Where applicable, targets are time-bound and benchmarked against historical performance and industry practices.

Material Matters	KPIs	FY2024 Performance	FY2025 Performance	UN SDG
 Robust Corporate Governance				
Corporate Governance and Anti-Corruption	Achieve zero reported incidents of anti-bribery and anti-corruption annually.	Achieved	Achieved	
	Ensure 50% of operations are assessed for anti-corruption risk by FY2025.	Achieved	Achieved	
	Provide training and regular communication on the ABAC Policy for 100% of JRM employees by FY2025.	Achieved	Achieved	
Regulatory Compliance and Risk Management	Conduct comprehensive ESG risk assessment throughout the organisation and formulate a risk response.	Achieved	Achieved	
Data Privacy and Cybersecurity	Achieve zero breaches in data privacy and cybersecurity annually.	Achieved	Achieved	

SUSTAINABILITY STATEMENT

SUSTAINABILITY TARGETS & PERFORMANCE (CONT'D)

KPI METHODOLOGY AND TARGET SETTING (CONT'D)

Material Matters	KPIs	FY2024 Performance	FY2025 Performance	UN SDG
Sustainability Trust Fund				
Supply Chain Management	Achieve 100% of procurement budget on local suppliers.	Achieved	87% achieved	 
	100% of vendors meet the ESG assessment criteria.	30%	Achieved	
Environmental Stewardship				
Energy, Emissions and Climate Resilience	At least 3 properties with green building certification.	0	2 properties	 
	Adopt Green leases for all lease renewals and implement adoption of green leases by new tenants by FY2026.	0	2 hospitals	
Waste Management	At least 1 initiative conducted a year.	Achieved. Installation of Klean Machine at 2 hospitals	Achieved. Installation of Klean Machine at 1 hospital	
Strong Social Relationships				
Occupational Health and Safety	Maintain zero fatalities and Lost Time Injury Rate of less than 3.00 annually.	Achieved	Achieved	
	Provide OHS-related training/briefings to 100% of JRM employees by FY2026.	8% of total employees received training on health and safety standards	Achieved. 100% of employees received training on health and safety standards	
Tenant and Customer Satisfaction	Achieve a minimum score of more than 80% in the tenant satisfaction survey.	Achieved at 86%	Achieved at 80.38%	
Labour Practices and Standards	Achieve substantiated zero complaints on human rights violations, including forced labour, child labour, discrimination, and harassment.	Zero complaints registered on human rights violations.	Achieved	
	Train 100% employees on labour and human rights matters.	N/A		

Note: N/A refers to a KPI newly introduced in 2025, no prior data is available.

The REIT will progressively enhance its KPI framework to include intensity-based metrics and science-based climate targets in alignment with IFRS S2 and industry best practices.

SUSTAINABILITY STATEMENT

RISK MANAGEMENT

As part of its commitment to robust risk management, the takes proactive measures to identify and mitigate ESG-related risks, including environmental, social, labour, occupational health and safety (“OHS”), tax, and data protection. Risk assessments are guided by the Enterprise Risk Management (“ERM”) framework and conducted on a quarterly basis to ensure existing risk mitigation measures remain relevant. Identified risks are integrated into the REIT’s risk register, ensuring ESG-related concerns are addressed in the REIT’s risk management approach. This ensures that all risks and potential issues are managed before they impact operations or stakeholders, strengthening its brand image, operational productivity, and financial performance.

The REIT’s risk management is overseen by the BARC and supported by the ERM. The BARC and ERM identifies risk parameters, appetite, profiles, and prepares mitigation measures and action plans in response of identified risks. These initiatives are cascaded to Risk Owners who manages day-to-day risks at the operational level, ensuring mitigation measures are implemented and risks are controlled effectively. The roles involved in the REIT’s risk management is detailed below:



The Manager also evaluates ESG risks through a structured risk management process that is integrated into the REIT’s ERM framework. This process considers both current and emerging risks across environmental, social and governance dimensions, including climate-related and transition risks, operational and compliance risks, workforce and community-related risks, as well as governance and ethical risks.

Key ESG risk areas are identified, assessed and monitored based on their potential impact and likelihood. Mitigation measures, controls and action plans are implemented to manage these risks effectively, with oversight provided by management and the Board of Directors of the Manager. The evaluation of ESG risks informs strategic decision-making, sustainability priorities and disclosure practices, in line with Bursa Malaysia’s Sustainability Reporting Guide and the IFRS Sustainability Disclosure Standards.



SUSTAINABILITY STATEMENT

RISK MANAGEMENT (CONT'D)

Risk Management	Description
Risk Identification	▶ The REIT employs a structured risk assessment approach integrated into daily operations alongside other risks via its ERM Framework.
Risk Assessment	▶ Key risks are assessed based on their likelihood of occurrence and potential impact on the business, particularly in the event of adverse climate-related incidents. ▶ An Audit and Risk Management Committee has been established to review and update risks on a quarterly basis, with input from each department.
Risk Management	▶ To manage identified risks, the REIT has implemented the following measures: <ul style="list-style-type: none"> • Enterprise Risk Management Framework: The ERM continuously monitors, evaluates and manages significant risks. Corrective actions are implemented as necessary, and their effectiveness is regularly reviewed. • Internal Controls: The REIT implements action plans with specific timeframes for mitigation when necessary. • Internal and External Audits: The BARC regularly examines the internal control process and the results of the risk management.

The table below summarises the principal ESG risk areas relevant to Al-`Aqar.

RISK PRIORITISATION

ESG Pillar	Risk Area	
 Environmental	<ul style="list-style-type: none"> • Climate & Transition Risk • Energy Inefficiency • Poor Environmental Due Diligence 	
	 Social	<ul style="list-style-type: none"> • Tenant Health & Wellbeing • Community Relations • Workforce Diversity & Inclusion • Health & Safety Compliance • Breach of Human Rights/Child Labour
		 Governance

Identified ESG risks are prioritised based on likelihood and impact. High-priority risks are escalated to the BARC and monitored on a quarterly basis. The approach to climate risk management ensures that climate risk remains a central concern in the REIT's operations, and its integration into the ERM and linkage with KPIs further enforces resilience and transparency on climate-related concerns. By developing robust climate risk management, the REIT enhances its climate resilience and provides customers and stakeholders with the safest and most resilient properties.

SUSTAINABILITY STATEMENT

CLIMATE CHANGE & DECARBONISATION

CLIMATE GOVERNANCE

Risk Area	Risk Rating	Risk Tolerance Level
ESG Governance Weakness is a risk if ESG considerations are not adequately integrated into Board and management decision-making processes.	●	●

Effective governance of climate-related risks and opportunities is a key priority for the Board, reflecting its commitment to long-term resilience and value creation. Through strategic oversight, the Board ensures that climate considerations are embedded in decision-making, while management actively assesses and addresses climate-related challenges to protect and enhance its assets.

The REIT adopts a top-down approach to managing sustainability-related initiatives and concerns. Board maintains oversight of the REIT’s sustainability agenda, ensuring that all sustainability and climate-related initiatives, risks, and opportunities align with overarching targets.

The management, including the Sustainability Management Committee (“SMC”), advises the Board on climate initiatives

and strategies while monitoring and overseeing their implementation in daily operations. The SMC is also tasked with consolidating performance data and benchmarking progress against KPIs and targets, developing climate strategies that are unique to each operational site, periodically reporting findings to the Board and suggesting implementations to ensure continuous alignment with climate objectives, and acting as a bridge of communication between the Board and the operational level.

Under the management, operation-level personnel, including the departments, project owners, leaders, and service providers, are responsible for implementing climate initiatives from the management and Board levels, collecting progress and data on risks and potential issues to provide management with the data necessary to devise and adapt climate strategies.



Through this strong top-down governance approach, the REIT is well-equipped to manage climate-related risks while seizing related opportunities, enhancing both operational resilience and long-term sustainability outcomes. In the future, the REIT is planning on conducting annual climate training for the Board members to ensure the REIT’s strategic direction and oversight controls remain flexible to evolving climate change developments. The approach ultimately positions the REIT to be prepared in mitigating all climate risks, enhancing the climate resilience and the long-term operational sustainability.

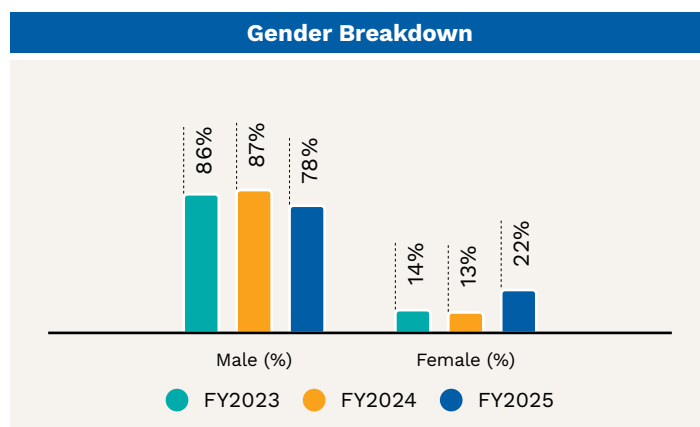
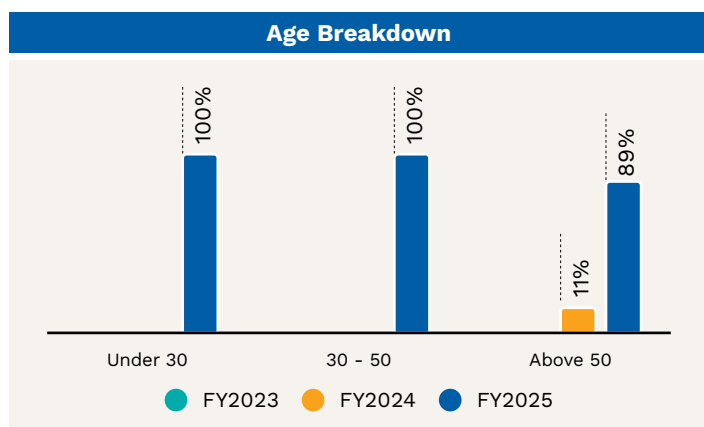
SUSTAINABILITY STATEMENT

CLIMATE CHANGE & DECARBONISATION (CONT'D)

CLIMATE GOVERNANCE (CONT'D)

Board Composition and Competency

The Board is structured to ensure an appropriate balance of skills, experience, independence and diversity, providing effective leadership and robust governance oversight. The mix of executive, non-executive and independent directors support objective decision-making, accountability and alignment with long-term value creation for stakeholders.



The Board collectively possesses experience in sustainability-related areas including risk management, governance and regulatory compliance. The REIT plans to enhance Board competency through periodic ESG and climate-related training programmes. To date, 82% of the Manager’s Directors have completed the required Mandatory Accreditation Programme Part II: Leading for Impact (MAP II), which focuses on sustainability leadership, governance oversight and long-term value creation.

CLIMATE RISKS AND OPPORTUNITIES

Risk Area	Risk Rating	Risk Tolerance Level
Climate and transition risk is a risk that includes uncertainties related to exposure to carbon pricing mechanisms, evolving green regulations, and changing tenant and stakeholder expectations	●	●

SUSTAINABILITY STATEMENT

CLIMATE CHANGE & DECARBONISATION (CONT'D)

CLIMATE RISKS AND OPPORTUNITIES (CONT'D)

The REIT's sustainability strategy is designed to integrate climate-related and broader ESG considerations into its core business operations, in line with IFRS Sustainability Disclosure Standards S1 and S2. Al-`Aqar's strategic planning adopts a structured time horizon framework to ensure clear prioritisation and measurable outcomes: short-term (0–2 years), medium-term (3–5 years) and long-term (beyond 5 years).

The REIT identified several physical and transition risks that impact its operations, financial performance, and the wellbeing of the employees and stakeholders. Based on the identified risks, the REIT developed mitigation measures to counter them and while also identifying opportunities that can be capitalised on to strengthen its position.

Transition Risks	Potential Impact	Opportunities	Time Frame
Policy and Legal			
Potential carbon tax and pricing implementations	<ul style="list-style-type: none"> Higher operating costs to maintain compliance due to more stringent environmental regulations and standards 	In addition to complying with potential upcoming regulations, the REIT taps into a new market and stay abreast of regulatory development	Medium to long term
Technology			
Barriers in the implementation of new technologies and low-carbon processes	<ul style="list-style-type: none"> Higher capital expenditures for new technologies, including solar panels and smart building solutions, that optimise energy consumption and decarbonises the portfolio Additional costs to adapt existing processes to align with emerging standards 	Investments in low-carbon and energy-efficient technologies reduces its GHG footprint and positions the REIT to be a leader in sustainable property management	Short to medium terms
Market			
Evolving market conditions and customer demand	<ul style="list-style-type: none"> Rising costs contributing to lower revenue External economic events such as recessions that lower property values and rental income, increase vacancies and unproductive properties, and other financial challenges 	Showcasing Al-`Aqar's sustainability commitment and implementations to differentiate the REIT from competitors and attract environmentally aware clients	Short term
Reputation			
Reputational damage as a polluting or lagging organisation in portfolio decarbonisation	<ul style="list-style-type: none"> Climate-resilient and sustainable properties remain a top priority for investors and tenants. Failing to meet these expectations could result in dissatisfaction and reputational harm Infrastructure failure or disruptions caused by climate events reduce the brand perception and reliability of the portfolio, potentially leading to dissatisfaction and loss of market share, tenants, and investors 	Developing low-carbon and climate-resilient implementations prevents impacts from occurring and strengthens the image as a responsible and reliable REIT	Long term

SUSTAINABILITY STATEMENT

CLIMATE CHANGE & DECARBONISATION (CONT'D)

CLIMATE RISKS AND OPPORTUNITIES (CONT'D)

Physical Risks	Potential Impact	Time Frame	Mitigation Strategies
Acute			
Extreme, short-term climate events such as heat waves, floods, and landslides	<ul style="list-style-type: none"> • Extreme weather events can cause damage to the buildings or the assets • Pose potential safety risks 	Short term	<ul style="list-style-type: none"> • Conduct risk assessments • Develop emergency response plans • Invest in climate-resilient infrastructure
Chronic			
Gradual but significant long-term climate change, such as extreme weather fluctuations, rising global temperatures, and increased precipitation	<ul style="list-style-type: none"> • Negatively impact infrastructure, such as increased wear-and-tear and fluctuations in resource availability • Deteriorate the health of employees, including an increased likelihood of exhaustion, dehydration 	Long term	<ul style="list-style-type: none"> • Adopt sustainable practices • Invest in energy-efficient technologies • Build climate-resilient infrastructure

CLIMATE SCENARIO ANALYSIS

The REIT is progressively assessing the resilience of its portfolio under different climate scenarios, including a 1.5°C and 2°C transition pathway. This assessment considers potential impacts on asset valuation, operational costs and regulatory exposure.

Further enhancements to scenario analysis disclosures will be undertaken in subsequent reporting cycles.

FINANCIAL IMPLICATIONS

The REIT recognises that climate-related risks, both transitional and physical, can materially affect financial performance, operational costs, and asset valuation. Transition risks arise from regulatory, technological, market, and reputational changes, while physical risks stem from acute and chronic climate events.

Notably, the climate-related risks may result in:

- Increased capital expenditure for asset upgrades
- Higher operational costs due to energy transition
- Potential asset impairment from physical risks

The REIT continues to evaluate these financial implications as part of its comprehensive risk management framework, ensuring that both transitional and physical climate-related risks are assessed in alignment with IFRS standards.

SUSTAINABILITY STATEMENT

CLIMATE CHANGE & DECARBONISATION (CONT'D)

DECARBONISATION ROADMAP

To further strengthen its decarbonisation measures, AL-`Aqar developed a decarbonisation roadmap that guides and aligns the REIT’s operations towards achieving net zero carbon by 2050.

Decarbonisation Roadmap	
Short term (FY2025-26)	<ul style="list-style-type: none"> • Conduct energy audits, LED retrofit pilots, establish baseline energy and carbon performance • Conduct solar photovoltaic (“PV”) feasibility study • Calculate Scope 1, 2, and partial Scope 3 emissions annually • Develop a more comprehensive decarbonisation roadmap
Medium term (FY2027-28)	<ul style="list-style-type: none"> • Implement building management systems (“BMS”), chiller upgrades, and energy analytics platform • Investigate and develop more robust emission reduction initiatives • Expand solar panel utilisation to properties in the REIT’s portfolio
Long term (FY2029-30)	<ul style="list-style-type: none"> • Green building certifications • Adopt carbon offset implementations • Set internal carbon pricing • Conduct energy and GHG verification • Acquire renewable energy certification (“REC”) and review

ENERGY AND EMISSIONS

Although AL-`Aqar’s operations do not directly consume electricity from buildings, and associated emissions are borne by the tenants themselves, the REIT remains committed to driving environmental sustainability across its portfolio. Through proactive measures such as approving and supporting rooftop solar PV projects and other energy efficiency initiatives, the REIT plays a key role in enabling tenants to reduce their carbon footprint and promoting greener operations. These efforts demonstrate the REIT’s dedication to fostering a low-carbon transition, enhancing climate resilience, and contributing to broader ESG progress while creating long-term value for stakeholders and the communities served by the REIT.

Energy and Emission Metrics

Risk Area	Risk Rating	Residual Risk/ Risk Tolerance Level
Energy inefficiency is a risk because inefficient HVAC, lighting, or envelope can lead to high energy use	●	●

SUSTAINABILITY STATEMENT

CLIMATE CHANGE & DECARBONISATION (CONT'D)

ENERGY AND EMISSIONS (CONT'D)

Recognising that energy consumption is the primary contributor to GHG emissions, the REIT proactively engages with tenants to encourage energy efficiency, including upgrading building assets such as elevator and genset. In parallel, the REIT is supportive and welcome collaborations with tenants for ESG initiatives.

The REIT has achieved Green Building Certification under MyCREST for Kedah Medical Centre, KPJ Sentosa, KPJ Tawakkal and KPJ Klang. Meanwhile, Ampang Puteri Specialist (new building) is also awaiting approval for its GBI Certification. It has also approved the installation of EV charging infrastructure, solar photovoltaic systems, and elevator upgrades to enhance energy efficiency. In addition, smart meters have been deployed across the properties to enable more effective energy monitoring and management.

Collectively, these initiatives demonstrate a comprehensive and forward-looking approach to strengthening energy performance and climate resilience across the portfolio.

Al-`Aqar's GHG tracking and disclosures are guided by the GHG Protocol, dividing its GHG emissions into Scope 1, 2, and 3 emissions. This covers emissions from CO₂, N₂O, and CH₄, converted into units of metric tons of carbon dioxide-equivalents ("t CO₂e"). Emissions are calculated by multiplying activity data with emission factors sourced from the Department for Environment, Food & Rural Affairs ("DEFRA") and Suruhanjaya Tenaga for emissions related to electricity purchased from the national grid. In FY2025, the REIT's GHG calculations and disclosures now include emissions from KPJ, under Scope 3: leased assets.

All monitored and reported emissions under the REIT are shown below:

Scope 1	<p>Direct emissions as a result of Al-`Aqar's operations:</p> <ul style="list-style-type: none"> Fuel combustion for company-owned vehicles
Scope 2	<p>Indirect emissions from purchased electricity</p> <ul style="list-style-type: none"> Electricity used in the headquarters
Scope 3	<p>Other indirect emissions from the following sources:</p> <ul style="list-style-type: none"> Downstream leased assets, from: <ul style="list-style-type: none"> KPJ Ipoh Specialist Hospital, KPJ Penang Specialist Hospital, KPJ IC Penang, Kedah Medical Centre, Taiping Medical Centre, KPJ Ampang Puteri Specialist Hospital, KPJ Tawakkal KL Specialist Hospital, Tawakkal Health Centre, KPJ Seremban Specialist Hospital, KPJ Kajang Specialist Hospital, KPJ Sentosa KL Specialist Hospital, KPJ Damansara Specialist Hospital, KPJ Selangor Specialist Hospital, KPJ Klang Specialist Hospital, KPJ Johor Specialist Hospital, KPJ Kluang Utama Specialist Hospital, KPJ Puteri Specialist Hospital, KPJ Batu Pahat Specialist Hospital, KPJ Pasir Gudang Specialist Hospital, Kuantan Wellness Centre and KPJ Perdana Specialist Hospital

Property managers are mandated to report on electricity consumption, with the REIT utilising the gathered data to further implement targeted energy-saving initiatives that enhance operational efficiency. In FY2025, the REIT recorded total 281.59 GJ or 78.22 MWh energy consumption and tenant energy consumption was 455,280.88 GJ or 126,466.91 MWh.

SUSTAINABILITY STATEMENT

CLIMATE CHANGE & DECARBONISATION (CONT'D)

ENERGY AND EMISSIONS (CONT'D)

Headquarter Offices Energy Consumption	FY2025
Gigajoules (GJ)	281.59
Megawatt hour (MWh)	78.22

Note: Data collection begins in 2025.

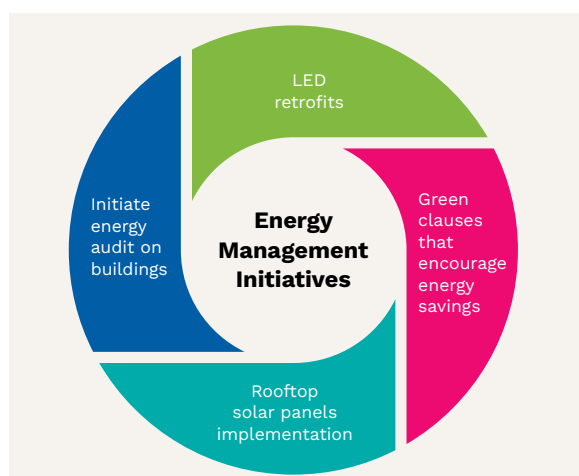
Tenant Energy Consumption	FY2023	FY2024	FY2025
Gigajoules (GJ)	421,228.62	436,007.88	455,280.88
Megawatt hour (MWh)	117,007.95	121,113.30	126,466.91

Note: KPJ Pasir Gudang Specialist Hospital is excluded from the 2024 data and commenced reporting in 2025.

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Scope 1 emissions in tonnes of CO ₂ e	Metric Tonnes			
- Diesel		19.85	6.22	-
- Petrol		-	20.87	4.30
Scope 2 emissions in tonnes of CO ₂ e	Metric Tonnes			
- Electricity (JRMSB-JB&PJ)		23.94	25.60	59.29
Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric Tonnes			
- Water (Leased Building)		184.73	196.36	286.01
- Electricity (Leased Building)		91,266.20	91,803.88	97717.58
- Business Travel & Employee Commuting		4.40	37.20	59.93
- Waste (Recycle & Non-Recycle)		-	-	0.31
Total		91,499.12	92,090.13	98,127.52

Intensity Metrics

To improve comparability and performance tracking, the REIT will progressively disclose Energy intensity (kWh/m²), Emissions intensity (t CO₂e/m²) and Water intensity (m³/m²). These metrics will be introduced as data availability improves, particularly through enhanced tenant collaboration.



The REIT has established a strong foundation for environmental performance management through the completion of energy audits, the initiation of LED retrofits, the incorporation of green clauses that encourage energy savings the disclosure of Scope 1, Scope 2 and Scope 3 emissions and the implementation of rooftop solar panels. In the longer term, the REIT will progressively integrate decarbonisation pathways, explore the use of offsets and internal carbon pricing, and align its climate transition strategy with emerging regulatory expectations and market standards.

SUSTAINABILITY STATEMENT



GOVERNANCE

Materiality Matters

- 01 Corporate Governance and Anti-Corruption
- 03 Regulatory Compliance and Risk Management
- 05 Data Privacy and Cybersecurity

UN SDG Alignment



SDG 8: Decent Work and Economic Growth
Promoting sustained economic growth, productive employment and decent work for all



SDG 16: Peace, Justice, and Strong Institutions
Promote peaceful and inclusive societies, providing access to justice for all, and building effective, accountable and inclusive institutions at all levels

Al-`Aqar is committed to ensuring the highest level of professionalism and ethics in governance, upholding principles of transparency, accountability, and integrity. This approach ensures that all operations remain free of non-compliance and unethical risks, such as corruption and regulatory violations, that are closely monitored and controlled with great care.

While this approach ensures the REIT remains compliant with the relevant regulations, it also provides the stakeholders with transparency, fostering an open culture among the people the REIT considers important. Through fostering a culture of trust with the stakeholders, it ensures the REIT's long-term operations continue unhindered while fortifying the risk management.

Through good governance practices, it creates a robust foundation that advances all other sustainability initiatives, contributing towards the achievement of strategic long-term business objectives while delivering value to the stakeholders.



Key Stakeholders




SUSTAINABILITY STATEMENT


CORPORATE GOVERNANCE AND ETHICS

The REIT developed internal Standard Operating Procedures (“SOPs”) that guide its operations and streamlines the REIT’s management and business activities. Further reinforcing the corporate governance is the Manager’s Code of Conduct and Business Ethics (“the Code”), which details the expected behaviour and disciplinary measures for employees, while also integrating the Whistleblowing Policy and the Anti-Bribery and Anti-Corruption (“ABAC”) Policy to strengthen the REIT’s governance controls and further mitigate risks.


In further ensuring proper alignment with ethical standards and good behaviour, the REIT has established numerous sustainability policies as shown below. These policies are described in greater detail in their respective sections of the SS2025.




Anti-Bribery and Anti-Corruption (“ABAC”) Policy



Whistleblowing Policy



No-Gift, No-Entertainment Policy




Personal Data Protection (“PDP”) Policy

Anti-corruption

Risk Area	Risk Rating	Risk Tolerance Level
Corruption and bribery risk arise due to procurement, leasing, and regulatory approval processes involve interactions with external parties and decision-making related to commercial terms and approvals, which may create exposure to improper influence.	●	●

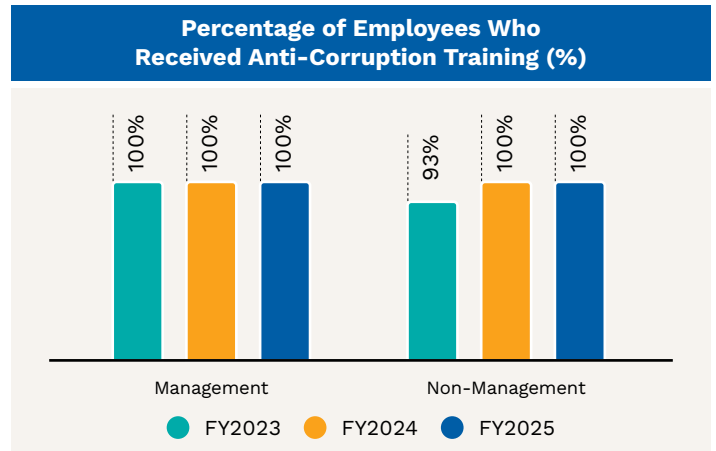
The REIT enforces a zero-tolerance approach towards acts of corruption, bribery, and other unethical behaviour. The REIT’s Anti-Corruption Policy was approved and overseen by Board to enforce anti-corruption measures, which is aligned with the Malaysian Anti-Corruption Act 2009.



Anti Bribery and Anti-Corruption (“ABAC”) Policy

- Outlines procedures against money laundering and the management of gifts, entertainment and hospitality expenses
- Reinforced by the REIT’s No-Gift, No-Entertainment Policy
- Communicated to employees through briefing and training
- Communicated to external parties through the publication in the corporate website

Anti-corruption measures and procedures are cascaded through regular refreshers, briefing and training sessions, ensuring that the employees understand the most recent developments in anti-corruption protocols and reinforcing the REIT’s stance against acts of corruption. In FY2025, the anti-corruption communication and training have been undertaken by 100% of employees.



SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE AND ETHICS (CONT'D)

Anti-corruption (Cont'd)

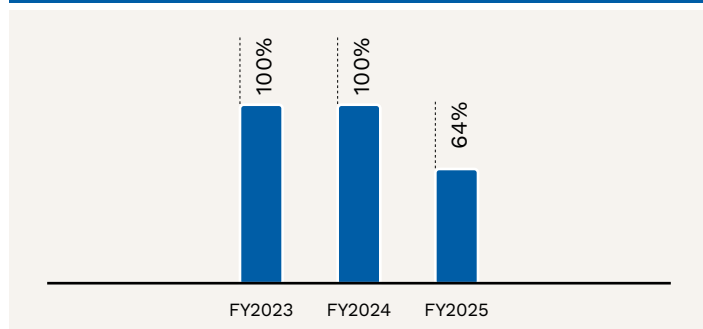
Additionally, the REIT conducts regular risk assessments and maintaining due diligence procedures through regular evaluation. This assessment covers 15 corruption risks as outlined below with medium and high risks are included into the REIT's integrity risk register, fortifying the overall risk management.

Operations in Al-`Aqar have been Assessed Against 15 Corruption Risks

Fraud	Bribery and Kickbacks	Conflicts of Interest
Collusion	Environmental Corruption	Government Interaction
Embezzlement	Facilitation Payments	Country of Operation
Recruitment	Cyber Corruption	Money Laundering
Gifts, Entertainment, and Hospitality	Procurement Practices	Charitable and political donations, sponsorship

The compiled risk register is then presented to the BARC and the Board of Investment Committee ("BIC") for further evaluation and assessment, ensuring that the highest governing bodies maintain oversight over the REIT's corruption risks. The REIT is proud to declare that the REIT has assessed 100% of operations for corruption risks for three consecutive years, marking a milestone in the sustainability journey.

Percentage of operations assessed for corruption-related risks



The REIT	FY2023	FY2024	FY2025
Political contribution made (RM)	0	0	0
Staff disciplined or dismissed for anti-corruption policy breaches	0	0	0
Fines, penalties, or settlements related to corruption (RM)	0	0	0
Confirmed incidents of corruption and action taken	0	0	0

Externally, the REIT requires the suppliers and business partners to acknowledge and sign a pledge against acts of corruption, holding the associates accountable for any unethical behaviour.

	FY2023	FY2024	FY2025
Confirmed incidents of corruption and action taken	0	0	0


The REIT's measures remain effective, resulting in 0 reported cases of bribery or corruption, showcasing the commitment to minimising corruption risks internally and among the associates. While the results remain positive for several consecutive years, the REIT remains dedicated to improving the controls and procedures to ensure that corruption risks within the operations are minimised and eliminated.

SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE AND ETHICS (CONT'D)

Whistleblowing

In addition to anti-corruption protocols, the REIT has developed the Whistleblowing Policy which outlines procedures and channels to report of acts that violate the REIT’s principles, the Code, and other relevant laws. This includes acts of fraud, bribe, blackmail, embezzlement, and any potential conflicts of interests between two or more parties. This Policy aligns with the Whistleblower Protection Act 2010. In FY2025, the REIT received zero whistleblowing reports.



Whistleblowing Policy

- Provides a secure mechanism for reporting non-compliance and misconduct within the REIT
- Functions as a grievance mechanism for reporting acts of harassment, bullying, and rights violations
- Outlines procedures and protections for whistleblowers to prevent retaliation, while ensuring anonymous reporting and strict confidentiality of the whistleblower’s identity and information disclosed



SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE AND ETHICS (CONT'D)

Whistleblowing (Cont'd)

The whistleblowing process will generally take several weeks to a few months, depending on the nature, complexity, and severity of the case. Individuals that wish to file a whistleblowing report can utilise the following channels:



Email: jlgrm.integrity@jlandgroup.com.my

or,

by writing or visiting the location at:
 The Chairman of BARC/Chairman of the Board
 JLG REIT Managers Sdn Bhd
 Unit 1-19-02, Level 19, Block 1,
 V SQUARE, Jalan Utara,
 46200 Petaling Jaya,
 Selangor.

REGULATORY COMPLIANCE

Risk Area	Risk Rating	Risk Tolerance Level
Failure to adopt IFRS S1 (General Sustainability-related Disclosures) and IFRS S2 (Climate-related Disclosures) can be a risk, leading to non-compliance with Bursa Malaysia/SC disclosure requirements.	●	●

The REIT recognises that a harmonious relationship between the REIT and regulatory bodies is necessary to ensure smooth operations with minimal disruptions and negative impacts. Non-compliance with stipulated laws will lead to financial losses, reputational damage, and stoppage of operations due to reasons including revocation of permits and licenses. Thus, the REIT takes actions to maintain compliance and align with regulations to the highest priority, including but not limited to the following laws, regulations, and guidelines:

Bursa Malaysia MMLR	Guidelines on Listed REITs	EPF Act 1991
Guidelines on Islamic Capital Market Products and Services	Malaysian Code on Corporate Governance (“MCCG”)	Guidelines on Corporate Governance for Capital Market Intermediaries

The REIT’s regulatory compliance strategies are overseen by the Manager, which includes the preparing compliance reports, providing regular regulatory and compliance-related training, acquiring legal advice, and performing periodic audits. The REIT conducts additional monitoring sessions for departments, contractors, and consultants, alongside conducting regulatory awareness sessions to ensure the Board is kept abreast of all legal and secretarial updates. All internal communications related to regulatory compliance are done through meetings and briefings.

Operationally, the REIT ensures compliance is cascaded throughout its operations through regular communication of legal obligations to tenants, such as the Uniform By-Laws 1984 and the Fire Services Act 1988, and the continuous

monitoring of the activities to identify potential risks or breaches. The REIT also requests insurance cover notes for property protection in addition to the utilisation of a manual notification planner for license renewal, supervised by the Building Manager. Communication is done through Annual General Meetings, analyst briefings, and accessible online through the REIT’s corporate websites and annual reports.

These approaches allow the REIT and the Board to stay updated of legal developments and risks, allowing the REIT to proactively manage compliance concerns before any cases arise. Throughout FY2025, the REIT faced 0 cases of regulatory non-compliance and imposed fines.

SUSTAINABILITY STATEMENT

REGULATORY COMPLIANCE (CONT'D)

Regulatory Compliance	FY2023	FY2024	FY2025
Incidents of non-compliance with regulations resulting in a fine or penalty;	0	0	0
Incidents of non-compliance with regulations resulting in a warning;	0	0	0
Total monetary value of significant fines	0	0	0
Total number of non-monetary sanctions;	0	0	0
Cases brought through dispute resolution mechanisms.	0	0	0

DATA PRIVACY AND CYBERSECURITY


Risk Area	Risk Rating	Risk Tolerance Level
Data privacy & cybersecurity risk is a risk due to the potential loss, unauthorised access, or breach of personal and confidential data.	●	●

The REIT considers matters related to data privacy and cybersecurity a key concern. Recognising that data breaches may lead to leakage of confidential data, including information key to the REIT's operations and those of the customer's private information, the REIT implements numerous measures and safeguards to ensure all data and the REIT's digital wellbeing remains protected. To solidify the commitment, the REIT has developed the Personal Data Protection ("PDP") Policy, which is aligned with the Personal Data Protection Act 2010 and outlines the approach to data management and protection, and is aligned with data protection regulations.


Among the approaches to data protection, the REIT utilises a User Access Rights Matrix restrict access to sensitive information to authorised personnel, thereby reducing the risk of data leakage and data privacy breaches.

In cases of a security or privacy breach, the REIT will deploy the Cyber Security Procedures alongside the Data Recovery Procedures which details established protocols on handling data breach events and protocols for data recovery. Through these initiatives, the REIT did not undergo any instances of data breaches or losses of customer data, showcasing the resilience of the data privacy and cybersecurity controls.


Digital Transformation Strategy




Installed backup software and data protection software



Utilised VPNs to protect network connections



Usage of Microsoft 365 cloud storage to protect the data



Implemented IT disaster recovery plan, drills, and data recovery tests

As of 2025, there is zero substantiated complaints concerning breaches of customer privacy and losses of customer data.

	FY2023	FY2024	FY2025
Number of Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

SUSTAINABILITY STATEMENT



ECONOMIC

Materiality Matters

- 02 Economic Performance
- 11 Supply Chain Management

UN SDG Alignment



SDG 8: Decent Work and Economic Growth

Promoting sustained economic growth, productive employment and decent work for all



SDG 9: Industry, Innovation, and Infrastructure

Build resilient infrastructure, promote sustainable industrialisation and foster innovation

Among the developments towards advancing sustainability, Al-`Aqar recognises that economic impacts have the potential to shape the wellbeing of not only the REIT, but also its employees, the communities, and other players contributing to the local economy.

While the REIT considers strong financial performance and long-term returns important for the continued business, the REIT recognises that such benefits are also extended to other stakeholders.

Creating sustainable economic value allows the REIT to achieve greater cost savings, improve market outlook and the brand reputation, while strengthening relationships with the stakeholders by implementing mutually beneficial initiatives. This approach also strengthens the REIT's long-term resilience to evolving market demand and economic conditions, ensuring it stays abreast of all developments and demands, and creating value that is aligned to the best interest of all the stakeholders.



Key Stakeholders



SUSTAINABILITY STATEMENT

ECONOMIC PERFORMANCE

The REIT recognises robust financial performance as a core aspect to ensure unitholders continue to receive returns while providing the REIT with the necessary capital to expand its properties and portfolios. By deploying robust cost controls and optimising resource allocation, it ensures that the REIT's finances remain strong, securing the long-term financial stability and desirability of the real estate portfolio.

Direct Economic Impacts

As part of Al-`Aqar's commitment to improve the economic value generated to its stakeholders, the REIT strives to continuously improve the economic performance. In addition to advancing the capital to expand the portfolio and properties, a robust economic performance allows the REIT to implement more sustainable initiatives that benefits the operations through measures such as investments in renewable energy while creating community events and generating value that benefit the investors, among other notable benefits.

Group Economic Performance (RM'000)	FY2024	FY2025
Economic value generated (revenue)	117,852	120,489
Property Expenses	16,309	15,590
Fund Expenses (Islamic financing, directors fees, audit fees and other related expenses.)	39,916	42,584
Taxes credit	200	-
Profit for the year (profit after tax)	58,275	55,717

The REIT's approach to maximising economic performance is centred around the optimised and efficient budget allocation of the properties. This ensures that all of the capital is allocated to investments and properties with the highest possible returns. The priorities also consider a balance between minimising risks and economic uncertainties, such as variability in market dynamics, while maximising portfolios with the highest potential for revenue generation. The REIT's thorough examination and budget allocation allows it to create long-lasting economic value and financial stability for all the stakeholders and investors.

Indirect Economic Impacts

The REIT's daily activities provide indirect economic benefits that benefits local communities, economies, and more external stakeholders. Among these benefits, the commitment to prioritising local suppliers ensures that money is circulated in developing areas, stimulating regional economic growth and the national economic wellbeing. The prioritisation of local talents also provides job vacancies that reduces national unemployment.

In addition to the advancement of the local economy, the investments in commercial properties contribute to further job creation for other companies which further propagates local economies. Over time, commercial hubs become more developed, leading to further economic advancement of regions that supports residential development and regional activity, creating a positive feedback loop that improves the livelihoods of local communities.

SUSTAINABILITY STATEMENT

TENANT PARTNERSHIP

Strong and collaborative tenant partnerships are fundamental to the long-term sustainability and performance of the REIT. The assets support essential medical services, making effective coordination with tenants critical to operational continuity, safety and service quality. The REIT adopts a partnership-based approach that balances clear delineation of responsibilities with active engagement and collaboration to meet evolving healthcare and sustainability needs.

Through clearly defined operational controls and ongoing tenant engagement, the REIT aims to maintain high standards of asset performance, support quality healthcare delivery and create long-term, mutually beneficial relationships with the tenants.

Division of Operational Control

As the owner of healthcare real estate assets, Al-`Aqar is responsible for the management and maintenance of building-related infrastructure and common property assets within its portfolio. This includes, among others, core building systems and facilities such as generator sets elevators, electrical and mechanical systems, fire protection systems and overall building structure. These assets are managed to ensure operational reliability, safety and compliance with applicable regulatory and contractual requirements.



Tenants are responsible for the operation and maintenance of equipment and systems directly related to healthcare delivery and tenant-specific operations, including medical equipment, clinical machinery, specialised water filtration systems and other hospital-specific facilities, in accordance with regulatory requirements and clinical standards. The REIT works closely with tenants to ensure coordination of maintenance activities and compliance with safety and operational standards.

SUSTAINABILITY STATEMENT

TENANT PARTNERSHIP (CONT'D)

Tenant Engagement and Satisfaction

The REIT recognises that tenant and customer satisfaction is critical to delivering quality healthcare services and ensuring the long-term sustainability of the assets. The properties support essential healthcare operations, and the REIT is committed to providing safe, reliable, and well-maintained facilities that meet the evolving needs of healthcare operators, patients, and visitors.

In addition, sustainability considerations are encouraged through tenant engagement initiatives, including the incorporation of sustainability-related clauses within tenancy agreements, where appropriate. These provisions support responsible resource use, compliance with environmental and safety standards and collaborative efforts to enhance the sustainability performance of the properties.

The REIT welcomes feedback and organises regular engagement with the tenants through structured communication channels, including periodic meetings, site visits, and formal feedback mechanisms.

These engagements allow the REIT to better understand tenant needs, operational challenges, and opportunities for improvement.

Feedback and surveys received are reviewed by management and used to guide service enhancements, maintenance planning, and capital expenditure decisions.

High-quality property management is central to tenant and customer satisfaction. The REIT focuses on proactive maintenance, safety and security, and compliance with relevant healthcare and building regulations.

Preventive maintenance programmes are implemented to ensure building systems remain reliable and efficient, supporting uninterrupted healthcare operations. The property management teams are readily accessible to address tenant queries and concerns, ensuring timely resolution of issues and minimal disruption to healthcare services.

During FY2025, a tenant satisfaction survey recorded a score of 80.38% and the portfolio achieved a 100% occupancy rate. This is underpinned by the essential nature of healthcare services, the long-term tenancy arrangements with healthcare operators, and the strategic location and suitability of the assets for healthcare delivery.

These outcomes demonstrate the commitment to maintaining high standards of property management and fostering long-term, mutually beneficial relationships with tenants, which are critical to the sustainability and resilience of the healthcare-focused portfolio.

Tenant/customer satisfaction survey exceeds

80.38%
in FY2025

100%
occupancy rate in
FY2025

SUSTAINABILITY STATEMENT

SUSTAINABLE SUPPLY CHAIN

Risk Area	Risk Rating	Risk Tolerance Level
Poor Environmental Due Diligence is a risk as inadequate ESG and environmental assessments during acquisitions may result in exposure to issues such as flood risks, land contamination, or other environmental constraints.	●	●

A sustainable supply chain is essential to the long-term resilience and value creation of the REIT. As a healthcare-focused REIT, Al-`Aqar recognises that the ESG performance of the vendors and business partners directly influences operational continuity, regulatory compliance, and reputational integrity. Accordingly, the REIT integrates ESG considerations into supplier engagement and oversight to manage risks and support responsible, long-term partnerships across the value chain.

Beyond its own operations, the REIT recognises that sustainable supply chains enhance risk resilience by reducing exposure to supply disruptions and reputational risks arising from non-compliant or unethical practices.

Over the last years, the REIT conducted Environmental, Climate, and Social Risk Assessment Survey for Vendors on the adherence to environmental regulations, climate resilience strategies, sustainability practices, labour law compliance, and human rights protections. Besides, vendors are required to declare their compliance with, and commitment to continue complying with, the ESG requirements established by the REIT, including all applicable laws, regulations, and guidelines in Malaysia.

The compliance declaration covers the following areas:



Environmental Compliance

- To comply with all applicable environmental laws and regulations relating to waste management, emissions, hazardous materials handling and environmental permitting.
- To minimise pollution, carbon emissions, energy usage, water consumption and waste generation.
- To implement reasonable mitigation measures for climate-related risks, in line with good industry practice.



Social Compliance

- To uphold human rights and fair labour practices including prohibition of forced labour, child labour, discrimination and harassment.
- To provide wages, working hours, as well as a safe and healthy working environment in accordance with Malaysian labour laws and the Occupational Safety and Health Act.
- To respect freedom of association, collective bargaining and lawful employee representation.



Governance Compliance

- To operate with integrity, transparency, and in compliance with all applicable anti-corruption and anti-bribery laws in Malaysia.
- To not offer, solicit or accept bribes, kickbacks, facilitation payments or improper gifts.

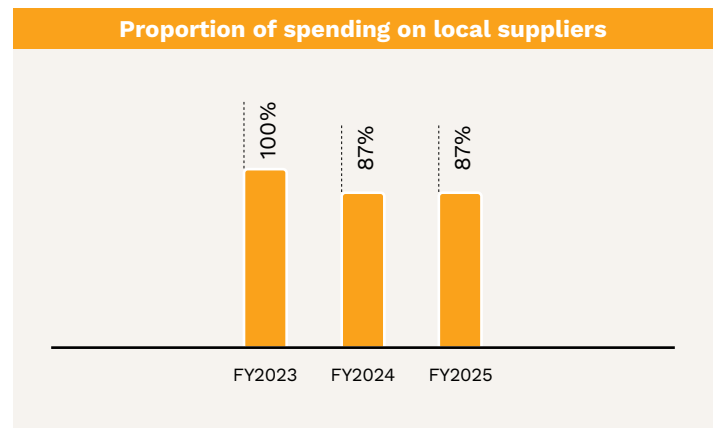
SUSTAINABILITY STATEMENT

SUSTAINABLE SUPPLY CHAIN (CONT'D)

Indicator	FY2023	FY2024	FY2025
Percentage of new suppliers that were screened using environmental criteria	50%	40%	100%
Percentage of suppliers assessed for environmental impacts (new & existing)	61%	53%	48%
Percentage of the REIT's total property portfolio certified to a recognised building management standard for property (GBI & MyCrest)	-	-	17%

This year, there were zero case reported on violations to the law or the supplier assessment criteria.

In line with the commitment to advancing the wellbeing of the local communities around the REIT, it prioritises local procurement when selecting vendors. This helps create regional demand that contributes to job creation in areas where the REIT operates. While local procurement benefits communities and regional economies, the REIT also benefits from reduced logistical routes, which lead to a lower environmental and GHG footprint, as well as shorter transportation times and fewer delays. In FY2025, the REIT sourced 87% of the materials from local suppliers, showcasing the commitment to supporting local businesses.



In conclusion, Al-`Aqar's structured approach to supplier ESG screening, compliance declarations, and local procurement reflects the commitment to responsible supply chain management. The continued emphasis on local sourcing further supports community wellbeing, strengthens supply chain resilience, and contributes to lower environmental and greenhouse gas impacts. By embedding environmental, social, and governance considerations into vendor selection and ongoing assessments, the REIT reduces exposure to regulatory, operational, and reputational risks while promoting ethical business conduct.

SUSTAINABILITY STATEMENT



VALUE FOR EMPLOYEES AND COMMUNITY

Materiality Matters

- 04 Tenant and Customer Satisfaction
- 06 Occupational Health and Safety
- 07 Labour Practices and Standards
- 08 Diversity and Inclusion
- 10 Community Enrichment

UN SDG Alignment



SDG 8: Decent Work and Economic Growth

Promoting sustained economic growth, productive employment and decent work for all

Al-`Aqar is committed to upholding fundamental human and labour rights across its operations. Its employment policies and practices are guided by applicable labour laws and regulations, and are designed to promote fair treatment, equal opportunity and a respectful working environment.

The REIT prohibits all forms of discrimination, harassment and forced or child labour, and support freedom of association and the right to collective bargaining in accordance with local legal requirements. Employment decisions relating to recruitment, remuneration, performance evaluation and career progression are based on merit, skills and experience.

These practices reflect the commitment to ethical employment standards and provide a foundation for a safe, inclusive and productive workplace.

Key Stakeholders



SUSTAINABILITY STATEMENT

OCCUPATIONAL SAFETY AND HEALTH

Risk Area	Risk Rating	Risk Tolerance Level
Occupational safety and health risks where inadequate controls or inconsistent safety practices could lead to workplace incidents, regulatory non-compliance, operational disruptions, and reputational damage.	●	●

Occupational Safety and Health (“OSH”) is a fundamental priority for the healthcare-focused REIT, as the REIT recognises the responsibility to provide a safe and healthy working environment for employees, contractors, tenants, patients, and visitors across the portfolio. Given the critical nature of healthcare operations, maintaining high OSH standards is essential to supporting uninterrupted services and protecting all building occupants.

The REIT’s OSH practices are guided by applicable Malaysian laws and regulations, including the Occupational Safety and Health Act 1994, as well as relevant industry standards and best practices.

The REIT implements structured OSH policies and procedures to identify, assess, and manage workplace safety and health risks. Roles and responsibilities for OSH are clearly defined, with oversight provided by management and implementation carried out by trained personnel and appointed service providers.

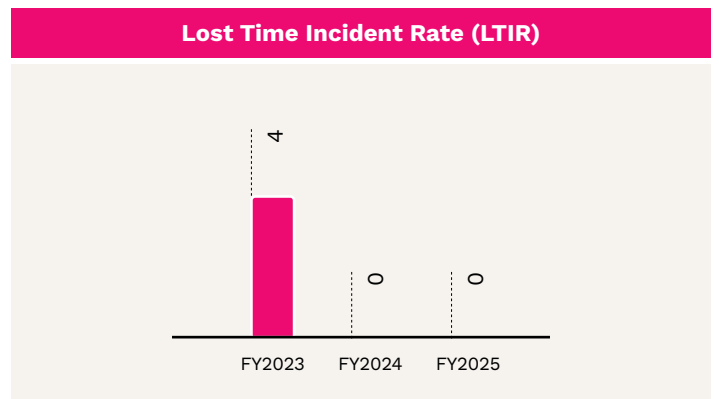
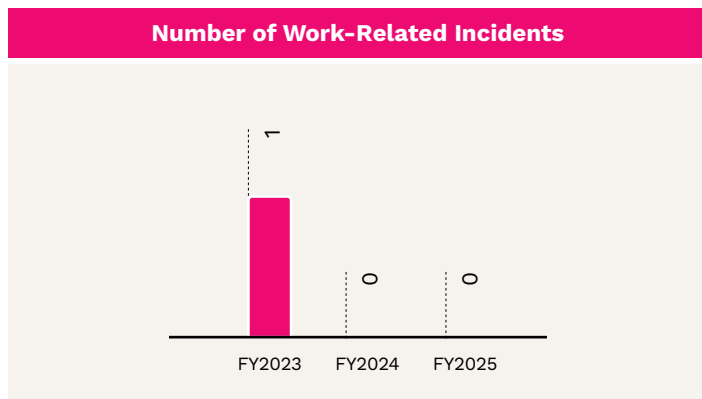
Risk assessments are conducted regularly to identify potential hazards related to building operations, maintenance activities, and contractor works. Preventive and corrective measures are implemented to mitigate identified risks and ensure a safe working environment.

Furthermore, to promote a strong safety culture, the REIT emphasises continuous OSH training and awareness. Employees and on-site personnel receive relevant safety briefings and training, including emergency response procedures, fire safety, and safe work practices. Contractors engaged at the properties are required to comply with the OSH requirements and adhere to established safety guidelines.

Safety performance

The properties are equipped with essential safety features, including fire detection and suppression systems, emergency exits, and signage in compliance with regulatory requirements. Emergency response plans are established and periodically reviewed to ensure preparedness for incidents such as fires, medical emergencies, or other unforeseen events.

Regular inspections and drills are conducted where applicable to test readiness and improve response effectiveness, in collaboration with tenants and relevant authorities.



SUSTAINABILITY STATEMENT

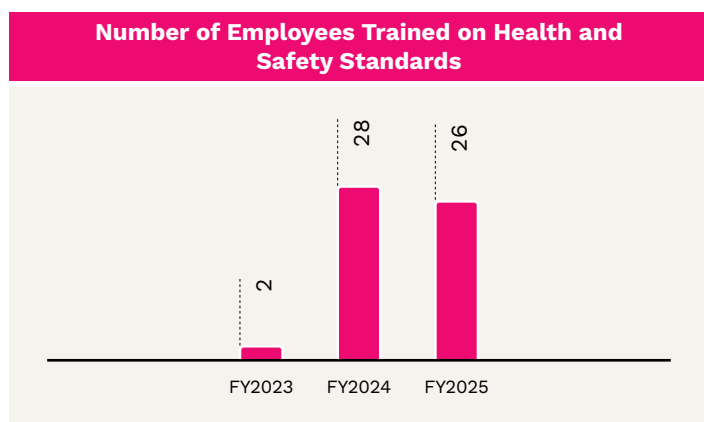
OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Safety performance (Cont'd)

The REIT maintains procedures for reporting, investigating, and addressing safety incidents and near misses. Lessons learned from incidents are used to strengthen controls, improve procedures, and prevent recurrence. The REIT's focus on continuous improvement supports the ongoing enhancement of OSH performance across the portfolio.

By prioritising occupational safety and health, the REIT safeguards the wellbeing of the employees, tenants, and building users while supporting reliable healthcare operations. The REIT's commitment to strong OSH governance, risk management, and continuous improvement reinforces the role as a responsible healthcare REIT and contributes to the long-term sustainability of the assets.

Safety Training



The REIT continues to prioritise employee safety, health, and well-being through targeted training programmes that strengthen awareness of workplace hazards, personal safety, and risk management. These initiatives equip employees with the knowledge and skills needed to maintain a safe working environment while promoting a culture of prevention, responsibility, and well-being across the organisation. In addition to occupational safety training, the REIT also conducts health awareness and cybersecurity programmes to address broader risks that may affect employee welfare and operational resilience.

Training Programme	Focus Area	Relevance to Safety & Health
Introduction to DOSH, OSH Management at the Workplace, Workplace Hazards, Industrial Hygiene, OSH Committee	Occupational Safety & Health ("OSH")	Builds employee awareness on workplace hazards, industrial hygiene practices, and OSH governance to strengthen workplace safety management.
Training – Tumbuk Rusuk	Personal Safety	Provides employees with basic self-defence skills and awareness to enhance personal safety and confidence in emergency situations.
Cancer Awareness	Employee Health & Well-being	Promotes health awareness among employees and encourages early detection and preventive health practices.

SUSTAINABILITY STATEMENT

OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Tenant Health & Well-being

The REIT recognises that tenant health and wellbeing are directly influenced by the quality of the built environment, including air quality, lighting and overall safety conditions. Inadequate management of these factors may affect tenant satisfaction and occupancy outcomes. To address this, the REIT integrates routine maintenance practices, indoor air quality (“IAQ”) testing and tenancy surveys into its operational processes. Performance is monitored through quarterly IAQ reports, helpdesk and complaint data analysis, as well as occupancy and churn trends, enabling the REIT to identify issues early and maintain a safe, comfortable and well-managed environment for tenants.

LABOUR PRACTICES, DIVERSITY & INCLUSION

Risk Area	Risk Rating	Risk Tolerance Level
Limited workforce diversity and inclusion could weaken decision-making, reduce talent attraction and retention, and increase governance and reputational exposure as stakeholder expectations rise.	●	●

The REIT acknowledges that a fair, inclusive and well-governed workforce is fundamental to sustainable performance and long-term value creation. The employment practices are guided by applicable labour laws, ethical standards and internal policies that promote fairness, transparency and respect for human rights across the organisation. Through inclusive workplace practices and strong labour standards, the REIT seeks to attract, retain and develop talent while fostering a safe and respectful working environment.

Workforce Management

Understanding the composition of the workforce enables the REIT to promote effective workforce planning, support diversity and inclusion, and ensure alignment with its business and sustainability objectives. The REIT monitors employee demographics and employment characteristics to enhance transparency, identify trends, and inform human capital management decisions.

The employee breakdown presented below provides an overview of the workforce by key categories such as gender, age group, management level, and employment type, supporting responsible workforce management and continuous improvement.

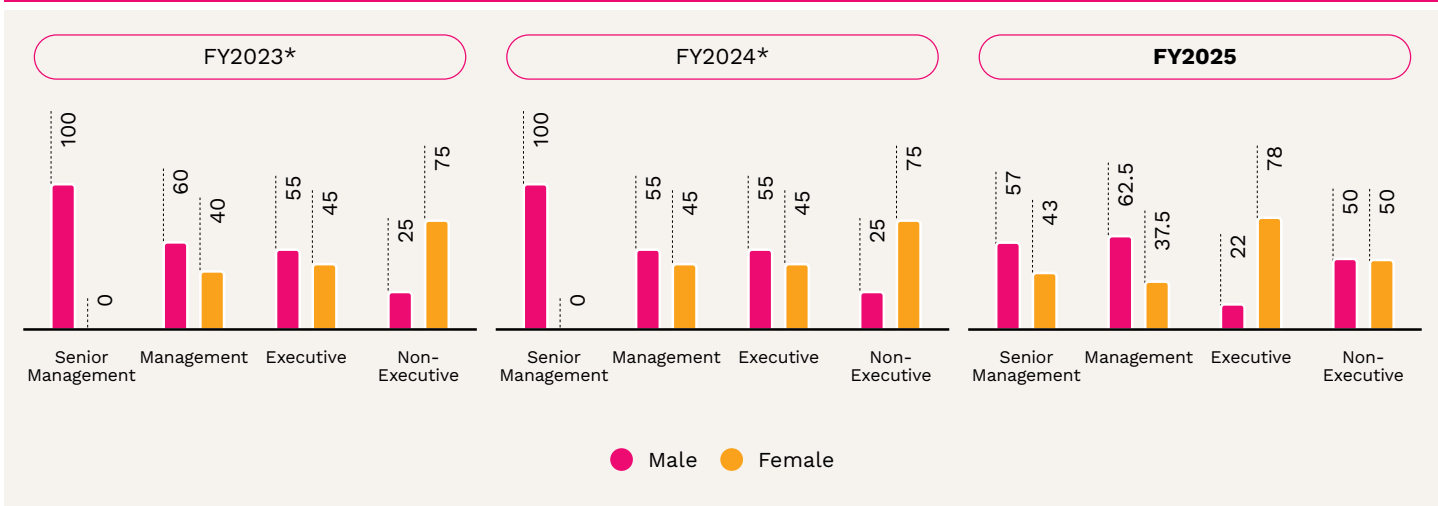
SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

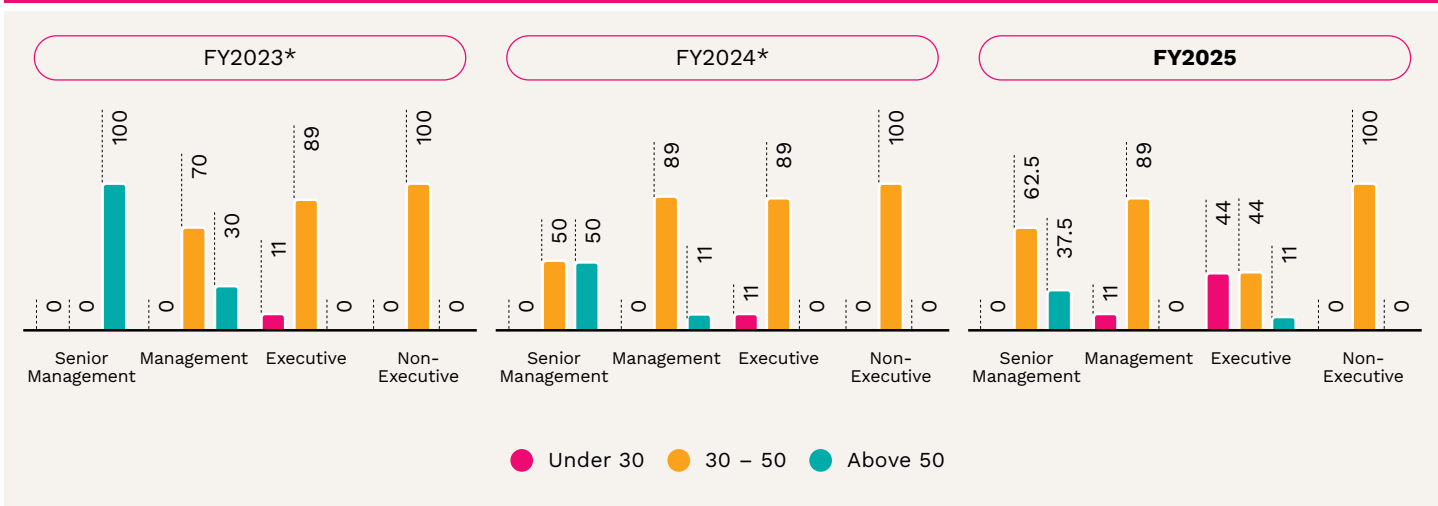
Workforce Management (Cont'd)

Total Workforce	FY2023	25	FY2024	23	FY2025	26
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Gender Breakdown by Employee Category (%)



Age Breakdown by Employee Category (%)



*Figures for 2023 and 2024 have been revised due to internal reclassification of job categories.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

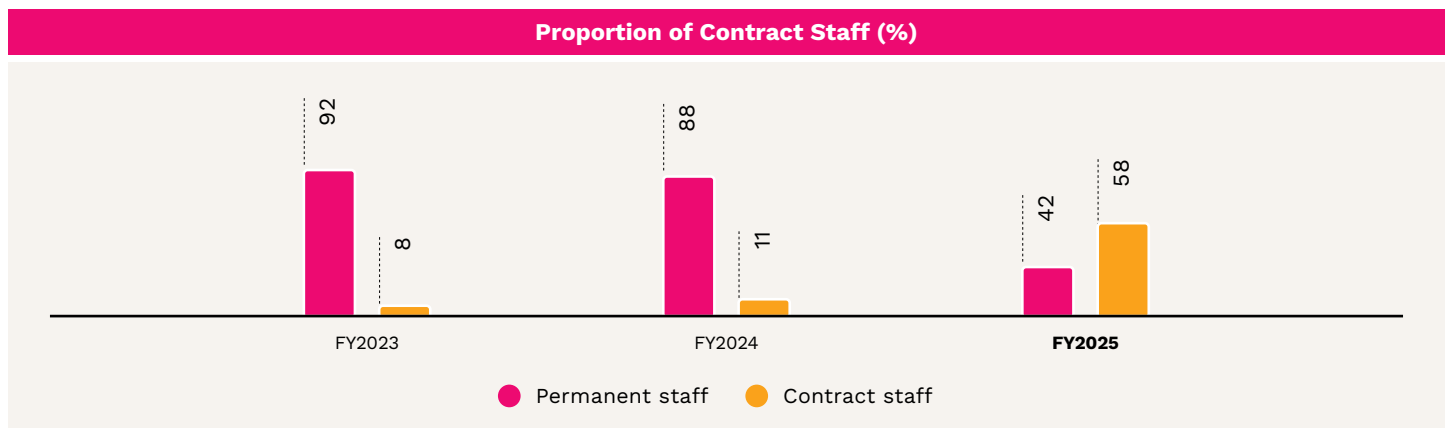
Workforce Composition

Al-`Aqar maintains a lean yet specialised workforce structure that supports effective asset management, governance oversight, and long-term value creation for unitholders and stakeholders. The workforce profile reflects the REIT's commitment to ensuring that the right mix of leadership experience, professional expertise, and operational capabilities is in place to support the management of its healthcare property portfolio.

Across the organisation, employees are distributed across senior management, management, executive, and non-executive roles, forming a structured talent pipeline that supports strategic decision-making as well as day-to-day operational functions. While the overall workforce size remains stable across the reporting period, the composition demonstrates the REIT's continued efforts to strengthen organisational capacity while maintaining an efficient operational structure.

Gender representation across the workforce reflects the REIT's gradual progress towards a more balanced and inclusive leadership environment. Notably, female representation has increased within senior management and executive roles in FY2025, indicating a broader leadership base and supporting more diverse perspectives in strategic and operational decision-making. Such diversity contributes to stronger governance practices and enhances the REIT's ability to navigate a dynamic healthcare real estate landscape.

The age distribution across employee categories further highlights Al-`Aqar's approach to balancing experience with emerging talent. Senior leadership continues to benefit from experienced professionals who bring deep institutional knowledge and industry expertise, while the management and executive levels increasingly incorporate mid-career and younger professionals who contribute fresh perspectives and specialised skills. This generational mix strengthens succession planning and supports organisational continuity, ensuring that the REIT maintains the capabilities required to manage its operations effectively over the long term.



Permanent employees accounted for 92% of the workforce in FY2023 and 88.5% in FY2024, indicating a strong base of long-term employees who support institutional knowledge, operational continuity, and organisational stability. In FY2025, the proportion of permanent staff was 39%, while contract staff increased to 61%, reflecting a shift towards greater workforce flexibility to meet specific operational or project-based requirements.

This workforce structure enables the REIT to maintain core capabilities through permanent employees while leveraging contract personnel to support specialised functions, operational demands, and changing business priorities.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

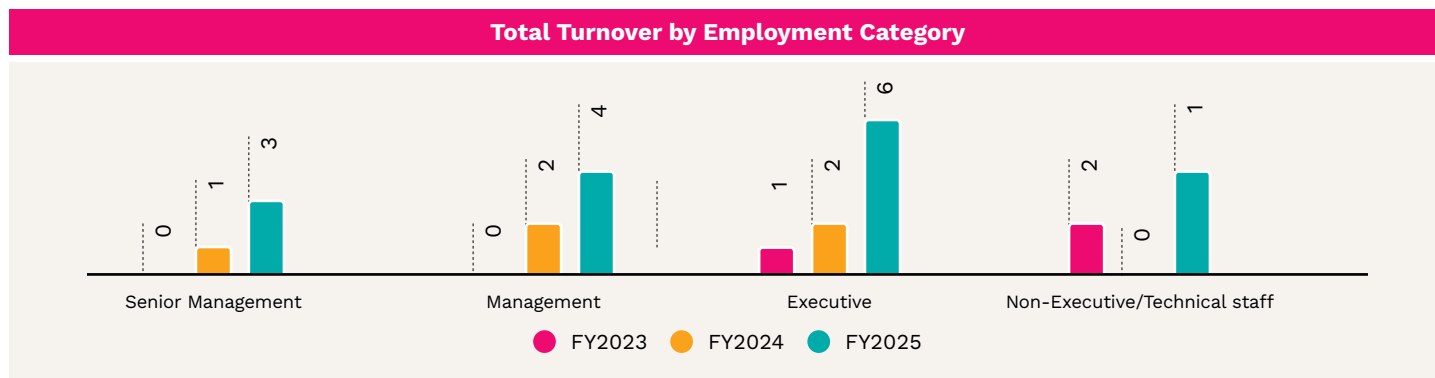
Hiring and Attrition

AL-`Aqar prioritises diversity and inclusion as fundamental to building a resilient organisation and supporting the effective management of healthcare assets. The REIT recognises that a diverse workforce, supported by an inclusive culture, enhances decision-making, strengthens risk management and contributes to long-term sustainable value creation

The REIT’s approach to diversity and inclusion is guided by fair employment practices, merit-based recruitment, and equal opportunity principles. It is committed to providing a respectful and inclusive workplace, free from discrimination and harassment, where employees are valued based on their skills, experience and performance, subject to job requirements and nature of work. These principles are applied consistently across all levels of the organisation and supported by policies covering recruitment, remuneration, performance management, and employee development.

The increase in employee turnover rate in 2025 was primarily attributable to manpower rationalisation and organisational restructuring initiatives. This included five employees exiting under a Mutual Separation Scheme (MSS), while four employees were redeployed to a shared services entity within JLG Group.

Accordingly, the spike reflects strategic workforce realignment rather than underlying issues related to employee retention or engagement.



Turnover (number)	FY2023	3	FY2024	5	FY2025	14
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HUMAN AND LABOUR RIGHTS

Labour Practices and Human Rights

The REIT remains committed to upholding responsible labour practices and protecting fundamental human rights across its operations. It recognises that a respectful, safe, and equitable workplace is essential to sustaining strong social relationships with employees, tenants, contractors, and service providers operating within its properties. Accordingly, labour and human rights considerations are embedded within the REIT’s operational policies and governance practices.

AL-`Aqar strictly adheres to applicable labour laws and employment regulations, including compliance with minimum wage requirements and the prohibition of forced labour, modern slavery, and child labour. These standards are applied throughout its managed operations to ensure that all individuals working within the REIT are treated with dignity and fairness. It also maintains a zero-tolerance stance towards workplace discrimination, harassment, and other forms of unfair treatment.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

Labour Practices and Human Rights (Cont'd)

In supporting safe and responsible working environments, AL-`Aqar continues to strengthen employee awareness and capability through training and capacity-building initiatives.

To ensure transparency and accountability, mechanisms are in place for reporting concerns related to labour practices or potential human rights violations. These processes enable the REIT to investigate and address issues promptly should they arise. In FY2025, zero substantiated complaints related to human rights violations were recorded, including cases related to forced labour, child labour, discrimination, or harassment. This outcome reflects the continued effectiveness of the REIT's policies and internal controls in safeguarding ethical labour practices.

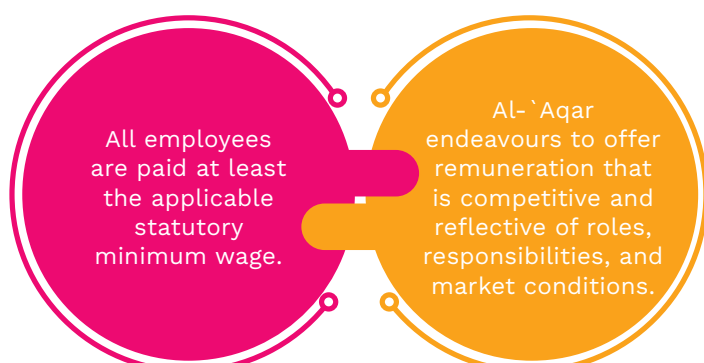
By maintaining strong labour standards and a culture of respect and fairness, the REIT seeks to foster a supportive working environment that protects the rights and well-being of individuals across its operational ecosystem. These practices contribute to strengthening stakeholder trust while supporting the long-term sustainability and responsible management of AL-`Aqar's assets.

Labour and Human Rights Performance

Area	Approach	FY2025 Outcome
Labour Standards	Compliance with labour regulations including minimum wage requirements and prohibition of forced labour and child labour	Maintained compliance
Workplace Rights	Zero tolerance towards discrimination, harassment and unfair treatment	No violations recorded
Human Rights Grievances	Monitoring and investigation of complaints related to human rights practices	Zero substantiated complaints
Employee Capacity Building	Training and awareness programmes to reinforce responsible workplace practices	1,541 training hours recorded

Workforce Practices

AL-`Aqar is committed to fair, responsible, and transparent remuneration practices. Regular reviews are conducted to promote pay equity and retention of key talent. The REIT implements performance-based appraisal for career promotion, equal access to training and development opportunities.



The REIT respects the right to freedom of association and collective bargaining in accordance with applicable local laws and regulations. The policies support employees' rights to associate freely and engage in collective representation where permitted by law.

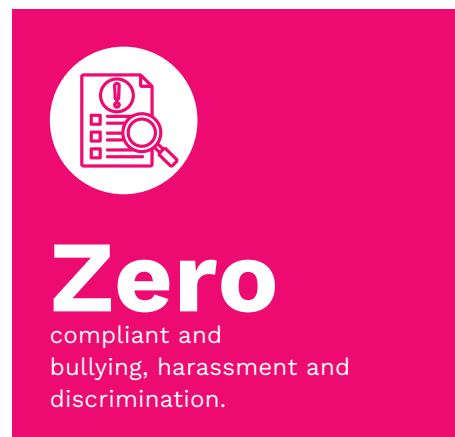
In addition, the REIT is committed to providing wages that meet or exceed statutory minimum wage requirements, with remuneration practices designed to support fair and decent living standards for employees.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

Workforce Practices (Cont'd)

The REIT supports workforce diversity and inclusion and are committed to providing equal employment opportunities without discrimination based on race, religion, gender, age, sexual orientation, disability, or nationality. It also supports the inclusion of persons with disabilities and, where applicable, provides reasonable workplace accommodations to enable effective participation and contribution. The REIT ensures that labour standards are communicated globally to employees and translated into relevant languages. AL-`Aqar adopts a zero-tolerance approach towards bullying, harassment, and workplace misconduct.



Workforce Diversity and Inclusion Indicators

Disclosure

Percentage of employees with disabilities

0%

All reported cases will be investigated promptly and impartially, with appropriate corrective actions taken. As of 2025, there were no cases reported on bullying, harassment, and discrimination. There were also 0 substantiated complaints concerning human rights violations in FY2025.

Empowering people is important to delivering reliable asset management, maintaining high operational standards, and supporting the essential healthcare services provided at the properties. The REIT recognises that a motivated, safe, and capable workforce underpins its ability to manage healthcare assets responsibly and create long-term value for stakeholders.

The people strategy focuses on employee well-being and engagement, occupational safety and health, and continuous training and development. Through competitive employee benefits, inclusive engagement initiatives, and supportive workplace practices, the REIT aims to foster a positive organisational culture that promotes collaboration, accountability and performance.

Employee Benefits and Engagement

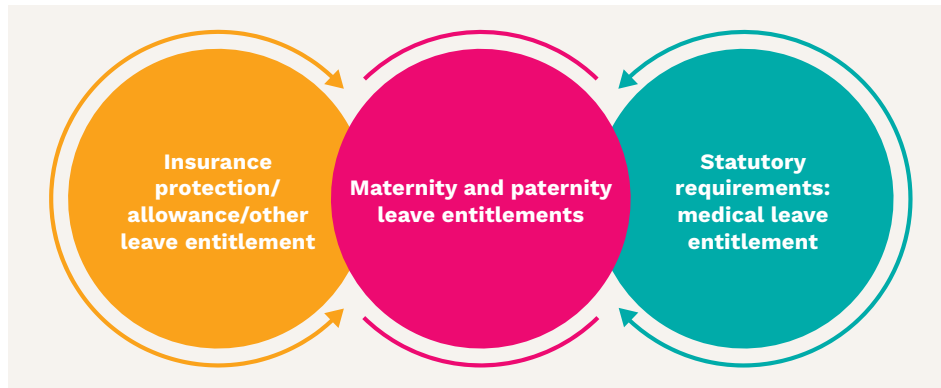
The REIT recognises that competitive employee benefits and active engagement are essential to attracting, retaining and motivating a skilled workforce, which in turn supports effective asset management and long-term value creation. The approach to employee benefits and engagement is designed to promote employee well-being, work-life balance and a positive organisational culture, while complying with applicable labour laws and market practices.

Employee benefits are structured in accordance with statutory requirements and internal policies and are periodically reviewed to ensure continued relevance and competitiveness. These benefits support employees across different stages of life and employment and reflect the commitment to fair labour practices and employee welfare.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

Employee Benefits and Engagement (Cont'd)



Key benefits provided to employees include maternity entitlements and medical leave entitlements, in line with statutory requirements. Other leave provisions such as paternity leave designed to support employee well-being. In addition to statutory benefits, the REIT promotes flexible and supportive workplace practices where practicable.

Employee engagement is fostered through regular communication, inclusive workplace initiatives, and team-building activities that encourage collaboration and a sense of belonging. Engagement initiatives include internal gatherings and celebrations, such as New Year celebrations, and employee appreciation activities, which provide opportunities for employees to connect, strengthen teamwork, and reinforce organisational values.



The effectiveness of the employee benefits and engagement initiatives is assessed through ongoing employee dialogue and periodic review of workforce-related indicators.

Employee Engagement Survey

Employee engagement is a key indicator of organisational resilience, reflecting both workforce sentiment and the effectiveness of internal practices. The REIT's latest Employee Net Promoter Score ("eNPS") of +11 indicates a positive level of employee advocacy, while highlighting opportunities to further strengthen engagement across the organisation.

Survey results reflect a consistently strong employee experience across core dimensions, including alignment with organisational direction, quality of communication, and overall sense of connection within the workplace. Employees reported clearer visibility of organisational priorities and demonstrated a positive perception of how their roles contribute to broader business objectives.

Feedback also highlights that engagement is shaped by several interrelated factors, with particular emphasis on:

- Leadership and trust, including transparency and confidence in management
- Employee wellbeing, encompassing both physical and psychological aspects
- Job satisfaction and work environment, reflecting day to day experience and workplace culture

These areas remain central to sustaining engagement and supporting long term workforce stability.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

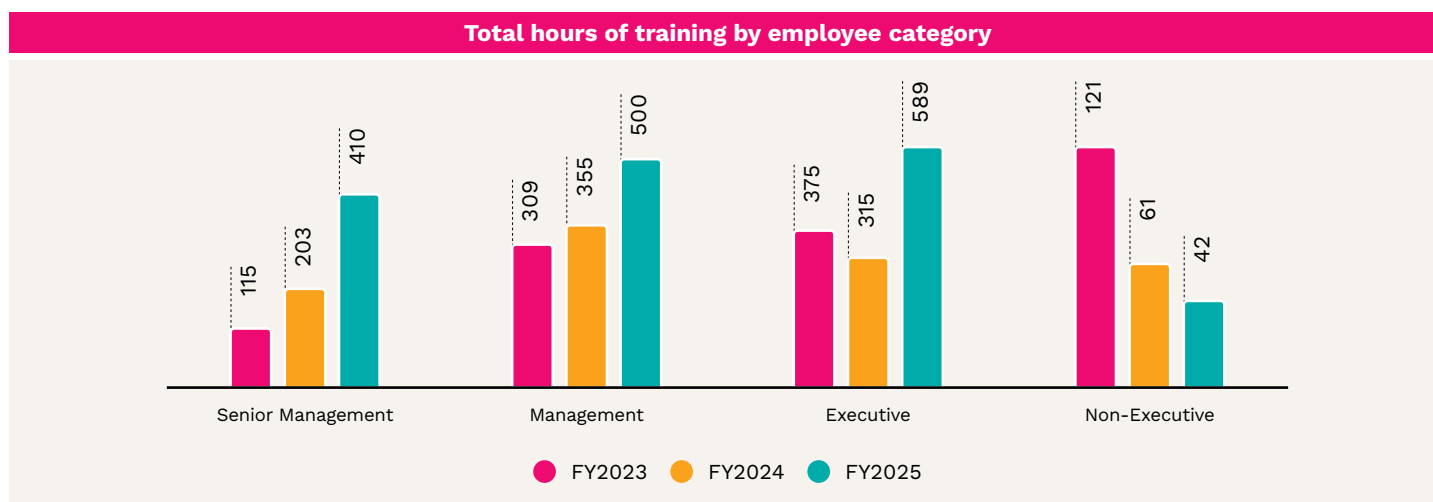
Employee Engagement Survey (Cont'd)

Qualitative insights further indicate that employees value opportunities for meaningful interaction, knowledge sharing, and collaboration across teams. At the same time, there is a clear preference for more interactive and practical engagement approaches, suggesting the importance of evolving engagement methods to remain relevant and effective.

Overall, the findings provide a clearer understanding of workforce priorities and engagement drivers, enabling the REIT to strengthen its human capital strategies in a more targeted and responsive manner.

Training and Development

The REIT is committed to developing a competent and professional workforce to support effective REIT management, regulatory compliance, and the specialised requirements of healthcare-related properties.



Total (hours)	FY2023	920	FY2024	934	FY2025	1,541
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For FY2025, the REIT recorded a total of 1,541 training hours, reflecting a significant increase in capacity-building efforts across all employee categories. The highest contribution came from the executive level, which accounted for 589 hours, followed by management and above at 500 hours, and senior management and C-suite at 410 hours, indicating strong engagement from leadership in continuous learning.

Across the three-year period, the REIT’s training efforts demonstrate a steady strengthening of its learning and development approach, with a clear emphasis on building capabilities at the leadership and management levels. Over time, there has been consistent engagement from senior management, C-suite, and management personnel, reflecting AL-`Aqar’s focus on embedding strategic, decision-making, and governance-related competencies. At the same time, the executive level continues to form a significant portion of training participation, supporting the development of mid-level talent as a key pipeline for future leadership. The overall trend indicates a structured and increasingly targeted approach to workforce development, with opportunities to further broaden participation and enhance inclusivity across all employee categories.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

List of Trainings

The REIT adopts a structured approach to professional development, with training initiatives organised across five key categories to support both operational requirements and long-term capability building.

Technical and financial skills training remains a core priority, ensuring that employees are equipped with the competencies required to navigate complex financial structures, capital market developments and Shariah-compliant investment frameworks relevant to the REIT's operations. These programmes strengthen analytical rigour and support sound financial decision making across the organisation.

In parallel, the REIT continues to advance its digital and data capabilities through targeted upskilling in areas such as artificial intelligence, digital tools and cybersecurity. This reflects a broader commitment to enhancing productivity, fostering innovation and enabling employees to operate effectively in an increasingly digitalised business environment.

Training in compliance, governance, and risk reinforces the REIT's commitment to maintaining high standards of integrity, regulatory compliance and workplace safety. These programmes support a strong control environment and ensure that employees remain aligned with evolving legal and regulatory expectations.

Leadership and soft skills development initiatives are designed to strengthen management capabilities, communication effectiveness and overall employee well-being. By investing in people managers and fostering essential interpersonal skills, the REIT supports a more engaged and resilient workforce.

Finally, participation in industry conferences, professional events and internal workshops provides employees with exposure to market developments, emerging sustainability practices and evolving reporting requirements. These platforms facilitate knowledge exchange, strengthen industry awareness and enhance internal capabilities in areas such as integrated reporting and continuous improvement.

Collectively, these development efforts reflect the REIT's commitment to building a competent, adaptable and future-ready workforce aligned with its strategic objectives. Among the programmes attended by the staff are as below:

Category	Training / Programme	Professional Development Impact
Technical & Financial Skills	MIA International Accountants Conference 2025	Strengthens technical accounting knowledge and awareness of emerging financial reporting trends
	Financial Modelling for REITs: Refining the Core Financial Statements, Analysis and Valuation	Enhances financial modelling capabilities and supports more robust investment and valuation decisions
	Money Markets and Bonds: Application, Risk Management and Capital Markets	Builds competency in capital markets and strengthens risk assessment in financial instruments
	Finance Conference 2025	Provides insights into evolving financial practices and industry developments
	Finance for Non-Finance	Improves financial literacy across non-finance functions to support informed decision making
	Pembangunan Tanah dan Hak Milik Strata	Deepens understanding of property development and strata ownership frameworks
	Shaping the Future: Exploring Islamic Financial Innovation in Capital Markets	Expands knowledge of Islamic finance innovations and capital market instruments
	Exploring Islamic Financial Markets	Strengthens understanding of Shariah-compliant financial systems
	Shariah-Compliant Investment	Enhances capability in evaluating and managing Shariah-compliant investment portfolios

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

List of Trainings (Cont'd)

Category	Training / Programme	Professional Development Impact
Digital & Data / AI Upskilling	Training of Digital Literacy Program	Builds foundational digital competencies across the workforce
	Gen AI for Business	Enhances awareness and application of generative AI in business processes
	Innovate with AI	Encourages innovation through practical AI use cases
	How to Use AI to Boost Productivity	Improves operational efficiency through AI-enabled workflows
	AI Acceleration & Business Ethics	Strengthens responsible AI adoption aligned with ethical considerations
	Microsoft 365 Copilot Deep Dive Training	Enhances productivity through advanced use of digital tools
	AI for Secretarial & Administrative Professionals	Improves administrative efficiency through AI integration
	APAC Cybersecurity	Strengthens awareness of cybersecurity risks and digital resilience
Compliance, Governance & Risk	Integrity Awareness	Reinforces ethical conduct and organisational integrity
	SPRM Integrity Talk	Enhances anti-corruption awareness and regulatory compliance
	Introduction to DOSH, OSH Management at the Workplace, Workplace Hazards, Industrial Hygiene, OSH Committee	Strengthens workplace safety practices and regulatory compliance
	Dispute Resolution & Enforcement for Breach of Contract under Malaysian Law	Builds legal awareness in managing contractual risks
	Docs Advanced Training (JCorp)	Enhances governance practices and documentation standards
Leadership & Soft Skills Development	People Manager	Develops people management and leadership capabilities
	Training for Senior Management Exponential (EXO)	Strengthens strategic thinking and leadership agility
	Insight Unleashed: The Art of Storytelling (PowerPoint)	Enhances communication and presentation effectiveness
	Forum Talk & Networking	Encourages knowledge sharing and professional networking
	Cancer Awareness	Promotes employee well-being and health awareness
Industry Exposure, Conferences & Professional Events	PwC's Online Academy	Supports continuous professional learning and industry exposure
	Kuala Lumpur Finance Forum 2025	Provides insights into financial market trends and developments
	RICS – MIPFM International Property Conference 2025	Enhances understanding of global property management practices
	MIPFM CPD Seminar Series 2025: Sustainable Property Management	Strengthens knowledge of sustainability in property management
	Technical Visit to Merdeka 118 Tower	Provides practical exposure to large-scale property development and operations
	Innovation Community – Speed to Market Lab	Encourages innovation and agile project execution

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

List of Trainings (Cont'd)

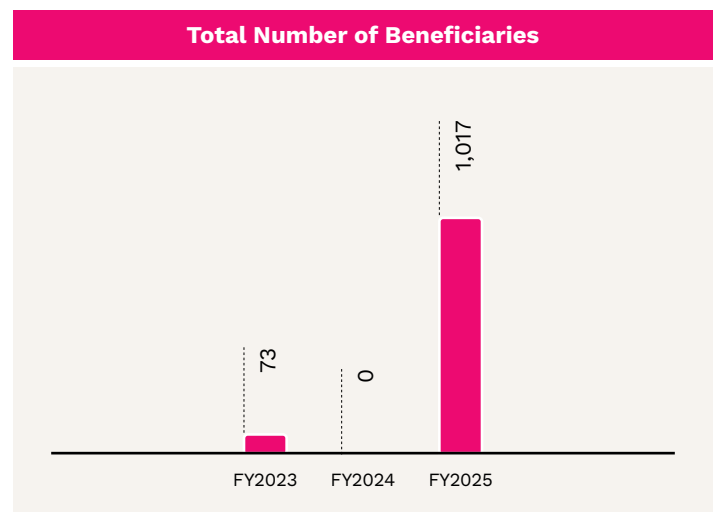
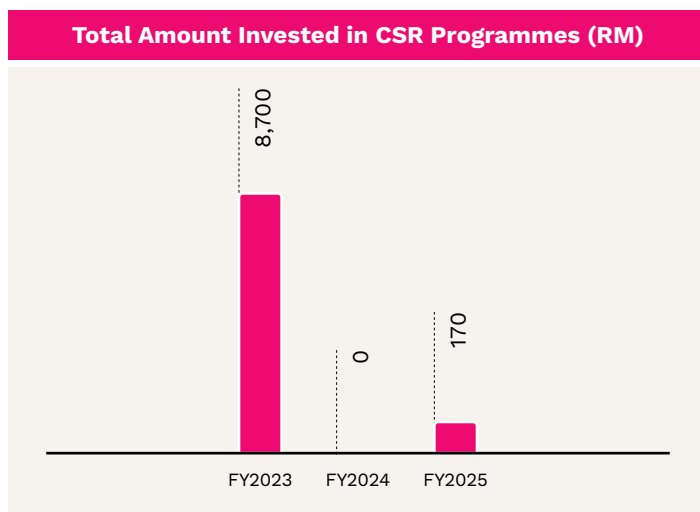
Category	Training / Programme	Professional Development Impact
Internal Training / Corporate Workshops	Al-`Aqar Integrated Report FY2025 Workshop	Enhances understanding of sustainability and integrated reporting frameworks
	Training – Tumbuk Rusuk	Reinforces team engagement and organisational culture
	Process Orientation & Continuous Improvement	Drives operational efficiency and process optimisation

COMMUNITY ENGAGEMENT

Risk Area	Risk Rating	Risk Tolerance Level
A lack of engagement with stakeholders and the community may create reputational risk and weaken trust if concerns are not properly addressed.	●	●

At the REIT, community enrichment is a part of the role as a long-term owner and manager of healthcare assets. The portfolio supports the delivery of essential healthcare services across the communities the REIT serves, and the REIT recognises that the responsibilities extend beyond providing stable returns to unitholders.

The approach to community enrichment is anchored in the belief that sustainable value creation is closely linked to the strength and resilience of the communities in which the REIT operates. As a healthcare-focused REIT, Al-`Aqar's assets often serve as critical infrastructure within their localities, supporting patients, medical professionals, caregivers, and vulnerable populations. Accordingly, the REIT seeks to enhance social outcomes through responsible asset stewardship, long-term partnerships with healthcare operators, and engagement initiatives that support health awareness, accessibility, and inclusivity.



SUSTAINABILITY STATEMENT

COMMUNITY ENGAGEMENT (CONT'D)

Revitalising the Urban Heart



On 8 December 2025, Al-`Aqar joined forces with Majlis Bandaraya Johor Bahru ("MBJB") to transform the Ibrahim International Business District ("IIBD") through a high-impact plogging initiative. A dedicated team of 170 ONEJLG volunteers took to the streets, merging physical activity with environmental stewardship to improve the cleanliness and appeal of this vital business hub. The effort was more than a simple clean-up; it was a visible commitment to urban sustainability and the enhancement of public spaces for the benefit of the local community and businesses alike.

The immediate results were tangible, with volunteers successfully recovering approximately 115 kg of waste from the district. Beyond the physical removal of litter, the programme successfully raised public awareness regarding sustainable waste management and fostered a sense of shared responsibility for the common environment. By working closely with MBJB, Al-`Aqar has reinforced the importance of collaborative action in maintaining healthy, vibrant, and well-managed urban ecosystems.

Cultivating Ecological Resilience



In a move to strengthen agricultural biodiversity, Al-`Aqar mobilised 176 volunteers to Felda Bukit Batu, Kulai, on 18 December 2025. Under the "Rooted in Nature" initiative, the team focused on a strategic planting exercise designed to support the long-term health of the local plantation. By integrating specific flora into the landscape, the programme sought to balance commercial land use with ecological preservation, reflecting a deep-seated commitment to environmental stewardship.

The team planted 2,000 specimens of Turnera and Antigonon species, chosen specifically for their ability to attract beneficial organisms and enhance soil quality. These plants play a crucial role in supporting palm tree health naturally, thereby reducing reliance on intensive interventions and boosting the overall resilience of the ecosystem. This collaboration with the Felda Bukit Batu community not only improved the local landscape but also established a framework for sustainable land management that supports both nature and livelihoods.

School Ready, Future Steady - Investing in Potential

Between 16 and 19 December 2025, Al-`Aqar launched a comprehensive educational outreach across SMK Kelapa Sawit, SK LKTP Felda Bukit Batu, and SK Bukit Kenangan. A total of 130 volunteers engaged with 700 students through a blend of motivational sharing and creative workshops. The "School Ready, Future Steady" initiative was designed to bridge the gap between classroom learning and future career aspirations, providing students with the confidence and inspiration needed to navigate their educational journeys.

The impact was felt both emotionally and practically, as Al-`Aqar provided essential school supplies and book vouchers to ensure that every student had the resources necessary to succeed. From storytelling sessions that sparked imagination in younger children to career pathway discussions for older students, the programme addressed the holistic development of the next generation. By removing barriers to learning, the initiative underscored a commitment to social sustainability and the long-term empowerment of the communities in which the REIT operates.

SUSTAINABILITY STATEMENT

COMMUNITY ENGAGEMENT (CONT'D)

Sentuhan Kasih, A Pillar of Community Care



The "Sentuhan Kasih" initiative on 23 December 2025 saw 102 ONEJLG volunteers descend upon Hospital Sultanah Aminah to provide critical support to patients and healthcare providers. The day's activities were multifaceted, ranging from a rigorous clean-up of the hospital grounds to a blood donation drive and a heartwarming visit to the paediatric ward. This holistic approach aimed to improve the healing environment while offering direct assistance to the facility's lifesaving operations.

The programme yielded significant results, including the collection of 30 kg of waste to ensure a healthier environment and a RM10,000 financial contribution to support the hospital's ongoing services. Furthermore, the visit to the paediatric ward reached 300 individuals, providing tokens of appreciation and emotional support to both young patients and frontline staff. Through these actions, AL-`Aqar demonstrated the profound impact of empathy and shared responsibility in strengthening the local healthcare infrastructure.

Through structured community engagement, collaboration with tenants and responsible investment practices, the REIT aims to contribute to stronger healthcare ecosystems and sustainable social outcomes. The community enrichment initiatives are designed to strengthen stakeholder relationships, support the social licence to operate and reinforce the long-term sustainability of the portfolio, in line with ISSB and SASB guidance on social capital and value chain impacts.

ACCESS TO HEALTHCARE SERVICES

The REIT considers public transport accessibility in the planning, acquisition, and management of its properties. Where feasible, the healthcare facilities are located within reasonable proximity to public transportation networks, such as buses, rail services, or other public transit options. This enhances accessibility for patients, caregivers, healthcare workers, and visitors, particularly those who rely on public transport to access essential healthcare services.

Accessibility for persons with disabilities is assessed across all the properties. The facilities are designed or upgraded, where applicable, to support barrier-free access, including features such as ramps, lifts, handrails, designated parking spaces, and accessible washrooms. These measures aim to provide a safe, dignified, and comfortable experience for patients and visitors with mobility challenges.

These efforts contribute to positive user experiences and reinforce trust in the properties as suitable healthcare environments.

Looking ahead, the REIT remains dedicated to fostering positive relationships with the tenants and customers by prioritising communication, service reliability, and wellbeing-focused facilities. By aligning the property strategies with the evolving needs of the healthcare sector, the REIT strives to create supportive environments that contribute to better healthcare delivery and sustainable long-term value for stakeholders.

SUSTAINABILITY STATEMENT



ENVIRONMENTAL

Materiality Matters

- 09 Energy, Emissions and Climate Resilience
- 12 Water Management
- 13 Waste Management

UN SDG Alignment



SDG 11: Sustainable Cities and Communities
Promote sustainable urban development to create inclusive, safe, and resilient cities



SDG 13: Climate Action
Take action to combat climate change and its impacts

Al-`Aqar is committed to creating long-term environmental value by integrating responsible environmental management practices across the healthcare property portfolio. The REIT focuses on the development of a green portfolio, effective energy management and climate resilience, and responsible resource management.

Even though the majority of environmental data, including energy, water and waste metrics, falls within the tenants' operational boundaries and is outside of its direct control, the REIT remains committed to advancing environmental sustainability by actively engaging with tenants and property managers on ESG-related matters.



Key Stakeholders



SUSTAINABILITY STATEMENT

GREEN PORTFOLIO

As a healthcare REIT, AL-`Aqar's business operations revolve around the acquisition and management of properties. Considering buildings contribute significant greenhouse gas emissions and pose other environmental concerns, the REIT, in collaboration with the tenant, aims to increasingly deploy green building certification throughout its portfolio.

The use of green building standards allows properties to generate a lower environmental footprint through measures such as passive features, energy-efficient implementations, and renewable energy deployment which reduces demand for electricity from the national grid.

Property	Certification	Issue year
Kedah Medical Centre, Alor Setar, Kedah	Green Building Certification by MyCrest.	2024
KPJ Sentosa (KL) Specialist Hospital, Jalan Chemur Damai Complex, Kuala Lumpur	Green Building Certification by MyCrest.	2025
KPJ Tawakkal Specialist Hospital, Jalan Pahang Barat, Kuala Lumpur	Green Building Certification by MyCrest.	2025
KPJ Klang Specialist Hospital, Bandar Baru Klang, Klang, Selangor	Green Building Certification by MyCrest.	2025

While the REIT has attained various green certification for several buildings in its portfolio, it is committed to extending this coverage and increasing the number of certified properties throughout the medium- and long-term, including expanding the number of Bronze, Silver, and Gold GreenRE-certified buildings for various properties and reducing the energy use intensity of the portfolio by 15%.

In addition to the reduced GHG footprint and improved occupancy comfort, green building standards provide stipulations for air contaminants including reduced volatile organic compounds ("VOCs"), nitrous oxides ("NOX"), sulphur oxides ("SOX"), and particulate matter ("PM"). Another initiative by the REIT is by prioritising green, low-VOC paints when repainting the buildings.

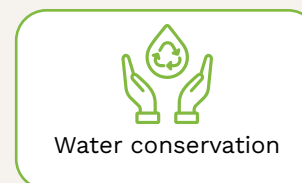
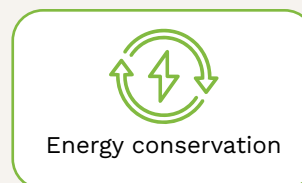
In the medium-term, set between FY2027 and FY2028, the REIT plans on retrofitting the heating, ventilation, and air conditioning ("HVAC") filters and installation of new-tech chiller replacement efficiency.

These initiatives improve the desirability of its portfolio to align with the REIT's overarching long-term sustainability strategy.

Green Leasing and Responsible Tenancy

To date, the Green Lease clauses were incorporated in all new lease renewals with KPJ.

Summary of Green Clauses



Moving forward, the REIT has established targets to increase green clause adoption for 100% of the tenants by FY2028. This includes involving the participation of at least half of the tenants in data-sharing programmes and providing incentives to tenants that conducts green certification to further improve the overall environmental footprint of their operations and the portfolio.

SUSTAINABILITY STATEMENT

RESOURCE MANAGEMENT

The REIT recognises the importance of responsible resource management. It is essential to reducing environmental impact and supporting the sustainable operation of healthcare facilities. Responsible management of water and waste is particularly critical given the continuous, high-intensity nature of hospital operations and the essential services provided by the REIT to communities.

Water Consumption

Al-`Aqar is committed to minimising its environmental impact through responsible water management. This includes encouraging and enabling water-saving initiatives and promoting water conservation awareness across its properties. As urbanisation continues to accelerate, water-related challenges may become more prevalent in the future. The REIT therefore seeks to adopt proactive measures to mitigate risks and prevent potential water scarcity issues before they arise.

Over the past three years, 100% of the water used by the REIT has been sourced from municipal supplies.

Water Withdrawal (Megalitres)	FY2023	FY2024	FY2025
Municipal Water	1,239.82	1,282.47	1,421.15
Surface Water	0	0	0
Groundwater	0	0	0
Used Quarry Water	0	0	0
External Wastewater	0	0	0
Harvested Rainwater	0	0	0
Seawater	0	0	0
Total Water Withdrawal	1,239.82	1,282.47	1,421.15

Note: Water withdrawal follows the same quantity as the water consumed from the listed sources above. KPJ Pasir Gudang Specialist Hospital is excluded from the 2024 data and commenced reporting in 2025.

Water Discharge (Megalitres)	FY2023	FY2024	FY2025
Surface Water	0	0	0
Beneficial/Other Use	0	0	0
Subsurface/Well	0	0	0
Off-site Water Treatment	0	0	0
Ocean	0	0	0
Total Discharge	0	0	0

Note: Water discharged from the REIT's properties is primarily treated wastewater released into the municipal sewerage system in accordance with local regulatory requirements.

SUSTAINABILITY STATEMENT

RESOURCE MANAGEMENT (CONT'D)

Water Consumption (Cont'd)

As of FY2025, the REIT had no incidents of non-compliance with water quality or quantity standards.

The REIT adopts a facilitative and supportive approach towards water sustainability. While water conservation initiatives are primarily implemented at the tenant or property-operator level, the REIT actively welcomes and enables the adoption of advanced water-efficient solutions that align with environmental best practices and long-term asset enhancement.

Looking ahead, the REIT supports the future installation of smart water meters and sub-metering systems, as well as the retrofitting of water-efficient fittings such as low-flow taps and dual-flush systems, where appropriate. Over the medium term, the REIT is open to tenants implementing rainwater harvesting and greywater collection systems across its properties. In the longer term, the REIT encourages the optimisation of water reuse and leak detection systems to further enhance resource efficiency.

Collectively, these tenant-led initiatives, supported by the REIT's asset owner stance, reflect the REIT's commitment to promoting water sustainability, reducing water-related risks, and enhancing the long-term resilience and value of its assets in the regions where it operates.

Waste Management

Efficient waste management at the REIT's properties is crucial for mitigating environmental impacts. By adopting structured waste management strategies, the REIT ensures compliance with regulatory standards while minimising its ecological footprint. The REIT recognises that improper handling of waste contributes to pollution and can harm the health of surrounding communities and nearby ecosystems.

AI-integrated Klean Reverse Vending Machines ("RVMS")

- Installed multiple RVMS at KPJ Damansara, KPJ Tawakkal, and KPJ Pasir Gudang.
- RVMS sort PET bottles, containers, and cans.
- Encourage participation for recycling waste by rewarding the users with vouchers and coupons.

Licensed Third-Party Waste Collectors

- Assign licensed third-party waste collectors for safe and compliant handling of hazardous waste.
- Cover hazardous materials such as medical, chemical, and other scheduled wastes.
- Ensure secure collection, transportation, treatment, and disposal of hazardous waste, aligning with Environmental Quality (Scheduled Wastes) Regulations 2005.

Reduce, Reuse, and Recycle ("3R") programme

- Provide recycling bins for paper, cans, and bottles throughout the facilities
- Facilitate waste sorting and waste collection by licensed contractors for further processing.
- Implemented in KPJ Damansara and KPJ Tawakkal.

SUSTAINABILITY STATEMENT

RESOURCE MANAGEMENT (CONT'D)

Waste Management (Cont'd)

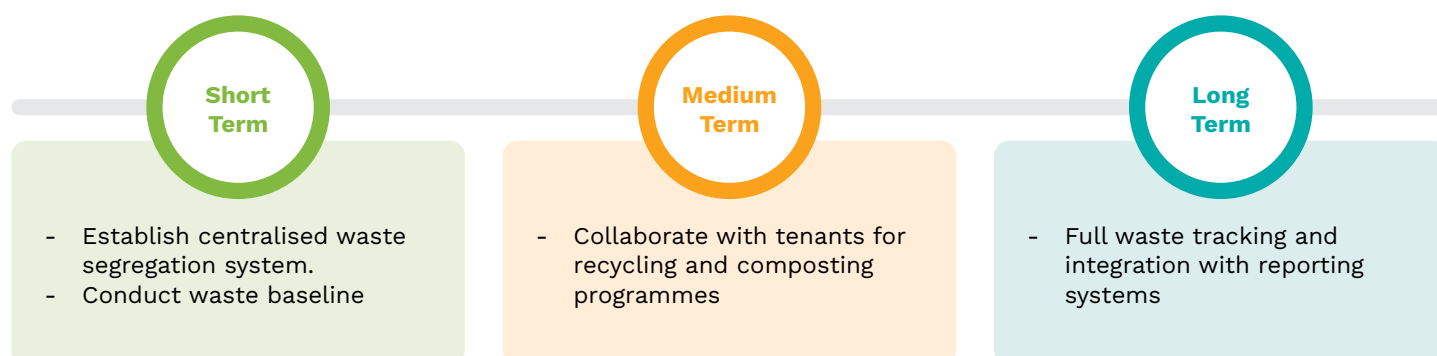
Waste (Tonnes)	FY2023	FY2024	FY2025
Total Waste Generated	NA	NA	NA
Total waste diverted from disposal	NA	NA	NA
Total waste directed to disposal	NA	NA	NA

Note: Data not available as waste generation, recycling and disposal are managed by tenants and fall outside the REIT's operational boundary

Despite the unavailability of comprehensive waste data, the REIT has undertaken initiatives to promote recycling within its properties. During the reporting period, the REIT continued the Klean Machine initiative to facilitate the collection of recyclable waste from occupants and visitors. The weight of recyclables collected through this initiative is presented below.

Recycled Waste (kg)	KPJ Damansara	KPJ Tawakkal	KPJ Pasir Gudang
PET	5.13	8.88	0.70
Can	1.18	0.93	0.07
Container	46.60	85.24	5.56
Total Weight (kg)	52.91	95.05	6.33
Total Weight (tonnes)	0.053	0.095	0.006

The REIT supports and encourages the implementation of a phased waste management strategy that focuses on building foundational systems and progressively enhancing data visibility and reporting. The short-, medium- and long-term approaches are designed to improve waste segregation, increase recycling rates, and support continuous improvement in waste performance across the portfolio.



These tenant-led initiatives, supported by the REIT, contributing to stronger environmental performance, improved stakeholder alignment, and the long-term resilience and value of its assets.

SUSTAINABILITY STATEMENT

MEMBERSHIP AND AWARDS

To ensure that its sustainability approach continues to align with industry best practices and new innovations or initiatives, the REIT participates as a member in several key associations and professional bodies. While membership associations allow AL-`Aqar to stay on top of local and international sustainability developments, the participation also allows the REIT to propagate sustainability further into entire industries, showcasing its commitment to leaving positive improvements beyond the REIT's organisational boundaries.

The REIT's membership in associations:

- Malaysian REIT Managers Association ("MRMA")

Awards and accolades serve as an external recognition of the REIT's commitment to operational excellence, responsible management and sustainable value creation. These recognitions reflect the efforts in ESG practices.

- FTSE4Good Bursa Malaysia Index – Constituent

The REIT remains focused on delivering long-term value to unitholders and stakeholders through consistent performance, transparency and accountability.

CONTINUOUS IMPROVEMENT

The REIT is committed to continuously enhancing the sustainability reporting. The REIT will continue to engage with stakeholders and broaden the understanding of sustainability metrics across the portfolio through progressive data collection and tenant engagement initiatives.

Guided by the REIT's decarbonisation roadmap and aligned with the NSRF as well as IFRS S1 and S2 standards, the REIT ensures that the operations, investment decisions, and reporting practices support the achievement of net zero carbon by 2050, strengthening long-term resilience and transparency for investors and stakeholders.

SUSTAINABILITY STATEMENT

APPENDICES



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April 8, 2026

The Board of Directors
 Al-Aqar Healthcare REIT
 Unit 1-19-02, Level 19, Block 1
 V SQUARE, Jalan Utara
 46200 Bandar Petaling Jaya
 Petaling Jaya, Selangor Darul Ehsan

Dear Sirs,

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED SUSTAINABILITY INFORMATION DISCLOSED IN AI-AQAR HEALTHCARE REIT SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Scope

We have been engaged by JLG REIT Managers Sdn Bhd on behalf of Al-Aqar Healthcare REIT ("Al-Aqar") to perform a limited assurance engagement on the selected sustainability information for the financial year ended 31 December 2025 ("the Subject Matter") as defined below in the Sustainability Report of Al-Aqar for the financial year ended 31 December 2025 ("the Report").

Our assurance conclusion does not extend to information in respect of prior period or to any other information included in the Report.

Subject Matter

Our limited assurance engagement was performed for the selected Subject Matter listed in the table below, as presented in the Report:

No	Subject Matter	
	Sustainability Matter	Sustainability Indicator
1	Energy Consumption	Total fuel consumed in litre
		Total electricity consumed in kWh
2	Emissions	Total Greenhouse Gas ("GHG") Scope 1 Emissions in CO ₂ e tonnes
		Total GHG Scope 2 Emissions in CO ₂ e tonnes
3	Occupational Health and Safety	Lost time incident rate
		Number of work-related fatalities
4	Water Consumption	Total water consumption in litre

The boundary of the Subject Matter is limited, where applicable, to the hospitals and the headquarters in Petaling Jaya and Johor Bahru.

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)



Applicable Criteria

The Subject Matter has been prepared in accordance with Al-'Aqar's definition and calculation methodologies and / or where relevant, the Bursa Malaysia Securities Berhad Listing Requirements ("Applicable Criteria").

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention to cause us to believe that the Subject Matter presented in the Report are not prepared, in all material respects, in accordance with the Al-'Aqar's Applicable Criteria.

Basis for Conclusion

We conducted our engagement in accordance with *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"),* Our responsibilities under this standard are further described in the Our Responsibilities section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Quality Management and Independence

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Al-'Aqar's Responsibilities

The management of the Al-'Aqar (the "Management") is responsible for selecting the Applicable Criteria, preparing and presenting the Subject Matter in accordance with the Applicable Criteria in all material aspects. This responsibility includes implementing and maintaining internal controls relevant to the preparation of the Subject Matter, maintaining adequate records and making estimates that are relevant to the Subject Matter, such that it is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by the Al-'Aqar which are reasonable in the circumstances.

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)



Our Responsibilities

We are responsible to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We planned and conducted the engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the terms agreed with the Al-`Aqar. These standards require us to plan and perform the engagement to express an independent conclusion, based on the procedures we have performed and the evidence we have obtained, on whether the Subject Matter is free from material misstatement, whether due to fraud or error.

Summary of Procedures Performed

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Subject Matter that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In carrying out our engagement, we have performed the following procedures, amongst others:

- a) Enquired the Management to obtain an understanding of the processes established from which the Subject Matter is derived;
- b) Conducted interviews with the relevant personnel responsible for preparing and presenting the Subject Matter in the Report;
- c) Compared the Subject Matter presented in the Report to underlying sources on a sample basis and checked whether it has been prepared in accordance with the methodologies set out in the Applicable Criteria; and
- d) Performed limited substantive testing on sampling basis for the Subject Matter, which included recalculation selected amounts, agreeing data points to / from the source documentation and assessing whether the Subject Matter has been appropriately recorded, collated and reported.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

The absence of a significant body of established practice on which to draw to evaluate and measure the Subject Matter Information allows for different, but acceptable, measurement basis and can affect comparability between entities over time. In addition, GHG quantification is subject to inherent uncertainty due to limited scientific information from regulated sources used to determine emissions factors and the values needed to combine emissions of different gases. The Subject Matter Information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)



Restriction on Distribution and Use of Our Report

Our report has been prepared for the Directors of the Al-'Aqar (the "Directors") solely in accordance with the terms of our Engagement Letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Al-'Aqar or for any purpose or in any context. Any party other than the Al-'Aqar who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk.

Without affecting, adding to or extending our duties and responsibilities to the Al-'Aqar or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in Al-'Aqar's Annual Report 2025, to assist the Directors of the Al-'Aqar in responding to their governance responsibilities by obtaining independent limited assurance report on the Subject Matter.

Our conclusion is not modified in respect of this matter.

Other Matters

Our assurance conclusion was with respect to the Al-'Aqar's Subject Matters for the financial year ended 31 December 2025.

We have not performed any procedures over the Subject Matter for prior reporting periods and accordingly, we do not express a conclusion thereon.

Crowe Malaysia PLT
LLP0018817-LCA & AF 1018
Chartered Accountants
Kuala Lumpur

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

GLOBAL REPORTING INITIATIVES (“GRI”) INDEX

Statement of Use

Al-`Aqar acknowledges that disclosures made in the SS2025 has been prepared in accordance with the GRI Standards.

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSIONS	
GRI 2: General Disclosures 2021	2-1 Organisational details	Page 71	
	2-2 Entities included in the organisation’s sustainability reporting		
	2-3 Reporting period, frequency and contact point		
	2-5 External assurance		
	2-6 Activities, value chain and other business relationships	Pages 32-33	
	2-7 Employees	Pages 107-122	
	2-8 Workers who are not employees	Page 112	
	2-9 Governance structure and composition	Page 10	
	2-10 Nomination and selection of the highest governance body	Information provided within the standalone CG Report	
	2-11 Chair of the highest governance body		
	2-12 Role of the highest governance body in overseeing the management of impacts		
	2-13 Delegation of responsibility for managing impacts		
	2-14 Role of the highest governance body in sustainability reporting		
	2-15 Conflicts of interest		
	2-16 Communication of critical concerns		
	2-17 Collective knowledge of the highest governance body		
	2-18 Evaluation of the performance of the highest governance body		
	2-19 Remuneration policies		
	2-20 Process to determine remuneration		
	2-21 Annual total compensation ratio		
	2-22 Statement on sustainable development strategy		Pages 79-81
	2-23 Policy commitments		Pages 96-97
	2-24 Embedding policy commitments		Pages 98-100
	2-25 Processes to remediate negative impacts		
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations	Page 128	
	2-28 Membership associations		
	2-29 Approach to stakeholder engagement	Pages 72-74	
	GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 75
3-2 List of material topics		Page 76	
3-3 Management of material topics		Pages 79-128	

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

GRI INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSIONS
ECONOMIC		
GRI 201: Economic Performance 2016	3-3	Management of material topics
	201-1	Direct economic value generated and distributed
GRI 203: Indirect Economic Impacts 2016	3-3	Management of material topics
	203-1	Infrastructure investments and services supported
	203-2	Significant indirect economic impacts
GRI 204: Procurement Practices 2016	3-3	Management of material topics
	204-1	Proportion of spending on local suppliers
GOVERNANCE		
GRI 205: Anti-corruption 2016	3-3	Management of material topics
	205-1	Operations assessed for risks related to corruption
	205-2	Communication and training about anti-corruption policies and procedures
	205-3	Confirmed incidents of corruption and actions taken
GRI 415: Public Policy 2016	3-3	Management of material topics
	415-1	Political contributions
GRI 418: Customer Privacy 2016	3-3	Management of material topics
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
ENVIRONMENTAL		
GRI 302: Energy 2016	3-3	Management of material topics
	302-1	Energy consumption within the organisation
	302-4	Reduction of energy consumption
	302-5	Reductions in energy requirements of products and services
GRI 303: Water and Effluents 2018	3-3	Management of material topics
	303-1	Interactions with water as a shared resource
	303-2	Management of water discharge-related impacts
	303-3	Water withdrawal
	303-4	Water discharge
	303-5	Water consumption

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

GRI INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSIONS
ENVIRONMENTAL		
GRI 305: Emissions 2016	3-3	Management of material topics
	305-1	Direct (Scope 1) GHG emissions
	305-2	Energy indirect (Scope 2) GHG emissions
	305-3	Other indirect (Scope 3) GHG emissions
GRI 306: Waste 2020	3-3	Management of material topics
	306-1	Waste generation and significant waste-related impacts
	306-2	Management of significant waste-related impacts
	306-3	Waste generated
	306-4	Waste diverted from disposal
	306-5	Waste directed to disposal
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics
	308-1	New suppliers that were screened using environmental criteria
SOCIAL		
GRI 401: Employment 2016	3-3	Management of material topics
	401-1	New employee hires and employee turnover
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3	Parental leave
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics
	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-5	Worker training on occupational health and safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8	Workers covered by an occupational health and safety management system
403-9	Work-related injuries	

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

GRI INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSIONS
SOCIAL		
GRI 404: Training and Education 2016	3-3	Management of material topics
	404-1	Average hours of training per year per employee
	404-2	Programmes for upgrading employee skills and transition assistance programmes
		Pages 117-119
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics
	405-1	Diversity of governance bodies and employees
		Pages 89, 111
GRI 406: Non-discrimination 2016	3-3	Management of material topics
	406-1	Incidents of discrimination and corrective actions taken
		Page 114
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of material topics
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
		Pages 113-114
GRI 408: Child Labour 2016	3-3	Management of material topics
	408-1	Operations and suppliers at significant risk for incidents of child labour
		Pages 113-114
GRI 409: Forced or Compulsory Labour 2016	3-3	Management of material topics
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour
		Pages 113-114
GRI 413: Local Communities 2016	3-3	Management of material topics
	413-1	Operations with local community engagement, impact assessments, and development programmes
	413-2	Operations with significant actual and potential negative impacts on local communities
		Pages 120-122

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

BURSA MALAYSIA PRESCRIBED TABLE

AI-Aqar Healthcare REIT BMLR Transition Period		Date & Time: 2026-04-23_14:43:44 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	100	—	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100	—	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive	Percentage	100	—	No assurance
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	—	No assurance
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	—	No assurance
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	170.00	—	No assurance
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,107	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Male	Percentage	5700	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Female	Percentage	43.00	—	No assurance

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

BURSA MALAYSIA PRESCRIBED TABLE (CONT'D)

AI-Aqar Healthcare REIT BMLR Transition Period		Date & Time: 2026-04-23_14:43:44 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Male	Percentage	62.50	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Female	Percentage	37.50	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Male	Percentage	22.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Female	Percentage	78.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Male	Percentage	50.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Female	Percentage	50.00	—	No assurance
Bursa (Diversity)	Bursa C3 (b) Percentage of directors by gender and age group - Male	Percentage	78.00	—	No assurance
Bursa (Diversity)	Bursa C3 (b) Percentage of directors by gender and age group - Female	Percentage	22.00	—	No assurance
Bursa (Energy management)	Bursa C4 (a) Total energy consumption	Gigajoules	455,280.88	—	External (Limited)
Bursa (Health and safety)	Bursa C5 (a) Number of work-related fatalities	Number	0	—	External (Limited)

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

BURSA MALAYSIA PRESCRIBED TABLE (CONT'D)

AI-Aqar Healthcare REIT BMLR Transition Period		Date & Time: 2026-04-23_14:43:44 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Health and safety)	Bursa C5 (b) Lost time incident rate	Rate	0	—	External (Limited)
Bursa (Health and safety)	Bursa C5 (c) Number of employees trained on health and safety standards	Number	26	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Senior Management	Hours	410	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Management	Hours	500	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Executive	Hours	589	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Non-executive	Hours	42	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Senior Management	Number	3	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Management	Number	4	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Executive	Number	6	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Non-executive	Number	1	—	No assurance
Bursa (Water)	Bursa C9 (a) Total volume of water used	Megalitres	1,42115	—	External (Limited)

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

BURSA MALAYSIA PRESCRIBED TABLE (CONT'D)

AI-Aqar Healthcare REIT IFRS S2		Date & Time: 2026-04-23_14:43:44 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (CO2e)	4.30	—	External (Limited)
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (CO2e)	59.29	—	External (Limited)
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (CO2e)	4.05	—	No assurance
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (CO2e)	55.88	—	No assurance

07

CORPORATE GOVERNANCE REPORT

al-aqar
HEALTHCARE REIT

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BOARD OF DIRECTORS

DATUK HASHIM BIN WAHIR

Chairman,
Independent
Non-Executive Director

**ABDULLAH BIN ABU SAMAH**

Independent
Non-Executive Director

**SHAMSUL ANUAR BIN**

ABDUL MAJID
Non-Independent
Non-Executive Director
(Resigned w.e.f. 31 March 2026)

**DATIN UNGKU SUSELAWATI**

BINTI UNGKU OMAR
Independent
Non-Executive Director

**ONG LI LEE**

Independent
Non-Executive Director

**GOH TIAN SUI**

Independent
Non-Executive Director

BOARD OF DIRECTORS

DATUK Sr AKMAL BIN AHMAD

Non-Independent
Non-Executive Director
(Alternate Director:
Ahmad Fadzli bin Zainudin)



DATO' HAJI MOHAMMED RIDHA BIN DATO' HAJI ABD KADIR

Non-Independent
Non-Executive Director
(Resigned w.e.f. 31 March 2026)



LAILATUL AZMA BINTI ABDULLAH

Independent
Non-Executive Director
(Resigned w.e.f. 4 August 2025)



ABDUL AZIZ BIN ABDUL RASHEED

Non-Independent
Non-Executive Director

Company Secretaries



**NURALIZA BINTI
A. RAHMAN**
(MAICSA 7067934)



ROHAYA BINTI JAAFAR
(LS0008376)
(Retired w.e.f. 31 August 2025)

Notes: - None of the Board of Directors have:

- Any family relationship with any Director of Manager and/or major unitholder of Al-`Aqar;
- Any conflict of interest with Al-`Aqar;
- Any conviction of interest within the past 5 years (other than traffic offences); and
- Any public sanctions or penalties imposed by the relevant regulated bodies during the financial year ended 31 December 2025.

BOARD OF DIRECTORS



DATUK HASHIM BIN WAHIR

Chairman, Independent
Non-Executive Director

Gender: Male

Age: 68

Nationality: Malaysia

Date of Appointment:

- Appointment as Director on 24 January 2022
- Re-designation as Chairman on 31 December 2024

Board Memberships and Committees:

N/A

Number of Board Meeting Attended:

8/8

Academic and Professional Qualifications

- Bachelor of Engineering (Honours) in Mechanical Engineering, Universiti Teknologi Malaysia
- Executive Development Programme, Ashridge Management College, UK
- Executive Development Programme, Johnson School of Management, Cornell University, USA
- Capital Markets Services Representatives License Holder

Working Experience

Current Appointment

Nil

Past Appointment/Experiences

- Director, PETRONAS Hartabina Sdn Bhd (2013)
- Group Chief Executive Officer/ Executive Director, KLCC (Holdings) Sdn Bhd (2013)
- Chief Executive Officer, KLCC REIT Management Sdn Bhd - Manager of KLCCP Stapled Group (2013)
- KLCC Property Holdings Berhad (2007)
- Country Chairman, Petronas Sudan Operations, Khartoum (2004)
- Petronas Carigali Sdn Bhd (1981)

Other Directorship

Listed Issuer

- Al-Salām REIT
- AWC Berhad

Public Companies

Nil

Courses Attended

- Balancing Judgement, Integrity and Foresight
- Strategic Oversight in Strategy Implementation: Getting Execution Right
- JCorp Future Forward Leadership Series 2025
- Excellence in Managing Board
- Training on Annual Risk & Compliance Awareness 2025

Membership of Board Committees



Board Audit and Risk Committee



Board Investment Committee



Board Nomination and Remuneration Committee

BOARD OF DIRECTORS



ABDULLAH BIN ABU SAMAH

Independent Non-Executive Director

Gender: Male

Age: 60

Nationality: Malaysia

Date of Appointment:
10 March 2021

Board Memberships and Committees:



Number of Board Meeting Attended:
8/8

Academic and Professional Qualifications

- Bachelor of Science in Business Administration, University of the Pacific, USA
- Master of Business Administration, University of Washington, USA
- Malaysian Institute of Accountants
- Malaysian Institute of Certified Public Accountants

Working Experience/Occupation

Current Appointment

Nil

Past Appointments/Experiences

- Licensed Partner for Audit of Financial Statements of Companies Listed and Non-Listed, KPMG Malaysia Partner (Audit) (1997)
- Managing the Audit and the Financial Statements of Companies, KPMG Malaysia Audit Manager (1993)
- Fieldwork of Audit of Financial Statements, KPMG Malaysia Audit Staff (1983)

Other Directorship Listed Issuer

- Al-Salām REIT
- Media Prima Berhad
- Johor Plantations Group Berhad

Public Companies

Nil

Course Attended

- MIA International Accountants Conference 2025

BOARD OF DIRECTORS



SHAMSUL ANUAR BIN ABDUL MAJID

Non-Independent Non-Executive Director
(Resigned w.e.f. 31 March 2026)

Gender: Male

Age: 54

Nationality: Malaysia

Date of Appointment:
24 August 2020

Board Memberships and Committees:



Number of Board Meeting Attended:
7/8

Academic and Professional Qualifications

- Bachelor of Science (Honours) Chemistry, Imperial College London, UK
- Master of Business Administration (MBA) Islamic Finance, International Islamic University Malaysia
- Member, Chartered Financial Analyst (CFA), CFA Institute, Charlottesville, Virginia, USA

Working Experience/Occupation

Current Appointment

- Chief Investment Officer, Johor Corporation

Past Appointments/Experiences

- General Manager, Johor Corporation (2019)
- Director and Principal Partner, Fikiran Sepakat Sdn Bhd (2017)
- Special Officer to the Managing Director, Iskandar Waterfront Holdings (2014)
- Executive Vice President, Strategy & Feasibility, Iskandar Investment Berhad (2011)

Other Directorship

Listed Issuer

- Al-Salām REIT
- KPJ Healthcare Berhad
- Johor Plantations Group Berhad

Public Companies

- QSR Brands (M) Holdings Berhad
- Kulim (M) Berhad

Courses Attended

- Malaysian International Healthcare Megatrends
- Fortune Innovation Forum 2025
- JCorp Future Forward Leadership Series
- Mandatory Accreditation Programme Part II: Leading for Impact

Membership of Board Committees



Board Audit and Risk Committee



Board Investment Committee



Board Nomination and Remuneration Committee

BOARD OF DIRECTORS



DATUK Sr AKMAL BIN AHMAD

Non-Independent Non-Executive Director
(Alternate Director:
Ahmad Fadzli bin Zainudin)

Gender: Male

Age: 59

Nationality: Malaysia

Date of Appointment:
21 January 2021

Board Memberships and Committees:

BARC

Number of Board Meeting Attended:
8/8

Academic and Professional Qualifications

- Diploma in Quantity Surveying, Universiti Teknologi MARA
- Bachelor of Science in Quantity Surveying, Universiti Teknologi MARA

Working Experience

Current Appointment

- Director, Real Estate & Infrastructure Division, Johor Corporation
- Group Managing Director, JLand Group Sdn Bhd

Past Appointments/Experiences

- Executive Director, JLand Group Sdn Bhd (2022)
- Group Managing Director, Johor Land Berhad (2022)
- Chief Operating Officer, Iskandar Investment Berhad (2020)
- Chief Executive Officer, Iskandar Development Management Services Sdn Bhd (IIB subsidiary) (2018)
- Chief Development Officer, Iskandar Investment Berhad (2016)

Other Directorship

Listed Issuer

- Al-Salām REIT

Public Companies

- JLG Integra Berhad (Formerly known as Damansara Holdings Berhad)

Courses Attended

- Jcorp Group Finance Conference 2025
- IBTEC Circular Economy Blueprint Ideation Session
- JCorp Future Forward Leadership Series 2025
- Deloitte Connect 2025: The Future is Intelligent
- Directors' Responsibilities Program by Asia School of Business

BOARD OF DIRECTORS



DATO' HAJI MOHAMMED RIDHA BIN DATO' HAJI ABD KADIR

Independent Non-Executive Director
(Resigned w.e.f. 31 March 2026)

Gender: Male

Age: 55

Nationality: Malaysia

Date of Appointment:
22 August 2024

**Board Memberships and
Committees:**

N/A

Number of Board Meeting Attended:
2/8

Academic and Professional Qualifications

- Bachelor of Resource and Environmental Economics, Universiti Pertanian Malaysia
- Master of Technology Management, Universiti Teknologi Malaysia

Working Experience/Occupation Current Appointment

- State Secretary of Johor, Johor State Secretary's Office

Past Appointments/Experiences

- State Financial Officer of Johor, Johor State Treasury Office (2026)
- Deputy State Secretary of Johor (Development), Johor State Secretary's Office (2022)
- Director, Johor Land and Mines Office (2019)

Other Directorship Listed Issuer

- Al-Salām REIT

Public Companies

Nil

Courses Attended

- Mandatory Accreditation Programme Part II: Leading for Impact
- Program Kepimpinan Dinamik dan Pemantapan Sinergi Berpasukan Perbendaharaan Negeri Johor 2025

Membership of Board Committees



Board Audit and Risk
Committee



Board Investment
Committee



Board Nomination and
Remuneration Committee

BOARD OF DIRECTORS



LAILATUL AZMA BINTI ABDULLAH

Independent Non-Executive Director
(Resigned w.e.f. 4 August 2025)

Gender: Female

Age: 54

Nationality: Malaysia

Date of Appointment:
16 December 2022

**Board Memberships and
Committees:**



Number of Board Meeting Attended:
4/4

Academic and Professional Qualifications

- Bachelor of Science, (First Class Honours) Quantity Surveying, University of Reading, UK
- Master of Science, (Distinction) - IT Management in Construction, University of Salford, UK
- Master of Laws (LLM) Corporate Governance, The University of Law, UK

Working Experience/Occupation

Current Appointment

- Nil

Past Appointments/Experiences

- Head of Partnership, Specialised Sports Services Sdn Bhd (2022)
- Head of Branding and Advertising, Destination, Resorts and Hotels Sdn Bhd (Subsidiary of Khazanah) (2014)
- Director, Asset Management & Investment Committee for CIMB Trust-Capital Sdn Bhd, CIMB Group Berhad (2011)

- Senior Manager (Asset Management), CIMB Group Berhad (2010)
- Head of Property Development and Management, CIMB Group Berhad (2007)
- Head of Business Development, X-Txt Asia Sdn Bhd (2006)
- Chief of Operations, GCS Sdn Bhd (2004)
- Contracts Manager, GCS Sdn Bhd (1997)
- Quantity Surveyor, Project Executive, Davis, Langdon & Seah Malaysia (JUBM Sdn Bhd) (1995)

Other Directorship

Listed Issuer

- Al-Salām REIT
- Varia Berhad

Public Companies

Nil

BOARD OF DIRECTORS



DATIN UNGKU SUSEELAWATI BINTI UNGKU OMAR

Independent Non-Executive Director

Gender: Female

Age: 67

Nationality: Malaysia

Date of Appointment:
21 January 2025

**Board Memberships and
Committees:**

BIC

Number of Board Meeting Attended:
8/8

Academic and Professional Qualifications

- Bachelor Marketing, Lancaster University, UK

Working Experience/Occupation Current Appointment

- Executive Director & Regional Head of Retail, SEA, Nawawi Tie Leung

Past Appointments/Experiences

- General Manager (Retail Development KLCC Holdings) (2000)
- Project Manager, Metrojaya Berhad (1993)
- Head of Development Section Petronas Gas Sdn Bhd (1990)

Other Directorship Listed Issuer

- Al-Salām REIT

Public Companies

- PHB Property Ventures Berhad

Course Attended

- JCorp Future Forward Leadership Series 2025

Membership of Board Committees



Board Audit and Risk
Committee



Board Investment
Committee



Board Nomination and
Remuneration Committee

BOARD OF DIRECTORS



ONG LI LEE

Independent Non-Executive Director

Gender: Female

Age: 65

Nationality: Malaysia

Date of Appointment:
4 August 2025

Board Memberships and Committees:



Number of Board Meeting Attended:
5/5

Academic and Professional Qualifications

- Chartered Governance Institute (previously known as The Institute of Chartered Secretaries & Administrators) under London School of Accountancy.

Working Experience

Current Appointment

- Member of the Board of Governors, Yayasan Bursa Malaysia

Past Appointments/Experiences

- Executive Director, ET Smart Wealth Sdn Bhd (2024)
- Advisor, EquitiesTracker Holdings Bhd (ETH) (2024)
- Director of Securities Market, Bursa Malaysia (2018)
- Head, Information Services Division, Bursa Malaysia (2013)
- Head of Sales & Marketing, Information Services Division, Bursa Malaysia (2010)

- Head, Research & External Affairs, Finance & Strategy Division, Bursa Malaysia (2006)
- Head, Brand Management & Yayasan Bursa Malaysia, Group Business Development, Bursa Malaysia (2005)

Other Directorship

Listed Issuer

- Al-Salām REIT
- Johor Plantations Group Berhad

Public Companies

Nil

Courses Attended

- Audit Oversight Board: Conversation with Audit Committee
- Malaysia Carbon Market Forum 2025
- JCorp Future Forward Leadership Series 2025
- National Climate Governance Summit 2025
- Mandatory Accreditation Programme Part II: Leading for Impact

BOARD OF DIRECTORS



GOH TIAN SUI

Independent Non-Executive Director

Gender: Male

Age: 70

Nationality: Malaysia

Date of Appointment:
21 January 2025

Board Memberships and Committees:



Number of Board Meeting Attended:
8/8

Academic and Professional Qualifications

- Bachelor of Science University of Reading, UK

Working Experience

Current Appointment
Nil

Past Appointments/Experiences

- Independent Non-Executive, IJM Corporation Berhad (2024)
- Independent Non-Executive Director, IJM Land Berhad (2015)
- Independent Non-Executive Director, GLM REIT Management Sdn Bhd (2010)
- Managing Director, C H Williams Talhar & Wong Sdn Bhd (2010)
- Deputy Manager, C H Williams Talhar & Wong Sdn Bhd (2003)
- Director, C H Williams Talhar & Wong Sdn Bhd (2001)
- Associate Manager, C H Williams Talhar & Wong Sdn Bhd (1989)

Other Directorship Listed Issuer

- Al-Salām REIT

Public Companies

Nil

Courses Attended

- JCorp Future Forward Leadership Series
- 32nd National Real Estate Convention

Membership of Board Committees



Board Audit and Risk Committee



Board Investment Committee



Board Nomination and Remuneration Committee

BOARD OF DIRECTORS



ABDUL AZIZ BIN ABDUL RASHEED

Non-Independent Non-Executive Director

Gender: Male

Age: 49

Nationality: Malaysia

Date of Appointment:
4 August 2025

**Board Memberships and
Committees:**



Number of Board Meeting Attended:
4/5

Academic and Professional Qualifications

- Master of Business Administration, University of London, UK
- Bachelor of Engineering in Electrical and Electronic Engineering, University of Hertfordshire, UK
- Diploma in Management, Imperial College, UK

Working Experience

Current Appointment

- Managing Director, JLG Capital Sdn Bhd

Past Appointments/Experiences

- Head, Private Equity Real Estate (PERE), JLG Integra Berhad (Formerly known as Damansara Holdings Berhad) (2025)
- COO, Investment & Asset Management, Sime Darby Property Bhd (2023)

- CEO, Amanah Raya Kenedix REIT Manager Sdn Bhd (2021)
- Senior Manager - Investment Projects, AREA Group (2020)
- Head of Engineering, Axis REIT Managers Bhd (2017)

Other Directorship

Listed Issuer

- Al-Salām REIT

Public Companies

Nil

Courses Attended

- Mandatory Accreditation Programme Part II: Leading for Impact
- Leaders Solving for Tomorrow
- Integrity Awareness

SHARIAH COMMITTEE



DATO' (DR.) HAJI NOOH BIN GADOT

Chairman, Shariah Committee

Gender: Male

Date of Appointment:
22 June 2006

Age: 80

Nationality: Malaysia

Academic and Professional Qualifications

- **Bachelor Islamic Law and Syariah Islamiah**
Al-Azhar University, Egypt
- **Master of Arts**
Asia e University
- **Doctor of Philosophy (Human Development)**
Universiti Tun Hussein Onn Malaysia

Working Experience

He is a member of the Johor Royal Council and Islamic Religious Council (Johor). He retired as Mufti of Johor in November 2002 and continued his service until 13 November 2008 and now remains as the Advisor to the Islamic Religious Council (Johor). He was appointed as Federal Supreme Committee of Islamic Affairs Strengthening Management on 9 August 2018. His vast experience in Islamic practise and jurisprudence, juristic methodology, hadith and its sciences and spirituality were gained throughout his services as Acting Kadi, Syarie Lawyer Islamic Affair Officer Religious Department (Prime Minister Department), Acting Assistant Examination and Registrar Religious School of Johor State and Religious Teacher of Johor State.

Other Directorship

- Chairman of Yayasan Infaq Angkasa
- Shariah Adviser Member, Permodalan Nasional Berhad
- Director, Universiti Tun Hussein Onn Malaysia
- Director, Yayasan Wakaf Anak Yatim Malaysia
- Committee Member, Johor Islamic Council including Zakat, Wakaf, Baitulmal, Teaching Certification and Education
- Committee Member of various companies within the JCorp Group
- Committee Member of various councils including the Johor Royal Congregational Council, Johor Islamic Council's Finance and Investment, Planning and Development units



PROFESOR MADYA DR. ABDUL HALIM BIN MUHAMMAD *(Demised on 16 April 2026)*

Member, Shariah Committee

Gender: Male

Date of Appointment:
22 June 2006

Age: 79

Nationality: Malaysia

Academic and Professional Qualifications

- **Bachelor in Shariah**
Al-Azhar University, Egypt
- **Doctor of Philosophy (PhD) in Shariah**
University of St Andrews, Scotland

Working Experience

He began his career with Universiti Kebangsaan Malaysia as the Head of Department of Quran and Sunnah, Faculty of Islamic Studies and Lecturer at Faculty of Law Universiti Kebangsaan Malaysia

He has served as Shariah Advisor and Shariah committee member at several corporate organisation such as Tabung Haji, Bank Negara Malaysia, Dewan Bahasa dan Pustaka, Takaful Nasional and Terengganu Trust Fund as well as financial institutions namely, Bank Muamalat Malaysia Berhad, Bank Kerjasama Rakyat Malaysia Berhad, RHB Bank Berhad and Bank Pembangunan Malaysia Berhad.

SHARIAH COMMITTEE



ABOUT IBFIM

IBFIM is a registered Shariah Adviser under the Capital Market Services Act 2007 and has been providing a wide range of Shariah advisory and consultancy services for Islamic financial services industry since 2001. IBFIM is also a lifelong learning institution that specialises in technical certifications for Islamic financial services industry. As Shariah Adviser, IBFIM is providing necessary advice to ensure that AL-`Aqar business is Shariah compliant. IBFIM was appointed as the Shariah Adviser for the REIT effective 2 July 2020.

Profile of Designated Person responsible for Shariah matters relating to AL-`Aqar

In relation to Shariah matters, the designated persons responsible for overseeing the Shariah aspects of the fund's investment activities under AL-`Aqar is Irma Namira Binti Missnan.

Irma Namira is currently a Manager, Shariah Consultancy of IBFIM and a registered Shariah Officer with the Securities Commission of Malaysia for IBFIM in respect to the Islamic capital market-related product and services. She brings with her approximately 14 years of professional experience in Islamic finance and Shariah advisory.

At IBFIM, she is responsible for providing Shariah advisory, consultancy and research services covering Islamic banking, takaful, Islamic capital market, Islamic REITs and Islamic unit trust funds. Her responsibilities include advising on Shariah compliance, governance structures, and the application of Shariah principles in Islamic financial products and transactions.

Irma Namira commenced her career in 2012 as a Shariah executive in RHB Islamic Bank Berhad. Specialising in Shariah advisory, governance and management portfolios, she was then entrusted as a Section Head of the Shariah Secretariat of RHB Islamic Bank from May 2015 until March 2020 before joining IBFIM. She has extensive experience in the practical application of Shariah principles for Islamic financial products and services, encompassing retail banking, non-retail banking and Islamic capital markets.

Irma Namira graduated with Bachelor of Syariah and Laws (Hons) from Universiti Sains Islam Malaysia and obtained Certificate in Islamic Law of Banking & Finance from International Islamic University Malaysia. She also holds Certified Professional Shariah Auditor (CPSA) and Associate Qualification in Islamic Finance (AQIF) certifications from IBFIM. She is a fellow member of the Association of Shariah Advisors in Islamic Finance (ASAS).

Notes: - None of the Shariah Committee members have:

- Any family relationship with any Director of the Manager and/or major unitholder of AL-`Aqar;
- Any conflict of interest with AL-`Aqar;
- Any conviction of interest within the past 5 years (other than traffic offences); and
- Any public sanctions or penalties imposed by the relevant regulated bodies during the financial year ended 31 December 2025.

MANAGEMENT TEAM

ZULHILMY BIN KAMARUDDIN

Chief Executive Officer

Gender: Male

Age: 51

Nationality: Malaysian



Date of Appointment

4 November 2024

Academic and Professional Qualifications

- **Executive Development Programme**
Columbia Business School, New York, USA
- **Master of Accountancy**
Universiti Teknologi Mara, Shah Alam, Malaysia
- **BA (Hons) Accounting & Finance**
University of Kent, Canterbury, UK
- **Capital Market Service Representative's Licence (CMSRL) holder**

Directorship

- Fund Board Member Aman REIF, Muscat, Oman

Working Experience

- **Director, Group Client Coverage**
RHB Investment Bank Berhad (2011-2024)
- **Head, Investment Banking**
RHB Islamic Bank Bhd (2009-2011)
- **Assistant Vice President**
Corporate Finance, Maybank Investment Bank Bhd (2005-2009)

TAN JOON KAI

Chief Operating Officer

Gender: Male

Age: 54

Nationality: Malaysian



Date of Appointment

15 August 2024

Academic and Professional Qualifications

- **Bachelor of Commerce (Finance & Accounting)**
Flinders University of South Australia, Adelaide, Australia

Directorship

Nil

Working Experience

- **Senior Management Team (Pre & Post Opening Team)**
Pavilion Damansara Heights, Pavilion Bukit Jalil (2021-2024)
- **Head of Asset Management**
S P Setia Bhd (2019-2020)
- **Head of Property Management (Shopping Complexes, Condominiums, Commercials)**
Eng Lian Enterprise Sdn Bhd (1999-2015)

AHMAD NAZRI BIN MOHAMAD

Chief Financial Officer

Gender: Male

Age: 49

Nationality: Malaysian



Date of Appointment

17 February 2025

Academic and Professional Qualifications

- **Member**
Association of Chartered Certified Accountant (ACCA)
- **Member**
Malaysian Institute of Accountant
- **BA in Accounting and Finance (Hons)**
Lancaster University

Working Experience

- **Group Chief Financial Officer**
Theta Edge Berhad (2024)
- **Group Chief Financial Officer**
Ingress Corporation Berhad (2023)

MANAGEMENT TEAM

NOR SHAKIRA BINTI ZAINAL

Head, Governance & Legal

Gender: Female | **Age:** 41 | **Nationality:** Malaysian



Date of Appointment

7 April 2025

Academic and Professional Qualifications

- **Master of Criminal Justice**
University Malaya
- **Bachelor of Laws (Honours)**
International Islamic University Malaysia
- **Advocate & Solicitor (High Court of Malaya) 2014**

Directorship

Nil

Working Experience

- **Group Head Legal, Secretarial & Regulatory Management**
Theta Edge Berhad (2024-2025)
- **Senior Manager, Legal & Contract**
Malakoff Corporation Berhad (MMC Group) (2018-2024)
- **Legal Manager**
Pelabuhan Tanjung Pelepas Sdn Bhd (MMC Group) (2017-2018)
- **Legal Manager**
Zelan Berhad (MMC Group) (2016-2017)
- **Legal Associate**
Zul Rafique & Partners (2014- 2016)
- **Federal Counsel**
Attorney General's Chambers (2009-2014)

ROZIAH BINTI ABU BAKAR

Head, Corporate Services

Gender: Female | **Age:** 58 | **Nationality:** Malaysian



Date of Appointment

1 March 2016

Academic and Professional Qualifications

- **Enterprise Risk Advisor**
Institute of Enterprise Risk Practitioners
- **Master of Business Administration**
Henley Business School, University of Reading, UK
- **Bachelor of Arts, International Relations**
The University of British Columbia, Vancouver, Canada

Directorship

Nil

Working Experience

- **Senior Manager**
KFCH International College (2016)
- **Manager**
Akademi Johor Corporation (2013)
- **Deputy Manager**
Chief Operating Officer Office, Johor Corporation (2010)

Save as disclosed, none of the management team and key personnel have:

- Any family relationship with any Director of the Manager and/or any major unitholder of AL-`Aqar;
- Any conflict of interest with AL-`Aqar;
- Any convictions for offences within the past five (5) years (other than traffic offences); and
- Any public sanctions or penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2025.

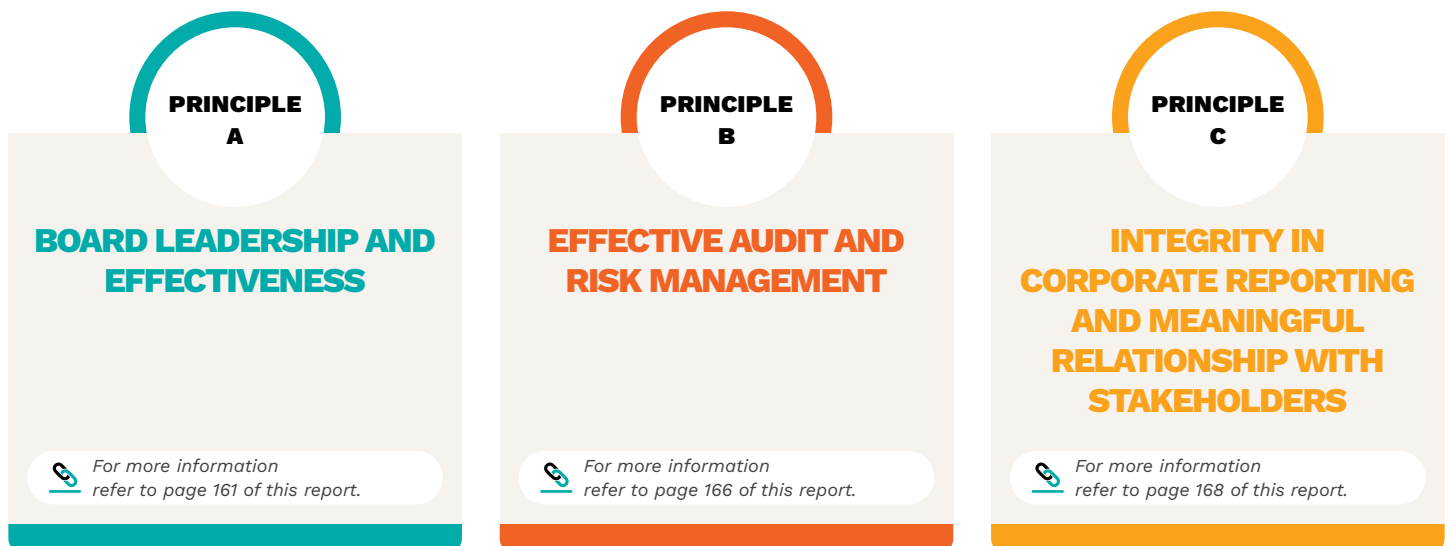
CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement (“CG Statement”) outlines the key features of the REIT’s corporate governance framework, summarises the governance practices adopted during the financial year under review, and highlights the Board’s key focus areas and forward-looking priorities in strengthening governance standards.

The Board remains steadfast in its commitment to upholding a robust and effective governance framework across the REIT. The Board recognises that sound corporate governance is fundamental in supporting Management in achieving the REIT’s strategic objectives and ensuring the long-term sustainability of the business for the benefit of all stakeholders. The pursuit of high governance standards is a continuous and evolving process, taking into account changes in the REIT’s business environment, operational landscape, Board composition, and developments in governance practices and regulatory expectations.

In discharging its governance responsibilities, the Board has been guided by the Malaysian Code on Corporate Governance (“MCCG”) in implementing corporate governance practices, while ensuring full compliance with the MMLR of Bursa Malaysia, the Guidelines on Listed Real Estate Investment Trusts (“Listed REITs”), Bursa Malaysia Corporate Governance Guide (28 April 2021), and the Companies Act 2016.

This CG Overview Statement provides a summary of the REIT’s governance practices during the financial year, structured in reference to the three (3) key principles of the MCCG, together with their intended outcomes and recommended practices. In doing so, the Board has taken into consideration the REIT’s organisational structure, operational processes, business environment and industry-specific practices:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

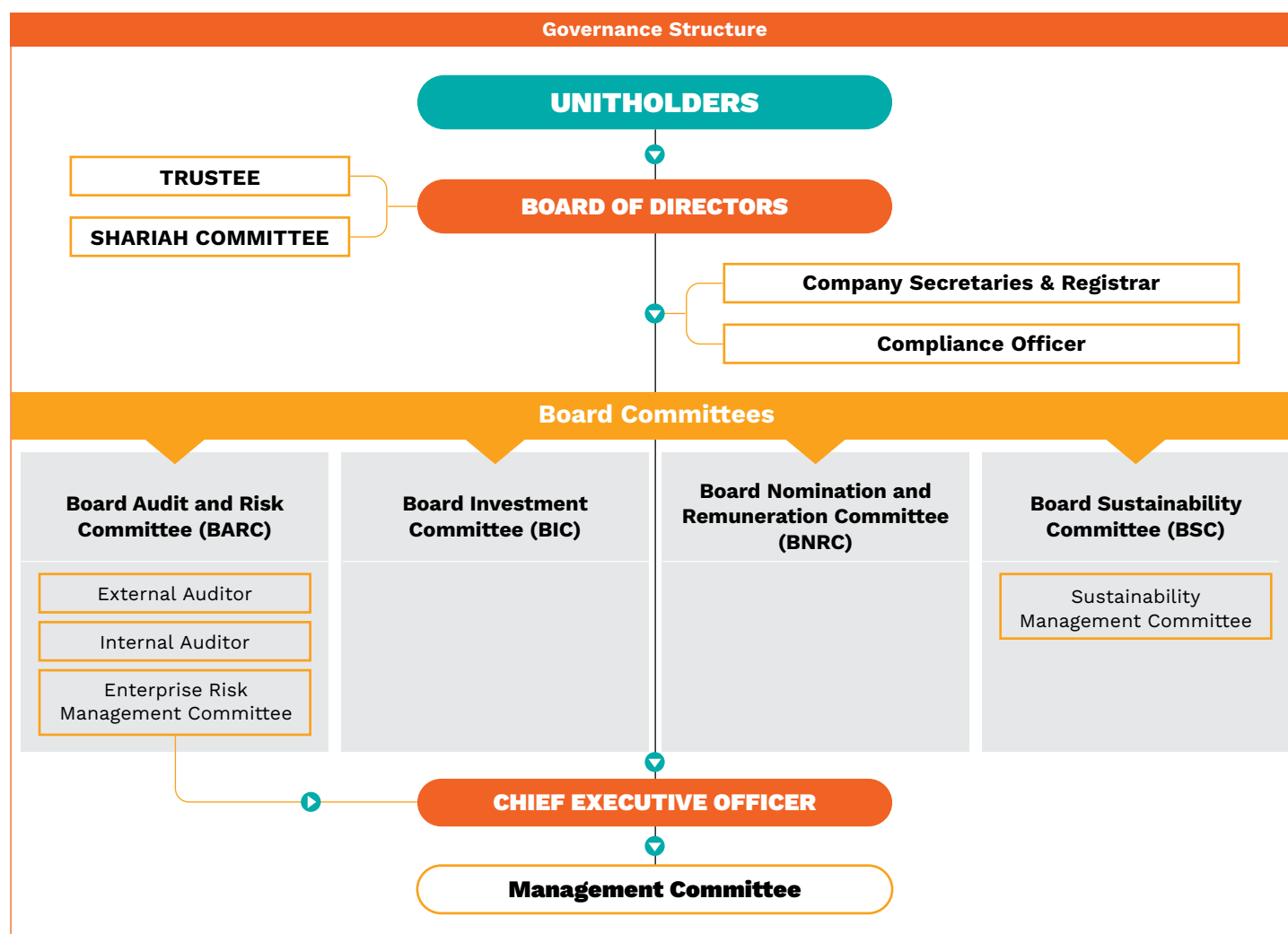
To ensure ongoing compliance with the latest corporate governance standards and regulatory requirements, the Board periodically reviews and enhances its governance policies, procedures and internal control mechanisms.

During the financial year under review, the Manager has applied all the applicable practices of the MCCG 2021, save for Practice 8.1 (detailed disclosure of individual directors' remuneration on a named basis, including a breakdown of fees, salary, bonus, benefits-in-kind and other emoluments) and Practice 8.2 (disclosure of senior management's remuneration).

The Corporate Governance Report, which provides detailed disclosures on the application of each practice under the MCCG, is available on the Fund's website at www.alaqar.com.my and via an announcement on the website of Bursa Malaysia Securities Berhad. This CG Overview Statement should be read in conjunction with other relevant sections of the IAR2025, including the Statement on Risk Management and Internal Control ("SORMIC"), the BARC Report, and the Sustainability Statement.

CORPORATE GOVERNANCE STRUCTURE

The governance structure of the REIT where the responsibilities of the Board are delegated to the relevant Board Committees and the Management is illustrated below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The main purpose of a governance structure is to address the central issues revolving the four components of the governance operating model summarised below:

COMPONENTS	SUBCOMPONENTS	DESCRIPTION
STRUCTURE	<ul style="list-style-type: none"> Committee structure and charters Organisational design and reporting lines Control and support function roles 	<ul style="list-style-type: none"> Outlines board and management committee structures, mandates, membership and charters Establishes design of governance framework Delineates organisational structure, reporting lines and relationships Highlights roles and independence of control and support functions from business owners
OVERSIGHT RESPONSIBILITIES	<ul style="list-style-type: none"> Committee (s) authorities and responsibilities Management accountability and authority Board oversight and responsibilities Reporting, escalation, and veto rights 	<ul style="list-style-type: none"> Outlines the type of committees (board and management) and associated responsibilities Specifies functional accountabilities for day-to-day management of business practices across the enterprise Delineates board and management approved policies supporting delegation of authority (decision rights) including reporting, escalation and veto rights
TALENT & CULTURE	<ul style="list-style-type: none"> Business and operating principles Core belief and risk culture Leadership development and talent programmes performance Management and incentives 	<ul style="list-style-type: none"> Aligns governance with operating and business principles Articulates core beliefs and foundation for culture Highlights characteristics of risk culture Outlines leadership succession, assessment, and development responsibilities Aligns performance management, approach, measures and responsibilities to compensation and incentive plans
INFRASTRUCTURE	<ul style="list-style-type: none"> Policies and Procedures 	<ul style="list-style-type: none"> Establishes design and content of policy manual and associated procedures Outlines type and frequency of internal reporting and communications Define scorecards, measures, and metrics to track performance Aligns technology and governance requirements

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A


BOARD LEADERSHIP AND EFFECTIVENESS

BOARD LEADERSHIP AND MANAGEMENT

The Board is chaired by an Independent Non-Executive Director and comprised of 4 other Independent Non-Executive Directors and 4 Non-Independent Non-Executive Directors. The Directors have a balance and depth of skills, experience, independence and knowledge of the Real Estate/ Property industry and the REIT business model, which enables them to discharge their respective duties and responsibilities effectively. Each Director and Senior Management were assessed for compliance with the Policy on Fit & Proper Criteria, their performance, and contribution to board effectiveness. Should any of them be found to be no longer fit and proper or is underperforming, the BNRC will take corrective measures to manage such events accordingly.

The Board is collectively responsible for the REIT and the Manager's long term business sustainability, strategic planning and long term targets. The annual budget and strategic planning report are developed by the Chief Executive Officer ("CEO") and the senior management team and approved by the Board. The management team, led by the CEO, is responsible for implementing the strategy and managing the business at an operational level, aimed at promoting a long-term value for the unitholders and stakeholders.

NUMBER OF MEETINGS AND BOARD ATTENDANCE IN 2025

 The number of meetings held during the year, and the attendance of each Director can be found at the Board Audit and Risk Committee, Board Investment Committee, Board Nomination and Remuneration Committee, and Board Sustainability Committee Report sections on pages 171, 177, 181 and 184, respectively.

Similarly, all highlights of matters reviewed, deliberated and approved by the Board and Board Committees during FY2025 can be found on the same section mentioned above.

NO	DIRECTOR	DATE OF MEETINGS							
		20 FEB 2025 (SPECIAL)	6 MAR 2025	26 MAY 2025 (SPECIAL)	12 JUN 2025	26 AUG 2025 (SPECIAL)	4 SEP 2025	27 NOV 2025 (SPECIAL)	4 DEC 2025
1	DATUK HASHIM BIN WAHIR	✓	✓	✓	✓	✓	✓	✓	✓
2	ABDULLAH BIN ABU SAMAH	✓	✓	✓	✓	✓	✓	✓	✓
3	DATUK Sr AKMAL BIN AHMAD	✓	✓	✓	✓	✓	✓	✓	✓
4	SHAMSUL ANUAR BIN ABDUL MAJID (Resigned w.e.f. 31 March 2026)	✓	✓	X	✓	✓	✓	✓	✓
5	DATO' HAJI MOHAMMED RIDHA BIN DATO' HAJI ABD KADIR (Resigned w.e.f. 31 March 2026)	X	X	X	X	X	X	✓	✓
6	GOH TIAN SUI	✓	✓	✓	✓	✓	✓	✓	✓
7	DATIN UNGKU SUSELAWATI BINTI UNGKU OMAR	✓	✓	✓	✓	✓	✓	✓	✓
8	LAILATUL AZMA BINTI ABDULLAH	✓	✓	✓	✓	(Resigned w.e.f. 4 August 2025)			
9	ONG LI LEE	(Appointed w.e.f. 4 August 2025)			✓	✓	✓	✓	✓
10	ABDUL AZIZ BIN ABDUL RASHEED	(Appointed w.e.f. 4 August 2025)			✓	✓	X	✓	✓

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman is primarily responsible for providing leadership to the Board and ensuring its effective functioning. In this regard, the Chairman guides the Board in the discharge of its duties and responsibilities, promotes high standards of corporate governance, and oversees the development, adoption and communication of an effective governance framework for the REIT.

The Board, collectively, is responsible for setting the REIT's purpose, strategic direction and overall commercial objectives. The Board also ensures that appropriate policies and procedures are established, taking into consideration the size, nature and complexity of the REIT's operations.

The CEO is responsible for the day-to-day management of the REIT's operations. The CEO reports to and works closely with the Board in articulating, recommending and implementing strategic and operational plans. The CEO is accountable for executing approved policies and strategies and for managing the business with a view to delivering sustainable long-term value to unitholders and stakeholders.

The respective roles and responsibilities of the Chairman and the CEO are clearly defined in the Board Charter. The separation of these roles promotes accountability, ensures an appropriate balance of power and authority, and prevents any one individual from exercising unfettered decision-making powers.

COMPANY SECRETARIES

The Company Secretaries advise the Board on corporate governance and regulatory matters and report directly to the Chairman on such matters. They support the Chairman in ensuring the effective functioning of the Board and its Committees, and facilitate the timely dissemination of accurate and relevant information to the Board.

The Company Secretaries also advise the Board on compliance obligations and ensure that Board procedures are in accordance with applicable laws, regulatory requirements and internal governance policies. The performance of the Company Secretaries is subject to annual evaluation by the Board.

BOARD COMMITTEES

The Board has established the following Committees with clearly defined terms of reference and delegated authority to assist in the discharge of its responsibilities:

- Board Audit and Risk Committee
- Board Nomination and Remuneration Committee
- Board Investment Committee
- Board Sustainability Committee

Each Committee operates within its respective Terms of Reference, which are reviewed periodically to ensure continued relevance and effectiveness. The Terms of Reference of the respective Committees are available on the REIT's website.

BOARD EVALUATION

The Board undertakes a periodic Board Effectiveness Evaluation ("BEE") to assess the performance and effectiveness of the Board, Board Committees, individual Directors and the senior management team. The evaluation process reinforces the Board's commitment to maintaining high standards of governance and performance in the discharge of its fiduciary duties.

The BEE Report for the financial year under review was tabled at the Board Nomination and Remuneration Committee ("BNRC") meeting held on 13 February 2026. A summary of the evaluation findings is set out in the BNRC section of this IAR2025.

FIT AND PROPER ASSESSMENT

The Board, through the BNRC, undertakes an annual fit and proper assessment of the Directors, Company Secretaries, licence holders, Shariah Adviser, the CEO and members of senior management.

The assessment is conducted in accordance with the Manager's Fit and Proper Policy on Key Responsible Persons, as well as the annual declarations provided by Independent Directors, to ensure continued compliance with regulatory requirements and governance standards.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONTINUING EDUCATION AND DEVELOPMENT

The Board recognises that Directors play a pivotal role in setting the strategic direction and overseeing the operations of the REIT. In this regard, continuous education and professional development are essential to ensure that Directors remain abreast of emerging industry developments, evolving regulatory requirements and best governance practices.

Directors regularly participate in training programmes, briefings and seminars relevant to their roles and responsibilities.

COMPETENCIES AND SKILL SET

Members of the Board and Senior Management are expected to possess the requisite knowledge, skills, competencies, experience and professional attributes necessary to effectively discharge their duties and responsibilities. This includes relevant industry expertise, leadership capabilities, integrity and sound judgement, in line with the Fit and Proper Policy.

The Board maintains an appropriate mix of skills and experience to support effective oversight and decision-making. The key competencies expected of Directors are summarised as follows:

AREAS	COMPETENCIES
Knowledge and Understanding of the Business/ Industrial Strategies	<ul style="list-style-type: none"> • Experience in planning and developing corporate strategies for growth, assessing business performance, investment and financial decisions • Operates or has relevant industry experience in operating businesses • Competent and skillfull in financial aspects of running a business including the ability to read, analyse and interpret financial statements
Corporate Governance, Risk Management and Internal Controls	<ul style="list-style-type: none"> • Working knowledge on duties and responsibilities of the Board, Board Committees and Directors • Hands-on experience in the fields of governance, risks and controls • Ability to understand, interpret and effectively apply legislative and regulatory changes • Knowledge on legal, regulatory and business requirements in other countries/regions in which the REIT operates

MANAGING CONFLICT OF INTEREST

The Manager has established policies requiring Directors, officers and employees to avoid situations in which personal interests may conflict, or appear to conflict, with the interests of the REIT. This applies in dealings with suppliers, customers and other third parties, as well as in the conduct of personal affairs, including transactions in securities of the Manager and any affiliated or non-affiliated entities.

Any Director who has, whether directly or indirectly (including through his or her spouse or children), an interest in a matter being considered by the Board is required to disclose the nature and extent of such interest to the Board. Such disclosure shall be recorded in the minutes of the relevant Board meeting.

Upon such disclosure:

- I. the Director concerned shall abstain from participating in the deliberation and decision-making process in respect of the matter;
- II. the Director shall be disregarded for the purpose of constituting a quorum for that particular matter; and
- III. the validity of any act or proceeding of the Board shall not be affected by any inadvertent non-compliance with these provisions.

These measures are intended to ensure transparency, accountability and integrity in the Board's decision-making process.

BOARD REMUNERATION

The Board acknowledges that the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") emphasises the importance of a remuneration framework that is structured, transparent and aligned with the REIT's strategic objectives, and which supports long-term value creation.

The Manager has in place policies and procedures governing Directors' remuneration. The objective is to ensure that remuneration levels are sufficient to attract, retain and motivate Directors with the appropriate expertise and experience required to support the achievement of the REIT's long-term objectives. In determining the remuneration structure, due consideration is given to factors such as the complexity of the REIT's business, its financial performance, the scope of responsibilities undertaken by the Directors, their experience, commitment and contribution, as well as prevailing market benchmarks.

The remuneration framework is designed to reflect merit, qualifications and competencies, while taking into account the REIT's operating results, individual performance and comparable industry data.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year under review, the BNRC reviewed and recommended revisions to the Directors' remuneration, which were subsequently approved by the Board and took effect in 2025. The revision was undertaken after considering the Board's overall performance, competencies and relevant market comparisons.

DISCLOSURE OF DIRECTORS' REMUNERATION

Practice 8.1 of the MCGG 2021 recommends detailed disclosure of individual Directors' remuneration on a named basis, including a breakdown of fees, salary, bonus, benefits-in-kind and other emoluments.

The Manager has clarified that the nomination, appointment and remuneration of Directors are undertaken at the Manager level, which is a private company within the JCorp Group, and not by the REIT itself. The appointment, re-appointment and remuneration of Directors of the Manager are therefore not subject to approval by the unitholders of the listed fund.

In view of the above, the detailed disclosure requirement under Practice 8.1 of the MCGG 2021 is not applicable to the REIT.

SENIOR MANAGEMENT REMUNERATION

The Manager adopts the JCorp Group's Employee Salary Scheme as a guiding framework in determining the remuneration of its employees. The objective is to provide a competitive total compensation structure that is capable of attracting and retaining suitably qualified and competent personnel. Remuneration is primarily performance-driven and aligned with the Manager's Performance Management Policy.

In relation to Practice 8.2 of the Malaysian Code on Corporate Governance 2021 ("MCGG 2021"), which recommends disclosure of the top five senior management's remuneration on a named basis, including a breakdown of salary, bonus, benefits-in-kind and other emoluments, the Board is of the view that such disclosure is not applicable. This is on the basis that the Manager is not a listed entity and the remuneration of senior management is paid by the Manager.

Notwithstanding the above, the Board affirms that the remuneration of Directors and Senior Management is commensurate with their respective responsibilities and individual performance, taking into consideration the overall performance of the REIT and prevailing market benchmarks. The remuneration packages of Senior Management are structured based on experience, expertise, competencies and industry comparatives to ensure competitiveness and fairness.

DRIVING SUSTAINABILITY

The BSC, together with Senior Management, is responsible for overseeing the governance of sustainability matters, including the formulation of sustainability strategies, priorities and targets for the REIT.

The Board recognises the emphasis placed by the MCGG 2021 on effective Board leadership in integrating sustainability considerations into corporate strategy, governance and decision-making processes. In light of the increasing importance of environmental, social and governance ("ESG") matters, the BSC has been entrusted with oversight responsibilities over ESG-related risks and opportunities, including climate-related risks.

In compliance with applicable financial reporting standards, including IFRS S1 and IFRS S2, the REIT's Sustainability Report addresses sustainability-related financial disclosures, as well as climate-related risks and opportunities relevant to the REIT.

At the management level, the Manager has established a Sustainability Management Committee ("SMC"), chaired by the CEO and comprising members of the Manager's management team, the Property Manager and relevant stakeholders. The SMC is responsible for implementing sustainability initiatives and embedding sustainability considerations into the REIT's operational activities.

In line with Practice 4.4 of the MCGG 2021, sustainability considerations have also been incorporated into the performance evaluation of the Board and Senior Management. The Board ensures that Directors remain informed and competent in sustainability matters, and all Directors are required to attend the Mandatory Accreditation Programme II: Leading for Impact for Directors of Public Listed Companies by the end of 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

GENDER DIVERSITY AND INCLUSION

The Manager is committed to promoting diversity, equity and inclusion within the organisation, and to fostering a culture where individuals are treated with fairness, respect and professionalism. The Board recognises that diversity enhances decision-making and contributes to effective governance and long-term value creation.

The Manager has established a Diversity, Equity and Inclusion framework which sets out its commitment and expectations in promoting an inclusive and equitable working environment.

In respect of Board appointments, candidates are evaluated based on objective and merit-based criteria. The selection process does not discriminate on the basis of gender, race or any personal or physical attributes unrelated to the performance of duties as a Director. Appointments to the Board are made on merit, taking into account the mix of skills, experience, knowledge and competencies required for the Board to function effectively as a whole.

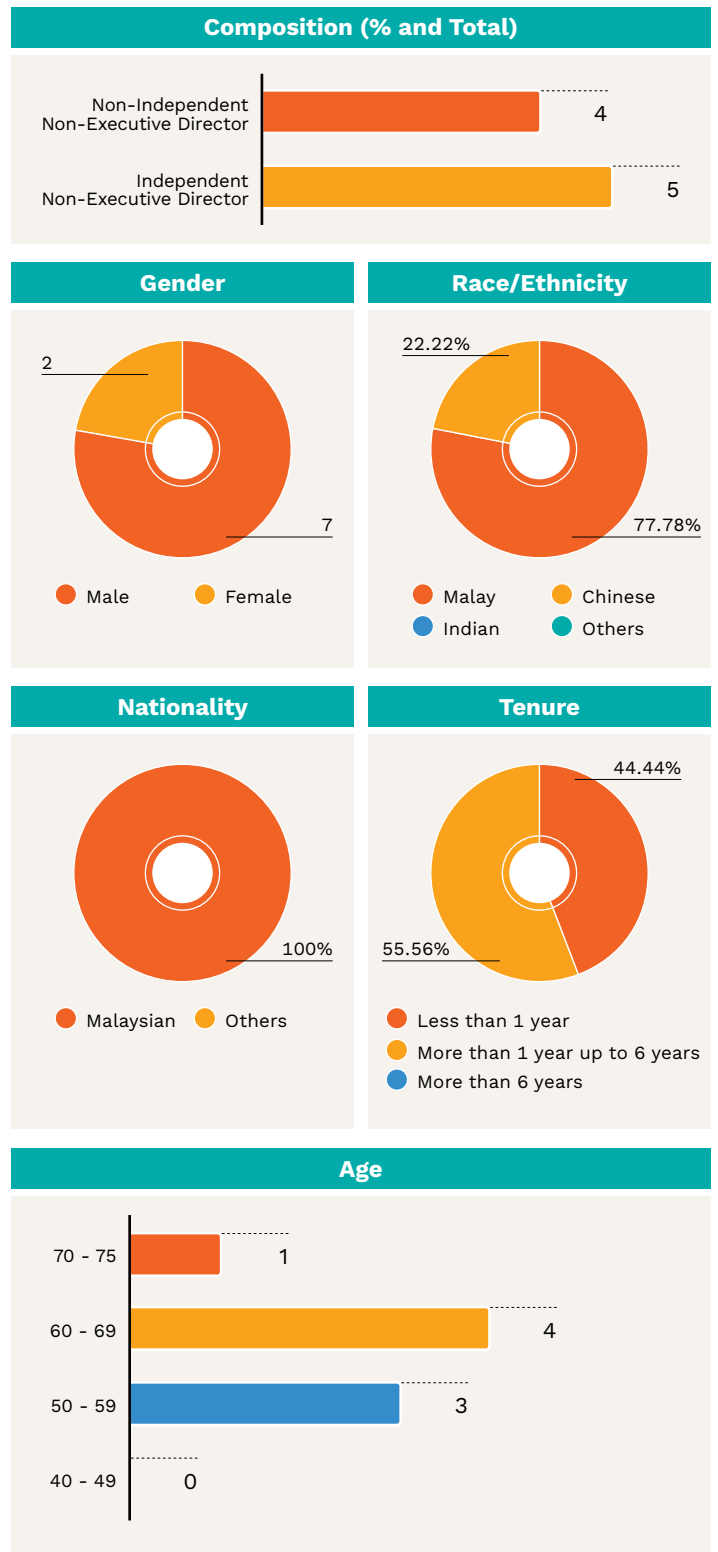
Importance of Female Representation:

- **Diversity in Decision-Making:** Gender-diverse boards bring varied perspectives and experiences, leading to more robust decision-making and innovation.
- **Ethical and Social Responsibility:** Companies with diverse boards demonstrate commitment to inclusivity, reflecting societal values and expectations.
- **Talent Utilisation:** Increased female participation ensures better use of the talent pool

The commitment to diversity is embedded in our Sustainability Policy that sets out the Manager’s values.

As such, with respect to Practice 5.9 of the MCCG, the Manager departs from the Practice. The board will continue to scout for women directors to sit on board in the coming years, taking into account diverse perspectives and insights based on the candidate’s integrity, independence, diversity in terms of age, gender, cultural background and experience, leadership, and ability to exercise sound judgment.

As at 31 December 2025, the Board composition and diversity is depicted below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

INDEPENDENCE OF EXTERNAL AUDITORS

The External Auditors play an essential role to the unitholders by enhancing the reliability of the financial statements and giving such reliability assurance to users of these financial statements. The BARC manages the relationship with the External Auditors on behalf of the Board. The BARC reviews and considers the re-appointment, remuneration and annually assessed the independence and objectivity of the external auditors during the year and before any appointment of the external auditors. The evaluation process involving the track record and prior performance of the external auditor's centres around the areas below:

- The competency, audit quality, and resource capacity of the external auditor in relation to the audit;
- Quality of the audit process, scope and planning
- Effectiveness of the audit communications
- Auditors' independence and objectivity
- The nature and extent of the non-audit services rendered and appropriateness of the level of fees;
- Written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement following the terms of all relevant professional and regulatory requirements.

The results of these assessments formed the basis of the BARC's appointment of External Auditors. The assessment takes into account the feedback from the Management, focusing on a range of factors that are considered relevant to audit quality.

The BARC meets with the External Auditors regularly to discuss their audit plans and audit findings in relation to the financial statements. Private sessions between the BARC and the External Auditors were held without the presence of Management at least twice a year to discuss any other matters the external auditors may wish to highlight and to ensure that there were no restrictions in the scope and performance of their audit activities.

In addition, the External Auditors are invited to attend the Annual General Meeting and be available to answer unitholders' inquiries on the conduct of the statutory audit and preparation of their audit report. The External Auditors have confirmed their independence and that no circumstances and relationship create threats to their independence and that the ethical requirements have been complied with. The BARC was satisfied with the independence of the present external auditor based on the quality of audit, performance, competency, and sufficiency of the resources that the Internal Auditor provided to the Fund.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTERNAL AUDIT FUNCTION

The Manager has entered into an outsourcing arrangement with PKF Risk Management Sdn Bhd (PKF) to carry out its internal audit function. To preserve the independence and objectivity of Internal Auditor, the PKF reports functionally to the BARC and administratively to the CEO and Compliance & Risk Department and is independent of the business activities or operations of the Manager.

PKF's authority, scope, and responsibilities are governed by its Audit Charter which is approved by the BARC and aligned with the International Professional Practice Framework on Internal Auditing issued by the Institute of Internal Auditors.

PKF serves as an important source of reasonable assurance and advice for the BARC concerning areas of weaknesses or deficiencies in internal control processes to facilitate appropriate remedial improvements by the Management. PKF also carries out investigative audits where required.

The appointed internal auditor independently and objectively reviews the effectiveness of the internal control structures over the REIT activities focusing on high-risk areas as determined using a risk-based approach. All high-risk activities in each auditable area are audited annually following the BARC-approved Internal Audit Plan.

The audit reports which provide the findings and results of the audit conducted are discussed with the Management and presented to the BARC for review and deliberation. Key control issues, significant risks, and recommendations are highlighted, along with Management's responses and action plans for improvement and/or rectification, where applicable.

The BARC executes its oversight function by reviewing and deliberating on the audit issues, audit recommendations as well as Management's responses to these recommendations. Where appropriate and applicable, the BARC directed the Management to take cognisance of the issues raised and established necessary steps to strengthen the system of internal control based on PKF's recommendations.

To ensure effective management and independence of BARC, the BARC is empowered by its TOR to:

- a) Convene meetings with the Internal Auditor without the attendance of any executive, whenever deemed necessary.
- b) Approve, then inform the Board of the appointment of the Internal Auditor; and
- c) Review and assess the performance of the Internal Auditor.

The BARC is satisfied that the PKF has been effective and able to discharge its duties and responsibilities.

RISK MANAGEMENT

Risk management remains the responsibility of the Board. The BARC has delegated responsibility to keep under review the adequacy and effectiveness of the REIT's internal financial controls and the internal control and risk management system. Risk management is reviewed at the BARC and the Board meetings as part of the formal Board process. The Board has identified and evaluated the significant risks faced by the REIT in delivering its strategy. Details of the principal risks identified are set out in the Risk Assessment & Identification on page 271 of the IAR2025. The BARC meets quarterly specifically to review the effectiveness of the REIT's risk management and internal control systems and to review the risks identified and the progress of actions taken to manage the risks. Following the review, progress and actions are reported to the Board.

The ERMC supports the BARC in implementing, monitoring, and assessing the mitigation actions of the identified risks.

The Board is satisfied that the BARC has demonstrated an appropriate level of vigilance and diligence towards, amongst others, the detection of any financial anomalies or irregularities in the financial statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

STAKEHOLDERS ENGAGEMENT

The Board seeks to engage with all stakeholders to maintain a mutual understanding of objectives and to effectively manage their expectations. Relations with unitholders and potential investors are managed principally by the CEO and the Management.

The REIT's business model also relies on developing and maintaining strong relationships with its unitholders, the Manager's shareholders, employees, third party service providers, contractors, suppliers and regulatory authorities.

The Board is conscious of its responsibility towards all stakeholders and believes this is an important consideration for the long-term growth of the business. Stakeholder engagement and feedback is taken seriously throughout the REIT. As such the AGM functions as the main platform for all stakeholders to interact and communicate effectively with respect to financial and operation performance, strategic direction of the REIT, and long-term strategies.

The AGM notice was dispatched to unitholders not less than twenty-eight (28) days before the AGM. Unitholders were given ample time to consider the resolutions that will be discussed at the AGM.

Open communication is maintained with all of the Manager's employees. The Manager places considerable value on open communication and the involvement of employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the REIT and the Manager. This is achieved through formal and informal meetings, as well as annual and semi-annual town halls held at fixed intervals.

The REIT also engages with stakeholders, such as engaging in consultations on proposals of new projects ventures. Examples of the engagement initiatives are shown in the table below:

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Stakeholders	Engagement and Initiatives
Investment Community (Unitholders, Analysts, Fund Managers)	<ul style="list-style-type: none"> • Statutory announcement • Annual General Meeting • Roadshow • Investors and analysts briefing • Corporate website • Social media
Media	<ul style="list-style-type: none"> • Media interview • Media release and press statements • Corporate website • Social media
Government, local authorities and regulators	<ul style="list-style-type: none"> • Engagement meeting • Consultation papers • Engagement through MRMA • Maintain rapport with local authorities
Tenants and lessees	<ul style="list-style-type: none"> • Periodic meetings • Surveys and feedbacks • Rental support programme • Marketing support and promotional activities
Suppliers and contractors	<ul style="list-style-type: none"> • Supplier ESG Assessments • Procurement Committee and Tender interview • Supplier evaluation and audit
Employees	<ul style="list-style-type: none"> • Townhalls • Employee engagement dialogue • Climate Surveys • 360 degrees performance appraisal • Flexible work arrangement • Upskilling and reskilling programmes
Communities	<ul style="list-style-type: none"> • Customers' surveys • CSR programme

The Manager is highly committed to ensuring that relevant and material corporate information is shared with the Fund's unitholders and investing community effectively. The Manager maintains the corporate website, www.alaqar.com.my to disseminate up-to-date and historical information and enhance its investor relations practices. The Investor Relations section on the website provides investor-related information such as financial information, announcements released to Bursa Malaysia, general meetings materials, circulars, and distribution information. Stakeholders will also have access to corporate governance information including but not limited to the Board Charter and Terms of Reference of Board Committees, Whistleblowing Policy, and Anti-Bribery & Corruption Policy, etc.

The Manager has in place the Investor Relations team to facilitate effective communication with unitholders, analysts, fund managers, and media. The email address, name, and contact number of the Manager's designated person are also available on the Fund's website to enable the public to forward queries relating to the Fund to the Manager.

The Manager has in place the Investor Relations team to facilitate effective communication with unitholders, analysts, and the broader investment community, ensuring timely, transparent, and consistent dissemination of information.

BOARD AUDIT AND RISK COMMITTEE REPORT

The BARC is established by the Board of Directors (“Board”) in accordance with the Bursa Malaysia Listing Requirements and applicable regulatory requirements to assist the Board in discharging its oversight responsibilities. The BARC supports the Board in ensuring the integrity of the REIT’s financial reporting, the effectiveness and independence of the external and internal audit functions, the adequacy and effectiveness of the risk management framework and internal control systems, and compliance with applicable laws, regulations and governance standards.

As a key component of the REIT’s corporate governance structure, the BARC also oversees the effectiveness of the compliance function and promotes a culture of integrity, ethical conduct and accountability across the organisation. In addition, the BARC provides oversight of related party transactions and conflict-of-interest matters to ensure that such transactions are conducted on fair, reasonable and normal commercial terms and are in the best interests of the REIT and its unitholders. The BARC also supports the Board in overseeing matters relating to compliance, including Shariah Compliance, to ensure that appropriate controls and governance processes are in place to uphold the REIT’s Shariah-compliant status.

Through these responsibilities, the BARC provides independent assurance to the Board and acts as a critical safeguard in promoting transparency, sound governance, protection of minority unitholder interests and adherence to Shariah principles.

COMPOSITION

In line with the requirements of Paragraph 15.09(1)(a), (b) and (c) of the MMLR of Bursa Malaysia, the composition of the BARC is as follows:

Members

- | | |
|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <p>1. Abdullah bin Abu Samah
Chairman/Independent Non-Executive Director*</p> | <p>3. Ong Li Lee
Independent Non-Executive Director
(Appointed w.e.f. 4 August 2025)</p> |
| <p>2. Datuk Sr Akmal bin Ahmad
Non-Independent Non-Executive Director</p> | <p>4. Lailatul Azma binti Abdullah
Independent Non-Executive Director
(Resigned w.e.f. 4 August 2025)</p> |

* *Abdullah bin Abu Samah, is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.*

Secretaries

- | | |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <p>1. Nuraliza binti A. Rahman
(MAICSA 7067934)</p> | <p>2. Rohaya binti Jaafar
(LS0008376)
(Retired w.e.f. 31 August 2025)</p> |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------|

The BARC members are appointed by the Board and consist of not less than three members, all of whom shall be non-executive Directors with a majority of them being independent Directors. The Board elects a chairman who is an independent Director and who is not the chairman of the Board. The composition of the BARC shall fulfil the requirements as prescribed in the Listing Requirements.

The Board, via the BNRC, annually reviews the terms of office and performance of the BARC and its members through an effectiveness evaluation exercise. The BNRC assessed the BARC’s performance for the FY2025 and was satisfied that the BARC and its members have discharged their functions, duties, and responsibilities in accordance with the BARC’s Terms of Reference.

BOARD AUDIT AND RISK COMMITTEE REPORT

MEETINGS AND ATTENDANCE

The BARC meets at quarterly intervals or such other intervals as the Committee shall decide.

The BARC held six meetings during the FY2025, and the details of attendance are as follows:

NO	BARC MEMBERS	DATE OF MEETINGS					
		23 JAN 2025 (SPECIAL)	12 FEB 2025	9 MAY 2025 (SPECIAL)	15 MAY 2025	13 AUG 2025	12 NOV 2025
1	Abdullah bin Abu Samah	√	√	√	√	√	√
2	Datuk Sr Akmal bin Ahmad	√	√	X	√	X	√
3	Ong Li Lee (Appointed w.e.f. 4 August 2025)					√	√
4	Lailatul Azma binti Abdullah (Resigned w.e.f. 4 August 2025)	√	√	√	√		

SUMMARY OF WORK CARRIED OUT DURING THE FINANCIAL YEAR

The BARC shall meet at least four times annually and the Internal Auditor, the Chief Financial Officer and the Head of Compliance and Risk shall attend the meetings. Relevant members of Senior Management shall be invited to attend these meetings to assist to clarify matters raised at the meetings.

The BARC shall meet with the External Auditors without the executive Board members and Management being present at least twice a year. In 2025, the session was carried out on 12 February 2025 and 12 November 2025.

Meeting papers were circulated to all the BARC members prior to the meetings by way of electronic means. Minutes of each BARC Meeting was recorded and tabled for confirmation and adoption at the next BARC Meeting and subsequently presented to the Board for approval and notation. The Chairman of the BARC shall report on each meeting to the Board.

The BARC carried out the following work during the FY2025 in the discharge of its functions and duties:


Overseeing Financial Reporting

- Reviewed and deliberated the audited financial statements for the financial year ended 31 December 2024 ("FY2024") in terms of the key audit matters arising from the external auditor's review, prior to recommending to the Board for approval.
- Reviewed the quarterly financial statements in compliance with MFRS 134 and the MMLR of Bursa Malaysia before recommending the same to the Board for approval.
- Reviewed the draft announcements of the quarterly financial results to Bursa Malaysia, to ensure with the accounting standards in Malaysia and other legal and regulatory requirements prior to tabling to the Board for approval.
- Reviewed the income distributions of the Fund which were made in line with the Fund's distribution policy, prior to recommending the proposal to the Board.
- Reviewed the impact of changes in accounting policies and adoption of new accounting standards together with significant matters highlighted in the financial statements.

BOARD AUDIT AND RISK COMMITTEE REPORT

External Audit

- (a) Reviewed and discussed with External Auditors on 12 November 2025 the audit planning memorandum for 2025 covering the audit objectives and approach, audit plan, key audit areas and relevant technical pronouncements and accounting standards issued by Malaysian Accounting Standard Board (“MASB”), and regulating requirements applicable to the REIT; and the processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.
- (b) Reviewed and discussed with External Auditors the results of the audit and the audit report in particular, significant accounting matters arising from the external audit and their opinion on the financial statements.
- (c) Reviewed with External Auditors the memorandum of comments and recommendations arising from their study and evaluation of the system of internal and accounting controls together with Management’s response to the findings of the External Auditors and ensured where appropriate, that necessary corrective actions had been taken by Management.
- (d) Evaluated the performance and assessed the suitability, objectivity and independence of the External Auditors during the year in accordance with the policies and procedures in place, vide a set of questionnaires covering the calibre of the external audit firm; quality of processes and performance; skills and expertise including industrial knowledge; independence and objectivity; audit scope and planning; audit fees; and their communications with the BARC. The BARC had received from the External Auditors written confirmation on their independence and which disclosed their policies on independence, safeguards, and procedures to address threats or perceived threats to their independence and objectivity, and that they were in compliance with the independence requirements set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.
- (e) Having satisfied with the performance and the assessment on the External Auditors’ suitability, objectivity and independence, recommended to the Board the re-appointment of the External Auditors and their remuneration.
- (f) Reviewed and approved the non-audit fees in respect of services rendered by the External Auditors. The non-audit fees for the FY2025 amounted to RM20,000.
- (g) Met with the External Auditors without executive Board members and Management on 12 February 2025 and 12 November 2025 to discuss matters in relation to their review.
- (h) Reviewed the SORMIC which provided an overview of the state of internal controls prior to the Board’s approval for inclusion in the IAR2025.

 The SORMIC which had been reviewed by the External Auditors is set out on pages 187 to 211 of this IAR2025.

Internal Audit

Internal audit activities for the FY2025 were conducted based on a risk-based internal audit plan approved by the BARC, focusing on higher-risk operational areas. The internal audit function of AL-`Aqar is outsourced to an independent external professional firm, Messrs. PKF Risk Management Sdn Bhd (“PKF”), which reports functionally to the BARC and is independent of the management and operations of the REIT.

During the financial year, internal audit reviews covered asset acquisition and disposal as well as property and facility management. A total of 6 audit issues were raised, comprising 3 low-risk issues, 2 moderate-risk issues and 1 high-risk issue was identified, however, no instances of fraud, material control breakdowns or systemic weaknesses were reported.

BOARD AUDIT AND RISK COMMITTEE REPORT

NO	DATE	PERIOD OF REVIEW	SCOPE	ISSUES RAISED/ RATING			
				HIGH	MEDIUM	LOW	TOTAL
1	11.8.2025	1 April 2024 – 31 March 2025	Asset Acquisition and Disposal	1	2	-	3
2	7.11.2025	1 September 2024 – 31 August 2025	IA Review Financial and Budgetary Controls Review	-	-	3	3
Total							6

A follow-up review on Asset Acquisition and Disposal was conducted by the Internal Auditor on 13 October 2025 which confirmed that all agreed corrective actions had been implemented satisfactorily and the issues were fully closed. The BARC was apprised of the outcome of the follow-up review and is satisfied with Management's actions in addressing the audit observations.

The Committee has also assessed the effectiveness of the internal audit function through evaluation of its performance and competency, and that is satisfied that with expertise and professionalism of the internal auditor in discharging its duties.

Risk Management and Internal Control

The BARC engaged with the Management team to obtain assurance on the adequacy and effectiveness of the internal control systems and activities of the REIT and the Manager.

The BARC was satisfied that the system of risk management and internal control as described in the SORMIC, was sound and effective, providing reasonable assurance that the structure and operation of controls were appropriate for the REIT's operations. The BARC also acknowledged that implementation measures were continuously taken to strengthen the system of risk management and internal control so as to safeguard the interests of stakeholders including unitholders' investments, and the REIT's assets.

The BARC reviewed the SORMIC on 12 February 2026 and recommended it to the Board for approval and inclusion in the IAR2025.

In addition, the BARC has also carried out its duties in line with its ToR, listed as below:

- Reviewed quarterly top risk profiles which covers Strategic, Finance, Operational and Compliance Risks and ESG related risks especially with respect to environmental risks, deliberated on the significant threats and opportunities, including status and adequacy of mitigation strategies.
- Discussed the improvements to the ERM framework and process to ensure proactive and holistic risk identification, and monitoring of mitigation actions to reduce risk impact to an acceptable level. The 5th revision of the ERM framework will be submitted to the BARC for recommendation to the Board on 12 February 2026.
- Evaluated the overall adequacy and effectiveness of internal controls through review of the work performed by both internal and external auditors, and through discussions with Management.
- Ensures appropriate controls are in place in management of the Fund, that the Manager has a well-defined organisational structure with clear lines of responsibility and a comprehensive reporting system and adequate procedures in financial reporting, risk management, internal control and are in place.

[Further details in respect of risk management and internal controls are set out on pages 187 to 211 \(SORMIC of this IAR2025\).](#)

[Details in respect of the principal risks and uncertainties are set out on pages 218 to 220 under Risk Management](#)

BOARD AUDIT AND RISK COMMITTEE REPORT

Compliance

In discharging its oversight responsibilities over compliance matter, the Committee undertook the following:

- (a) Monitored and reviewed the status and outcomes of the Quarterly Compliance Report which seek to identify gaps in compliance with regards to applicable laws, regulations, codes, standards, policies and procedures and discussed the adequacy of measures to address such gaps or non-compliance.
- (b) Deliberated on the results of compliance cases and directed Management to implement and/or enhance controls to prevent a recurrence, including conducting education programmes to increase awareness. For the year 2025, there is no non-compliance case under AL-`Aqar.
- (c) Received updates on the directorships and shareholdings held by the Directors of the REIT and persons connected with them in accordance with Section 221 of the Companies Act, 2016 on an annual basis. These disclosures enabled an assessment of the potential or actual conflicts of interest which may arise in relation to Related Party Transaction ("RPT") or Recurrent Related Party Transaction ("RRPT").
- (d) Monitored the status of internal whistleblowing, breach of PDPA and misconduct cases reported to Board and BARC on a quarterly basis, including ongoing investigations, in accordance with the Code of Conduct and Business Ethics ("CoBE").

Review of RPT and RRPT

As part of its oversight of related party transactions and conflict-of-interest matters, the Committee undertook the following:

- (a) Reviewed related party transactions entered into by the REIT and ensured that such transactions were in the best interests of the REIT and its unitholders, conducted on fair, reasonable and normal commercial terms, and were not detrimental to the interests of minority unitholders. The Committee recommended the relevant transactions to the Board for approval. The Committee also ensured that Directors' Declarations of Interests in Securities and disclosures of any conflict-of-interest situations at Board meetings were properly documented and minuted. The Committee further noted the confirmation by the CEO that there were no management conflict-of-interest situations for operational matters during the financial year.
- (b) Reviewed the annual Unitholders' Mandate in relation to recurrent related party transactions of a revenue or trading nature for unitholders' approval to undertake transactions that are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of the REIT with related parties ("RRPTs"). The mandate was tabled and approved at the AGM on 25 June 2025.
- (c) Ensured that the RRPT Policy was sufficient to ensure that the RRPTs were not more favourable to the related parties and were not to the detriment of the minority unitholders and that the Manager had in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes were reviewed on a yearly basis or whenever the need arose. The policy was approved by the BARC on 15 May 2025.
- (d) Review of RRPT on a quarterly basis. The Management had given assurance to the BARC that RPT and mandate for RRPT were in compliance with the Listing Requirements and policies and procedures.

Other Activities

During the financial year, the BARC also reviewed and recommended to the Board, for inclusion in the IAR2025, the following key governance and compliance disclosures:

- The BARC Report, to ensure it accurately reflects the Committee's roles, responsibilities and activities undertaken during the financial year.
- The Corporate Governance Overview Statement, to confirm alignment with the Malaysian Code on Corporate Governance and Bursa Malaysia Listing Requirements.
- The Corporate Governance Report, to ensure comprehensive and transparent disclosure of the REIT's governance practices and compliance status.
- The SORMIC, to confirm the adequacy and effectiveness of the REIT's risk management and internal control framework.

BOARD AUDIT AND RISK COMMITTEE REPORT

SUMMARY OF MEETINGS IN THE YEAR

	23 JAN 2025 (SPECIAL)	12 FEB 2025	9 MAY 2025 (SPECIAL)	15 MAY 2025	13 AUG 2025	12 NOV 2025
FINANCIAL REPORTING						
Audited Financial Statements		√				
Interim results	√	√		√	√	√
Consideration of new accounting standards		√				
EXTERNAL AUDIT						
External audit plan						√
External audit reports		√				
External audit effectiveness and independence		√				√
INTERNAL AUDIT						
Internal audit (reviews and follow-ups)		√		√	√	√
Internal audit plan		√				
Internal audit effectiveness and independence		√				
RISK						
Risk Profiles/Registers		√		√	√	√
COMPLIANCE						
Quarterly Compliance Report		√		√	√	√
Regulatory Breach		√		√	√	√
Non Bursa Malaysia/the SC Breach		√		√	√	√
RRPT						
Quarterly Review		√		√	√	√
RRPT Mandate			√			
ANNUAL REPORT 2024						
Review of SORMIC and BARC Report		√				
OTHER MATTERS						
Review of Policies and Frameworks – RRPT Policy				√		
Evaluation and Review of Outsourced Activities		√		√		
IT Security/Business Continuity Management/ Disaster Recovery Plan		√		√	√	√

BOARD INVESTMENT COMMITTEE REPORT

The BIC plays a pivotal role in evaluating all investment opportunities and to make recommendations to the board with regard thereto. The responsibilities include reviewing, assessing and deciding on the escalation of proposals relating to asset investment (acquisition and disposal), asset management and fund-raising exercises to be undertaken by the REIT to the Board and Trustee for approval.

COMPOSITION

In line with the recommendation of Chapter 6 of the Guidelines on Real Estate Investment Trusts of Securities Commission Malaysia, the composition of the BIC is as follows:

Members

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Shamsul Anuar bin Abdul Majid
Chairman/Non-Independent Non-Executive Director
(Resigned w.e.f. 31 March 2026)</p> | <p>4. Goh Tian Sui
Independent Non-Executive Director
(Appointed w.e.f. 21 January 2025)</p> |
| <p>2. Abdullah bin Abu Samah
Independent Non-Executive Director
(Resigned w.e.f. 4 August 2025)</p> | <p>5. Abdul Aziz Bin Abdul Rasheed
Non-Independent Non-Executive Director
(Appointed w.e.f. 4 August 2025)</p> |
| <p>3. Datin Ungku Suseelawati binti Ungku Omar
Independent Non-Executive Director
(Appointed w.e.f. 21 January 2025)</p> | <p>6. Lailatul Azma binti Abdullah
Independent Non-Executive Director
(Resigned w.e.f. 4 August 2025)</p> |

Secretaries

- | | |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <p>1. Nuraliza binti A. Rahman
(MAICSA 7067934)</p> | <p>2. Rohaya binti Jaafar
(LS0008376)
(Retired w.e.f. 31 August 2025)</p> |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------|

The BIC members are appointed by the Board and consist of not less than 3 members, all of whom shall be non-executive directors with a majority of them being independent directors. The Board elects a chairman who is an independent director and who is not the Chairman of the Board. The composition of the BIC shall adhere to the recommendation as per the Chapter 6 of the Guideline on Real Estate Investment Trusts.

The Board, via the BNRC, annually reviews the terms of office and performance of the BIC and its members through an effectiveness evaluation exercise. The BNRC assessed the BIC's performance for FY2025 and was satisfied that the BIC and its members have discharged their functions, duties, and responsibilities in accordance with the BIC's Terms of Reference.

BOARD INVESTMENT COMMITTEE REPORT

MEETINGS AND ATTENDANCE

Number of Meetings Held and Details of Attendance

The BIC meets at quarterly intervals or such other intervals as the Committee shall decide.

The BIC held four (4) regular meetings during FY2025 which were attended by all members.

During the financial year, the details of attendance are as follows:

NO	BIC MEMBERS	DATE OF MEETINGS			
		4 MAR 2025	22 MAY 2025	15 AUG 2025	25 NOV 2025
1	Shamsul Anuar bin Abdul Majid (Resigned w.e.f. 31 March 2026)	√	√	√	√
2	Abdullah bin Abu Samah (Resigned w.e.f. 4 August 2025)	√	√		
3	Datin Ungku Suseelawati Binti Ungku Omar (Appointed w.e.f. 21 January 2025)	√	√	√	√
4	Goh Tian Sui (Appointed w.e.f. 21 January 2025)	√	√	√	√
5	Abdul Aziz bin Abdul Rasheed (Appointed w.e.f. 4 August 2025)			√	√
6	Lailatul Azma binti Abdullah (Resigned w.e.f. 4 August 2025)	√	√		

Terms of Reference

The BIC is responsible for fulfilling the duties ascribed to it in the BIC Term of Reference ("BIC TOR"), including those specifically delegated to it from time to time by the Board. The duties and responsibilities of the BIC are set out in its Terms of Reference as follows:

Objectives

- Making recommendations to the Board on all acquisitions, investments and disposals;
- Making recommendations to the Board on any financing offers, capital management proposals and additional banking facilities;
- Reporting and recommending to the Board any corporate exercise, including the issuance of new REIT units; and
- Making recommendations to the Board on financial budgets.

BOARD INVESTMENT COMMITTEE REPORT

Roles and Responsibilities

Subject at all times to the provisions of the Trust Deed, and to any other regulations or resolutions that may be adopted, the BIC is responsible for:

- (a) Reviewing all proposals regarding investments, dispositions, financings and other relevant transactions (strategic transactions)
- (b) To make recommendations on any other matters to the Board;
- (c) To review and monitor approved strategic transactions or other matters;
- (d) Ensuring that the REIT is managed in accordance with:
 - its investment objectives;
 - its Restated Deed;
 - its Prospectus;
 - the SC Guidelines and other securities laws; and
 - the internal investment restrictions and policies.
- (e) Carrying out other duties as may be determined from time to time by the Board.

MATTERS DISCUSSED BY THE BIC IN FY2025

The BIC has undertaken the role of reviewing, recommending and monitoring to the Board pertaining to all proposals including strategic transactions i.e., investments in ensuring that the Fund practises sound capital preservation and safety margin levels, maintains optimally measured risk-reward thresholds, adopts prudent but pragmatic management style and attain adequate earnings potential and competitive advantages as well as growth.

The following are key matters discussed by the BIC during the FY2025:

INVESTMENT (ACQUISITION & DISPOSAL)

The BIC has reviewed proposals of proposed acquisitions of shariah-compliant real estate to ensure these properties have good track record and/or good prospects of future net rental income of reasonable levels which have been shown by studies to be competitive and located within good catchment areas. Properties to be acquired are expected to at least maintain or enhance the earnings of the REIT fund.

The BIC has reviewed and monitor proposal of divested of properties, namely where the investments have achieved the set targets, or have been assessed as not being able to derive any further value and or when an opportunity to maximise its value arises before the predetermined investment time horizon or other reason that may warrant divestment. The divestment plan also has taken into consideration the transformation in the respective industry.

BOARD INVESTMENT COMMITTEE REPORT

ASSET MANAGEMENT

The BIC has deliberated on proposals for asset enhancement initiatives of current properties that has the potential to further increase its returns and expected to generate accretive returns upon further expansion. The BIC has also reviewed proposals for repositioning of current properties within the Fund's portfolio which do not meet certain criteria set beforehand and may require to be recapitalised to achieve portfolio optimisation goals.

CAPITAL MANAGEMENT

The BIC has reviewed funding proposals to ensure each investment made by the Fund shall have a funding structure appropriate to the investment profile. In general, the capital structure of REIT should be financed by a combination of equity, debt and other financing instruments.

PORTFOLIO MONITORING

The BIC also undertook periodic monitoring on all investments including reviewing performance of the investment portfolio to ensure consistency with Fund's objectives and direction and transformation in the respective relevant industries.

SUMMARY OF MEETINGS IN THE YEAR

ITEMS DISCUSSED	4 MAR 2025	22 MAY 2025	15 AUG 2025	25 NOV 2025
Investment	✓	✓	✓	✓
Asset Management	✓	✓	✓	✓
Capital Management	✓	✓	✓	✓
Portfolio Monitoring	✓	✓	✓	✓

BOARD NOMINATION AND REMUNERATION COMMITTEE REPORT

The establishment of the BNRC is mandated for listed issuers under Bursa Malaysia's Main Market Listing Requirements.



The terms of reference can be found under Investor Relations section on the REIT's website at www.alaqar.com.my.

The Malaysian Code on Corporate Governance 2021 ("MCCG 2021") indicates that the Board may establish and delegate part of its powers to one or more other committees, to conduct certain tasks and functions expressly delegated to such committees. The committees will examine specific topics chosen by the Board and report on them. Decision-making remains the collective responsibility of the Board and the committee may only make suggestions to the Board.

The main purpose of the BNRC is to assist the Board in carrying out its duties and responsibilities in fulfilling its responsibility for oversight with respect to board composition and performance, directors' performance and remuneration structure that drives behaviour within the REIT.

COMPOSITION OF THE BOARD NOMINATION AND REMUNERATION COMMITTEE

In accordance with the MCCG 2021, the BNRC is composed of a minimum of three, a majority of whom must be Independent Directors. The Committee shall appoint a Chairman amongst its members who must necessarily be an Independent Director.

The composition of the BNRC is as follows:

Members

- | | | |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Abdullah bin Abu Samah
Chairman/Independent
Non-Executive Director
(Redesignation w.e.f.
4 August 2025)</p> | <p>2. Ong Li Lee
Independent
Non-Executive Director
(Appointed w.e.f. 4 August 2025)</p> | <p>3. Shamsul Anuar bin Abdul Majid
Non-Independent
Non-Executive Director
(Resigned w.e.f. 31 March 2026)</p> |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|

Secretaries

- | | |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <p>1. Nuraliza binti A. Rahman
(MAICSA 7067934)</p> | <p>2. Rohaya binti Jaafar
(LS0008376)
(Retired w.e.f. 31 August 2025)</p> |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------|

MEETINGS HELD DURING FY2025

The BNRC, in accordance with its regulations, meet whenever it is convened by the Board, the Committee itself, or by its Chairman. The Committee shall meet at least two times per annum and at such other times as it sees fit.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, representative from Human Resources, and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

The Company Secretary keeps Minutes of all BNRC meetings, which are available to all members of the Board.

BOARD NOMINATION AND REMUNERATION COMMITTEE REPORT

During the financial year, the meetings held are as follows:

NO	BNRC MEMBERS	DATE OF MEETINGS		
		22 JUL 2025	15 AUG 2025	25 NOV 2025
1	Abdullah bin Abu Samah (Redesignation w.e.f. 4 August 2025)	✓	✓	✓
2	Ong Li Lee (Appointed w.e.f. 4 August 2025)		✓	✓
3	Shamsul Anuar bin Abdul Majid (Resigned w.e.f. 31 March 2026)	✓	✓	✓

Roles and Responsibilities

Notwithstanding the duties assigned to it by law and other duties which may be assigned thereto by the Board, the BNRC shall have the following basic responsibilities:

- **With respect to Remuneration**
 - a) Recommend to the Board the policy for the remuneration of the REIT's Directors.
 - b) Determine the total individual remuneration package of the CEO/ Executive Director, including bonuses, share-based incentive awards, and other elements of their remuneration.
 - c) Determine and recommend the Key Performance Indicators and/or performance scorecard for the CEO and the REIT.
 - d) Ensures compliance with the Remuneration package is competitive and complies with the remuneration Policy that was approved and ratified by the unitholders. The policy is available through the corporate web page of the REIT.
- **With respect to Nominations**
 - a) Regularly review the structure, size and composition (including the skills, experience, independence, knowledge, and diversity, including gender) of the Board and make recommendations to the Board regarding any changes that are deemed necessary.
 - b) Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- **With respect to Appointments to the Board**
 - a) Assess the qualifications, background knowledge, and experience necessary to sit on the Board, defining, accordingly, the duties and qualifications required of the candidates to fill each vacancy, according to the Fit and Proper Policy that is available through the corporate web page of the REIT.
 - b) Consider possible candidates to fill vacancies for the position of director, provided that the BNRC may as well independently search for and consider alternative candidates for such position. Such Directors are, for the avoidance of doubt, to be appointed upon a decision of the shareholder of the Manager.
 - c) Examine or organise, in the manner it deems appropriate, the succession of the Chairman and CEO and, if appropriate, make proposals to the Board for such succession to take place in an orderly and well-planned manner.
 - d) Ensure that due diligence is carried out on the candidate for directorship and CEO to ensure compliance with the regulatory requirements set by the Authorities.
 - e) Ensure compliance with Bursa Malaysia's requirement towards 30% female presence on the Board by the year 2027.

BOARD NOMINATION AND REMUNERATION COMMITTEE REPORT

• With Respect to Induction and Training

The Committee shall ensure that all new directors undertake an appropriate on-boarding Directors Programme and the Mandatory Accreditation Programme (Bursa Malaysia) to ensure that they are fully informed about strategic and commercial issues affecting the REIT and the markets in which it operates as well as their duties and responsibilities as a director and consider any training requirements for the Board as a whole.

• With Respect to conflicts of interest

The Committee shall:

- a) Before the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.
- b) Consider and, if appropriate, authorise situational conflicts of interest of directors and potential directors.

• With Respect to the Board Evaluation

The Committee shall:

- a) Assist the Chairman of the Board with the implementation of an annual evaluation process.
- b) Review the results of the Board performance evaluation process that relate to the composition of the Board.

MATTERS DISCUSSED BY THE BNRC IN THE FY2025

In 2025, the BNRC, in the performance of its duties in accordance with the scope of responsibilities specified in the BNRC Charter as approved by the Board, convened its 5 meetings to consider the significant matters and report the results to the Board that can be summarized as follows:

- a) Establishment of Key Performance Indicators (“KPIs”) of the REIT as well as the CEO based on the approved strategic planning.
- b) Review of the REIT’s organisation structure that can support the growth and target of the Fund.
- c) Review of the Board/Board’s Committees composition and establishment of the BSC.
- d) Compliance with the requirement in relation to gender diversity (woman director) on the Board.
- e) Review of the performance evaluation on the Board.
- f) Succession planning of the company secretary; and
- g) Review of the Manager’s employees’ satisfaction survey.

In this regard, the BNRC has performed its duties independently in accordance with good corporate governance principles and ensuring transparency to build the confidence of unitholders and all stakeholders.

BOARD NOMINATION AND REMUNERATION COMMITTEE REPORT

EVALUATION OF THE FUNCTIONING AND PERFORMANCE OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

It is a standard practice for the Board to distribute an annual questionnaire at the end of each financial year through the Secretariat of the Board which, amongst other sections, includes a self-assessment, with a series of questions that also enable compliance with the various annual reports of the Committee and the Board.

The Board performed the annual questionnaire and the self-assessment for this financial year 2025, to analyse the Board's effectiveness and composition and to identify opportunities for improvement to ensure proper compliance with the existing obligations or recommendations in this area.

The questionnaire used a self-assessment approach on subjective and objective information related to the functioning of the Board and its Committees, among others:

- a) Functioning of the Board, with questions related to the Board's effectiveness and internal functioning.
- b) Structure and composition of the Board, comprising questions to obtain the Directors' opinion on the Board's structure and composition, and the capacities, professional profile of its members, and areas of competencies to perform their duties on the Board.
- c) Board of Directors Committees, where the Directors are asked to evaluate the performance of the functions of the BARC, the BIC, and the BNRC.
- d) Board of Director's agenda, where Directors are asked about the Board's performance in areas or matters within its scope, such as the current corporate governance model, environmental, social, and corporate policy (ESG), involvement in the design and approval of strategy in financial and investment policies, monitoring of the risk map (in all its areas), dividend policy and capital structure and their participation in decision-making in significant transactions, among other matters.
- e) Chairman of the Board and CEO, where the Directors are asked for their views on the performance of these two positions and fulfilment of responsibilities.
- f) Other areas, with questions relating to the Board's response to the industry crisis and improvement opportunities or aspects to be developed in the future.

The responses are generally positive and supportive, without prejudice to the Chairman and the CEO, taking into consideration going forward some of the suggestions made regarding the functioning of the Board.

CONCLUSION

During FY2025, there have been no circumstances or situations in the areas of responsibility and competence of the Committee that required its intervention and/or report to the Board. The succession planning of the Board, senior management team as well as gender diversity are the two areas of relevance on which the Committee will continue to work throughout FY2025.

BOARD SUSTAINABILITY COMMITTEE REPORT

OVERVIEW

The BSC is pleased to present its report on the sustainability governance, oversight and activities of AL-`Aqar for the FY2025.

During the year, the Committee supported the Board in overseeing the integration of environmental, social and governance (“ESG”) considerations into the REIT’s strategy, enterprise risk management and operations, considering the healthcare-focused nature of the portfolio and the objective of long-term value creation for unitholders.

COMMITTEE COMPOSITION

During the financial year under review, the BSC comprised the following members:

Members		
1. Ong Li Lee Chairman/Independent Non-Executive Director <i>(Appointed w.e.f. 4 August 2025)</i>	2. Goh Tian Sui Independent Non-Executive Director <i>(Appointed w.e.f. 21 January 2025)</i>	3. Abdul Aziz bin Abdul Rasheed Non-Independent Non-Executive Director <i>(Appointed w.e.f. 4 August 2025)</i>
Secretaries		
1. Nuraliza binti A. Rahman (MAICSA 7067934)	2. Rohaya binti Jaafar (LS0008376) (Retired w.e.f. 31 August 2025)	

The composition of the Committee ensures an appropriate balance of independence, experience and sector-relevant expertise to effectively discharge its oversight responsibilities.

COMMITTEE MEETINGS AND ATTENDANCE

The Committee convened two (2) meetings during the financial year, held on 25 August 2025 and 26 November 2025.

The attendance record of the Committee members is as follows:

NO	BSC MEMBERS	DESIGNATION	DATE OF MEETINGS		ATTENDANCE
			25 AUG 2025 (1/2025)	26 NOV 2025 (2/2025)	
1	Ong Li Lee	Independent Non-Executive Director (Chairman)	√	√	2/2
2	Goh Tian Sui	Independent Non-Executive Director (Member)	√	√	2/2
3	Abdul Aziz bin Abdul Rasheed	Non-Independent Non-Executive Director (Member)	√	√	2/2

The BSC did not convene in Q1 and Q2 due to the absence of a quorum, arising from the restructuring of the Board composition following the appointment of Datuk Hashim as Chairman. During this period, the Committee underwent reconstitution, including the appointment of a new Chairman and confirmation of Committee membership. Upon completion of the reconstitution process, the Committee resumed meetings in the third and fourth quarters to ensure effective continuity of sustainability governance and to address key sustainability, regulatory and oversight matters for the financial year.

All members were present at every meeting held in quarter 3 and 4, during the financial year, reflecting strong commitment to sustainability oversight.

BOARD SUSTAINABILITY COMMITTEE REPORT

KEY MATTERS REVIEWED IN 2025

1. Alignment with ISSB Standards (IFRS S1 and IFRS S2)

At the meeting held on 25 August 2025, the Committee reviewed management's assessment of alignment with the International Sustainability Standards Board ("ISSB") Standards, namely IFRS S1 and IFRS S2, with particular emphasis on sustainability- and climate-related risks relevant to healthcare assets.

2. ESG Strategy and Roadmap

The Committee reviewed progress updates on the ESG Strategy and Roadmap at both meetings, focusing on initiatives relevant to healthcare facilities, including operational efficiency, safety, tenant engagement and governance enhancements.

3. Regulatory and Sustainability Reporting

At both meetings, the Committee reviewed regulatory and sustainability reporting matters, including disclosure of common material sustainability matters and healthcare REIT-specific considerations.

4. Review of Policies and Frameworks

The Committee reviewed sustainability-related policies and frameworks to ensure continued relevance, adequacy and alignment with evolving regulatory and best-practice expectations.

5. Sustainability Reporting

The Committee reviewed the scope and structure of sustainability disclosures for inclusion in the Annual Report at the 26 November 2025 meeting.

6. Compliance, Benchmarking and Assurance

At both meetings, the Committee considered compliance with sustainability-related requirements, benchmarking against peers and the role of internal controls and assurance.

7. Sustainability Governance and Climate Oversight

The Committee continued to oversee a structured sustainability governance framework and the integration of ESG considerations into strategic planning, risk management and operational decision-making. Climate-related risks affecting healthcare assets remained an area of ongoing oversight.

Summary of key matters discussed at the BSC shown below:

NO. AGENDA ITEM	25 AUG	26 NOV
	2025 (1/2025)	2025 (2/2025)
1 Alignment with ISSB: IFRS S1 and S2	✓	✓
2 ESG Strategy & Roadmap: Status Update on ESG Roadmaps & Initiatives	✓	✓
3 Regulatory & Reporting: Disclosure of Common Materiality & REIT Specific Matters	✓	✓
4 Review of Policies & Frameworks	✓	✓
5 ESG Strategic Planning: Property Investment Pillar		✓
6 Sustainability Reporting		✓
7 Compliance, Benchmarking, Assurance	✓	✓

BOARD SUSTAINABILITY COMMITTEE REPORT

KEY SUSTAINABILITY FOCUS AREAS FOR FY2026

For the forthcoming financial year, the BSC will continue to strengthen sustainability governance and implementation, with key areas of focus including:

- **ISSB (IFRS S1 and S2) Implementation Readiness** – Enhancing processes, controls and data frameworks to support alignment with the ISSB sustainability and climate-related disclosure standards.
- **Climate Risk Assessment and Scenario Analysis** – Advancing climate-related risk identification, scenario analysis and integration of climate risks into the ERM framework.
- **Energy Efficiency and Decarbonisation Initiatives (in collaboration with KPJ)** – Overseeing and monitoring energy efficiency and decarbonisation initiatives led by KPJ, including chiller replacement and Solar PV projects, to support emissions reduction, operational efficiency and hospital infrastructure sustainability.
- **ESG Data Quality, Controls and Assurance** – Strengthening ESG data governance, internal controls and validation processes, and assessing the use of internal or third-party assurance to enhance the reliability and credibility of sustainability reporting.

CONCLUSION

The BSC is satisfied that sustainability matters were appropriately identified, deliberated and addressed during the financial year and remains committed to supporting the Board in strengthening sustainability governance and long-term value creation for Al-`Aqar.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the MMLR of Bursa Malaysia, the Board of Directors of JLG REIT Managers Sdn Bhd (“the Manager”) as the manager of Al-`Aqar is required to provide a statement on the adequacy and effectiveness of the REIT’s risk management and internal control system.

The REIT has aligned its risk management and internal control practices with the updated SORMIC Guide 2025, which introduces enhanced expectations compared to the earlier 2012 guidance. The revised guide places stronger emphasis on integrated risk management, Board accountability, and alignment with internationally recognised frameworks including COSO, ISO risk standards, and the Malaysian Code on Corporate Governance. The 2025 guide requires a more holistic and outcome-oriented approach that incorporates strategic risk alignment, emerging risk assessment, control effectiveness, and stronger internal audit assurance.

The REIT’s risk governance processes, policies and reporting have therefore been strengthened to reflect these updated expectations, ensuring that risk management is embedded across the organisation and remains responsive to evolving business, regulatory and sustainability requirements.

EXECUTIVE SUMMARY

Al-`Aqar has undertaken a structured transition plan to strengthen its risk governance, internal controls and reporting processes. The plan focuses on embedding integrated risk management practices, strengthening Board oversight, enhancing transparency, and aligning internal processes with internationally recognised risk frameworks.

1. Strengthening Risk Governance & Board Oversight

Actions Taken / In Progress:

- Updated Risk Appetite Statement to reflect strategic, financial, operational, compliance and ESG risk thresholds.
- Enhanced BARC reporting to include risk trends, emerging risks, results, and deviations from risk appetite.
- Established a clearer delineation of responsibilities between the Board, BARC, Management, and Internal Audit.
- Introduced structured escalation protocols for breaches of risk tolerance.

Outcome:

More explicit Board accountability and stronger governance alignment with SORMIC 2025.

2. Integrating Risk Management with Strategic Planning

Actions Taken :

- Incorporated risk assessment into strategic planning, acquisitions/disposals, and capital management decisions.
- Updated the risk register to ensure all strategic, market, ESG and financial risks reflect aligned scoring and residual impact.
- Introduced scenario and sensitivity analyses (e.g., DPU stress tests, valuation risks, interest rate scenarios).

Outcome:

A stronger link between strategy execution and risk governance, as required by the updated guide.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

3. Embedding International Frameworks (COSO, ISO31000, MCCG)

Actions Taken / In Progress:

- Mapped the REIT's Risk Management Framework to COSO ERM components.
- Embed ESG and climate risk considerations within the ERM Framework, aligned to strategic, operational and financial risk assessments, ensuring consistency with the updated SORMIC Guide 2025 expectations
- Updated policies and procedures to match the strengthened MCCG expectations.

Outcome:

Alignment with global risk management standards emphasised under SORMIC 2025.

4. Enhancing Internal Control Effectiveness

Actions Taken / In Progress:

- Updated operational SOPs to improve control ownership clarity, internal checks, and responsibility matrices.
- Improved documentation of key controls supporting strategic initiatives (e.g., acquisition governance, disposal paths, ESG projects).

Outcome:

Demonstrably improved internal control maturity and accountability.

5. Elevating Internal Audit's Role in Assurance

Actions Taken / In Progress:

- Expanded Internal Audit's scope to include risk management process audits, not only control audits.
- Enhanced IA reporting to highlight control weaknesses, risk level changes, and mitigation effectiveness.
- Implemented < 90-day resolution commitment for High-Risk audit findings.

Outcome:

Clear independent assurance on both risk management and internal control systems.

6. Improving Transparency and Quality of SORMIC Disclosure

Actions Taken / In Progress:

- Strengthened the SORMIC narrative to reflect effectiveness, limitations, and key improvements in risk systems.
- Expanded disclosure to cover emerging risks, ESG integration, and Board oversight processes.
- Adopted clearer presentation of risk impact changes, risk heatmaps, and control enhancements.

Outcome:

Reflects the outcome-oriented, transparent disclosure approach

7. Embedding Risk Culture Across The Organisation

Actions Taken / In Progress:

Conducted awareness sessions on the 2025 SORMIC requirements.

- Integrated risk responsibilities into OKRs and performance discussions for Management.
- Strengthened expectation for risk ownership and timely escalation.

Outcome:

A more risk-aware culture aligned with updated governance developments.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK GOVERNANCE, ASSESSMENT AND MANAGEMENT PROCESSES

Al-`Aqar operates a diversified healthcare-focused portfolio including hospitals, nursing colleges, and healthcare-related facilities in Malaysia and Australia. The Board, BARC, and Management reinforce a strong tone at the top by promoting integrity, ethical conduct, compliance, and transparency across operations

BOARD RESPONSIBILITY

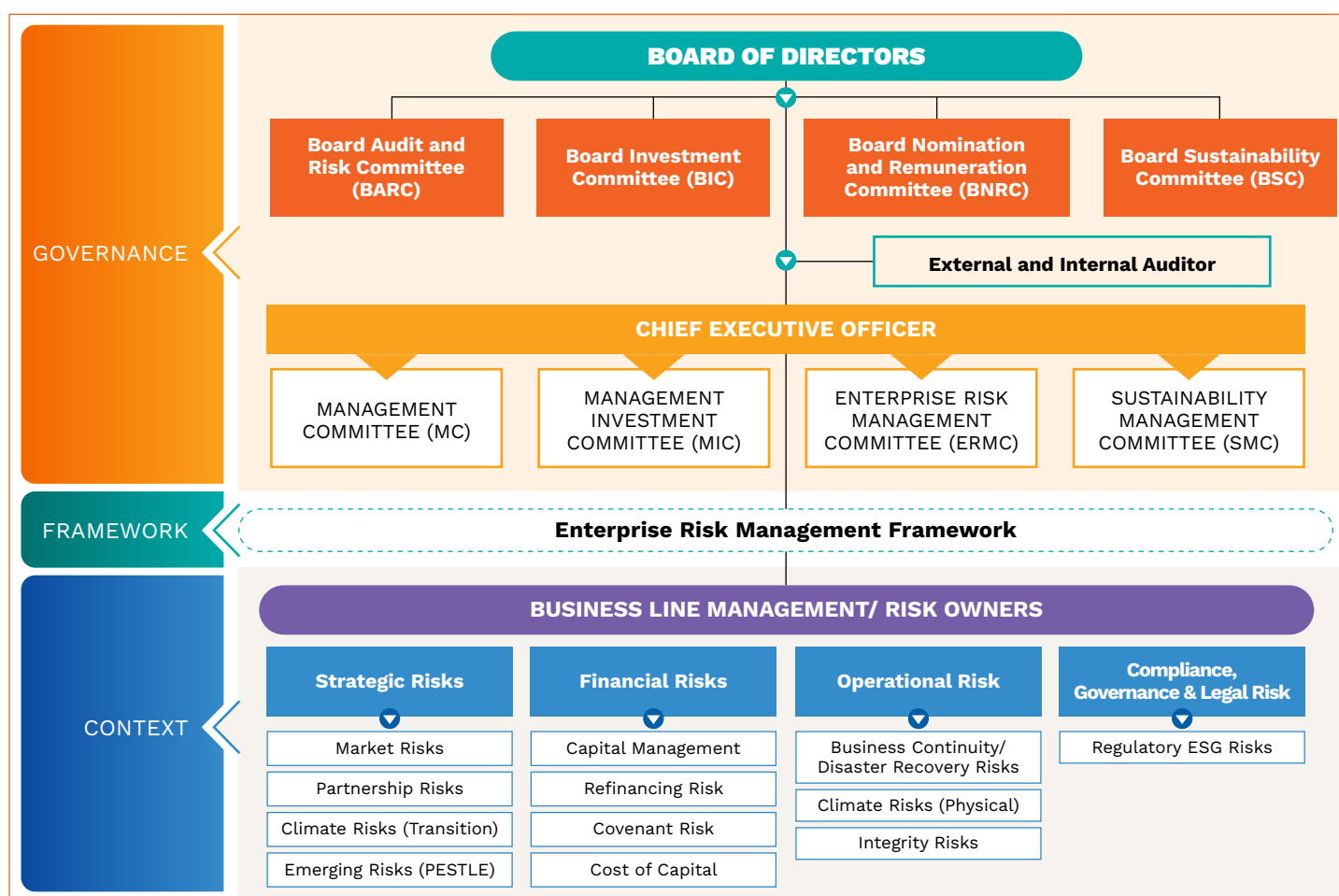
The Board affirms its responsibility for overseeing the REIT's risk management and internal control system to safeguard unitholders' interests and the REIT's assets. The system is designed to provide reasonable, not absolute, assurance against material misstatement, operational disruption, financial loss, or breach of regulatory obligations.

The Board oversees risk management through its specialised committees, each providing focused oversight across key risk areas.

RISK GOVERNANCE STRUCTURE

A robust governance structure comprises the Board and its Committees; BARC, BIC, BNRC, and BSC. Each committee provides focused oversight over its respective risk domains including financial reporting, investment risks, people and succession risks, and climate/ESG related risks.

The Governance Structure for the Risk Management and Internal Control is depicted below:



STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Board Level

The BARC leads the review of the organisation's overall risk profile, internal control effectiveness, and audit findings to ensure that financial, operational, and compliance risks are adequately managed.

The BARC members are:

- Abdullah bin Abu Samah – Chairman (Independent Non-Executive)
- Datuk Sr Akmal Ahmad – Member (Non-Independent Non-Executive)
- Ong Li Lee – Member (Independent Non-Executive)

The BIC evaluates investment proposals and capital allocation decisions, ensuring that market, financial, and valuation risks are assessed and aligned with the organisation's risk appetite.

The BNRC manages leadership and people-related risks by ensuring board and management competency, effective succession planning, and remuneration structures that support sustainable, risk-aligned performance.

The BSC oversees climate, environmental, social, and governance risks, ensuring that sustainability considerations, including climate-related risks, are integrated into strategic decision-making and regulatory reporting. Collectively, these committees enable comprehensive and effective oversight of strategic, financial, operational, and sustainability-related risks across the organisation.

Together, these Board Committees ensure comprehensive oversight of strategic, financial, operational, sustainability, and governance risks, enabling a balanced and effective risk management ecosystem across the organisation.

MANAGEMENT-LEVEL GOVERNANCE AND OVERSIGHT COMMITTEES

Segregation of Duties and Internal Controls:

The CEO provides overall leadership, with distinct reporting lines to the COO, CFO, CIO, Head of Strategy, Compliance Officer, and Head of Governance & Legal, ensuring proper segregation of duties and effective oversight across all key functions. Governance controls including Fit & Proper assessments for Board members and key personnel reinforce integrity and competency requirements. Detailed SOPs define roles and responsibilities for finance, property management, and compliance processes, while independent internal audits periodically evaluate control effectiveness and adherence to segregation of duties. Collectively, these mechanisms strengthen accountability, minimise control override risks, and support transparent and well-governed operations.

The CEO is supported by four key Management Committees in ensuring that both risk management and internal control processes are consistently implemented and continuously improved

1. Management Committee
2. Management Investment Committee (MIC)
3. Enterprise Risk Management Committee (ERMC)
4. Sustainability Management Committee (SMC)

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

These committees operationalise governance, oversee internal controls, and coordinate risk and sustainability actions across the business:

Management Committee

Supports the CEO in overseeing day-to-day operational matters and strategic management issues to ensure effective execution of the REIT's business plan while maintaining adherence to internal controls, policies, and regulatory requirements. The Management Committee meets regularly to review performance, address emerging issues, and ensure timely decision-making and escalation. In 2025, the Committee met a total of 18 times, with meetings held every two weeks from January to June on 3 January, 17 January, 4 February, 25 February, 11 March, 27 March, 18 April, 25 April, 5 May, 16 May, 23 May, and 3 June, and monthly from July to December on 11 July, 5 August, 12 September, 10 October, 5 November, and 15 December.

Management Investment Committee

The establishment of the MIC was approved by the Board on 4 Dec 2025. It oversees investment proposals and associated financial risks, ensuring decisions align with risk appetite, capital management objectives, and internal control requirements. The MIC meets monthly to evaluate potential acquisitions, divestments, and asset enhancement initiatives, monitor the progress of approved projects, and provide informed recommendations for escalation to the BIC. In 2025, the Committee held its meetings on 8 January and 4 February.

Enterprise Risk Management Committee

The ERMC, chaired by the CEO and comprising the CFO, CIO, COO, Head of Strategy & IR, Head of Governance & Legal, and the Compliance Officer, oversees the identification, assessment, mitigation, and monitoring of risks across all functions. Its agenda covers significant risk exposures, BCM readiness, ESG and climate risks, and compliance and integrity matters. The Committee meets quarterly and reports key risks and mitigation progress to the BARC. In 2025, the ERMC convened on 2 May, 30 July, and 23 October to review key matters, assess risks, and ensure appropriate escalation to the Board.

Sustainability Management Committee

The Sustainability Management Committee (SMC), chaired by the CEO and comprising the CFO, CIO, COO, Head of Strategy & IR, Head of Governance & Legal, the Compliance Officer, and key ESG data owners, oversees sustainability and ESG-related matters across the REIT. The Committee ensures that climate, environmental, and social risks are integrated into the overall risk management and internal control processes. Its agenda includes reviewing ESG performance, progress against sustainability roadmaps and targets, regulatory developments, and climate-related risk updates. The SMC meets quarterly and reports its findings and recommendations to the BSC. In 2025, the Committee met on 21 August and 30 October to review key matters, monitor performance, and ensure timely decision-making and escalation.

Effectiveness Statement

Based on the quarterly reports and deliberations of the ERMC and BARC, the Board is satisfied that the REIT's risk governance structure operated effectively throughout the financial year. The governance roles, decision-making processes and oversight mechanisms functioned as intended, enabling timely escalation of significant risks, appropriate challenge from the Committees, and alignment of management actions with the Board-approved Risk Appetite. No gaps or deficiencies were noted that would materially impact the effectiveness of risk oversight.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

PROCESS FOR IDENTIFYING, ASSESSING AND PRIORITISING RISKS

The risk assessment process provides a structured approach for identifying, analysing and prioritising the risks that may affect AL-`Aqar's strategic, operational, financial, compliance and sustainability objectives.

AL-`Aqar adopts a disciplined risk appetite, accepting moderate strategic and financial risks that support long-term value creation while maintaining low tolerance for risks that could compromise income stability, financial integrity, regulatory compliance or reputation.

Risk Objectives and Risk Appetite

Category	Risk Appetite Statement	Tolerance Level
Strategic	Pursue value-accretive acquisitions and disposals that enhance long-term portfolio performance.	<ul style="list-style-type: none"> High appetite for growth initiatives; Low tolerance for execution delays or increased tenant concentration.
Financial	Maintain financial resilience and stable distributions while managing gearing, liquidity and refinancing exposures prudently.	<ul style="list-style-type: none"> Prudent appetite; Low tolerance for refinancing uncertainty, covenant pressure or restricted access to funding.
Operational / ESG	Ensure reliable operations, asset performance and ESG compliance across all properties.	<ul style="list-style-type: none"> Moderate appetite for operational variability; Minimal tolerance for delays in ESG or asset-improvement projects.
Reputational	Preserve stakeholder confidence and safeguard the REIT's market position and reputation in the healthcare real estate sector.	Very Low appetite for governance lapses, and prolonged DPU stagnation.
Market Risk	Monitor and respond to macroeconomic, interest rate, regulatory and competitive shifts affecting valuation, funding and tenant demand.	<ul style="list-style-type: none"> Moderate appetite; Low tolerance for unmanaged interest-rate volatility or adverse market cycles.
Business Partnership/ Strategic Alliances	Maintain strong and reliable relationships with tenants, operators and key service providers to support continuity and performance.	Low tolerance for partnership disputes, counterparty failures or contractor issues that may disrupt operations or rental stability.
Compliance/ Governance/ Legal	<ul style="list-style-type: none"> Ensure full adherence to regulatory, statutory, Shariah, reporting and Bursa Malaysia requirements. Uphold high standards of corporate governance, integrity and ethical conduct across all business activities. Manage legal exposures proactively to avoid disputes, breaches of contract and litigation that may impact the REIT. 	<ul style="list-style-type: none"> Zero tolerance for non-compliance, late submissions, inaccurate disclosures or breaches of regulatory obligations. Zero tolerance for governance lapses, conflict-of-interest breaches, unethical behaviour or improper business practices. Low tolerance for contractual non-performance, legal disputes, or exposures arising from inadequate documentation or oversight.

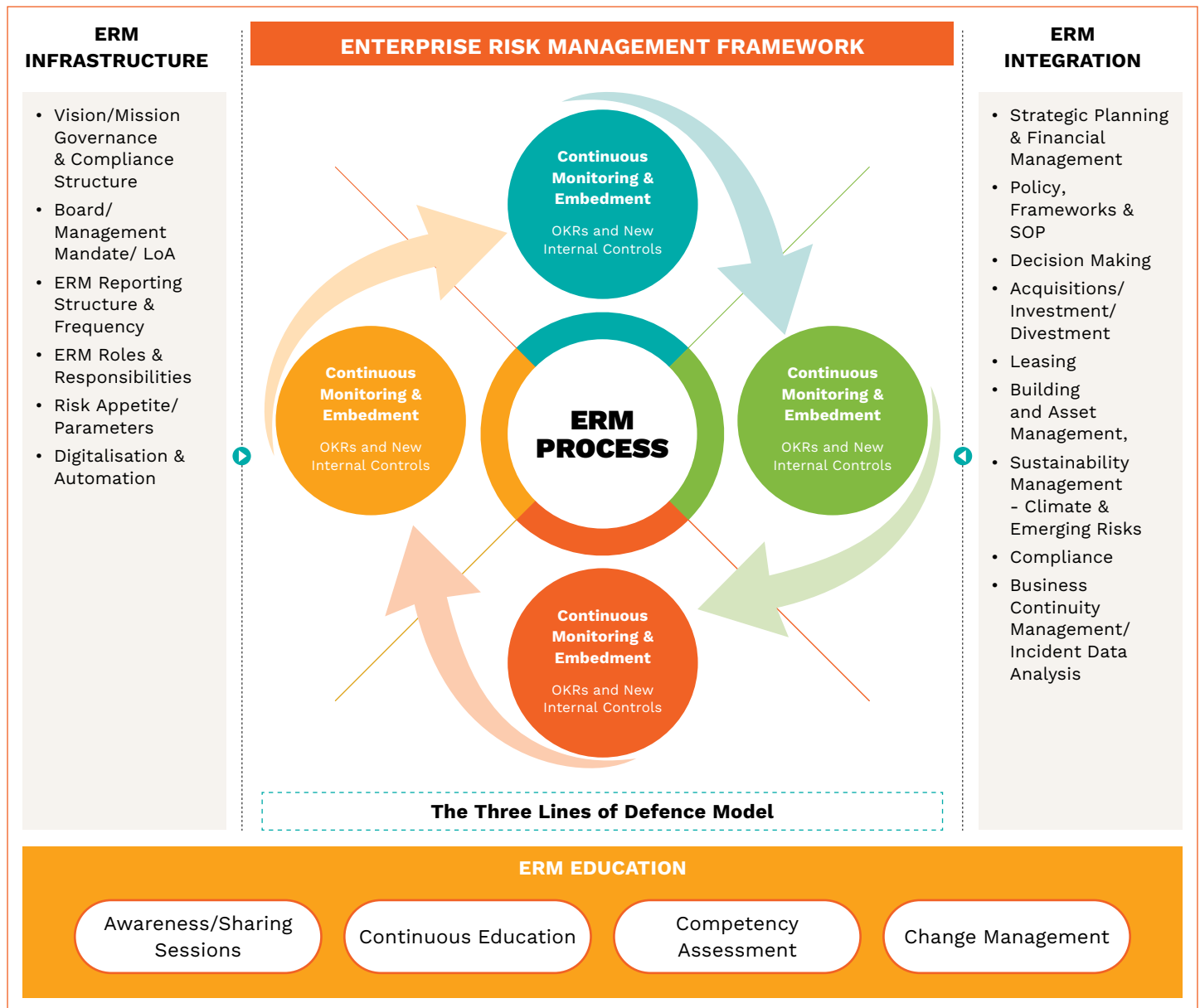
The REIT's Risk Appetite underpins the Risk Management Framework and is implemented through policies and internal controls that guide daily decision-making, assessments, escalation and compliance.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Enterprise Risk Management Framework

The Manager applies a comprehensive ERM Framework to systematically identify, evaluate, and prioritise risks across the organisation.

The framework is depicted as below:



The ERM Framework combines governance, structured processes and integration with core activities to ensure consistent risk identification, assessment, mitigation and monitoring. Supported by clear roles, risk appetite, digital tools and alignment with strategy, budgeting, acquisitions, ESG and BCM, the framework emphasises continuous monitoring and competency-building to foster a strong risk culture.

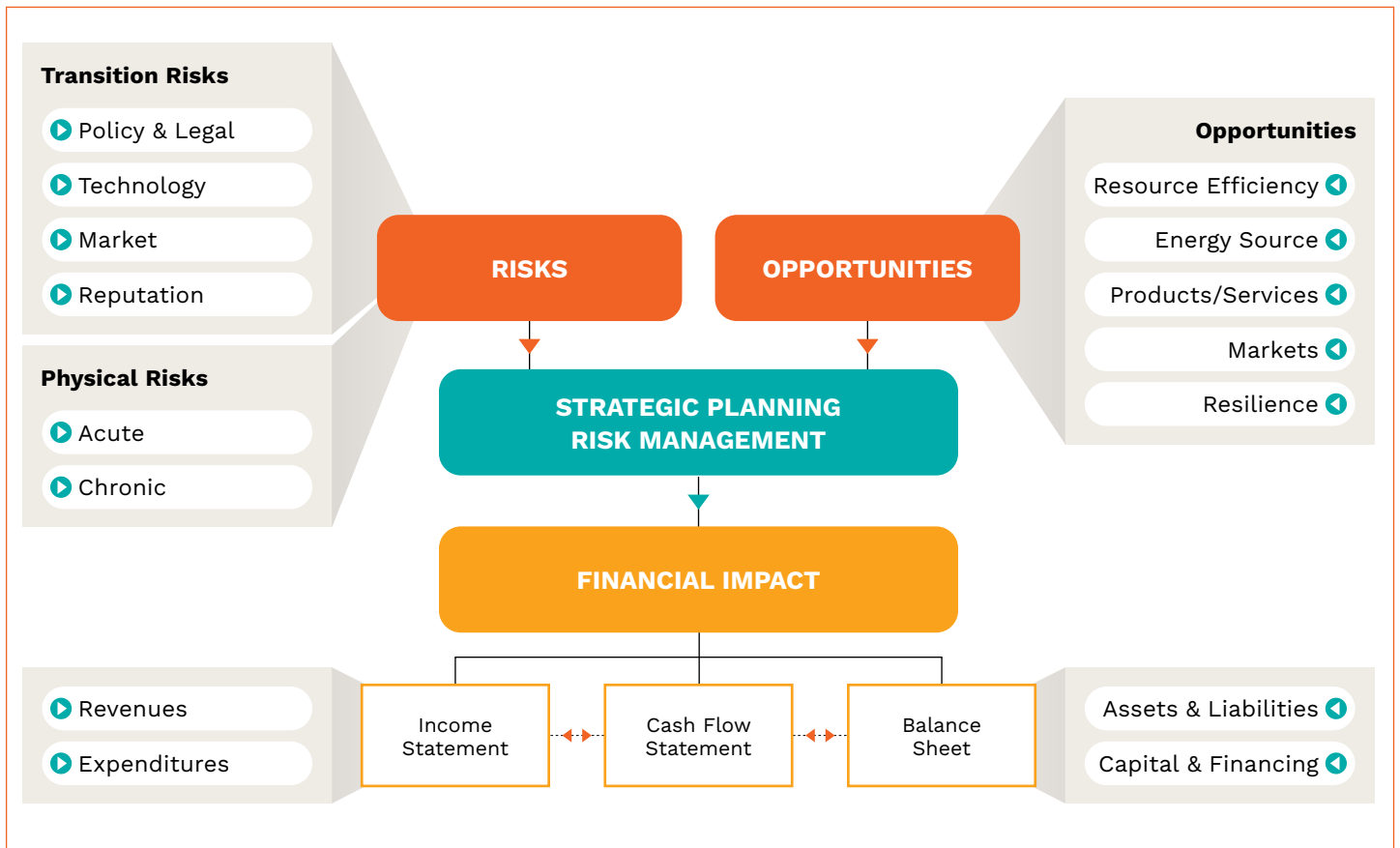
STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Integration into Strategic Planning

Risk management is not treated as a standalone function but is integrated into strategic planning, operational processes, and decision-making across the REIT. This ensures that the organisation balances opportunity with prudence, strengthens stakeholder confidence, and enhances the REIT's long-term resilience and sustainability.

Environmental and Climate Risks Alignment

ESG and climate-related risks are integrated into the ERM Framework. These include energy efficiency, carbon transition risks, climate adaptation, green building standards, regulatory changes and social stakeholder expectations. ESG and climate risks are assessed alongside traditional risk categories, ensuring alignment with long-term sustainability commitments and investor expectations.








AL-`Aqar's Climate Risk Management Framework, which forms a subset of the broader ERM Framework, provides a structured approach to identifying, assessing, and managing climate-related risks and opportunities across all healthcare and hospitality assets in Malaysia and Australia. The Framework was approved by the BSC on 26 November 2025 and subsequently endorsed by the Board on 4 December 2025. A Value-at Risk (VaR) climate-risk assessments is planned for 2026; whilst acquisition due diligence incorporate location-based exposure, climate-scenario analysis (1.5°C, 2°C, 4°C), and operational and financial impact evaluations are already underway.





STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

In line with IFRS S1/S2, risks are classified into physical (flooding, storms, heatwaves, power interruptions, temperature and humidity shifts) and transition risks (regulatory requirements, carbon reporting, low-carbon expectations, and technology changes), alongside opportunities such as energy-efficiency enhancements, solar PV, smart systems, and healthcare-complex resilience. Climate considerations are embedded into investment reviews, leasing decisions, preventive maintenance, asset readiness, and insurance pricing. Mitigation measures include flood-resilience works, HVAC efficiency upgrades, water-saving systems, indoor air-quality monitoring, and real-time building performance tracking. The Framework is reviewed annually to incorporate updated climate data, regulatory developments, and operational learnings.





Using the above model, the Climate Risk assessment of Al-`Aqar assets are as follows:

CLIMATE RISK	CLASSIFICATION	RESIDUAL RATING	MITIGATION PLAN	OPPORTUNITIES
Flooding & Stormwater Intrusion	Physical – Acute		<ul style="list-style-type: none"> Flood risk mapping & drainage upgrades Strengthen stormwater management & perimeter protection Reinforce M&E rooms and elevate sensitive equipment Review insurance adequacy & emergency response plans 	<ul style="list-style-type: none"> Enhance asset valuation through resilience upgrades Potential reduction in insurance premiums Higher tenant confidence from improved resilience Reduce business disruption → stronger retention
Extreme Heat & Heatwaves	Physical – Acute		<ul style="list-style-type: none"> Chiller upgrades under Zero CapEx model Energy efficiency retrofits & shading solutions Install/expand solar PV to reduce cooling load 	<ul style="list-style-type: none"> Energy cost savings from efficient chillers & solar PV Improved thermal comfort → tenant satisfaction Access to green financing Market differentiation as low-carbon REIT
Long-Term Temperature Increase (Cooling Load Rise)	Physical – Chronic		<ul style="list-style-type: none"> Long-term HVAC replacement programme Portfolio-wide energy performance planning Incorporate resilience criteria into AEI/CapEx plans 	<ul style="list-style-type: none"> Future-proofed assets with lower lifecycle cost Potential rental premium for climate-adapted buildings Achieve/upgrade green building ratings (GreenRE/MyCREST/GBI)
Water Scarcity / Supply Disruptions	Physical – Chronic		<ul style="list-style-type: none"> Conduct water efficiency audits Install low-flow fixtures & submeters Evaluate rainwater harvesting feasibility 	<ul style="list-style-type: none"> Lower water bills from reduced consumption Supports green building certification pathways Enhanced BCM attractiveness to tenants
Green Building / Energy Efficiency Standards	Transition – Regulatory		<ul style="list-style-type: none"> Conduct detailed energy audits Adopt green lease clauses Upgrade HVAC, insulation, lighting Align portfolio plans with regulatory thresholds 	<ul style="list-style-type: none"> Early compliance leadership → competitive advantage Increase asset valuation as green-certified buildings attract premium tenants Reduce operating expenses via efficiency upgrades Qualify for green tax incentives / grants

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

CLIMATE RISK	CLASSIFICATION	RESIDUAL RATING	MITIGATION PLAN	OPPORTUNITIES
Transition to New Technologies (Climate Tech)	Transition – Technology		<ul style="list-style-type: none"> • Lifecycle replacement planning • Evaluate new low-carbon technologies • Align asset strategy with emerging tech • Allocate CapEx for phased upgrades 	<ul style="list-style-type: none"> • Adoption of next-generation technologies • Lower long-term CapEx through strategic planning • Improved asset data and digitalisation • Future-ready asset positioning
Carbon Reporting & Disclosure (ISSB/TCFD)	Transition – Regulatory		<ul style="list-style-type: none"> • Establish ESG data governance structure • Implement digital ESG tracking tools • Strengthen sustainability disclosures • Build internal capacity for climate reporting 	<ul style="list-style-type: none"> • Stronger investor trust & better market visibility • Enhanced access to sustainability-linked financing
Carbon Tax / Carbon Pricing Exposure	Transition – Regulatory/ Financial		<ul style="list-style-type: none"> • Develop carbon inventory & baseline emissions • Conduct carbon pricing impact modelling • Implement EE & solar PV to reduce exposure • Explore green financing options 	<ul style="list-style-type: none"> • Cost avoidance by preempting carbon pricing increases • Unlock green financing for decarbonisation projects • Improve NPI through reduced energy use
Investor ESG Expectations & Capital Access	Transition – Market		<ul style="list-style-type: none"> • Develop REIT-level decarbonisation roadmap • Enhance transparency & TCFD-aligned reporting 	<ul style="list-style-type: none"> • Attract long-term ESG aligned institutional investors • Better access to capital from improved ESG scores • Strengthen brand reputation in sustainable real estate

Legend:

 Very High  High  Moderate  Low

The Three Lines of Defence Approach

AL-`Aqar adopts the Three Lines of Defence approach to ensure effective risk management and internal control. Under this model, operational teams act as the first line by managing risks within their day-to-day activities and ensuring compliance with policies and procedures. The second line provides oversight through specialised functions such as Risk Management, Compliance, Shariah, Sustainability, and Finance, which set frameworks, monitor adherence, and support the first line in managing risks. The third line, Internal Audit, provides independent assurance to the BARC on the adequacy and effectiveness of the overall system of internal control.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The application of the model is shown below:



Through these activities, Line 3 ensures independent oversight and promotes strong governance in the Manager. In parallel, the REIT undertakes the following activities to keep risk profiles updated in line with changes in the operating environment.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Risk Identification

The Risk Officer leads a structured and systematic process to identify risks across the organisation. This begins with the development and continuous refinement of a comprehensive risk universe covering strategic, business, market, operational, financial, asset management, compliance, ESG, business continuity, integrity and emerging risk categories. Emerging risks are identified using PESTEL factors, ensuring coverage of external drivers such as political, economic, social, technological, environmental and legal developments.

Risk identification is conducted in collaboration with departmental risk owners, who provide insights into key exposures within their respective areas. Significant risks arising from operational activities, strategic initiatives or market shifts are captured in the risk registers and updated quarterly.

Risk Assessment

All identified risks are evaluated using a standardised scoring methodology based on likelihood, impact, and the effectiveness of existing controls. Both inherent and residual risk ratings are assigned to provide a clear view of overall exposure. The residual risk rating is used to determine alignment with the Board-approved Risk Appetite and to identify risks that require heightened monitoring or mitigation.

Risks that exceed appetite thresholds, or those deemed significant due to their potential impact on the REIT's strategic, financial or operational performance, are escalated to the ERMC. The ERMC's recommendations are subsequently tabled for review by BARC and the Board. The assessment process is performed quarterly to ensure responsiveness to evolving risks and external conditions.

Risk Mitigation

For all significant risks, Management develops mitigation strategies aimed at reducing likelihood or impact to acceptable levels. These include control enhancements, process improvements, technology solutions, contractual safeguards, diversification strategies and compliance strengthening measures.

Risk owners are accountable for implementing mitigation plans, while the Risk Officer monitors progress and reports milestone updates to the ERMC. The effectiveness of mitigation actions is also assessed periodically to ensure that controls remain relevant and responsive to emerging risks.

Risk Monitoring and Reporting

The REIT maintains ongoing monitoring of key risks through periodic review of indicators, audit findings, compliance reports, operational updates and ESG monitoring activities. High or escalating risks are flagged for discussion at ERMC meetings, where Management deliberates mitigation adequacy and determines any further action required.

Quarterly, the consolidated risk profile including heatmaps, top risks, mitigation status, new risks and emerging trends is presented to BARC and subsequently to the Board. Significant developments, deviations from appetite, or material control weaknesses are escalated immediately outside the regular cycle, ensuring timely oversight.

Risk Culture and Awareness

The Manager ensures that staff possess the necessary knowledge, skills, and competencies to carry out their responsibilities effectively. This is achieved through targeted training programmes, continuous professional development, performance management, and mentorship initiatives. By equipping employees with the right expertise, the REIT maintains operational excellence while strengthening its risk management and compliance capabilities.

Risk awareness and refresher programme were conducted on 11 December 2025 for all Risk Owners at the management and head of departments.

A total of 1,541 hours of training were attended by employees in 2025, covering various programmes categorised as Professional and Technical, Governance, Risk, Compliance, and Integrity, Digital/IT, and Self-Development. The average training hours per staff stood at 53 hours.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

ALIGNMENT OF SIGNIFICANT RISKS WITH MATERIALITY PRIORITIES

Key business risks are mapped to prioritised materials issues to ensure stakeholders' concerns and interests are addressed, as illustrated in the diagram below:

Key Business Risks (Al -Aqar Healthcare REIT)	Business										Responsible Investment & Portfolio Strategy	
	Financial Performance & Stability	Performance (Operator & Asset Performance)	Governance, Compliance & Shariah Integrity	Tenant Experience & Operational Reliability	Climate & Environmental Impact	ESG & Sustainability Performance	Health, Safety & Asset Integrity	Community & Patient Wellbeing	Health, Safety & Asset Integrity	ESG & Sustainability Performance		
Healthcare market / sector risk	●●	●●	●	●		●	●	●●		●	●●	●●
Operator performance risk (hospital tenancy risk)	●●	●●	●	●●		●	●●	●●		●	●●	●
Asset valuation & impairment risk	●●	●	●			●	●			●	●	●●
Tenancy renewal & concentration risk	●●	●●	●	●●		●	●			●	●	●
Operational & property management risk	●	●	●	●●		●	●●			●	●	●
Health, safety & clinical facility readiness risk		●	●	●●		●	●●			●	●●	
Financing, interest rate & refinancing risk	●●	●	●			●						●
Liquidity & rental collection risk	●●	●	●	●		●	●			●	●	●
Regulatory compliance & Shariah non-compliance risk	●	●	●●	●		●				●	●	●
Climate & physical environmental risk		●	●	●	●●	●●				●	●	●
ESG disclosure & sustainability compliance risk		●	●		●	●●				●	●	●
Cybersecurity & IT system downtime risk		●	●	●		●				●	●	●
Procurement vendor	●	●	●●	●●		●	●●			●	●	●
Reputational & stakeholder confidence risk	●●	●●	●●	●●		●●	●●			●●	●●	●

Legend:

●● Strong Linkage

● High

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

KEY RISK PROFILES

The consolidated analysis of Al-`Aqar's risk landscape highlights several key themes that shape the REIT's overall risk posture and priorities for Board oversight.

- Top 3 risks (Tenant Concentration, Strategic Execution, Valuation Risk) represent the highest strategic vulnerability and require Board-level focus.
- Financial risks (refinancing, capital raising) remain sensitive to market conditions and must be monitored closely in 2025–2026.
- Operational risks are well controlled but require ongoing capex planning.
- ESG and climate impacts are growing and will increasingly influence valuation, financing, and regulatory expectations.
- Compliance and Integrity controls are strong and stable across the REIT

The table below presents the top ten risks for Al-`Aqar, summarising their heatmap positions, residual risk levels and the effectiveness of current mitigation measures based on the latest risk assessment.

#	Risk	Risk Rating	Mitigation Effectiveness	Effectiveness Summary
1	Tenant Concentration (KPJ dependency)	●		Long-term leases help, but structural concentration risk persists.
2	Strategic Execution Risk (Acquisitions/Disposals)	●		Governance exists but delays continue due to external factors
3	Asset Valuation & Revaluation Risk	●		Strong valuation controls but cannot offset market-driven cap-rate shifts.
4	Capital Raising & Refinancing Constraints	●		Strong banking relationships; equity market conditions remain challenging.
5	Healthcare Infrastructure Reliability	●		Preventive maintenance effective; ageing assets require capex upgrades.
6	ESG Project Execution (Solar PV, Chillers)	●		Plans in place but delays due to approvals, funding and ROI uncertainty.
7	Climate & Environmental Risk	●		Baseline climate compliance in place; adaptation measures developing.
8	Cybersecurity & Technology Risk	●		Basic IT controls effective; no advanced cybersecurity monitoring yet.
9	Regulatory & Compliance Risk	●		Good compliance discipline and oversight; minor residual exposure remains.
10	Integrity / ABAC Risk	●		Zero-tolerance policy, controls, training and monitoring highly effective.

During the year, the risk profile demonstrated dynamic movement caused by shifts in market conditions, financing environment, tenant concentration levels, asset valuation volatility, and execution progress of major strategic initiatives. Quarterly assessments informed updated mitigation actions and resource prioritisation.

Legend:

Risk Rating:

● Very High ● High ● Moderate ● Low

Mitigation Effectiveness:

Low Moderate Moderate-Strong Strong Very Strong

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Summary of Key Risk Movements (Q1 → Q4)

Q1 → Q2 (Improvement Phase)

Residual impact reduced across key investment and divestment risks, reflecting progress in activities and stable operational conditions. ESG-related risk increased modestly due to early-stage green energy initiatives. Overall, the REIT recorded an improved risk posture.

Q2 → Q3 (Deterioration & Expansion)

Q3 introduced significant new exposures, expanding the risk universe from 6 to 12 risks. These included:

- capital-raising challenges,
- failure to execute acquisitions/disposals,
- tenant concentration dependency,
- competitive REIT landscape pressures,
- solar PV and chiller project delays.

These new risks carried Moderate to Very High impact ratings, resulting in a higher overall risk baseline despite stability in some Q2 risks.

Q3 → Q4 (Stabilisation)

Operational risks improved due to progress in ESG project execution. However, strategic risks particularly transaction delays, concentration risk, valuation pressure and funding constraints remained High to Very High, anchoring the REIT's overall impact profile at an elevated level compared with Q1.

Mitigation Actions Undertaken and Planned

The Manager continuously implements mitigation measures aligned to the REIT's risk appetite and strategic priorities.

Strategic Mitigation

- Establishment of a MIC to monitor execution for key acquisitions/disposals
- Enhanced due diligence and technical advisory for complex transactions
- Development of a portfolio rebalancing roadmap – in progress

Financial Mitigation

- Strengthening capital readiness through proactive refinancing
- Maintenance of funding headroom dashboards and liquidity buffers
- Continued engagement with financial institutions and capital market stakeholders
- Investor communication to support sentiment and unit liquidity

Operational & ESG Mitigation

- Setting up Project Management Team with tenant to oversight Solar PV and chiller replacement projects
- Embedding Green Lease clauses and decarbonisation plan

Valuation & Asset Resilience Mitigation

- Asset health diagnostics across ageing assets
- Prioritised AEI planning aligned to yield, ESG and valuation uplift
- Integration of ESG considerations in acquisition/divestment analysis

Market & Sentiment Mitigation

- Quarterly benchmarking against peer REITs
- Clear IR positioning on DPU outlook and sustainability progress
- Publication of a REIT Strategy Outlook to strengthen transparency and investor trust

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

SPECIAL ASSESSMENT MADE DURING THE YEAR

Consistent with COSO, the Manager evaluates fraud exposure across selected business functions, including property management, leasing, procurement, asset enhancement, finance, and governance processes.

Corruption Risk Assessment on Key Business Processes

As part of the REIT's ongoing compliance and integrity enhancement efforts, a targeted Corruption Risk Assessment (CRA) was conducted on several high-risk business processes within the Manager. This assessment was led by the JLG Group Risk & Governance team and is aligned with the MACC Act Section 17A, Adequate Procedures (T.R.U.S.T.), and the Group's Anti-Bribery & Corruption (ABAC) Policy.

The CRA focused on identifying potential corruption, bribery, fraud, and abuse of authority risks embedded within core operational and financial processes. The assessment also evaluated whether existing controls were adequate, effective, and consistently implemented across functions.

The business processes assessed include:

Key Corruption Risks Identified Across Selected Processes

1. Credit Card Management

- Personal use of corporate cards disguised as business expenses
- Falsification of receipts or inflated claims
- Approving non-compliant transactions without proper review

2. Employee Expense Claims Process

- Submission of falsified or duplicate claims
- Manipulation of approvals for travel, entertainment, or operational claims
- Abuse of reimbursement policies

3. Leasing Management & Tenant Selection Processes

- Preferential treatment during tenant evaluation or renewal negotiations
- Improper inducements from prospective tenants
- Manipulation of tenant scoring or assessment criteria

4. Recruitment & Payroll Management Process

- Nepotism, cronyism, or appointments based on personal interest
- Bribes to secure employment or promotion
- Ghost employees or unauthorised salary adjustments

5. Vendor Selection, Procurement & Tender Process

- Kickbacks from vendors during selection or contract negotiation
- Manipulation of procurement or tender documents to favour specific vendors
- Collusion between staff and suppliers

6. Property Sourcing, Acquisition, Evaluation & Approval

- Undue influence or bribery to favour certain sellers or intermediaries
- Manipulation of valuation reports or technical assessments
- Conflicts of interest in acquisition due diligence

The assessment started on 17 December 2025 and completed on 12 January 2025. The final report was tabled to the BARC in February 2026.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

IDENTIFYING AND ANALYSING SIGNIFICANT CHANGES

The Manager continuously monitors internal and external developments that may introduce new risks, influence the effectiveness of existing controls, or alter the operational, financial, or strategic risk profile of AL-`Aqar.

In accordance with COSO requirements, significant changes trigger event-driven risk assessments to ensure that emerging risks are promptly identified, evaluated, and incorporated into the enterprise and departmental risk registers. This proactive approach ensures that the REITs remain resilient, compliant, and well-governed amidst a dynamic operating environment.

During the year, several notable changes were identified as having potential risk implications:

Organisational Restructuring & Leadership Transition

The Manager underwent a major leadership transition with the appointment of a new CEO and the senior management team. A refreshed organisational structure was introduced, establishing clearer lines of accountability, new sub-units, and refined roles and responsibilities across functions. New appointments of senior management team include:

- Chief Financial Officer: Ahmad Nazri bin Mohamad, appointed on 17 February 2025
- Chief Investment Officer: Mohd Adrian bin Abu, appointed on 7 July 2025
- Head of Strategy & IR: Ng Hui Mei, appointed on 7 April 2025
- Head of Governance & Legal: Nor Shakira binti Zainal, appointed on 7 April 2025

While these changes strengthen long-term strategic and operational oversight, they also introduce transitional risks such as potential disruptions to continuity, changes in decision-making patterns, competency gaps, onboarding challenges, and the need to realign internal controls with the new structure.

Significant Change	Risk Statement	Mitigation Measures
Leadership transition with new CEO, management team, and updated org structure	Leadership Transition Risk: New leadership structure may create temporary gaps in continuity, oversight, and decision-making.	<ul style="list-style-type: none"> Event-driven risk assessment conducted. Updated LoA and reporting lines. Strengthened governance oversight during transition.
	Capability & Knowledge Transfer Risk: Loss of institutional knowledge due to staff or leadership changes.	<ul style="list-style-type: none"> Structured handover plans and documentation. Mandatory onboarding for new leaders. Increased management supervision during transition phase.
	Role & Responsibility Misalignment: New sub-units may cause temporary ambiguity.	<ul style="list-style-type: none"> Updated job descriptions, roles, and responsibilities clearly defined. Communication of new structure across departments. Controls realigned to new roles and approval flows via LoA

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Changes in Business Model

On 20 March 2025, the Manager introduced new outsourcing arrangements and transferred back-office functions to a shared services company within the JLG Group. These changes alter process ownership, introduce new reliance on external service providers, and affect the control environment for procurement, finance, company secretary and HR processes. Outsourcing also heightens risks related to service quality, SLA compliance, data integrity, confidentiality, segregation of duties, and dependency on third-party systems and personnel.

Significant Change	Risk Statement	Mitigation Measures
Outsourcing and transfer of functions to shared services	Outsourcing Risk: Inconsistent service delivery or control lapses due to reliance on shared services.	<ul style="list-style-type: none"> • SLA agreements established with KPIs. • Regular performance reviews with service provider. • Strengthened monitoring and escalation protocols.
	Data Integrity & Access Risk: Risk of incorrect, delayed or mishandled data.	<ul style="list-style-type: none"> • Tightened access controls and approvals. • Enhanced data validation & reconciliation steps. • Audit trail and system-level monitoring.
	Segregation of Duties (SoD) Risk: Role consolidation at shared services may weaken SoD.	<ul style="list-style-type: none"> • Revised SoD matrix. • Independent checks by Finance/ Compliance.

Board Leadership and Board Composition Changes

Several new Board members and Alternate Directors were appointed, bringing fresh perspectives and diverse expertise including ESG and regulatory knowledge, private equity management insight, strategic planning experience, and investment/finance expertise. While these additions enhance governance strength, they also necessitate updates to Board oversight processes, onboarding protocols, and committee responsibilities. Changes in Board composition may influence risk appetite, oversight focus areas, and strategic priorities for both REITs.

Significant Change	Risk Statement	Mitigation Measures
Appointment of new Board and Alternate Directors	Governance Realignment Risk: Governance processes may shift during onboarding.	<ul style="list-style-type: none"> • Board induction and governance training. • Updated Board Charter and Board Committee terms of reference.
	Shift in Oversight Priorities: New Directors may influence strategic direction.	<ul style="list-style-type: none"> • Alignment sessions with Management. • Clear documentation of updated risk appetite.
	Compliance Familiarisation Risk: New Directors may require time to familiarise themselves with regulatory reporting.	<ul style="list-style-type: none"> • Directors Mandatory Accreditation Programme (MAP) 1 and 2. • Regular compliance updates to Board & ERM. • Secretariat support for reporting processes.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Regulatory and Compliance Requirement Changes

The external regulatory landscape continues to evolve, with updates to the SC REIT Guidelines, Bursa Malaysia Listing Requirements, MCGG, tax regulations, Shariah standards, and the introduction of IFRS S1 and S2 for sustainability reporting. These developments require the Manager to reassess its compliance processes, disclosures, internal documentation, data collection systems, and governance frameworks. Non-compliance or delayed implementation may expose the Manager and the REIT to regulatory penalties, reputational risk, and inaccuracies in sustainability and financial reporting.

Significant Change	Risk Statement	Mitigation Measures
The SC has proposed a new fee structure for capital market intermediaries expected implementation on 1 January 2026	Higher licence and regulatory fees imposed by the SC and Bursa increase the Manager's compliance cost base, potentially impacting management fee margins and placing pressure on overall cost efficiency	The Manager monitors regulatory cost changes closely and incorporates them into annual budgeting, while pursuing cost optimisation measures to minimise impact on the REIT's net returns.
Enhanced SORMIC Guide 2025	The Enhanced SORMIC Guide 2025 introduces higher expectations on governance, risk management, and internal-control disclosures, increasing the compliance requirement and potentially exposing the Manager to regulatory gaps if processes are not updated in time.	<ul style="list-style-type: none"> • Review and update governance, risk management, and internal-control processes to align with new SORMIC requirements. • Strengthen documentation, evidence, and reporting practices. • Provide training and awareness sessions to ensure full compliance.
National Sustainability Reporting Framework (NSRF) requirement for Sustainability Statement aligned with IFRS S1 and IFRS S2	The introduction of the NSRF and mandatory IFRS S1/S2-aligned sustainability reporting increases the risk of non-compliance, incomplete disclosures, or data quality gaps if the Manager's systems, processes, and governance are not adequately prepared	<ul style="list-style-type: none"> • Strengthen ESG data governance and reporting processes. • Integrate sustainability and climate risks into ERM. • Conduct gap assessments and staff training on IFRS S1/S2. • Obtain internal or external assurance to validate compliance.

Effectiveness of Risk Assessment

The Board and BARC are satisfied that the risk assessment process remained effective in identifying, analysing and prioritising significant risks on a quarterly basis. The methodology was applied consistently across all risk categories, including strategic, financial, operational, ESG and emerging risks. The introduction of climate-related risk assessment further strengthened the REIT's overall risk evaluation capability. Risk ratings were updated promptly to reflect changing conditions, and no material weaknesses were observed in the design or execution of the risk assessment process.

The REIT's risk management processes and internal control system operate in an integrated manner to ensure risks are identified, assessed and managed within the Board-approved Risk Appetite. While the risk management framework provides the structure for recognising and evaluating significant risks, the internal control system comprises the policies, procedures and control activities that address those risks in day-to-day operations. Together, they form a continuous process in which risk evaluation informs the design of controls, and control performance provides feedback for ongoing risk monitoring and escalation.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTERNAL CONTROL SYSTEM, REVIEW AND ASSURANCE MECHANISMS

Al-`Aqar's control environment is built on strong governance practices, clear accountability and a culture of integrity that supports the management of healthcare real estate assets. The Board and the BARC set the tone at the top and oversee the effectiveness of internal controls across financial, operational, compliance and asset management activities. Documented policies, procedures and SOPs guide consistent execution of key processes, while the Code of Conduct, ABAC framework and whistleblowing arrangements reinforce ethical behaviour. Management ensures operational competency through ongoing training, particularly in areas relevant to healthcare facilities, tenancy management and regulatory compliance. Collectively, these measures underpin a robust control environment that supports sound stewardship of the REIT's assets.

Policies, Procedures and Standard Operating Controls

The Manager maintains a structured governance framework supported by clear authority limits, approval hierarchies, and segregation of duties across key functions such as leasing, property management, procurement, finance, ICT, and outsourced service oversight. These controls ensure transparent decision-making, prevent management override, and promote compliance with regulatory requirements. For example, leasing, procurement, and financial processes operate under distinct roles for initiation, review, and approval, supported by vendor due diligence and multi-tier approval thresholds.

This governance structure is reinforced by a suite of core policies including the Limit of Authority, Internal Control, Compliance Management, AMLA, PDP, ABAC, No-Gift, Whistleblowing, Outsourcing, Procurement, Fit & Proper, BCM, and Investment Policies which collectively promote integrity, accountability, regulatory compliance, and organisational resilience. Together, these policies underpin strong governance, effective risk management, and disciplined internal controls, ensuring that decisions across the REIT are made transparently and in the best interest of unitholders.

During the year 2025, the Manager has revised and introduced the following policies and frameworks:

No	Policy/Document	Description of Policy	G	R	I	C
1	Outsourcing Policy - New policy. Reviewed and approved by the Board on 4 December 2025.	Governs outsourcing arrangements, including due diligence, monitoring, and vendor controls.	-	√	√	√
2	Procurement Policy (with ESG Assessment) - Enhancement made during the year. Reviewed and approved by the Board on 4 December 2025.	Governs procurement conduct, vendor evaluation, ESG screening, and conflict checks.	-	√	√	√
3	Green Procurement Framework (Group) - New policy. Reviewed and approved by the Board on 25 August 2025.	Encourages environmentally responsible purchasing and sustainable vendor selection.	√	√	-	√
4	Sustainability Policy & Framework - Enhancement made during the year. Reviewed and approved by the Board on 26 November 2025.	Sets sustainability principles, governance, and reporting expectations across the REIT.	√	√	-	√
5	JLG Sustainability Finance Framework - New policy. Reviewed and approved by the Board on 15 July 2025.	Outlines which projects qualify, how the funds will be managed, and how progress will be reported to ensure transparency and accountability.	√	√	-	√

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

No	Policy/Document	Description of Policy	G	R	I	C
6	DEI Policy - Enhancement made during the year. Reviewed and approved by the Board on 25 August 2025.	Sets commitments to diversity, equity, inclusion, fair practices & equal opportunity.	√	-	-	√
7	Climate Risk Framework - New policy, which is a sub-set of ERM Framework. Reviewed and approved by the Board on 4 December 2025.	Outlines processes to identify, assess, manage & report climate-related risks.	√	√	-	√
8	Credit Card Management Policy - New policy. Reviewed and approved by the Board on 4 September 2025.	Defines governance & internal controls for corporate credit card usage, monitoring & compliance.	√	-	√	√
9	Stakeholder Management Policy - New policy. Reviewed and approved by the Board on 4 December 2025.	Identifies, engages, and manages key stakeholders to ensure transparent communication, sustained relationships, and alignment with regulatory and ESG expectations	√	√	-	√

- **G = Governance** (Board oversight, strategic direction, ethical tone)
- **R = Risk** (identification, mitigation, monitoring)
- **I = Internal Control** (process controls, procedures, authorisation limits)
- **C = Compliance** (laws, regulations, reporting obligations)

The REIT maintains a comprehensive set of documented policies, procedures and SOPs that guide business processes, ensure consistency of operations and support the effectiveness of internal controls. SOPs are reviewed periodically to reflect changes in regulatory requirements, business operations and industry practices. These documented controls form part of the first line of defence and ensure that day-to-day activities are carried out in accordance with approved policies and governance expectations.

Controls Over Key Business Processes

Control activities are embedded across Al-`Aqar's operations to ensure that key risks are mitigated and business processes are executed in a consistent and controlled manner. These activities include documented approval limits, segregation of duties, reconciliations, verification procedures and system-based controls that support the accuracy and integrity of financial reporting and operational outcomes.

In managing its healthcare real estate portfolio, the REIT implements structured tenancy controls such as tenant onboarding due diligence, verification of lease documentation, rental billing reconciliations, credit control monitoring and escalation procedures for arrears. Asset management controls include planned preventive maintenance (PPM) schedules, M&E inspections, facility condition assessments, statutory compliance checks and monitoring of essential building systems to ensure operational continuity for hospital tenants.

Procurement and contract management controls are supported by competitive quotation requirements, vendor due diligence including ESG compliance, approval thresholds, contract review processes and vendor performance monitoring. Capex projects are governed through feasibility assessments, budgeting controls, tender evaluations and post-implementation reviews to ensure accountability and value for money.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

ESG-related controls are incorporated through energy and water monitoring processes, documentation for green initiatives, periodic ESG data reviews and compliance with emerging sustainability reporting requirements.

IT and cybersecurity controls include user access management, password protocols, system authorisation controls, data protection measures and backup procedures to safeguard information integrity and minimise technology-related disruptions. Together, these control activities reinforce disciplined execution across all functions and support the REIT's ability to operate within its approved Risk Appetite.

Effective Information Flow and Communication of Controls

Effective information and communication processes form a core pillar of Al-`Aqar REIT's internal control and risk management framework. The Manager ensures that relevant, accurate, and timely information flows seamlessly across all levels of the organisation to support operational decision-making, risk oversight, and strategic governance.

INTERNAL REPORTING AND MANAGEMENT COMMUNICATION

The Manager maintains structured and transparent channels for communicating risk, operational, and performance information to Management, the ERM, the BARC, the Board, and the Trustee. Key reports including quarterly financial results, operational dashboards, tenant movement and occupancy updates, rental collection and arrears summaries, compliance tracking, and internal audit findings are presented to the relevant committees and the Board to support oversight of performance, emerging trends, risk exposures, and compliance with regulatory and Trust Deed requirements. During the financial year, the ERM convened on 2 May 2025, 30 July 2025, and 23 October 2025 to review these matters. The Board also reviewed the matters during its meetings held on 23 January 2025, 31 January 2025, 12 February 2025, 15 May 2025, 13 August 2025, and 12 November 2025.

Communication with the Trustee and Unitholders

The Manager maintains open and continuous communication with the Trustee to ensure Al-`Aqar's full compliance with the Trust Deed, SC REIT Guidelines, and regulatory requirements, providing timely updates on material transactions, operational developments across healthcare properties, regulatory changes, and risk matters requiring Trustee oversight. The Trustee also receives structured quarterly reporting on financial performance, asset conditions, governance matters, and compliance monitoring. During FY2025, four Quarterly Trustee Meetings were held, with meetings for Q1 and Q2 conducted on 29 October 2025, Q3 on 17 December 2025, and Q4 on 28 January 2026. Communication with unitholders is upheld through annual reports, sustainability statements, Bursa announcements, distribution notices, and investor briefings, ensuring transparency on Al-`Aqar REIT's performance, strategy, risks, and ESG initiatives. Unitholders are given opportunities to engage directly with the Board and Management during AGMs and other engagement platforms, reinforcing accountability and open dialogue.

In 2025, the AGM was held on 25 June 2025 and the EGMs on 25 June 2025.

External Communication and Stakeholder Engagement

Al-`Aqar communicates regularly with external stakeholders including regulators, analysts, rating agencies, and the broader market through corporate announcements, investor presentations, meetings, and media engagements. These channels support transparency and ensure that stakeholders receive reliable information on financial results, portfolio performance, leasing activities, market conditions, and capital management strategies.

For the year 2025, the REIT held a total of four analyst briefings and four investor engagement sessions, with analyst briefings conducted on 21 February 2025 (4Q2024), 9 June 2025 (1Q2025), 11 September 2025 (2Q2025), and 10 December 2025 (3Q2025), and investor site visits held on 16 January 2025 (Maybank), 11 August 2025 (PNB & EPF), 29 September 2025 (Maybank), and 30 September 2025 (BIMB).

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Tenant and Operational Communication

Proactive communication with tenants plays a key role in supporting stable operations and occupancy. The Manager engages with tenants to address operational issues, support licensing or compliance needs, manage facility-related matters, and negotiate renewals. Feedback from tenants is used to improve service delivery and strengthen asset performance.

The FY2025 Service Manager Evaluation achieved an average score of 80.38 across 21 hospitals, reflecting strong and sustained confidence in the Manager's oversight, responsiveness, and support for lessees' operational needs. The evaluation also offers valuable insights into hospitals' expectations and areas for continuous enhancement in asset management and service delivery. In line with these insights, the Manager collaborated closely with hospital teams throughout FY2025 to refine and standardise proposal-assessment processes, with enhanced SOPs to be implemented across all hospital groups this year. Going forward, the Manager remains committed to strengthening communication, improving transparency on technical justifications, and providing clearer governance information to further support operational clarity, reinforce strong working relationships, and uphold the long-term performance and sustainability of the asset portfolio.

Monitoring, Review and Assurance of Internal Controls

Monitoring activities are embedded across Al-`Aqar to ensure that internal controls and risk mitigation measures continue to operate effectively. Ongoing monitoring is carried out through supervisory reviews, performance tracking, exception reporting, and operational oversight of tenancy management, asset performance, procurement, financial controls and ESG compliance. These reviews enable Management to detect irregularities, verify control compliance and respond promptly to emerging issues.

Independent evaluations are undertaken through the ERM, which reviews key risks, mitigation effectiveness and control outcomes on a quarterly basis. Management reports significant developments, including changes in risk exposure, emerging risks, compliance matters and incident escalations, to the ERM and subsequently to the BARC, ensuring clear governance visibility and timely decision-making.

Separate assurance is provided by the internal audit function, which performs risk-based audits in accordance with the approved annual audit plan. Audit findings and recommendations are presented to the BARC, and Management is accountable for implementing corrective actions within agreed timelines. The status of audit issue

closure is monitored and reported until full resolution is achieved. External auditors, Shariah reviewers and other independent assessors further supplement assurance through financial, compliance and sustainability related reviews.

Collectively, these monitoring mechanisms provide continuous feedback on the adequacy and operating effectiveness of the REIT's internal control system and risk management practices. Issues identified through monitoring processes are addressed promptly, and insights gained are used to enhance controls and strengthen governance maturity across the organisation.

Strategic and Market Insights

The half-yearly budget review includes updates on market conditions and strategic initiatives. Management considers economic trends, rental benchmarks, and competitor movements that may affect asset performance. Progress on development or enhancement projects is reported, along with potential opportunities or risks that may influence the REIT's forward strategy. In 2025, the Strategic Plan was tabled and approved by the Board on 26 May 2025, followed by a comprehensive budget review, which was subsequently presented and endorsed by the respective Boards on the same dates.

Compliance with SC REIT Guidelines, Bursa Listing Requirements, MCG, Trust Deed provisions, and ESG-related regulatory obligations

Management conducts ongoing reviews to ensure full compliance with the SC REIT Guidelines, Bursa Listing Requirements, covering areas such as disclosures, governance practices, and fiduciary obligations. There were no compliance breaches during the year.

Effectiveness of Monitoring Activities

Monitoring activities were effective in providing timely visibility of control performance, risk exposures and compliance obligations. Ongoing supervisory reviews, exception reporting, asset inspections and tenancy controls operated as designed, while separate evaluations through ERM, internal audit and compliance reviews provided independent assurance over key processes. Corrective actions were tracked to closure, and no significant delays or unresolved issues were reported to the BARC. Overall, the monitoring processes provided sufficient assurance that the REIT's controls and risk treatments were functioning as intended.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

ASSURANCE AND CONTINUOUS IMPROVEMENT

For the financial year 2025, the Manager appointed PKF Malaysia as the independent internal auditor to conduct a risk-based internal audit in accordance with professional standards. The scope includes evaluating the effectiveness of internal controls, reviewing compliance with policies and procedures, and assessing the robustness of the REIT's risk management processes. Audit results, including identified gaps and recommended enhancements, are presented to the BARC for deliberation and follow-up action. This engagement strengthens assurance over governance, control effectiveness and alignment with the Risk Appetite.

Internal Audit carried out two risk-based audits during the year, focusing on lease and tenant management and facility management. The audits identified several improvement areas, all of which were addressed by Management. Follow-up reviews confirmed that the corrective actions were completed and verified as satisfactorily closed.

External Audits, Shariah and ESG Assurance

External assurance mechanisms provide an added layer of independence and credibility to the REIT's financial, operational, and Shariah-related controls. As part of the annual statutory audit, external auditors evaluated the adequacy and operating effectiveness of key financial reporting controls, focusing on areas such as revenue recognition, impairment assessment, capital expenditure, and compliance with accounting standards. Independent property valuers were also appointed to conduct professional valuations of the REIT's investment properties to ensure that fair values used in the financial statements are objective, reliable, and supported by market evidence.

In addition, Shariah advisers conducted monthly reviews covering lease arrangements, investment activities, financing structures, and compliance with Shariah principles. The findings were formally reported to Management and the Board.

ESG-related disclosures and sustainability data were subjected limited external assurance to ensure accuracy, consistency, and alignment with the NSRF, IFRS S1/S2, and Bursa's Sustainability Reporting requirements report on limited assurance can be found on sustainability statement section. This multi-layered assurance approach strengthens the reliability of the REIT's reporting and reinforces stakeholder confidence.

CONTINUOUS IMPROVEMENT AND CONTROL ENHANCEMENT

The REIT is committed to continuously strengthening its internal control system to ensure it remains effective, relevant and responsive to changes in the operating environment. Improvement initiatives are driven by insights from internal audits, management reviews, ERMC deliberations, external assurance, regulatory developments and operational learnings.

During the year, the Manager enhanced key controls by updating operational SOPs, improving documentation of critical processes, and refining control ownership and accountability across functions. Improvements were also made to financial and operational controls supporting asset management, tenancy administration, procurement and ESG reporting. Corrective actions arising from audit findings and compliance reviews were implemented promptly and monitored to closure, with progress reported to the BARC.

The REIT also strengthened the integration of risk management and internal controls by refining its SORMIC narrative, enhancing risk reporting, and aligning internal control practices to the Board's approved Risk Appetite. These initiatives contribute to improved control maturity, clearer governance expectations and greater consistency in the application of controls across the organisation.

Continuous improvement remains an ongoing focus, and the Manager will continue to assess, enhance and digitalise internal controls to ensure they remain adequate and effective in safeguarding assets, supporting operational reliability and enabling sustainable long-term performance.

Effectiveness Statement

The continuous improvement initiatives implemented during the year were effective in strengthening the internal control environment and enhancing control maturity across the REIT. Management completed all planned enhancements, including SOP updates, process documentation improvements, control ownership clarification and corrective actions arising from internal audits and compliance reviews. These enhancements were verified through follow-up assessments and monitoring, with no material residual issues outstanding. The improvements contributed to more consistent control execution, better operational discipline and stronger alignment with the Board's Risk Appetite.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

BOARD COMMENTARY AND OPINION

For the financial year under review, the Board received written assurance from the CEO and the CFO confirming that AL-Aqar's enterprise risk management and internal control systems have operated adequately and effectively in all material respects. Based on these assurances, together with the results of management reviews and independent assessments, the Board notes that no material control failures, significant breakdowns, or adverse compliance events occurred that resulted in material financial loss or operational disruption to the REIT.

Taking into account the representations provided by Management, as well as the BARC's oversight throughout the year, the Board is satisfied that the risk management and internal control systems in place for the financial year 2025 under review and up to the date of approval of this Statement remain sound, effective, and sufficient to safeguard unitholders' interests, the REIT's assets, and the interests of other key stakeholders with no material control failures were reported.

To arrive at this conclusion, the Board considered the following oversight mechanisms, reports, and assurances received during the year:

- Periodic financial reviews, including assessments of financial performance, capital management, and quarterly financial results.
- BARC's oversight of the ERM framework, including updates on changes in risk magnitudes, mitigation progress, and Management's responses to emerging risks.
- Review of principal risks, ensuring appropriate systems, controls, and mitigation strategies are implemented and monitored.
- BARC's review and consultations with Management on the integrity, adequacy, and transparency of the financial statements and year-end audit results.
- Internal audit reports, including findings on governance, internal control effectiveness, and Management's progress in implementing audit recommendations.
- Management's assurance that the REIT's internal control, operational procedures, and compliance frameworks including compliance with applicable laws, regulations, Bursa Malaysia Listing Requirements, SC Guidelines, and internal policies operated adequately, effectively, and with integrity.

The Board remains committed to strengthening governance practices and will continue to monitor major risks affecting the REIT, take timely and necessary actions to mitigate them, and enhance the effectiveness and robustness of the REIT's risk management and internal control systems.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control ("Statement") in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control. Based on the procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement, intended for inclusion in the IAR2025:

- is not prepared, in all material respects, in accordance with the disclosure requirements of Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- is factually inaccurate in any material respect.

This Statement is made in accordance with a resolution of the Board of Directors dated 5 March 2026.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the MMLR of Bursa Malaysia and Securities Commission's Guidelines on Listed Real Estate Investment Trusts.


1. Sanctions of Penalties

There was no public sanction or penalty imposed on the Manager during FY2025.

2. Status of Utilisation Proceeds Raised from Corporate Proposal

There was no issuance of new units during FY2025.

3. Audit and Non-Audit Fees

 For information, please refer to page 228.

4. Disclosure in Relation to the Unitholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

At an Annual General Meeting held on 25 June 2025, the REIT obtained a mandate from its unitholders ("Unitholders' Mandate") for recurrent related party transactions ("RRPTs") of a revenue or trading nature.

In compliance with Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the MMLR of Bursa Malaysia, such Unitholders' Mandate is subject to annual renewal and the disclosure in the IAR2025 of RRPTs conducted pursuant to the mandate during the FY2025 where the aggregate value of such RRPTs is equal to or more than RM1 million or 1% of the relevant percentage ratio for such transactions, whichever is the higher.

Set out below are the relevant RRPTs for which Unitholders' Mandate had been obtained together with a breakdown of the aggregate value of the RRPTs which had been conducted pursuant to the Unitholders' Mandate and had met the prescribed threshold.

ADDITIONAL COMPLIANCE INFORMATION

Transacting Party	Nature of Transaction	Nature of Relationship	Value Incurred from 28 Feb 2025 (LPD) to 31 Dec 2025 (RM'000)	The aggregate value transactions during the financial year (RM'000)
KPJ Group	Advisory for, inter-alia, renovation and/or upgrade of any refurbishment work to be undertaken at the hospitals; and property management fee	JCorp has a direct and indirect interest of 35.9% and 9.1% respectively in KPJ. KPJ and JCorp (via KPJ) are also the major unitholders of Al-`Aqar. The Manager is also indirectly wholly-owned by JCorp.	1,004	1,200
	Rental income for renting of, inter-alia, specialist hospitals, medical centres, aged care centre and college buildings	<p>The Interested Directors (save for Dato' Haji Mohd Redza Shah bin Abdul Wahid) are deemed interested by virtue of them being the Directors of JRMSB and being part of the Board and/or senior management of JCorp Group.</p> <p>Shamsul Anuar bin Abdul Majid is a Director of JRMSB and also a Director of KPJ nominated by JCorp.</p> <p>Dato' Haji Mohd Redza Shah bin Abdul Wahid was the former Independent Non-Executive Director of JRMSB who resigned on 31 December 2024 is also the Senior Independent Non-Executive Director of KPJ. As such, Dato' Haji Mohd Redza Shah bin Abdul Wahid is also deemed interested for the six (6) months period preceding his resignation date.</p>	19,722	24,846
JCorp Group	Registrar expenses	<p>JCorp (via KPJ) is the major unitholder of Al-`Aqar. The Manager is also indirectly wholly-owned by JCorp.</p> <p>The Interested Directors (save for Dato' Haji Mohd Redza Shah bin Abdul Wahid) are deemed interested by virtue of them being the Directors of JRMSB and being part of the Board and/or senior management of JCorp Group.</p>	157	157
JLG Group	Total replacement and disposal of main air conditioning system at the hospitals	<p>JCorp (via indirect shareholdings) is a major unitholder of Al-`Aqar.</p> <p>JLG is a wholly-owned subsidiary of JCorp.</p> <p>The Manager, is also indirectly wholly-owned by JCorp.</p> <p>The Interested Directors (save for Dato' Haji Mohd Redza Shah bin Abdul Wahid) are deemed interested by virtue of them being the Directors of JRMSB and being part of the Board and/or senior management of JCorp Group.</p> <p>Shamsul Anuar bin Abdul Majid and Datuk Sr Akmal bin Ahmad are Directors of JRMSB and also Directors of JLG nominated by JCorp.</p>	-	-
Aggregate Value of Transactions			20,883	26,203

SHARIAH ADVISER'S REPORT

To the Unitholders of AL-`AQAR HEALTHCARE REIT

We have acted as the Shariah Adviser of AL-`Aqar Healthcare REIT (the "Fund"). Our responsibility is to ensure that the procedures and processes employed by JLG REIT Managers Sdn. Bhd. (formerly known as Damansara REIT Managers Sdn Berhad) (the "Manager") are in compliance with Shariah principles.

In our opinion, based on our review of the documents and information made available to us, the Manager has operated and managed the Fund in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 December 2025.

In addition, we also confirm that:

1. The investment portfolio of the Fund is Shariah-compliant, which comprises:
 - (a) Rental income from investment properties which complied with the Securities Commission Malaysia's Guidelines on Islamic Capital Market Products and Services. There was no Shariah non-compliant rental for the financial year ended 31 December 2025; and
 - (b) Cash placement and liquid assets, which are placed in Shariah-compliant investments and/or instruments.
2. There was no acquisition of property that is Shariah non-compliant during the financial year.

Our review does not extend to providing Shariah confirmation on the audited financial statements of the Fund. However, we note that certain conventional terminologies are adopted in accordance with applicable financial reporting standards and established accounting conventions.

For and on behalf of the Shariah Adviser,

IBFIM

NOOR ZURAIDA MD NOOR
Director, Shariah Consultancy

IRMA NAMIRA MISSNAN
Registered Shariah Officer

Kuala Lumpur

24 April 2026

TRUSTEE'S REPORT

For the financial year ended 31 December 2025

To the unit holders of **AL-`AQAR HEALTHCARE REIT** ("Fund"),

We have acted as Trustee of the Fund for the financial year ended 31 December 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, JLG REIT MANAGERS SON BHD (formerly known as DAMANSARA REIT MANAGERS SDN BERHAD) has managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the management company and the trustee under the deed, Guidelines on Real Estate Investment Trusts, the Capital Markets and Services Act, and other applicable laws; and
- (b) Valuation/pricing is carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of returns by the Fund is relevant and reflects the investment objective of the Fund.

Yours faithfully,

AMANAHRAYA TRUSTEES BERHAD

ZAINUDIN BIN SUHAIMI

Chief Executive Officer

Kuala Lumpur, Malaysia

23 April 2026

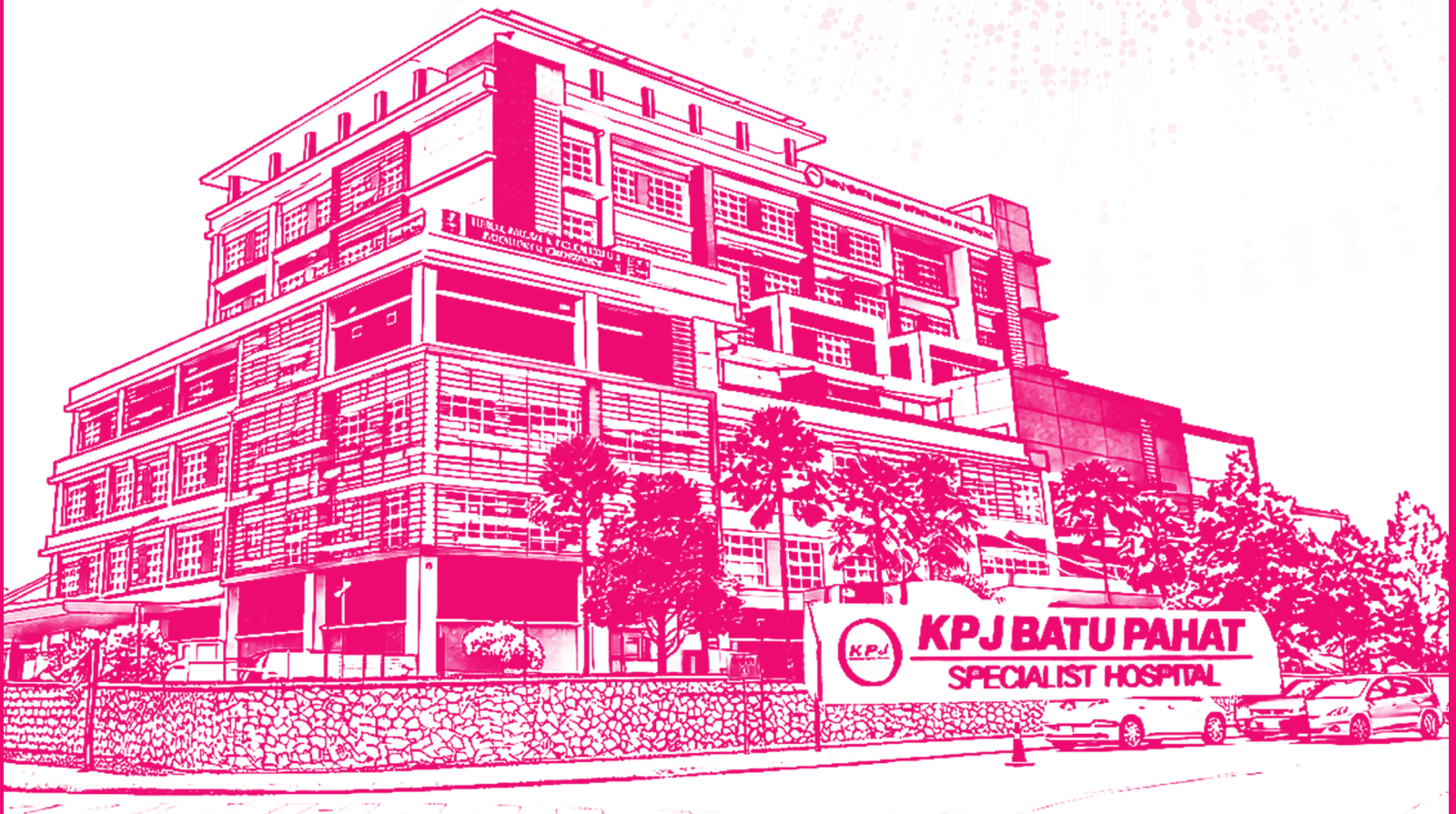
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HEALTHCARE REIT

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RISK MANAGEMENT

217 Risk Assessment & Identification

218 Risk Management

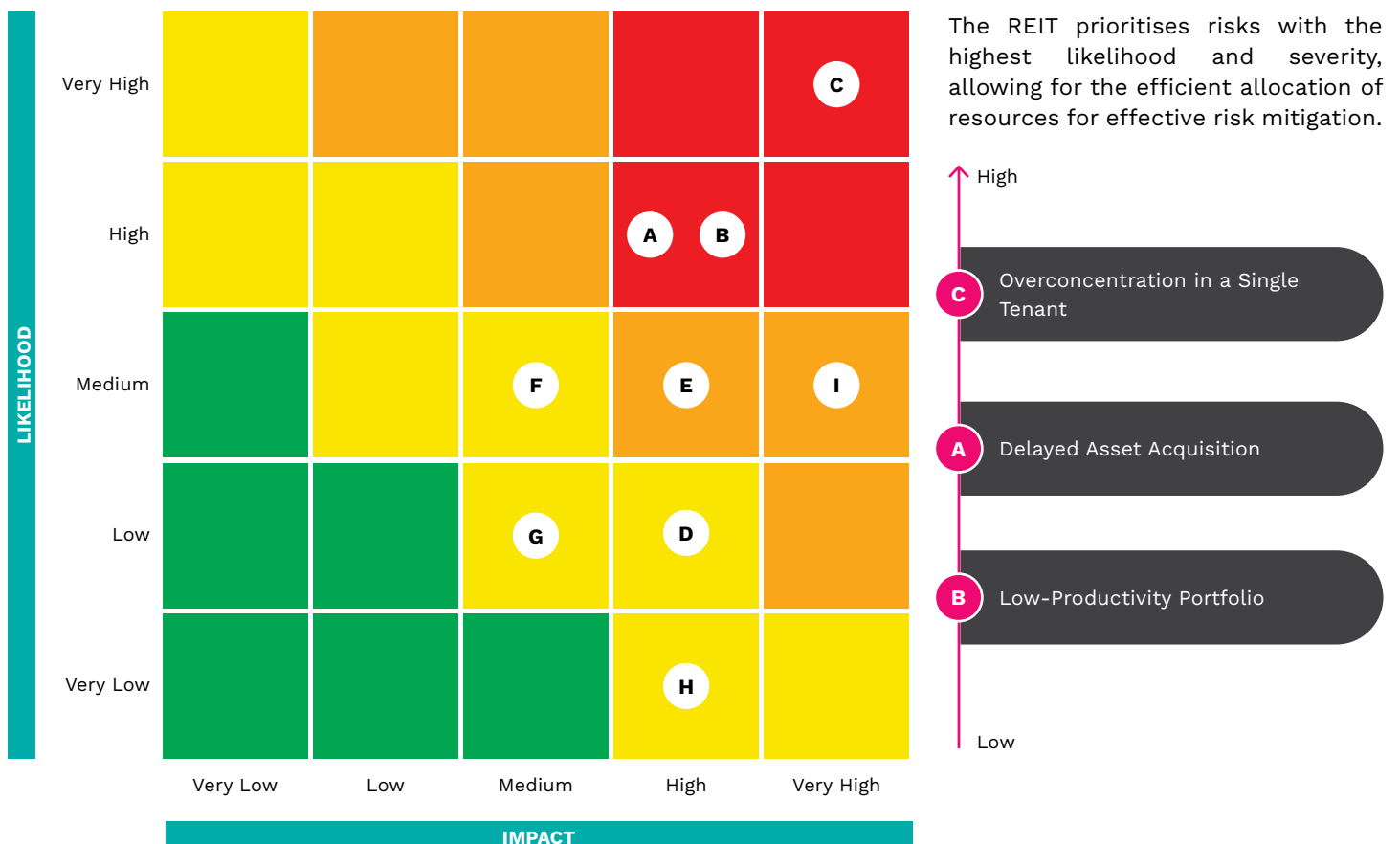


RISK ASSESSMENT & IDENTIFICATION

As part of Al-`Aqar's effort to strengthen its operational resilience and foster trust with stakeholders, the REIT provides enhanced disclosures and greater transparency in its identified business and sustainability risks, including plans to ensure mitigation measures remain effective. The risk identification and mitigation planning was conducted through the REIT's ERM framework, taking into account and prioritising key material risks.

[Readers may refer to the SORMIC for more details on Al-`Aqar's risk management governance, ERM, monitoring, and controls.](#)

The REIT further integrates climate and sustainability risks into its overarching risk management framework, ensuring the concerns of all relevant internal and external stakeholders are addressed. This initiative is aligned with the recommendations of the IFRS S1 and S2. To further align Al-`Aqar's operations with best practice sustainability recommendations, the REIT plans on financially quantifying and disclosing identified risks in the future.



Risk Legend:

- A** Delayed Asset Acquisition
- C** Overconcentration in a Single Tenant
- E** Asset Fair Value Sensitivity
- G** Renewable Energy Installation Delays
- I** Regulatory Documentation and Agreement Delays
- B** Low-Productivity Portfolio
- D** Underperforming Assets
- F** Equipment Retrofit Delays
- H** Sukuk Alignment and Issuance Readiness

RISK MANAGEMENT

Al-`Aqar adopts a risk management approach that is integrated with its value creation strategies. This is because risks do not occur in isolation but directly influence the REIT’s ability to achieve its long-term objectives. By embedding risk mitigation initiatives within the broader strategic framework, Al-`Aqar ensures that every response not only addresses vulnerabilities but also reinforces operational resilience and competitive strength. This alignment transforms risk management from a reactive safeguard into a proactive enabler of value creation.

STRATEGIC ALIGNMENT OF RISK MANAGEMENT

Value Creation Strategies	Core Risk Management Strategy
<p>> Tenant Base Expansion & Diversification</p>	<ul style="list-style-type: none"> • Reduce concentration risk • Stabilise income • Future-proof tenant relationships
<p>> KPJ-Complementary Asset Growth</p>	<ul style="list-style-type: none"> • Ensure regulatory compliance • Support healthcare tenants • Secure long-term growth
<p>> Healthcare Value Chain Diversification</p>	<ul style="list-style-type: none"> • Enhance resilience • Reduce costs • Improve ESG ratings • Maintain competitiveness
<p>> Aged Market Capitalisation</p>	<ul style="list-style-type: none"> • Maintain growth momentum • Avoid stagnation • Capture market opportunities

Based on the core risk management strategies, each risk faced by the REIT is efficiently managed as follows:

Legend:

Capitals:

- Financial Capital
- Portfolio Capital
- Natural Capital
- Intellectual Capital
- Human Capital
- Social Capital

Resources:

- Financial Capital
- Systems Implementation
- Equipment Acquisition
- Appointed Persons-in-Charge
- Technology Utilisation
- Manpower and Talent

Severity:

- Very Low
- Low
- Moderate
- High
- Very High

Likelihood:

- Very Low
- Low
- Moderate
- High
- Very High

RISK MANAGEMENT

C OVERCONCENTRATION IN A SINGLE TENANT


Related Capitals:   

Risk Description

Optimising portfolio resilience and negotiating capabilities by balancing long-term anchor partnerships with the cultivation of broader and independent sourcing opportunities and a more diverse tenant base

Risk Status

Likelihood: 

Severity: 

Resources:   

Risk Management Initiative

- Develop independent tenant relationships, reducing financial sensitivity to any single partner’s performance
- Integrate a broader network of healthcare operators and service providers
- Actively source and grow a pipeline of third-party assets that meet independent valuation criteria

Mitigation Measures

- Independent valuation and related-party transaction governance
- Active development of alternative asset sourcing pipelines
- Engagement with a wider range of third-party market operators
- Broadening acquisition criteria to diversify tenant and sponsor exposure.

A DELAYED ASSET ACQUISITION

Related Capitals:   

Risk Description

Managing potential variances in the projected timeline for strategic portfolio expansion, primarily influenced by external regulatory pacing, multi-party negotiation progress, and capital structure alignment

Risk Status

Likelihood: 

Severity: 

Resources:   

Risk Management Initiative

- Expanding the portfolio through diverse, high-yield asset types
- Capture broader market opportunities when specific project timelines shift

Mitigation Measures

- Establishment of clear project governance and timelines
- Regular coordination calls with professional advisers
- Enhanced contingency planning for approval or completion delays
- Formalized internal reporting for committee and board oversight

RISK MANAGEMENT

B

LOW-PRODUCTIVITY PORTFOLIO


Related Capitals:




Risk Description

Managing natural lease expirations and the divestment of non-core assets to ensure continuous revenue performance and effective capital recycling amidst varying market appetite and specialised asset valuation gaps

Risk Status

Likelihood: 

Severity: 

Resources:



Risk Management Initiative

- Filling vacated spaces with a wider and more varied pool of high-quality occupants
- Enhance overall portfolio resilience, ensuring that the disposal of specialised assets does not compromise the fund's competitive positioning

Mitigation Measures

- Engagement with diverse purchaser groups and specialised agents
- Refreshing valuation and pricing strategies based on market feedback
- Prioritising completion of condition precedents to enable unconditional agreements
- Developing alternative or phased disposal contingency strategies

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HEALTHCARE REIT



MANAGER'S REPORT

The Manager of Al-`Aqar Healthcare REIT (the "Fund"), JLG REIT Managers Sdn Bhd (the "Manager") have pleasure in presenting their report and the audited financial statements of the Group and of the Fund for the financial year ended 31 December 2025.

RESULTS

	Group 2025 RM	Fund 2025 RM
Profit for the year	55,717,385	58,448,626

INCOME DISTRIBUTIONS

Since the end of the previous financial year, the amounts of dividends paid by the Fund were as follows:

	Fund 2025 RM
In respect of the financial year ended 31 December 2024 as reported in the directors' report of that year:	
Final income distribution of 1.57 sen per unit on 839,597,757 units, paid on 25 February 2025	13,181,685
In respect of the financial year ended 31 December 2025 as reported in the directors' report of current year:	
First interim income distribution of 1.74 sen per unit on 839,597,757 units, paid on 25 June 2025	14,609,001
Second interim income distribution of 1.73 sen per unit on 839,597,757 units, paid on 30 September 2025	14,525,041
Third interim income distribution of 1.73 sen per unit on 839,597,757 units, paid on 29 December 2025	14,525,041
	56,840,768

A final interim income distribution in respect of the financial year ended 31 December 2025, of 1.86 sen per unit on 839,597,757 units amounting to an income distribution payable of RM15,616,518 will be payable on 27 February 2026.

The financial statements for the current year do not reflect this final interim income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2026.

MANAGER'S REPORT

THE FUND AND ITS INVESTMENT OBJECTIVE

The Fund is a Malaysian-based real estate and investment trust, established on 28 June 2006 pursuant to the execution of a Trust Deed dated 27 June 2006 between the Manager and AmanahRaya Trustees Bhd (the "Trustee"). The Fund was listed on the Main Board of Bursa Malaysia Securities Berhad on 10 August 2006.

On 17 April 2019, at the Annual General Meeting, the unitholders of the Fund approved the proposed amendments of the Restated Trust Deed dated 31 July 2013. The Second Restated Trust Deed was executed and lodged with the Securities Commission on 25 November 2019.

On 13 December 2022, at the Extraordinary General Meeting, the unitholders of the Fund approved the proposed amendments to the Second Restated Trust Deed dated 25 November 2019. The Supplemental Deed to the Second Restated Trust Deed was executed on 29 December 2022. The Fund will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of the Second Supplemental Deed to the Second Restated Trust Deed.

The key objective of the Fund is to provide unitholders with stable distributions per unit and the potential for sustainable long-term growth of such distributions and net asset value per unit.

The objective is sought to be achieved by optimising the performance and enhancing the overall quality for a large and geographically diversified portfolio of Shariah-compliant real estate assets through various permissible investment and business strategies.

THE MANAGER AND ITS PRINCIPAL ACTIVITY

The Manager is a company incorporated in Malaysia and is a wholly-owned subsidiary of Damansara Assets Sdn Bhd, a company incorporated in Malaysia. The Directors of the Manager consider Johor Corporation as the ultimate holding corporation of the Manager, a body corporate established under the Johor Corporation Enactment No 4, 1968 (as amended by the Enactment No. 5, 1995).

The principal activity of the Manager is that of managing real estate investment trusts. There has been no significant change in the nature of the activity during the financial year.

MANAGER'S INVESTMENT STRATEGIES AND POLICIES

To achieve the Fund's primary objective, the Manager will seek to achieve the following strategies:

(i) Portfolio composition

The Fund's investments may be allocated in the following manner, as prescribed by the Guidelines on Real Estate Investment Trust ("Guidelines on REITs") and the Guidelines for Islamic Real Estate Investment Trust ("Guidelines on Islamic REITs"):

- (a) at least seventy-five percent (75%) of the total assets value must be invested in Real Estate that generates recurrent rental income at all times;
- (b) the Fund may invest in Real Estate where it does not have a majority ownership and control provided that the total value of these Real Estate does not exceed twenty-five percent (25%) of the total assets value at the point of acquisition, as the case may be; and

MANAGER'S REPORT

MANAGER'S INVESTMENT STRATEGIES AND POLICIES (CONT'D)

To achieve the Fund's primary objective, the Manager will seek to achieve the following strategies (cont'd):

(i) Portfolio composition (cont'd)

- (c) the aggregate investments in Property Development Activities (Property Development Costs) and Real Estate under construction must not exceed fifteen percent (15%) of the total assets value. For avoidance of doubt, such investments cannot be accounted towards meeting the requirement under Clause 6.3.1(a) of this Deed.

(ii) Diversification

The Fund will seek to diversify its Shariah-compliant real estate portfolio by property and location type. The Fund will primarily be focused on investing in real estates which are primarily used for healthcare purposes and will continue to look for opportunities that will provide attractive returns.

(iii) Leverage

The Fund will be able to leverage on its financing to make the permitted investments. Leveraging on its financing will enable the returns to unitholders to increase.

DIRECTORS OF THE MANAGER

The directors of the Manager in office since the beginning of the financial year and to the date of this report are:

Datuk Hashim bin Wahir	
Shamsul Anuar bin Abdul Majid	
Datuk Sr Akmal bin Ahmad	
Abdullah bin Abu Samah	
Lailatul Azma binti Abdullah	(Resigned on 4 August 2025)
Dato Haji Mohammed Ridha bin Abd Kadir	
Goh Tian Sui	(Appointed on 21 January 2025)
Datin Ungku Suseelawati binti Ungku Omar	(Appointed on 21 January 2025)
Ong Li Lee	(Appointed 4 August 2025)
Abdul Aziz bin Abdul Rasheed	(Appointed 4 August 2025)
Ahmad Fadzli bin Zainudin*	(Appointed 23 October 2025)
Tay Hui Ping#	(Appointed 23 October 2025)

* Appointed as Alternate Director to Datuk Sr Akmal bin Ahmad

Appointed as Alternate Director to Shamsul Anuar bin Abdul Majid

MANAGER'S REPORT

DIRECTORS OF THE MANAGER'S BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Manager of the Fund was a party, whereby the directors might acquire benefits by means of the acquisition of units in or debentures of the Fund or any other body corporate.

Since the end of the previous financial year, no Director of the Manager has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors of Manager or the fixed salary of a full time employee of the Fund or its related corporations as shown below) by reason of a contract made by the Fund or a related corporation with any director or with a firm of which the director is a member, or with a Fund in which the director has substantial financial interest.

The directors of the Manager's benefits are as follows:

	RM
Fees	873,140

DIRECTORS OF THE MANAGER'S INTERESTS

According to the Register of Directors' Unitholdings kept by the Manager under Section 59 of the Companies Act 2016, the interests of the Directors of the Manager in office at the end of the financial year in units of the Fund and its related corporations during the financial year were as follows:

	← Number of ordinary shares →			
	At 1.1.2025	Acquired	Sold	At 31.12.2025
Related companis				
Johor Plantation Group Berhad				
Abdullah bin Abu Samah	400,000	-	-	400,000
Datuk Sr Akmal bin Ahmad	403,000	-	-	403,000
Shamsul Anuar Bin Abdul Majid	1,282,300	1,717,791	-	3,000,091

	← Number of ordinary shares →			
	At Date of Appointment	Acquired	Sold	At 31.12.2025
Ong Li Lee	300,000	-	-	300,000

Other than as disclosed above, the other directors of the Manager in office at the end of the financial year had no interest in units of the Fund and of its related corporations during and at the end of the financial year.

MANAGER'S REPORT

MANAGER'S REMUNERATION

Pursuant to the Second Restated Trust Deed dated 25 November 2019 and the Supplemental Deed to the Second Restated Trust Deed dated 29 December 2022, the Manager is entitled to receive the following fees from the Fund:

- (a) Management fee of up to 0.3% per annum of the total assets value of the Fund calculated based on monthly accrual basis and payable monthly in arrears;
- (b) An acquisition fee of 1.0% of the acquisition price of any investment property purchased directly or indirectly by the Fund which is payable after the completion of the acquisition; and
- (c) A disposal fee of 0.5% of the disposal price of any investment property to be disposed directly or indirectly by the Fund which is payable upon completion of the disposal.

SOFT COMMISSION

During the year, the Manager did not receive any soft commission from its broker, by virtue of transactions conducted by the Fund.

RESERVES AND PROVISIONS

There was no material transfer to and from reserves or provisions during the financial year, other than those as disclosed in the financial statements.

ISSUE OF UNITHOLDERS' UNITS

There was no issuance of new units during the year.

HOLDING CORPORATION

The ultimate holding corporation of the Fund is Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995).

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Fund were made out, the Manager took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

MANAGER'S REPORT

OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the Manager is not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Fund misleading.
- (c) At the date of this report, the Manager is not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Fund misleading or inappropriate.
- (d) At the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Fund which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Fund which has arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) any contingent liability of the Group and of the Fund which has arisen since the end of the financial year.
- (f) In the opinion of the Manager:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Fund to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Fund for the financial year in which this report is made.
- (g) As of 31 December 2025, the current liabilities of the Group has exceeded the current assets by RM437,468,822. The net current liabilities position are mainly derived from borrowings of RM280,000,000 and RM359,994,050 which will be due in May 2026 and September 2026.

The Manager believes that the Group will be able to meet its short-term obligations as and when they fall due on the basis that the Group has initiated the process to extend the maturities of these borrowings and has identified several refinancing plans to be undertaken thereafter.

As at the date of the financial statements, the Group has requested a one-year extension for the borrowings and is assessing the available refinancing options offered by financial institutions. Taking into consideration the viability of these options and the progress made to date, the Manager is confident that the extension and subsequent refinancing can be completed as planned. Accordingly, the Manager is of the opinion that the going concern basis used in the preparation of the financial statements remains appropriate.

MANAGER'S REPORT

SIGNIFICANT EVENTS

Details of the significant events are disclosed in Note 27 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM	Fund RM
Auditors' remuneration paid to Ernst & Young PLT		
- Statutory audit	210,000	190,000
- Others	20,000	20,000
	230,000	210,000
Auditors' remuneration paid to other firms		
- Statutory audit	98,213	-
Total remuneration paid to the external auditors	328,213	210,000

To the extent permitted by law, the Manager of the Fund has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board of the Manager in accordance with a resolution of the directors of the Manager dated 5 March 2026.

Datuk Hashim bin Wahir

Kuala Lumpur

Abdullah bin Abu Samah

STATEMENT BY THE DIRECTORS OF THE MANAGER AND STATUTORY DECLARATION

STATEMENT BY THE DIRECTORS OF THE MANAGER

We, Datuk Hashim bin Wahir and Abdullah bin Abu Samah, being two of the directors of JLG REIT Managers Sdn Bhd (the “Manager”), do hereby state that, in the opinion of the directors of the Manager, the accompanying financial statements of AL-`Aqar Healthcare REIT (the “Fund”) and its subsidiaries (the “Group”) set out on pages 234 to 290 are drawn up in accordance with applicable provisions of the Second Restated Trust Deed dated 25 November 2019, Supplemental Deed to the Second Restated Trust Deed dated 29 December 2022, MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2025 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of the Manager in accordance with a resolution of the directors of the Manager dated 5 March 2026.

Datuk Hashim bin Wahir

Abdullah bin Abu Samah

STATUTORY DECLARATION

I, Zulhilmy bin Kamaruddin, being the officer of the Manager primarily responsible for the financial management of AL-`Aqar Healthcare REIT, do solemnly and sincerely declare that the accompanying financial statements set out on pages 234 to 290 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Zulhilmy
bin Kamaruddin at Kuala Lumpur
in the Federal Territory on 5 March 2026.

Zulhilmy bin Kamaruddin

Before me,

Commissioner for Oaths

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AL-`AQAR HEALTHCARE REIT AND ITS SUBSIDIARIES

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Al-`Aqar Healthcare REIT, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Fund, statements of comprehensive income, statements of changes in net asset value and statements of cash flows of the Group and of the Fund for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 234 to 290.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Fund for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Valuation of investment properties

The Group and the Fund adopt fair value model for their investment properties. As at 31 December 2025, the carrying amount of the Group's and the Fund's investment properties is RM1,879,245,760 and RM1,872,477,823 respectively, which represents 90% and 89% of the Group's and the Fund's total assets respectively.

We have identified this as an important area of our audit given the significance of the investment properties and the complex valuation method which is based on assumptions that are highly judgemental.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AL-`AQAR HEALTHCARE REIT AND ITS SUBSIDIARIES (CONT'D)

(Incorporated in Malaysia)

Valuation of investment properties (cont'd)

Our audit procedures focused on the valuations performed by independent professional valuers, which included, amongst others, the following procedures:

- We considered the objectivity, independence and expertise of the independent professional valuers;
- We obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent professional valuers to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, rental income data, yield rate and discount rate;
- We tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged yield rate by comparing them with available industry data, taking into consideration comparability and market factors;
- We assessed whether the discount rate used to determine the present value of the cash flows reflects the estimated market rate of return for comparable assets with similar profile; and
- We also evaluated the Group's and the Fund's disclosures on those assumptions to which the outcome of the valuation is most sensitive. The disclosures on the valuation sensitivity and significant assumptions used are included in Notes 3.2(a) and 10 to the financial statements.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Fund and our auditors' report thereon, which we not obtained prior to the date of this auditors' report. The Group's 2025 Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on other information that we have obtained after the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AL-`AQAR HEALTHCARE REIT AND ITS SUBSIDIARIES (CONT'D)

(Incorporated in Malaysia)

Responsibilities of the Manager and Trustee for the financial statements

The Manager of the Fund is responsible for the preparation of financial statements of the Group and of the Fund that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Group and of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Fund, the Manager is responsible for assessing the Group's and the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Fund to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AL-`AQAR HEALTHCARE REIT AND ITS SUBSIDIARIES (CONT'D)

(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Fund, including the disclosures, and whether the financial statements of the Group and of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Fund for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the unitholders of the Fund, as a body, in accordance with the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Mimie Joanna Binti Johar
No. 03592/09/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
5 March 2026

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	The Group		The Fund	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	4	119,957,300	117,215,932	119,390,396	116,248,674
Other income		532,082	636,093	532,082	612,971
Total revenue		120,489,382	117,852,025	119,922,478	116,861,645
Property expenses	5	(6,996,712)	(6,525,878)	(6,996,712)	(6,493,606)
Manager's fees		(5,729,463)	(4,651,967)	(5,729,463)	(4,651,967)
Professional fees		(1,055,639)	(2,498,731)	(780,978)	(606,696)
Valuation fees		(296,000)	(595,727)	(296,000)	(595,727)
Trustee's fees		(421,817)	(428,994)	(421,817)	(428,994)
Disposal fees		-	(65,000)	-	(65,000)
Maintenance of property		(1,089,878)	(1,542,427)	(1,089,878)	(1,542,427)
Total property expenses		(15,589,509)	(16,308,724)	(15,314,848)	(14,384,417)
Net property income		104,899,873	101,543,301	104,607,630	102,477,228
Investment revenue	6	1,847,769	1,885,072	2,290,187	2,661,888
Gain on disposal of investment property		-	1,000,000	-	1,000,000
Fair value written down of assets held for sale		(2,000,000)	(16,571,468)	(2,000,000)	-
Fair value adjustment of investment properties		(6,445,817)	10,134,121	(4,097,388)	10,134,121
Total investment (loss)/income		(6,598,048)	(3,552,275)	(3,807,201)	13,796,009
Net investment income		98,301,825	97,991,026	100,800,429	116,273,237
<u>Finance costs:</u>					
Islamic financing		(38,018,868)	(36,956,507)	(38,018,868)	(36,956,507)
Transaction cost	17	(2,852,925)	(1,652,481)	(2,852,925)	(1,652,481)
Directors fees		(21,012)	(22,592)	-	-
Printing expenses		(325,861)	(113,146)	(322,781)	(112,986)
Secretarial fee		(882)	(915)	-	-
Securities Commission's fees		(100)	(100)	(100)	(100)
Audit fees					
- Current year		(308,213)	(310,526)	(190,000)	(180,000)
- Other services		(20,000)	(20,000)	(20,000)	(20,000)

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2025 (cont'd)

	Note	The Group		The Fund	
		2025 RM	2024 RM	2025 RM	2024 RM
Tax agent's fee		(17,500)	(12,500)	(15,500)	(10,500)
Unrealised loss on foreign exchange		(25,921)	(132,601)	(25,921)	(132,601)
Administration expenses		(933,916)	(604,122)	(846,466)	(523,056)
Allowance for expected credit loss on amount due from a subsidiary		-	-	-	(30,876,803)
Annual listing fees		(5,000)	(5,000)	(5,000)	(5,000)
Withholding tax		(44,242)	(77,682)	(44,242)	(77,682)
Shariah adviser's fee		(10,000)	(8,000)	(10,000)	(8,000)
Total fund expenses		(42,584,440)	(39,916,172)	(42,351,803)	(70,555,716)
Profit before tax		55,717,385	58,074,854	58,448,626	45,717,521
Tax credit	7	-	200,000	-	200,000
Profit for the year		55,717,385	58,274,854	58,448,626	45,917,521
Profit for the year					
Realised		61,981,540	62,223,269	62,364,352	64,171,271
Unrealised		(6,264,155)	(3,948,415)	(3,915,726)	(18,253,750)
		55,717,385	58,274,854	58,448,626	45,917,521
Earnings per unit (sen):	8				
Basic		6.64	6.94		
Other comprehensive loss for the year					
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Foreign currency translation, representing total other comprehensive loss for the year, net of tax		(2,615,970)	(12,380,259)	-	-
Total comprehensive income for the year, net of tax		53,101,415	45,894,595	58,448,626	45,917,521

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	The Group		The Fund	
		2025 RM	2024 RM	2025 RM	2024 RM
Assets					
Non-current assets					
Investment properties	10	1,879,245,760	1,654,401,421	1,872,477,823	1,645,085,406
Investment in subsidiaries	11	-	-	3	3
Amount due from a subsidiary	13	-	-	93,700,372	93,700,372
		1,879,245,760	1,654,401,421	1,966,178,198	1,738,785,781
Current assets					
Trade receivables	12	52,704,020	50,679,308	22,127,138	19,963,896
Other receivables and prepaid expenses	12	1,225,275	1,579,265	1,122,271	1,432,752
Amount due from subsidiaries	13	-	-	621,462	69,018
Cash and bank balances	14	101,502,766	87,313,662	90,824,718	75,902,423
		155,432,061	139,572,235	114,695,589	97,368,089
Assets classified as held for sale	28	52,933,134	41,963,781	12,000,000	-
		208,365,195	181,536,016	126,695,589	97,368,089
Total assets		2,087,610,955	1,835,937,437	2,092,873,787	1,836,153,870
Total unitholders' fund and liabilities					
Unitholders' fund					
Unitholders' capital	18	854,758,225	854,758,225	854,758,225	854,758,225
Undistributed income		213,794,472	214,917,827	200,434,294	198,826,408
Foreign currency translation reserve		(18,748,974)	(16,133,004)	-	-
Total unitholders' fund		1,049,803,723	1,053,543,048	1,055,192,519	1,053,584,633

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025 (cont'd)

	Note	The Group		The Fund	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-current liabilities					
Deferred tax liability	16	1,322,541	1,322,541	1,322,541	1,322,541
Other payables	15	20,020,341	16,232,068	20,020,341	16,232,068
Islamic financing	17	370,630,333	649,221,513	370,630,333	649,221,513
		391,973,215	666,776,122	391,973,215	666,776,122
Current liabilities					
Other payables	15	7,408,084	5,698,114	7,282,120	5,872,962
Islamic financing	17	638,425,933	109,920,153	638,425,933	109,920,153
		645,834,017	115,618,267	645,708,053	115,793,115
Total liabilities		1,037,807,232	782,394,389	1,037,681,268	782,569,237
Total unitholders' fund and liabilities		2,087,610,955	1,835,937,437	2,092,873,787	1,836,153,870
Number of units in circulation	18	839,597,757	839,597,757	839,597,757	839,597,757
Net asset value ("NAV")					
- before income distribution		1,049,803,723	1,053,543,048	1,055,192,519	1,053,584,633
- after income distribution		1,034,187,205	1,040,361,363	1,039,576,001	1,040,402,948
NAV per unit					
- before income distribution		1.25	1.25	1.26	1.25
- after income distribution		1.23	1.24	1.24	1.24

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET ASSET VALUE

For the year ended 31 December 2025

	Note	Unitholders' capital RM	Realised* RM	Unrealised RM	Total undistributed income RM	Foreign currency translation reserve RM	Total unitholders' fund RM
The Group							
At 1 January 2024		854,758,225	72,655,095	148,636,882	221,291,977	(3,752,745)	1,072,297,457
Profit for the year		-	63,694,679	(5,419,825)	58,274,854	-	58,274,854
Realisation of loss from disposal of investment properties		-	(1,471,410)	1,471,410	-	-	-
Other comprehensive loss		-	-	-	-	(12,380,259)	(12,380,259)
Total comprehensive income/(loss)		-	62,223,269	(3,948,415)	58,274,854	(12,380,259)	45,894,595
Transactions with unitholders:							
Income distributions	9	-	(64,649,004)	-	(64,649,004)	-	(64,649,004)
At 31 December 2024		854,758,225	70,229,360	144,688,467	214,917,827	(16,133,004)	1,053,543,048

* Distributable

	Note	Unitholders' capital RM	Realised* RM	Unrealised RM	Total undistributed income RM	Foreign currency translation reserve RM	Total unitholders' fund RM
The Group							
At 1 January 2025		854,758,225	70,229,360	144,688,467	214,917,827	(16,133,004)	1,053,543,048
Profit for the year		-	61,981,540	(6,264,155)	55,717,385	-	55,717,385
Other comprehensive loss		-	-	-	-	(2,615,970)	(2,615,970)
Total comprehensive income/(loss)		-	61,981,540	(6,264,155)	55,717,385	(2,615,970)	53,101,415
Transactions with unitholders:							
Income distributions	9	-	(56,840,740)	-	(56,840,740)	-	(56,840,740)
At 31 December 2025		854,758,225	75,370,160	138,424,312	213,794,472	(18,748,974)	1,049,803,723

* Distributable

STATEMENTS OF CHANGES IN NET ASSET VALUE

For the year ended 31 December 2025 (cont'd)

	Note	Unitholders' capital RM	Realised* RM	Unrealised RM	Total undistributed income RM	Total unitholders' fund RM
The Fund						
At 1 January 2024		854,758,225	70,926,475	146,631,416	217,557,891	1,072,316,116
Issuance of unitholders' capital	18	-	-	-	-	-
Profit for the year		-	65,642,681	(19,725,160)	45,917,521	45,917,521
Realisation of loss from disposal of investment properties		-	(1,471,410)	1,471,410	-	-
Total comprehensive income/ (loss)		-	64,171,271	(18,253,750)	45,917,521	45,917,521
Transactions with unitholders:						
Income distributions	9	-	(64,649,004)	-	(64,649,004)	(64,649,004)
At 31 December 2024		854,758,225	70,448,742	128,377,666	198,826,408	1,053,584,633
At 1 January 2025		854,758,225	70,448,742	128,377,666	198,826,408	1,053,584,633
Profit for the year		-	62,364,352	(3,915,726)	58,448,626	58,448,626
Total comprehensive income/ (loss)		-	62,364,352	(3,915,726)	58,448,626	58,448,626
Transactions with unitholders:						
Income distributions	9	-	(56,840,740)	-	(56,840,740)	(56,840,740)
At 31 December 2025		854,758,225	75,972,354	124,461,940	200,434,294	1,055,192,519

* Distributable

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2025

	The Group		The Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities				
Profit before tax	55,717,385	58,074,854	58,448,626	45,717,521
Adjustments for:				
Finance costs	40,871,793	38,608,988	40,871,793	38,608,988
Investment revenue	(1,847,769)	(1,885,072)	(2,290,187)	(2,661,888)
Interest accretion on tenant deposits	-	447,473	-	447,473
Amortisation of deferred income	-	(504,167)	-	(504,167)
Allowance for expected credit loss on amount due from a subsidiary	-	-	-	30,876,803
Gain on disposal of investment property	-	(1,000,000)	-	(1,000,000)
Fair value adjustment of investment properties	6,445,817	(10,134,121)	4,097,388	(10,134,121)
Fair value written down of asset held for sale	2,000,000	16,571,468	2,000,000	-
Unrealised loss on foreign exchange	25,921	132,601	25,921	132,601
Unbilled rental income	(2,207,583)	(2,364,839)	(2,207,583)	(2,364,839)
Operating profit before working capital changes	101,005,564	97,947,185	100,945,958	99,118,371
Changes in working capital:				
Decrease in trade receivables	182,871	3,053,600	44,341	374,576
Decrease/(Increase) in other receivables and prepaid expenses	353,990	(1,254,630)	310,481	(1,817,053)
Increase/(Decrease) in other payables and accrued expenses	5,638,779	(3,729,478)	5,337,967	(3,724,196)
Net changes in working capital	6,175,640	(1,930,508)	5,692,789	(5,166,673)
Net cash generated from operating activities	107,181,204	96,016,677	106,638,747	93,951,698

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2025 (cont'd)

	The Group		The Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from investing activities				
Income received on investment	1,847,769	1,929,220	1,847,769	2,569,699
Increase in deposits more than 3 months maturity	(1,065)	-	-	-
Profit sharing on advances from a subsidiary in Australia	-	-	(1,214,914)	28,143,226
Net proceed from disposal of investment property	-	13,000,000	-	13,000,000
Addition to investment properties	(241,000,000)	-	(241,000,000)	-
Enhancement to investment properties	(4,489,805)	(2,201,040)	(4,489,805)	(2,201,040)
Net cash (used in)/generated from investing activities	(243,643,101)	12,728,180	(244,856,950)	41,511,885
Cash flows from financing activities				
Finance costs paid on Islamic financing	(38,389,650)	(34,227,437)	(38,389,650)	(34,227,437)
Transaction costs paid	(2,938,325)	(259,999)	(2,938,325)	(259,999)
Increase/(Decrease) in amount due to a subsidiary	-	-	1,104,888	(28,536,541)
Income distributions	(56,610,494)	(66,076,382)	(56,610,494)	(64,773,002)
Payment of Islamic financing	(109,994,050)	-	(109,994,050)	-
Net proceeds from issuance of units	-	-	-	-
Net proceeds from Islamic financing	359,994,050	-	359,994,050	-
Net cash generated from/(used in) financing activities	152,061,531	(100,563,818)	153,166,419	(127,796,979)
Net increase in cash and cash equivalents	15,599,634	8,179,901	14,948,216	7,666,604
Effects of changes in exchange rates	(1,385,674)	(5,061,402)	-	-
Effects of foreign currency translation on cash and cash equivalents	(25,921)	(132,601)	(25,921)	(132,601)
Cash and cash equivalents at beginning of year	87,272,658	84,286,760	75,902,423	68,368,420
Cash and cash equivalents at end of year (Note 14)	101,460,697	87,272,658	90,824,718	75,902,423

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE INFORMATION

AL-`Aqar Healthcare REIT (the "Fund") is a Malaysian domiciled Islamic Real Estate Investment Trust constituted pursuant to a Trust Deed ("Principal Trust Deed") dated 27 June 2006 between JLG REIT Managers Sdn Bhd (the "Manager") and Amanah Raya Berhad. Pursuant to the Principal Trust Deed, the Fund entered into a Supplemental Trust Deed dated 14 May 2010 with Amanah Raya Berhad and AmanahRaya Trustees Berhad (the "Trustee") for the retirement of Amanah Raya Berhad from acting as a Trustee and for the appointment of AmanahRaya Trustees Berhad as the new Trustee for the Fund. The Fund is regulated by the Capital Markets and Services Act 2007, the Securities Commission's Guidelines on Real Estate Investment Trusts and Islamic Real Estate Investment Trusts ("SC Guidelines"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Rules of the Depository, and taxation laws and rulings of Malaysia. The Fund will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of the Deed.

The Fund was listed on the Main Board of Bursa Malaysia on 10 August 2006 and commenced its business operations on 17 August 2006. Consequent to the new board structure implemented by Bursa Malaysia on 3 August 2010, the Fund is now listed on the Main Market of Bursa Malaysia.

On 26 April 2013, at the Extraordinary General Meeting, the unitholders of the Fund approved the proposed amendments and consolidation of the Trust Deed and Supplemental Trust Deed into a Restated Trust Deed. The Restated Trust Deed was executed on 31 July 2013 and was lodged with the Securities Commission on 11 November 2013. The Fund will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of the Restated Trust Deed.

On 17 April 2019, at the Annual General Meeting, the unitholders of The Fund approved the proposed amendments of the Restated Trust Deed dated 31 July 2013. The Second Restated Trust Deed was executed and lodged with the Securities Commission on 25 November 2019. The Fund will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of the Second Restated Trust Deed.

On 13 December 2022, at the Extraordinary General Meeting, the unitholders of The Fund approved the proposed amendments to the Second Restated Trust Deed dated 25 November 2019. The Supplemental Deed to the Second Restated Trust Deed was executed on 29 December 2022. The Fund will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of the Supplemental Deed to the Second Restated Trust Deed.

The Manager is a company incorporated in Malaysia and is a wholly-owned subsidiary of Damansara Assets Sdn Bhd, a company incorporated in Malaysia. The directors of the Manager consider Johor Corporation as the ultimate holding corporation of the Manager, a body corporate established under the Johor Corporation Enactment No 4, 1968 (as amended by the Enactment No. 5, 1995).

The ultimate holding corporation of the Fund is Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995).

The principal activity of the Group and the Fund is to invest in Shariah-compliant properties with the primary objective of providing unitholders with stable income distributions per unit and potential for sustainable long-term growth of such distributions and net asset value per unit.

The registered office of the Manager is located at Suite 1, Level 17, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor.

The principal place of business of the Manager is located at Unit 1-19-02, Level 19, Block 1, V SQUARE, Jalan Utara, 46200 Petaling Jaya, Selangor, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE INFORMATION (CONT'D)

The Fund has entered into several service agreements in relation to the management of the Fund and its property operations. The fees structure of these services is as follows:

(i) Maintenance and management fee

The maintenance manager, Healthcare Technical Services Sdn Bhd, is entitled to an annual maintenance and management fee of up to 0.08% of the gross value of the investment properties in respect of the management of the investment properties owned by the Fund in accordance with the Property Maintenance Agreement. The fee is calculated on a monthly accrual basis.

(ii) Manager's fee

Pursuant to the Second Restated Trust Deed dated 25 November 2019 and the Supplemental Deed to the Second Restated Trust Deed dated 29 December 2022, the Manager is entitled to receive the following fees from the Fund:

- (a) Management fee of up to 0.30% per annum of the total assets value of the Fund calculated based on monthly accrual basis and payable monthly in arrears;

The management fee for the current financial year is RM5,729,463 (2024: RM4,651,967). Prior to the execution of the Supplemental Deed to the Second Restated Trust Deed dated 29 December 2022, the Manager is entitled to receive management fee of 0.1% per annum of the total assets value of the Fund that is below RM1,000,000,000 and 0.125% of the total assets value of the Fund that exceeds RM1,000,000,000 calculated based on monthly accrual basis and payable monthly in arrears;

- (b) An acquisition fee of 1% of the acquisition price of any investment property purchased directly or indirectly by the Fund which is payable after the completion of the acquisition; and

The acquisition fee paid to the Manager during the current financial year is RM2,410,000 (2024: RMNil).

- (c) A disposal fee of 0.5% of the disposal price of any investment property to be disposed directly or indirectly by the Fund which is payable upon completion of the disposal.

The disposal fee to the Manager during the current financial year is RMNil (2024: RM65,000).

(iii) Trustee's fee

Pursuant to the Second Restated Trust Deed dated 25 November 2019, the Trustee is entitled to receive a fee of up to 0.04% per annum of the net asset value of the Fund, calculated based on the monthly accrual basis and payable monthly in arrears.

The Trustee's fees for the financial year ended 31 December 2025 of RM421,817 (2024: RM428,995).

The financial statements of the Group and of the Fund were authorised by the board of directors of the Manager for issuance on 5 March 2026.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Fund have been prepared in accordance with the applicable provisions of the Second Restated Trust Deed dated 25 November 2019, Supplemental Deed to the Second Restated Trust Deed dated 29 December 2022, MFRS Accounting Standards as issued by Malaysia Accounting Standards Board and IFRS Accounting Standards. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities.

The financial statements of the Group and the Fund are prepared under the historical cost basis except for investment properties and applicable financial instruments that have been measured at their fair values.

The financial statements are presented in Ringgit Malaysia (“RM”) except when otherwise stated.

As of 31 December 2025, the current liabilities of the Group has exceeded the current assets by RM437,468,822. The net current liabilities position are mainly derived from borrowings of RM280,000,000 and RM359,994,050 which will be due in May 2026 and September 2026.

The Manager believes that the Group will be able to meet its short-term obligations as and when they fall due on the basis that the Group has initiated the process to extend the maturities of these borrowings and has identified several refinancing plans to be undertaken thereafter.

As at the date of the financial statements, the Group has requested a one-year extension for the borrowings and is assessing the available refinancing options offered by financial institutions. Taking into consideration the viability of these options and the progress made to date, the Manager is confident that the extension and subsequent refinancing can be completed as planned. Accordingly, the Manager is of the opinion that the going concern basis used in the preparation of the financial statements remains appropriate.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except in the current period, the Group and the Fund adopted the following new and amended MFRS Accounting Standards mandatory for annual financial periods beginning on or after 1 January 2025:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above new and amended MFRS did not have any significant financial impact to the Company.

The adoption of the above new and amended MFRS Accounting Standards did not have any significant financial impact to the Group and the Fund.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective are disclosed below. The Group and the Fund intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
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
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 and the Fund expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of application.

2.4 Material accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Fund and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date.

Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

In business combinations achieved in stages, previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Investment in subsidiaries – separate financial statements

In the Fund's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(b) Functional currency

The Group's consolidated statements are presented in RM, which is also the functional currency of the Fund. All transactions are recorded in RM. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's and the Fund's net investment in a foreign operation. These are recognised in other comprehensive income ("OCI") until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group and the Fund initially recognise the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group and the Fund determine the transaction date for each payment or receipt of advance consideration.

(ii) Consolidated financial statement

For consolidation purposes, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular operation is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(c) Investment properties

Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property comprises principally hospitals and universities that are not occupied substantially for use by, or in the operations of the Group and the Fund, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. The fair values were determined based on the capitalisation of net income method ("investment method") and is premised on the principle that the value of an income-producing property is represented by the "present worth of future rights to income, or utility". The valuation is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is:

- (i) Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments;
- (ii) In the case of investment property held under a lease, increased by the carrying amount of any liability to the head lessor that has been recognised in the statement of financial position as a finance lease obligation.

Investment property is derecognised either when it has been disposed of (i.e. at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in MFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group and the Fund consider the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in MFRS 15.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(d) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and measured either at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Fund's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Fund have applied the practical expedient, the Group and the Fund initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component and therefore are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Fund's business model for managing financial assets refer to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Fund commit to purchase or sell the asset.

The Group and the Fund determined the classification of their financial assets as financial assets (debt instruments) at amortised cost at its initial recognition.

Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Fund's financial assets at amortised cost includes trade receivables, other receivables and prepaid expenses (excluding prepayments and GST receivables), amount due from a subsidiary, Islamic fixed deposits with licensed banks, and cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(d) Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Group and the Fund have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Fund has transferred substantially all the risks and rewards of the asset, or the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Fund have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Fund continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Fund also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Fund have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Fund could be required to repay.

(e) Impairment of financial assets

The Group and the Fund recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Fund expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Fund apply a simplified approach in calculating ECLs. Therefore, the Group and the Fund do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Fund have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(e) Impairment of financial assets (cont'd)

The Group and the Fund consider factors if a financial asset in default such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments that indicate that the Group and the Fund are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(f) Financial liabilities

Recognition and measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Fund become a party to the contractual provisions of the financial instruments. Financial liabilities are classified as other financial liabilities.

Tenant deposits are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

The Group's and the Fund's other financial liabilities include total payables (non-current and current, excluding deferred lease payment) and Islamic financing.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same financier on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(h) Cash and bank balances

Cash and Islamic fixed deposits with licensed banks in the statement of financial position comprise cash at banks and on hand and Islamic short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and Islamic fixed deposits with licensed banks.

(i) Provisions

Provisions are recognised when the Group and the Fund have a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(j) Leases

The Group and the Fund assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessor

Leases in which the Group and the Fund do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(k) Revenue

The Group's and the Fund's key sources of income include:

(i) Rental income

The Group and the Fund earn revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(k) Revenue (cont'd)

(i) Rental income (cont'd)

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

(ii) Investment revenue

Investment revenue, which comprise income earned from Islamic fixed deposits with licensed banks and profit-sharing on advances, are recognised using the effective profit method.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(l) Income distribution

Income distributions are recognised as a liability when they are approved by Trustee and the board of directors of the Manager. Interim distributions are deducted from unitholders' funds when they are paid.

Income distribution to unitholders that are declared after the reporting period are not recognised as a liability at the end of the reporting period.

(m) Taxation

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

In accordance with Section 61A(1) of the Income Tax Act 1967, the total income of the Fund will be exempted from income tax provided that at least 90% of the total taxable income of the Fund is distributed to unitholders within two months from the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(m) Taxation (cont'd)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(m) Taxation (cont'd)

(ii) Deferred tax (cont'd)

The Group and the Fund offset deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(n) Segment reporting

For management purposes, the Group is organised into operating segments based on their geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Fund who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 23, including the factors used to identify the reportable segments and the measurement basis of segment information.

(o) Unitholders' capital and unit issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Fund are recorded at the proceeds received, net of direct issue costs.

Unitholders' capital are recorded at the proceeds received, net of direct attributable transactions costs and are classified as equity. Income distributions are recognised in equity in the period in which they are declared.

(p) Borrowing costs

Borrowing costs consists of interest and other costs that the Group and the Fund incurred in connection with the borrowing of funds. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Material accounting policies (cont'd)

(q) Fair value measurement

The Group and the Fund measure financial instruments such as Islamic derivatives and Shariah Compliant investment property at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Fund use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Fund determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Fund's financial statements requires management to make judgements, estimates and assumptions that effect the reported amounts of the revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Fund's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(a) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured at fair value, the Group and the Fund have concluded that certain investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time while others are held for eventual sale. As a result, the Group and the Fund have measured deferred tax on changes in fair values of these investment properties using the corporate income tax rate or the real property gains tax (RPGT) rate, as appropriate.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Fair value of investment properties

The Group and the Fund carry their investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group and the Fund had engaged independent professional valuers to determine the fair value and there are no material events that affect the valuation between the valuation date and financial year end.

The determined fair value of the investment properties by the independent professional valuers is most sensitive to the yield rate and discount rate. The range of the yield rate and the discount rate used in the valuation is disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(a) Fair value of investment properties (cont'd)

The following table demonstrates the sensitivity of the fair value measurement to changes in estimated term yield rate, discount rate and its corresponding sensitivity result in a higher or lower fair value measurement:

	Fair value Increase/(decrease) Group		Fair value Increase/(decrease) Fund	
	2025	2024	2025	2024
	RM	RM	RM	RM
Yield rate				
- 0.25%	60,462,337	61,478,090	60,200,000	61,200,000
+ 0.25%	(60,462,337)	(59,478,090)	(60,200,000)	(59,200,000)
Discount rate				
- 0.25%	60,462,337	61,478,090	60,200,000	61,200,000
+ 0.25%	(60,462,337)	(59,478,090)	(60,200,000)	(59,200,000)

4. REVENUE

Revenue from contract with customers comprises the following:

	Group		Fund	
	2025	2024	2025	2024
	RM	RM	RM	RM
Rental income				
Base rental income	117,749,717	114,851,093	117,182,813	113,883,835
Unbilled rental income	2,207,583	2,364,839	2,207,583	2,364,839
	119,957,300	117,215,932	119,390,396	116,248,674

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. REVENUE (CONT'D)

Revenue from contract with customers comprises the following (cont'd):

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Rental income from				
KPJ Ampang Puteri Specialist Hospital	11,207,330	9,295,573	11,207,330	9,295,573
KPJ Tawakkal KL Specialist Hospital	9,982,538	9,882,039	9,982,538	9,882,039
KPJ Damansara Specialist Hospital	8,130,947	8,062,980	8,130,947	8,062,980
KPJ Johor Specialist Hospital	8,711,729	8,709,021	8,711,729	8,709,021
KPJ Klang Specialist Hospital	7,764,256	7,612,016	7,764,256	7,612,016
KPJ Ipoh Specialist Hospital	7,259,774	7,242,645	7,259,774	7,242,645
KPJ Selangor Specialist Hospital	6,163,304	6,042,456	6,163,304	6,042,456
KPJ Penang Specialist Hospital	6,216,441	4,727,579	6,216,441	4,727,579
KPJ Seremban Specialist Hospital	10,364,787	10,402,134	10,364,787	10,402,134
KPJ Healthcare University College, Nilai	7,299,273	7,100,847	7,299,273	7,100,847
Kedah Medical Centre	4,484,812	4,396,875	4,484,812	4,396,875
KPJ Perdana Specialist Hospital	2,947,163	2,889,375	2,947,163	2,889,375
KPJ Kajang Specialist Hospital	4,100,400	4,020,000	4,100,400	4,020,000
Tawakkal Health Centre	2,843,750	3,545,683	2,843,750	3,545,683
KPJ Puteri Specialist Hospital	2,961,988	2,991,407	2,961,988	2,991,407
KPJ Sentosa KL Specialist Hospital	1,845,180	1,809,000	1,845,180	1,809,000
KPJ Kuantan Care & Wellness Centre	1,045,602	1,025,100	1,045,602	1,025,100
KPJ International College, Penang	1,007,307	1,041,545	1,007,307	1,041,545
Damai Care & Wellness Centre	-	425,728	-	425,728
Taiping Medical Centre	1,536,331	1,606,926	1,536,331	1,606,926
KPJ Haemodialysis Kluang	335,820	329,235	335,820	329,235
KPJ Batu Pahat Specialist Hospital	7,618,125	7,633,421	7,618,125	7,633,421
KPJ Pasir Gudang Specialist Hospital	5,563,539	5,457,089	5,563,539	5,457,089
Jeta Gardens Aged Care & Retirement Village	566,904	967,258	-	-
	119,957,300	117,215,932	119,390,396	116,248,674

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

5. PROPERTY EXPENSES

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Assessment	4,219,340	3,768,509	4,219,340	3,768,509
Takaful coverage	954,175	950,958	954,175	950,958
Maintenance fee	1,331,810	1,315,632	1,331,810	1,283,360
Quit rent	491,387	490,779	491,387	490,779
	6,996,712	6,525,878	6,996,712	6,493,606

6. INVESTMENT REVENUE

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Shariah Compliant income from Islamic fixed deposits with licensed banks	1,847,769	1,885,072	1,847,769	1,885,072
Profit sharing on advances from a subsidiary in Australia	-	-	442,418	776,816
	1,847,769	1,885,072	2,290,187	2,661,888

7. TAX CREDIT

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax relating to the origination and reversal of temporary differences (Note 16)	-	(200,000)	-	(200,000)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

7. TAX CREDIT (CONT'D)

Reconciliations of the tax credit applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Fund are as follows:

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	55,717,385	58,074,854	58,448,626	45,717,521
Tax at the statutory tax rate of 24%	13,372,172	13,937,965	14,027,670	10,972,205
Different tax rates in other country	(548,621)	(1,571,876)	-	-
Deferred tax recognised at different tax rate	-	(200,000)	-	(200,000)
Non-deductible expenses	4,444,107	6,452,357	3,054,961	8,923,953
Income not subject to tax	(1,073,244)	(10,014,122)	(1,073,244)	(12,163,388)
Income exempted from tax	(16,194,414)	(8,804,324)	(16,009,387)	(7,732,770)
Tax expense for the year	-	(200,000)	-	(200,000)

Pursuant to the Section 61A of the Income Tax Act 1967 (ITA), where 90% or more of the total income of the unit trust is distributed to the unitholders, the total income of the unit trust for that year of assessment shall be exempted from tax. 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.

As at the date of this financial statements, the Fund has declared more than 90% of its distributable income to unitholders for the financial year ended 31 December 2025 accordingly. No provision for income tax expense has been made for the year.

Deferred tax liability has been provided for the investment properties held by the Fund at 10% which reflects the expected manner of recovery of the investment properties, i.e. recovered through sale.

Taxation of the Unitholders

Pursuant to Section 109D(2) of the Malaysian Income Tax Act 1967, where 90% or more of the Real Estate Investment Trust's ("REIT") total taxable income is distributed by the REIT, income distributions (other than resident corporate investors) will be subject to tax based on a withholding tax mechanism at the following rates:

Unitholders	Tax rate
Individuals and all other non-corporate investors such as institutional investors	10%
Non-resident corporate investors	24%

Resident corporate investors are required to report the income distributions in their normal corporate tax return and subject to the normal corporate tax rate of 24% (2024: 24%).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

8. EARNINGS PER UNIT

The earnings per unit which are calculated based on the profit for the year of the Group, divided by the weighted average number of units in circulation as of 31 December 2025 and 2024, are as follows:

	Group	
	2025 RM	2024 RM
Earnings attributable to unitholders:		
Profit for the year	55,717,385	58,274,854
Weighted average number of units	839,597,757	839,597,757
Earnings per unit (sen)	6.64	6.94

9. INCOME DISTRIBUTIONS

For the financial years ended 31 December 2025 and 2024, the Manager, with the approval of the Trustee, has declared the following income distributions:

	Group and Fund	
	2025 RM	2024 RM
Income distributions on ordinary shares in respect of the current financial year		
First interim income distribution of 1.74 (2024: 1.90) sen per unit declared on 26 May 2025 (2024: 25 April 2024 and paid on 25 June 2025 (2024: 25 June 2024)	14,608,993	15,952,352
Second interim income distribution of 1.73 (2024: 1.90) sen per unit declared on 26 August 2025 (2024: 29 August 2024) and paid on 30 September 2025 (2024: 30 September 2024)	14,525,034	15,952,352
Third interim income distribution of 1.73 (2024: 1.90) sen per unit declared on 27 November 2025 (2024: 28 November 2024) and paid on 29 December 2025 (2024: 24 December 2024)	14,525,036	15,952,352
	43,659,063	47,857,056
Income distribution on ordinary shares in respect of the previous financial year		
Final income distribution of 1.57 (2024: 2.00) sen per unit declared on 24 January 2025 (2024: 24 January 2024) and paid on 25 February 2025 (2024: 26 February 2024)	13,181,677	16,791,948
	56,840,740	64,649,004

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

9. INCOME DISTRIBUTIONS (CONT'D)

The Manager had declared a final income distribution of 1.86 (2024: 1.57) sen per unit totaling RM15,616,518 for the financial year ended 31 December 2025 payable on 27 February 2026 (2024: 28 February 2025).

The financial statements for the current year do not reflect this final income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ended 31 December 2026.

The total distributions (including proposed final income distribution) for the financial year ended 31 December 2025 amounting to RM59,275,581 (2024: RM61,038,756). Total income distribution is 7.06 (2024: 7.27) sen per unit.

Income distributions to unitholders is derived from the following sources:

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Net rental income	112,960,588	110,690,054	112,393,684	109,755,068
Investment revenue	1,847,769	1,885,072	2,290,187	2,661,888
Other income	532,082	636,093	532,082	612,971
Gain on disposal of investment property	-	1,000,000	-	1,000,000
Interest accretion on tenant deposits	-	447,473	-	447,473
Less: Amortisation of deferred income	-	(504,167)	-	(504,167)
Less: Unbilled rental income	(2,207,583)	(2,364,839)	(2,207,583)	(2,364,839)
	113,132,856	111,789,686	113,008,370	111,608,394
Less: Expenses	(51,151,316)	(49,566,417)	(50,644,018)	(47,437,123)
Realised income for the year	61,981,540	62,223,269	62,364,352	64,171,271
Undistributed income brought forward	70,243,084	72,668,819	70,448,742	70,926,475
Less: Undistributed income	(75,383,884)	(70,243,084)	(75,972,354)	(70,448,742)
	56,840,740	64,649,004	56,840,740	64,649,004

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

10. INVESTMENT PROPERTIES

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	1,654,401,421	1,643,220,335	1,645,085,406	1,632,750,245
Additions	241,000,000	-	241,000,000	-
Enhancements	4,489,805	2,201,040	4,489,805	2,201,040
Fair value adjustment	(6,445,817)	10,134,121	(4,097,388)	10,134,121
Transfer to assets classified as held for sale	(14,000,000)	-	(14,000,000)	-
Foreign exchange differences	(199,649)	(1,154,075)	-	-
At 31 December	1,879,245,760	1,654,401,421	1,872,477,823	1,645,085,406
Land and buildings at fair value	1,879,245,760	1,654,401,421	1,872,477,823	1,645,085,406

The carrying amount of the investment properties for the financial years ended 31 December 2025 and 2024 is based on the market value determined based on valuations, adjusted with accrued unbilled rental income, as follows:

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Investment properties - based on valuation report	1,895,367,937	1,668,316,015	1,888,600,000	1,659,000,000
Investment properties -accrued unbilled rental income (Note 12)	(16,122,177)	(13,914,594)	(16,122,177)	(13,914,594)
	1,879,245,760	1,654,401,421	1,872,477,823	1,645,085,406

The investment properties are stated at fair value, which have been determined based on valuations performed by an independent professional valuer. The valuation method used in determining the valuations is the investment method.

As at 31 December 2025, the fair values of the properties are based on valuations performed by Rahim&Co. and Pursuit Property Advisory, independent valuers. Rahim&Co. and Pursuit Property Advisory are specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

There are no material events that affect the valuation between the valuation, data and financial year end.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the data of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can assess at the measurement date.

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10. INVESTMENT PROPERTIES (CONT'D)

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

Transfer between Level 1, 2 and 3 fair values

There is no transfer between level 1, 2 and 3 fair values during the financial year.

Fair value of investment properties is classified as Level 3.

The fair value of the investment properties are classified as Level 3 for fair value hierarchy disclosure purposes. The significant unobservable inputs applied by the independent valuers in applying the investment method above are as follows:

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Term yield ranging from 5.75% - 7.00% (2024: 5.75% - 7.55%)	- Higher term yield rates, lower fair value
Reversionary yield ranging from 6.00% - 8.00% (2024: 6.00% - 8.00%)	- Higher reversionary yield rates, lower fair value
Void rate of 5.00% - 10.00% (2024: 5.00% - 10.00%)	- Higher void rate, lower fair value
Discount rate of 5.75% - 7.50% (2024: 5.50% - 9.25%)	- Higher discount rate, lower fair value

The fair values were determined based on the capitalisation of net income method (investment method) and is premised on the principle that the value of an income-producing property is represented by the "present worth of future rights to income, or utility". The values estimated under this method are derived by ascertaining the market rent of the properties; deducting all reasonable annual operating expenses (as would be experienced under typical management) and then capitalising the resultant net operating income by an appropriate rate of capitalisation to obtain the present value of the income stream. In undertaking their assessment of the value using this approach, the market rental income and expected future rental income are taken into consideration. In arriving at the net income, the outgoings i.e. quit rent, assessment, takaful coverage and repairs and maintenance, are deducted from gross rental income together with allowance for void.

In estimating the fair values of the investment properties, the highest and best use of the investment properties is their current use.

The valuers had adopted market corroborated capitalisation rates, which is the most frequently adopted methodology by the property industry in Malaysia and in Australia, based on information pertaining to recent comparable sales which are publicly available, adjusted for the location, quality and characteristics of the investment properties.

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10. INVESTMENT PROPERTIES (CONT'D)

A summary of the investment properties of the Group and of the Fund, as required to be disclosed by the SC Guidelines, is as follows:

Description of property	Tenure of land	Term of lease Years	Remaining term of lease Years	Location	Acquisition Cost	Date of valuation
KPJ Ampang Puteri Specialist Hospital [#]	Leasehold	99	64	Ampang	251,000,000	31 December 2025
KPJ Damansara Specialist Hospital [#]	Freehold	-	-	Damansara	105,000,000	31 December 2025
KPJ Johor Specialist Hospital [#]	Leasehold	99	54	Johor Bahru	75,250,000	31 December 2025
KPJ Ipoh Specialist Hospital [#]	Freehold	-	-	Ipoh	66,000,000	31 December 2025
KPJ Puteri Specialist Hospital	Leasehold	99	29	Johor Bahru	37,000,000	31 December 2025
KPJ Selangor Specialist Hospital [#]	Leasehold	99	72	Shah Alam	71,000,000	31 December 2025
Kedah Medical Centre [#]	Freehold	-	-	Alor Setar	46,850,000	31 December 2025
KPJ Perdana Specialist Hospital [#]	Leasehold	66	39	Kota Bharu	40,700,000	31 December 2025
KPJ Kuantan Care & Wellness Centre	Freehold	-	-	Kuantan	19,250,000	31 December 2025
KPJ Sentosa KL Specialist Hospital [#]	Freehold	-	-	Kuala Lumpur	24,180,000	31 December 2025
KPJ Kajang Specialist Hospital [#]	Freehold	-	-	Kajang	39,060,000	31 December 2025
Taiping Medical Centre ^{##}	Leasehold	99	64	Taiping	23,100,000	31 December 2025
Tawakkal Health Centre [#]	Leasehold	99	53	Kuala Lumpur	37,000,000	31 December 2025
KPJ Healthcare University College, Nilai	Freehold	-	-	Seremban	94,300,000	31 December 2025
KPJ Seremban Specialist Hospital ^{##}	Freehold	-	-	Seremban	139,050,000	31 December 2025
KPJ Penang Specialist Hospital [#]	Freehold	-	-	Bukit Mertajam	163,600,000	31 December 2025
KPJ Tawakkal KL Specialist Hospital [#]	Freehold	-	-	Kuala Lumpur	103,000,000	31 December 2025
KPJ Haemodialysis Kluang	Leasehold	99	76	Kluang	3,500,000	31 December 2025
KPJ Klang Specialist Hospital [#]	Leasehold	99	68	Klang	93,000,000	31 December 2025
KPJ Batu Pahat Specialist Hospital [#]	Freehold	-	-	Batu Pahat	78,000,000	31 December 2025
KPJ Pasir Gudang Specialist Hospital ^{##}	Leasehold	99	84	Pasir Gudang	93,000,000	31 December 2025
KPJ International College Penang ^{###}	Freehold	-	-	Bukit Mertajam	14,100,000	31 December 2024
Total for the Fund					1,616,940,000	
Retirement Village	Freehold	-	-	Queensland	37,522,501	31 December 2025
Total for the Group					1,654,462,501	

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	2025 Carrying value RM	2024 Carrying value RM	2025 Fair value RM	2024 Fair value RM	2025 Percentage of fair value to NAV %	2024 Percentage of fair value to NAV %	Fair value hierarchy
	272,961,538	137,000,000	274,000,000	140,000,000	26.1	13.3	3
	140,000,000	140,000,000	142,000,000	140,000,000	13.5	13.3	3
	124,000,000	122,000,000	125,000,000	124,000,000	11.9	11.8	3
	91,000,000	90,000,000	91,000,000	91,000,000	8.7	8.6	3
	40,000,000	40,000,000	40,000,000	40,000,000	3.8	3.8	3
	85,000,000	84,000,000	85,000,000	85,000,000	8.1	8.1	3
	61,874,526	61,252,260	61,000,000	61,000,000	5.8	5.8	3
	40,000,000	40,000,000	40,000,000	40,000,000	3.8	3.8	3
	16,000,000	16,000,000	15,000,000	16,000,000	1.4	1.5	3
	32,000,000	31,948,780	32,000,000	32,000,000	3.0	3.0	3
	58,000,000	57,000,000	58,000,000	58,000,000	5.5	5.5	3
	22,000,000	22,500,000	19,000,000	22,000,000	1.8	2.1	3
	44,000,000	46,000,000	44,000,000	44,000,000	4.2	4.2	3
	102,000,000	102,000,000	102,000,000	102,000,000	9.7	9.7	3
	160,000,000	160,000,000	160,000,000	160,000,000	15.2	15.2	3
	177,653,740	65,000,000	175,000,000	66,000,000	16.7	6.3	3
	141,000,000	139,000,000	141,000,000	141,000,000	13.4	13.4	3
	5,000,000	4,800,000	4,600,000	5,000,000	0.4	0.5	3
	106,000,000	104,000,000	106,000,000	106,000,000	10.1	10.1	3
	67,085,406	68,450,245	65,877,823	67,085,406	6.3	6.4	3
	91,000,000	90,000,000	92,000,000	91,000,000	8.8	8.6	3
	-	14,000,000	-	14,000,000	-	1.3	3
	1,876,575,210	1,634,951,285	1,872,477,823	1,645,085,406			
	9,316,015	10,470,090	6,767,937	9,316,015	0.6	0.9	3
	1,885,891,225	1,645,421,375	1,879,245,760	1,654,401,421			

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

10. INVESTMENT PROPERTIES (CONT'D)

A summary of the investment properties of the Group and of the Fund, as required to be disclosed by the SC Guidelines, is as follows (cont'd):

The investment properties amounting to RM107,185,406 (2024: RM107,185,406) are used to secure against Commodity Murabahah Term Financing-i ("CMTF-i") issued by the Fund as disclosed in Note 17. The amount of RM107,185,406 represents the fair value of KPJ Batu Pahat Specialist Hospital and KPJ Healthcare University College, Nilai New Building (residential) amounting to RM67,085,406 (2024: RM67,085,406) and RM40,100,000 (2024: RM40,100,000) respectively.

The investment properties amounting to RM271,000,000 (2024: RM273,000,000) are used to secure against Revolving Credit-i ("RC - I") and Term Financing-i ("TF - I") issued by the Fund as disclosed in Note 17.

The investment properties amounting to RM75,900,000 (2024: RM75,900,000) are used to secure against Commodity Murabahah Term Financing-II ("CMTF-ii") issued by the Fund as disclosed in Note 17. The amount of RM75,900,000 represents the fair value of KPJ International College, Penang and KPJ Healthcare University College, Nilai New Building (commercial) amounting to RM14,000,000 (2024: RM14,000,000) and RM61,900,000 (2024: RM61,900,000) respectively.

* Based on valuation carried out by independent professional valuer, Rahim & Co.

11. INVESTMENT IN SUBSIDIARIES

	Fund	
	2025 RM	2024 RM
Unquoted shares, at cost	42,492,186	42,492,186
Less: Accumulated impairment losses	(42,492,183)	(42,492,183)
Net carrying amount	3	3

The movement in the accumulated impairment losses is as follows:

	2025 RM	2024 RM
At 1 January/31 December	42,492,183	42,492,183

During the financial year, the Fund conducted a review of the recoverable amount of its investment in a subsidiary and the review led to recognition of an impairment loss of RMNil (2024: RMNil), as the recoverable amount was higher than the carrying value. The recoverable amount was determined based on the Fund's share of net assets in its subsidiary, which represents the Fund's estimation of fair value less cost to sell of its subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

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11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group	
			2025 %	2024 %
Al-`Aqar Capital Sdn Bhd ⁽ⁱ⁾	Malaysia	Special purpose company for the purpose of raising Islamic Financing for the Fund	100	100
Al-`Aqar Australia Pty Ltd ⁽ⁱⁱ⁾	Australia	Special purpose company for the purpose of acquisition of Australian property for the Fund	100	100

⁽ⁱ⁾ Audited by Ernst & Young PLT

⁽ⁱⁱ⁾ Audited by a firm other than Ernst & Young PLT

12. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables				
Current				
Related companies	36,581,843	36,764,714	6,004,961	6,049,302
Unbilled rental income	16,122,177	13,914,594	16,122,177	13,914,594
	52,704,020	50,679,308	22,127,138	19,963,896
Other receivables and prepaid expenses				
Other receivables	116,570	252,488	103,911	198,595
Prepayments	1,108,705	1,326,777	1,018,360	1,234,157
	1,225,275	1,579,265	1,122,271	1,432,752
Total trade and non-trade receivables (non-current and current)	53,929,295	52,258,573	23,249,409	21,396,648
Add: Amount due from subsidiaries	-	-	94,321,834	93,769,390
Add: Islamic fixed deposits with licensed banks	62,830,347	53,418,702	62,788,278	53,377,698
Add: Cash and bank balances	38,672,419	33,894,960	28,036,440	22,524,725
Less: Prepayments	(1,108,705)	(1,326,777)	(1,018,360)	(1,234,157)
Total financial assets at amortised costs (debt instruments)	154,323,356	138,245,458	207,377,601	189,834,304

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

12. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (CONT'D)

(a) Trade receivables

Trade receivables comprise rental receivable from lessees and unbilled rental income.

Unbilled rental income consist of unbilled incremental lease rental receivable from KPJ Batu Pahat. 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 and the Fund on rental receivable from lessees ranges from 1 to 7 days (2024: 1 to 7 days).

Ageing analysis of trade receivables

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
1 to 30 days past due	1,175,799	2,157,481	1,123,833	2,105,369
31 to 60 days past due	388,695	358,228	335,709	308,207
61 to 90 days past due	387,271	271,775	335,808	221,411
More than 90 days past due	34,630,078	33,977,230	4,209,611	3,414,315
	36,581,843	36,764,714	6,004,961	6,049,302

As at reporting date, the Group and the Company have no significant concentration of credit risk.

13. AMOUNT DUE FROM SUBSIDIARIES

	Fund	
	2025 RM	2024 RM
Non-current		
Amount due from a subsidiary	93,700,372	93,700,372
Current		
Amount due from subsidiaries	39,772,090	39,219,646
Less: Allowance for expected credit losses	(39,150,628)	(39,150,628)
	621,462	69,018
Total amount due from subsidiaries	94,321,834	93,769,390

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

13. AMOUNT DUE FROM SUBSIDIARIES (CONT'D)

Movement in allowance for expected credit losses on amount due from a subsidiary:

	Fund	
	2025 RM	2024 RM
At 1 January/31 December	39,150,628	39,150,628

Amount due from a subsidiary represents unsecured advances given to a subsidiary from the proceeds raised from Islamic Financing and issuance of new units in previous years for the purpose of purchase of an investment property in Australia and profit sharing on the advances receivable from the subsidiary. It is non-trade, unsecured, non-interest bearing and repayable on demand.

14. CASH AND BANK BALANCES

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Islamic fixed deposits with licensed banks	62,830,347	53,418,702	62,788,278	53,377,698
Cash and bank balances	38,672,419	33,894,960	28,036,440	22,524,725
Total cash and bank balances	101,502,766	87,313,662	90,824,718	75,902,423
Less: Islamic fixed deposits with licensed banks with maturity period of more than 3 months	(42,069)	(41,004)	-	-
Cash and cash equivalents	101,460,697	87,272,658	90,824,718	75,902,423

At the reporting date, the weighted average deposit rate per annum and average remaining maturity period of Islamic fixed deposits with licensed banks are as follows:

	Group		Fund	
	2025	2024	2025	2024
Weighted average deposit rate (%)	3.04	3.34	3.04	3.34
Average remaining maturity period	42	52	35	49

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15. OTHER PAYABLES

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Tenant deposits	14,796,025	11,007,752	14,796,025	11,007,752
Deferred lease income	5,224,316	5,224,316	5,224,316	5,224,316
	20,020,341	16,232,068	20,020,341	16,232,068
Current				
Amount due to the Trustee	35,192	36,156	35,192	36,156
Amount due to the Manager	523,550	431,811	523,550	389,171
Amounts due to related companies	80,560	230,502	80,560	230,502
Other payables	1,757,445	42,359	1,757,445	42,359
Third interim income distribution payable	230,246	226,419	230,246	226,419
Other accrued expenses	4,781,091	4,730,867	4,655,127	4,948,355
	7,408,084	5,698,114	7,282,120	5,872,962
Total other payables (non-current and current)	27,428,425	21,930,182	27,302,461	22,105,030
Less: Deferred lease income	(5,224,316)	(5,224,316)	(5,224,316)	(5,224,316)
Add: Islamic financing (Note 17)	1,009,056,266	759,141,666	1,009,056,266	759,141,666
Total financial liabilities carried at amortised costs	1,031,260,375	775,847,532	1,031,134,411	776,022,380

(a) Deferred lease income

Deferred lease income relates to the excess of the principal amount of security deposits received over their fair value which is accounted for as prepaid lease income and amortised over the lease term on a straight line basis.

(b) Amount due to the Trustee, the Manager and related companies

Amount due to the Trustee, the Manager and related companies are non-trade, unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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16. DEFERRED TAX LIABILITY

	Group and Fund	
	2025 RM	2024 RM
At 1 January	1,322,541	1,522,541
Recognised in profit or loss (Note 7)	-	(200,000)
At 31 December	1,322,541	1,322,541

The components and movements of deferred tax liability during the financial year are as follows:

Deferred tax liability - Group and Fund

	Investment properties RM
At 1 January 2025/31 December 2025	1,322,541
At 1 January 2024	1,522,541
Recognised in profit or loss (Note 7)	(200,000)
At 31 December 2024	1,322,541

The deferred tax liability relates to fair value gain on investment properties which is expected to be recovered through sale. The amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying values at the reporting date unless the property is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Based on the Finance Act 2019 which was gazetted in December 2019, it was clarified that the RPGT rate of 10% is prescribed for disposal of investment properties held for more than 5 years for a trustee of a trust.

NOTES TO THE FINANCIAL STATEMENTS

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17. ISLAMIC FINANCING

	Group and Fund	
	2025 RM	2024 RM
Non-current		
Commodity Murabahah Term Financing-i II (“Commodity Murabahah - II”)	-	-
Commodity Murabahah Term Financing-i III (“Commodity Murabahah - III”)	300,000,000	580,000,000
Term Financing-i (“TF - I”)	72,000,000	72,000,000
	372,000,000	652,000,000
Less: Transaction costs	(1,369,667)	(2,852,384)
Total (non-current)	370,630,333	649,221,513
Current		
Commodity Murabahah - I	-	80,000,000
Commodity Murabahah - II	-	29,994,050
Commodity Murabahah Term Financing-i III (“Commodity Murabahah - III”)	280,000,000	-
Commodity Murabahah Term Financing-i IV (“Commodity Murabahah - IV”)	359,994,050	-
Less: Transaction costs	(1,568,117)	-
Total (current)	638,425,933	109,920,153
Total (non-current and current)	1,009,056,266	759,141,666

Commodity Murabahah - III

The Commodity Murabahah - III is payable over a period of 60 and 84 months for Tranche 1 and Tranche 2 respectively from the date of first disbursement with bullet repayment of the principal sum on the 60th and 84th months respectively.

The Commodity Murabahah - III bears a profit rate of 1.15% and 1.25% (2024: 1.15% and 1.25%) per annum for Tranche 1 and Tranche 2 respectively above the bank’s COF. As at reporting date, the profit rate for the Commodity Murabahah is 4.45% and 4.58% (2024: 4.72% and 4.86%) per annum for Tranche 1 and Tranche 2 respectively.

As at the reporting date, the Group had borrowings of RM280,000,000 and RM300,000,000 with contractual maturity dates in May 2026 and May 2028, respectively. Subsequent to the reporting date, the Group has initiated the process to extend the maturities of these borrowings and has identified several refinancing plans to be undertaken thereafter.

The Commodity Murabahah - III was secured against the investment properties which amounting to RM1,374,000,000 (2024: RM 1,128,000,000) as disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

17. ISLAMIC FINANCING (CONT'D)

Commodity Murabahah - IV

The Commodity Murabahah - IV is payable over a period of 18 months from the date of first disbursement with bullet repayment of the principal sum on the 18th month.

The Commodity Murabahah - IV bears a profit rate of 0.90% per annum above the bank's COF. As at reporting date, the profit rate for the Commodity Murabahah is 4.16% per annum.

As at the reporting date, the Group had borrowings of RM359,994,050 with contractual maturity dates in September 2026. Subsequent to the reporting date, the Group has initiated the process to extend the maturities of these borrowings and has identified several refinancing plans to be undertaken thereafter.

TF - I

TF - I are payable over a period of 60 months from the date of first disbursement with bullet repayment of the principal sum on the 60th month.

The TF - I bears a profit rate of 1.20% (2024: 1.20%) per annum above the bank's COF when Total Financing over Total Assets is greater than or equal to 40% and profit rate of 1.00% (2024: 1.00%) per annum above the bank's COF when Total Financing over Total Assets is less than 40%. As at reporting date, the profit rate for the TF - I is 4.80% (2024: 5.10%) per annum.

TF - I were secured against the investment properties which amounting to RM271,000,000 (2024: RM273,000,000) as disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

17. ISLAMIC FINANCING (CONT'D)

Changes in liabilities arising from financing activities:

	At 1 January 2025 RM	Cash flows RM	Charged to profit or loss RM	Reclassification RM	At 31 December 2025 RM
Group and Fund					
Non-current					
Commodity Murabahah - III	580,000,000	-	-	(280,000,000)	300,000,000
TF - I	72,000,000	-	-	-	72,000,000
	652,000,000	-	-	(280,000,000)	372,000,000
Less: Transaction costs on Islamic financing	(2,852,384)	(260,000)	1,742,717	-	(1,369,667)
	649,147,616	(260,000)	1,742,717	(280,000,000)	370,630,333
Current					
Commodity Murabahah - I	80,000,000	(80,000,000)	-	-	-
Commodity Murabahah - II	29,994,050	(29,994,050)	-	-	-
Commodity Murabahah - III	-	-	-	280,000,000	280,000,000
Commodity Murabahah - IV	-	359,994,050	-	-	359,994,050
	109,994,050	250,000,000	-	280,000,000	639,994,050
Less: Transaction costs on Islamic financing	-	(2,678,325)	1,110,208	-	(1,568,117)
	109,994,050	247,321,675	1,110,208	280,000,000	638,425,933
	759,141,666	247,061,675	2,852,925	-	1,009,056,266

NOTES TO THE FINANCIAL STATEMENTS

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17. ISLAMIC FINANCING (CONT'D)

Changes in liabilities arising from financing activities (cont'd):

	At 1 January 2024 RM	Cash flows RM	Charged to profit or loss RM	Reclassification RM	At 31 December 2024 RM
Group and Fund					
Non-current					
Commodity Murabahah - II	29,994,050	-	-	(29,994,050)	-
Commodity Murabahah - III	580,000,000	-	-	-	580,000,000
RC - I	-	-	-	-	-
TF - I	72,000,000	-	-	-	72,000,000
	681,994,050	-	-	(29,994,050)	652,000,000
Less: Transaction costs on Islamic financing	(4,112,866)	(259,999)	1,439,865	80,616	(2,852,384)
	677,881,184	(259,999)	1,439,865	(29,913,434)	649,147,616
Current					
Commodity Murabahah - I	80,000,000	-	-	-	80,000,000
Commodity Murabahah - II	-	-	-	29,994,050	29,994,050
	80,000,000	-	-	29,994,050	109,994,050
Less: Transaction costs on Islamic financing	(132,000)	-	212,616	(80,616)	-
	79,868,000	-	212,616	29,913,434	109,994,050
	757,749,184	(259,999)	1,652,481	-	759,141,666

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

18. UNITHOLDERS' CAPITAL

	2025		2024	
	No. of units	RM	No. of units	RM
Issued and fully paid-up:				
At 1 January/31 December	839,597,757	854,758,225	839,597,757	854,758,225

Details of units held by the Manager's directors and unitholders, and related parties which comprise companies related to Johor Corporation and KPJ Healthcare Berhad, substantial unitholders of the Fund, and their market value as of 31 December 2025 and 31 December 2024 respectively based on the Record of Depositors are as follows:

	2025		2024	
	No. of units	RM	No. of units	RM
Related parties:				
Pusat Pakar Tawakal Sdn Bhd	54,648,534	69,950,124	54,648,534	74,322,006
Bandar Baru Klang Specialist Hospital Sdn Bhd	36,115,266	46,227,540	36,115,266	49,116,762
Selangor Medical Centre Sdn Bhd	35,000,000	44,800,000	35,000,000	47,600,000
KPJ Healthcare Berhad	28,259,289	36,171,890	28,259,289	38,432,633
Seremban Specialist Hospital Sdn Bhd	23,731,000	30,375,680	23,731,000	32,274,160
Ampang Puteri Specialist Hospital Sdn Bhd	21,013,739	26,897,586	21,013,739	28,578,685
Medical Associates Sdn Bhd	19,055,000	24,390,400	19,055,000	25,914,800
Waqaf An-Nur Corporation Berhad	18,251,870	23,362,394	18,251,870	24,822,543
Sentosa Medical Centre Sdn Bhd	15,653,000	20,035,840	15,653,000	21,288,080
Kedah Medical Centre Sdn Bhd	15,000,000	19,200,000	15,000,000	20,400,000
Johor Specialist Hospital Sdn Bhd	12,203,000	15,619,840	12,203,000	16,596,080
Puteri Specialist Hospital Sdn Bhd	12,000,000	15,360,000	12,000,000	16,320,000
Perdana Specialist Hospital Sdn Bhd	11,789,000	15,089,920	11,789,000	16,033,040
Kuantan Specialist Hospital Sdn Bhd	5,000,000	6,400,000	5,000,000	6,800,000
Kajang Specialist Hospital Sdn Bhd	4,487,000	5,743,360	4,487,000	6,102,320
Jeta Gardens (Qld) Pty Ltd	3,786,924	4,847,263	3,786,924	5,150,217
Kota Kinabalu Specialist Hospital Sdn Bhd	3,500,000	4,480,000	3,500,000	4,760,000
Taiping Medical Centre Sdn Bhd	3,334,000	4,267,520	3,334,000	4,534,240
Johor Ventures Sdn Bhd	173,219	221,720	173,219	235,578

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

19. MANAGEMENT EXPENSE RATIO (“MER”)

	Fund	
	2025 %	2024 %
MER	0.50	0.54

The calculation of MER is based on the total fees of the Fund incurred for the year, including the Manager’s fees, Trustee’s fees, audit fee, tax agent’s fee and administration expenses, to the average net asset value of the Fund during the year calculated on a monthly basis. Since the average net asset value is calculated on a monthly basis, comparison of the MER of the Fund with other Real Estate Investment Trusts (“REITs”) which use a different basis of calculation may not be an accurate comparison.

20. SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the parties have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operation 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 and the Fund derive all their rental income as disclosed in Note 4 from related parties.

Significant related party charges/(credits) other than those disclosed in Note 4 are as follows:

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Manager’s fee	5,729,463	4,651,967	5,729,463	4,651,967
Maintenance fee	1,200,480	1,197,120	1,200,480	1,197,120
Other income	(532,000)	(532,000)	(532,000)	(532,000)

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 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

21. OPERATING LEASES - GROUP AS LESSOR

The Group and the Fund lease out their investment properties under operating leases. The future minimum lease receivable under non-cancellable leases are as follows:

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Less than one year	127,899,598	102,653,826	127,330,775	101,636,834
Between one and five years	549,843,625	402,334,543	549,843,625	396,936,228
	677,743,223	504,988,369	677,174,400	498,573,062

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Fund are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, financing rate risk and foreign currency risk.

The Group and the Fund have taken measures to minimise their exposure to risks associated with their financing, investing and operating activities and operate within clearly defined guidelines as set out in the SC Guidelines.

The following sections provide details regarding the Group's and the Fund's exposure to the above-mentioned financial risks and the objectives, policies and procedures for the management of these risks:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its contractual obligations. Credit risk arises from cash and cash equivalents, amount due from subsidiaries as well as credit exposures primarily from outstanding trade and other receivables.

The Group and the Fund adopt the policy of dealing with customers with an appropriate credit history, and obtaining sufficient security where appropriate, including tenancy deposits, security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. For other financial assets (including cash and bank balances and Islamic fixed deposits with licensed banks), the Group and the Fund minimise credit risks by dealing exclusively with high credit rating counterparties.

The Group and the Fund seek to invest cash assets safely and profitably. The Group and the Fund have no significant concentration of credit risk and it is not the Group's and the Fund's policy to hedge their credit risks. The Group and the Fund have in place, for significant operating subsidiaries, policies to ensure that sales of products and services are made to customers with an appropriate credit history and sets limits on the amount of credit exposure to any one customer. For significant subsidiaries, there were no instances of credit limits being materially exceeded during the reporting periods and management does not expect any material losses from non-performance by counterparties.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Exposure to credit risk

At the end of the reporting period, the Group's and the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade receivables is disclosed in Note 12.

Credit risk concentration profile

The Group and the Fund determine concentrations of credit risk by monitoring individual profile of their trade receivables on an ongoing basis.

At the end of the reporting period, approximately 84% (2024: 84%) of the Group's trade receivables is related to a related company for leasing of an Australian property. The Group believes the risk of default in payment on amount due from a related company is low and both parties are in the process of finalising on the settlement of outstanding rental. Based on the recent deliberation with the related company, the Group expects the full settlement within 12 months from the end of reporting date.

Amount due from a subsidiary

The Fund provides unsecured advances to the subsidiary. The Fund monitors the results of the subsidiary regularly. As at the end of the reporting period, the maximum exposure to credit risk was represented by their carrying amounts in the statements of financial position.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Fund will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Fund's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Fund's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group and the Fund manage their operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of their overall liquidity management, the Group and the Fund maintain sufficient levels of cash and bank balances to meet their working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Fund's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
As at 31 December 2025				
Financial liabilities				
Other payables	9,139,432	1,388,650	17,079,017	27,607,099
Islamic financing	390,344,454	393,644,630	-	783,989,084
	399,483,886	395,033,280	17,079,017	811,596,183
As at 31 December 2024				
Financial liabilities				
Other payables	8,979,061	1,116,129	12,381,954	22,477,144
Islamic financing	143,038,713	697,609,436	-	840,648,149
	152,017,774	698,725,565	12,381,954	863,125,293

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Fund				
As at 31 December 2025				
Financial liabilities				
Other payables	9,139,432	1,388,650	17,079,017	27,607,099
Islamic financing	390,344,454	393,644,630	-	783,989,084
	399,483,886	395,033,280	17,079,017	811,596,183
As at 31 December 2024				
Financial liabilities				
Other payables	8,911,581	1,116,129	12,381,954	22,409,664
Islamic financing	143,038,713	697,609,436	-	840,648,149
	151,950,294	698,725,565	12,381,954	863,057,813

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Fund's financial instruments will fluctuate because of changes in the market interest rates.

The Group and the Fund manage their financing rate exposure by maintaining a prudent mix of fixed and floating rate of borrowings. The Group and the Fund place cash deposits on short-term basis and therefore this allows the Group and the Fund to respond to significant changes of financing rate promptly.

The interest rate mentioned below will have an impact on the management of the Group and the Fund, regardless of whether it is an Islamic fund or otherwise. It does not in any way suggest that the Group and the Fund will invest in conventional financial instruments. All the investments and placements carried out for the Group and the Fund are in accordance with Shariah requirements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk (cont'd)

Sensitivity analysis for profit rate risk

At the end of the reporting period, a change of 25 basis points ("bp") in financing rates would have increased/ (decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Financing rate				
- 25 bp decrease	2,522,641	1,764,307	2,522,641	1,760,929
- 25 bp increase	(2,522,641)	(1,764,307)	(2,522,641)	(1,760,929)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. It is not the Group's policy to hedge foreign currency translation risk. The Group and the Fund also maintain bank accounts denominated in foreign currencies, primarily in AUD, as a natural hedge against foreign currency risk.

The Group's and the Fund's exposure to foreign currency risk, based on carrying amounts of assets and liabilities as at the end of the reporting period was:

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Denominated in AUD				
Trade receivables	30,576,882	30,715,412	-	-
Cash and cash equivalents	11,664,081	12,424,228	1,029,766	1,055,687
Net exposure in the statements of financial position	42,240,963	43,139,640	1,029,766	1,055,687

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Fund's profit net of tax to a reasonably possible change in the AUD exchange rates against the functional currency of the Group and the Fund, with all other variables held constant.

	Other comprehensive income			
	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
AUD				
Strengthened 5%	2,112,048	2,156,982	51,488	52,784
Weakened 5%	(2,112,048)	(2,156,982)	(51,488)	(52,784)

23. SEGMENT REPORTING

The Group has a single operating segment. For management purposes, the Group is organised into business units based on the geographical location of customers and assets, and has two reportable segments as follows:

- (i) Malaysia
- (ii) Australia

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

23. SEGMENT REPORTING (CONT'D)

The Group's segmental information is as follows:

	Malaysia RM	Australia RM	Total RM
31 December 2025			
Revenue	119,922,478	566,904	120,489,382
Total property expenses	(15,314,848)	(274,661)	(15,589,509)
Net property income	104,607,630	292,243	104,899,873
Investment revenue	1,847,769	-	1,847,769
Gain on disposal of investment property	-	-	-
Fair value written down of asset held for sale	(2,000,000)	-	(2,000,000)
Fair value adjustment on investment properties	(4,097,388)	(2,348,429)	(6,445,817)
Net investment income	100,358,011	(2,056,186)	98,301,825
Trust expenditure	(1,507,514)	(205,133)	(1,712,647)
Operating profit	98,850,497	(2,261,319)	96,589,178
Finance costs	(40,871,793)	-	(40,871,793)
Profit before tax	57,978,704	(2,261,319)	55,717,385
Tax	-	-	-
Profit after tax	57,978,704	(2,261,319)	55,717,385
Total assets	2,009,230,670	78,380,285	2,087,610,955
Total liabilities	1,037,706,108	101,124	1,037,807,232

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

23. SEGMENT REPORTING (CONT'D)

	Malaysia RM	Australia RM	Total RM
31 December 2024			
Revenue	116,861,645	990,380	117,852,025
Total property expenses	(14,384,417)	(1,924,307)	(16,308,724)
Net property income	102,477,228	(933,927)	101,543,301
Investment revenue	1,885,072	-	1,885,072
Gain on disposal of investment property	1,000,000	-	1,000,000
Fair value written down of asset held for sale	-	(16,571,468)	(16,571,468)
Fair value adjustment on investment properties	10,134,121	-	10,134,121
Net investment income	115,496,421	(17,505,395)	97,991,026
Trust expenditure	(1,098,173)	(209,011)	(1,307,184)
Operating profit	114,398,248	(17,714,406)	96,683,842
Financing costs	(38,608,988)	-	(38,608,988)
Profit before tax	75,789,260	(17,714,406)	58,074,854
Tax	200,000	-	200,000
Profit after tax	75,989,260	(17,714,406)	58,274,854
Total assets	1,711,388,697	124,548,740	1,835,937,437
Total liabilities	781,260,575	1,133,814	782,394,389

24. CAPITAL MANAGEMENT

The Group and the Fund manage their capital to ensure that entities in the Group and the Fund will be able to continue as going concerns while maximising the return to unitholders through the optimisation of the debt and equity balance.

The capital structure of the Group and of the Fund consists of net debt (borrowings as detailed in Note 17 offset by cash and cash equivalents and unitholders' fund of the Group and of the Fund (comprising unitholders' capital and undistributed income).

Gearing ratios are calculated based on the proportion of total borrowings to the total asset value in accordance with Securities Commission Malaysia ("SC") Guidelines. The SC Guidelines require that the total borrowings of a fund (including borrowings through issuance of debt securities) should not exceed 50% of the total asset value of the Fund at the time the borrowings are incurred. Notwithstanding, the Fund's total borrowings may exceed this limit with the sanction of the unitholders by way of an ordinary resolution.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

24. CAPITAL MANAGEMENT (CONT'D)

The Manager's risk management committee reviews the capital structure of the Group and of the Fund on a regular basis to ensure that the SC Guidelines are complied with.

Gearing ratio

The Group's and the Fund's gearing ratio are calculated based on the proportion of total borrowings to the total asset value. The gearing ratio at the end of the reporting period is as follows:

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Total borrowings	1,009,056,266	759,141,666	1,009,056,266	759,141,666
Total assets value	2,087,610,955	1,835,937,437	2,092,873,787	1,836,153,870
Total borrowings to total assets value ratio	48.34%	41.35%	48.21%	41.34%

25. PORTFOLIO TURNOVER RATIO ("PTR")

	Group and Fund	
	2025 RM	2024 RM
PTR (times)	0.23	0.01

The calculation of PTR is based on the average of total acquisitions and total disposals of investments in the Fund for the year to the average net asset value during the year calculated on a monthly basis.

26. SIGNIFICANT EVENTS

Disposal of KPJ Healthcare College, Penang

On 4 December 2025, the Group as represented by the Trustee, entered into a sale and purchase agreement ("SPA") with Icon Square Sdn Bhd ("Icon Square"), for a proposed disposal of KPJ Healthcare College, Penang ("KPJHC, Penang"), for a cash consideration of RM12.0 million. The Purchaser had paid a deposit of RM240,000 being 2% of the disposal consideration upon signing of the SPA. The completion of the SPA is conditional upon approval from the existing financiers of Al-`Aqar Healthcare REIT and issuance of the replacement of issue document of title by the relevant land registry. The proposed disposal is expected to complete by quarter 1 of FY2026.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

27. ASSETS CLASSIFIED AS HELD FOR SALE

On 12 December 2023, the Group entered into a Land Sale Agreement (“LSA”) with Principal Healthcare Finance Pty Ltd (“Principal Healthcare”), as trustee for the Principal Healthcare Finance Trust (“Land Buyer”) to dispose the lands and buildings of Jeta Gardens Aged Care Facility for a cash consideration of AUD24.4 million (equivalent to approximately RM67.9 million).

In 2024, the parties of the LSA has further negotiated on the proceeds of the sale and agreed the split of the sale proceeds via Owners’ Deed resulting written down of the fair value. Meanwhile, the other condition precedents in relation to the LSA is yet to be met as at year end and the disposal is expected to complete by Quarter 3 2026.

In 2025, the disposal remained outstanding due to restrictions imposed by Principal Healthcare Finance Pty Ltd, whereby the Land Buyer did not permit the Group to sell the Western portion of the property to JAPL (the adjoining owner). As a result, despite the Owner’s Deed remains in force, the Group issued a supplementary contractual notice with justification prior to the original sunset date, which was not rejected by the counterparty. Subsequently, development plans for Stage 1A and Stage 1B were submitted with the Land Buyer’s consent, and the relevant fees were duly paid. The council is currently in the process of finalising the development approvals, following which the issuance of titles is expected to proceed without issue. Upon approval of Stage 1A and the issuance of title to JPL, the LSA for the Western portion will be executed to facilitate completion of the disposal by the revised sunset date of 11 December 2026.

The movement of assets classified as held for sale is as follows:

	Jeta Gardens Aged Care Facility RM	KPJ Healthcare College Penang RM	Total RM
2025			
Group			
Assets classified as held for sale			
At 1 January	41,963,781	-	41,963,781
Disposal	-	14,000,000	14,000,000
Fair value written down (a)	-	(2,000,000)	(2,000,000)
Foreign exchange difference	(1,030,647)	-	(1,030,647)
	40,933,134	12,000,000	52,933,134

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

27. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

(a) Fair value written down

	KPJ Healthcare College Penang RM
2025	
Fund	
At 1 January	-
Disposal	14,000,000
Fair value written down	(2,000,000)
At 31 December	12,000,000

	Jeta Gardens Aged Care Facility RM	Total RM
2024		
Group		
Assets classified as held for sale		
Investment properties	41,963,781	41,963,781
		RM

2024		
Fund		
Investment properties		-

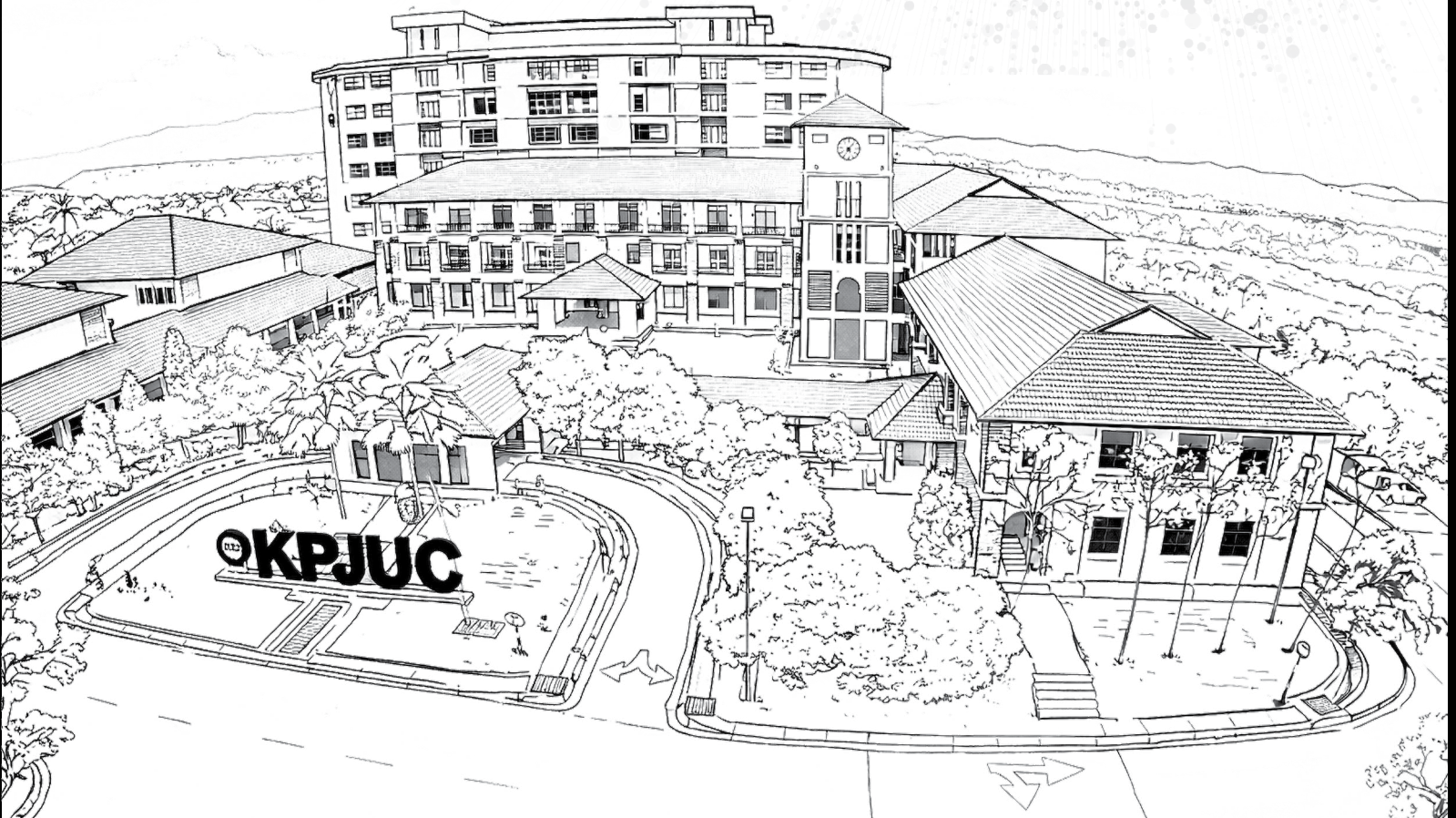


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OTHER INFORMATION

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ANALYSIS OF UNITHOLDINGS

Unitholdings Analysis as of 31 December 2025

AS PER RECORD OF DEPOSITOR

Unit Issued: 839,597,757

BREAKDOWN OF UNITHOLDINGS

Size of Unitholdings	Unitholders	%	Unit Holdings	%
Less than 100	385	6.44	15,009	-
100 - 1000	2,335	39.09	1,065,421	0.13
1,001 - 10,000	2,159	36.15	9,719,326	1.16
10,001 - 100,000	899	15.05	27,982,473	3.33
100,001 to less than 5% of issued capital	191	3.20	512,472,748	61.04
5% and above of issued capital	4	0.07	288,342,780	34.34
Total	5,973	100.00	839,597,757	100.00

TOP THIRTY SECURITIES ACCOUNT HOLDERS

(Without Aggregating the Securities from Different Securities Accounts Belonging to the Same Depositor)

No.	Name	Unit Holdings	%
1.	LEMBAGA TABUNG HAJI	112,098,656	13.35
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD	67,016,124	7.98
3.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	63,228,000	7.53
4.	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM BUMIPUTERA	46,000,000	5.48
5.	PUSAT PAKAR TAWAKAL SDN.BHD.	41,017,534	4.89
6.	BANDAR BARU KLANG SPECIALIST HOSPITAL SDN BHD	36,115,266	4.30
7.	HSBC NOMINEES (TEMPATAN) SDN BHD - A/C PLEDGED SECURITIES ACCOUNT FOR SELANGOR SPECIALIST HOSPITAL SDN. BHD. (355-300641-089)	35,000,000	4.17
8.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	30,264,711	3.60
9.	KPJ HEALTHCARE BERHAD	28,259,289	3.37
10.	SEREMBAN SPECIALIST HOSPITAL SDN. BHD.	23,731,000	2.83
11.	AMPANG PUTERI SPECIALIST HOSPITAL SDN. BHD.	21,013,739	2.50
12.	MEDICAL ASSOCIATES SDN.BHD.	19,055,000	2.27
13.	WAQAF AN-NUR CORPORATION BERHAD	18,251,870	2.17
14.	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM MALAYSIA 3	16,857,430	2.01
15.	SENTOSA MEDICAL CENTRE SDN. BHD.	15,653,000	1.86
16.	KEDAH MEDICAL CENTRE SDN.BHD.	15,000,000	1.79
17.	PUSAT PAKAR TAWAKAL SDN.BHD.	13,631,000	1.62

ANALYSIS OF UNITHOLDINGS

Unitholdings Analysis as of 31 December 2025

TOP THIRTY SECURITIES ACCOUNT HOLDERS (CONT'D)

(Without Aggregating the Securities from Different Securities Accounts Belonging to the Same Depositor)

No.	Name	Unit Holdings	%
18.	AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ISLAMIC OPPORTUNITIES FUND	13,496,300	1.61
19.	CARTABAN NOMINEES (TEMPATAN) SDN BHD - A/C PBTB FOR TAKAFULINK DANA EKUITI	12,600,000	1.50
20.	JOHOR SPECIALIST HOSPITAL SDN.BHD.	12,203,000	1.45
21.	PUTERI SPECIALIST HOSPITAL (JOHOR) SDN. BHD.	12,000,000	1.43
22.	PERDANA SPECIALIST HOSPITAL SDN BHD	11,789,000	1.40
23.	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM BUMIPUTERA 3 - DIDIK	11,749,800	1.40
24.	AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ISLAMIC SELECT TREASURES FUND	8,414,572	1.00
25.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C LEMBAGA TABUNG HAJI (EASTSPRING)	7,186,000	0.86
26.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	5,767,400	0.69
27.	CARTABAN NOMINEES (TEMPATAN) SDN BHD - A/C PAMB FOR PRULINK DANA UNGGUL	5,500,000	0.66
28.	KUANTAN SPECIALIST HOSPITAL SDN. BHD.	5,000,000	0.60
29.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD - A/C TABUNG WARISAN NEGERI SELANGOR (AL-WARA')	4,844,000	0.58
30.	KAJANG SPECIALIST HOSPITAL SDN. BHD.	4,487,000	0.53

SUBSTANTIAL UNITHOLDERS

No.	Name	DIRECT		INDIRECT	
		Unit Holdings	%	Unit Holdings	%
1.	JOHOR CORPORATION	-	-	289,748,971	34.51
2.	KPJ HEALTHCARE BERHAD	28,259,289	3.37	261,316,463	31.12
3.	LEMBAGA TABUNG HAJI	122,717,856	14.62	-	-
4.	EMPLOYEES PROVIDENT FUND BOARD - 4 A/Cs	107,245,235	12.77	-	-
5.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	65,296,400	7.78	-	-
6.	PUSAT PAKAR TAWAKKAL SDN. BHD. - 2 A/Cs	54,648,534	6.51	-	-
7.	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM BUMIPUTERA	46,000,000	5.48	-	-

ANALYSIS OF UNITHOLDINGS

Unitholdings Analysis as of 31 December 2025

SUBSTANTIAL UNITHOLDERS

	Total		Bumiputra		Non-Bumiputra		Foreign	
	Holders	Holdings	Holders	Holdings	Holders	Holdings	Holders	Holdings
GOVERNMENT BODIES	2	1,279,000	2	1,279,000	-	-	-	-
FINANCE	17	277,166,482	13	188,240,686	3	85,138,872	1	3,786,924
INVESTMENT TRUST	6	204,500	4	16,500	2	188,000	-	-
NOMINEES	2,061	213,552,177	719	153,873,901	1,282	56,115,140	60	3,563,136
PRIVATE LIMITED COMPANY								
- RETAIL BODY CORPORATES	44	238,459,838	19	237,793,058	25	666,780	-	-
- INSTI-BODY CORPORATE LIMITED COMPANY	-	-	-	-	-	-	-	-
- RETAIL BODY CORPORATES	19	50,091,359	18	48,211,359	-	-	1	1,880,000
- INSTI-BODY CORPORATE	11	3,294,400	11	3,294,400	-	-	-	-
CLUBS/ASSOCIATION	2	898,400	1	895,400	1	3,000	-	-
CO-OPERATIVES	6	514,450	5	507,950	1	6,500	-	-
INDIVIDUAL	3,805	54,137,151	891	4,341,616	2,856	46,571,006	58	3,224,529
TOTAL	5,973	839,597,757	1,683	638,453,870	4,170	188,689,298	120	12,454,589
%	100	100	28.18	76.04	69.81	22.48	2.01	1.48

CORPORATE INFORMATION

MANAGER

JLG REIT MANAGERS SDN BHD (200501035558)

Registered Office:

Suite 1, Level 17, Menara KOMTAR,
Johor Bahru City Centre,
80888 IIBD, Johor.

Principal Place of Business:

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V SQUARE, Jalan Utara,
46200 Petaling Jaya, Selangor.
Tel : (+603) 7932 1692/7932 3692
Fax : (+603) 7932 0692

LISTING

MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Stock Name: ALAQAR
Stock Code: 5116

WEBSITE

www.alaqar.com.my

TRUSTEE

AMANAHRAYA TRUSTEES BERHAD (200701008892)

Level 30 & 31,
Vista Tower, The Intermark,
348, Jalan Tun Razak,
50400 Kuala Lumpur.
Tel : (+603) 2036 5129
Fax : (+603) 2072 0323
Email : art@arb.com.my
Website : www.artrustees.my

REGISTRAR

LARKIN SENTRAL PROPERTY BERHAD

Lot S8, Podium 1,
Menara Ansar, 65, Jalan Trus,
80000 Johor Bahru, Johor.
Tel : (+607) 223 5017
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SHARIAH COMMITTEE

- Dato' (Dr) Haji Nooh bin Gadot**
- Professor Madya Dr Abdul Halim bin Muhammad**
- IBFIM**
(200701005076)
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No. 10, Jalan Dato' Onn,
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Tel : (+603) 2031 1010
Email : shariah.consultancy@ibfim.com
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AUDITOR

ERNST & YOUNG PLT
(LLP0022760-LCA) (AF 0039)
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Pusat Bandar Damansara,
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SOLICITORS

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Fax : +61 7 3119 1000
Website : www.minterellison.com

MILLS OAKLEY

Level 23, 66 Eagle Street,
Brisbane QLD 4000
Tel : +61 7 3228 0402
Fax : +61 7 3012 8777
Website : www.millsoakley.com.au

PROPERTY MANAGER

IM GLOBAL PROPERTY CONSULTANTS SDN BHD

(200501019108)
No. 47-2, 2nd Floor, Wisma IMG,
Jalan 3/76D, Desa Pandan,
55100 Kuala Lumpur
Tel : (+603) 9284 8884
Fax : (+603) 9281 1884
Email : info@img.com.my
Website : www.img.com.my

MAINTENANCE MANAGER

HEALTHCARE TECHNICAL SERVICES

SDN BHD (199501012909)
Level 17, Menara KPJ,
No. 238, Jalan Tun Razak,
50400 Kuala Lumpur.
Tel : (+603) 2681 6222

INDEPENDENT PROPERTY VALUER

RAHIM & CO. INTERNATIONAL SDN BHD

(201501001265)
Level 10, Menara Perak,
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