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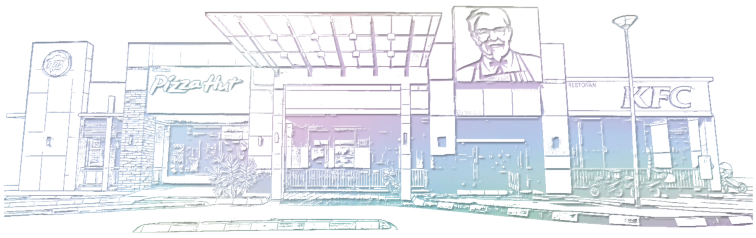
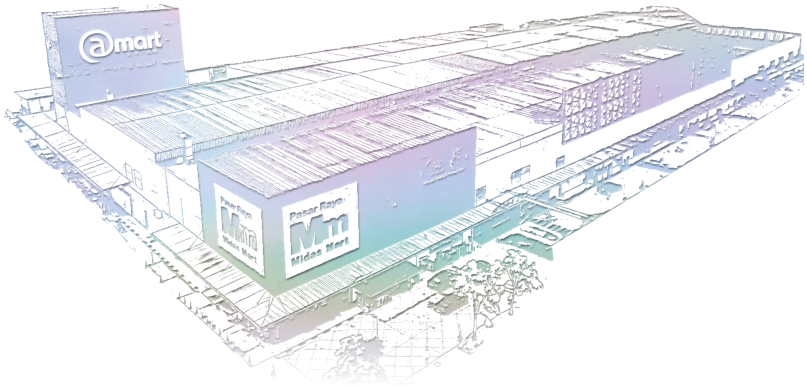
REAL ESTATE INVESTMENT TRUST

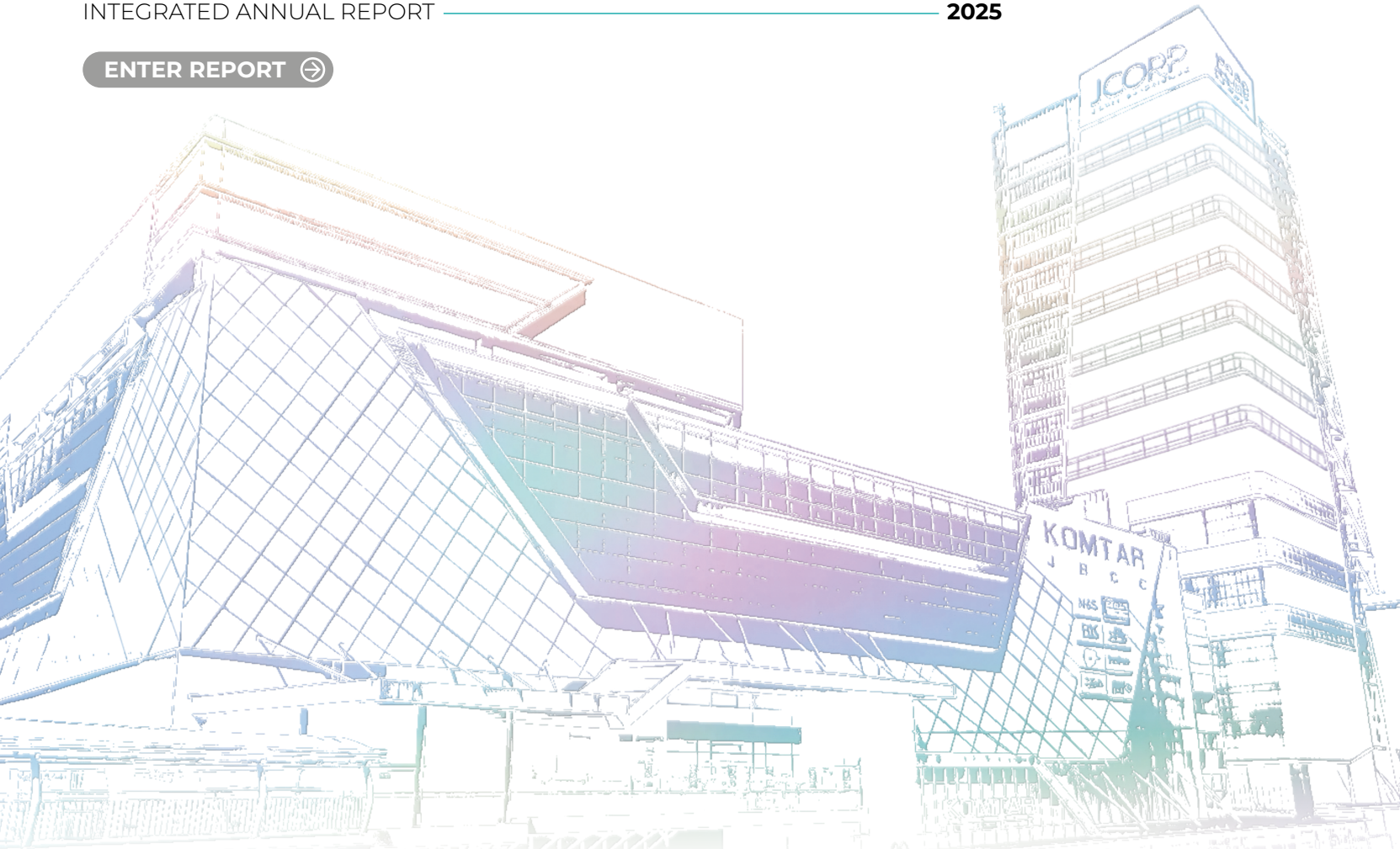




DRIVING SUSTAINABLE GROWTH THROUGH REJUVENATION

INTEGRATED ANNUAL REPORT **2025**

ENTER REPORT



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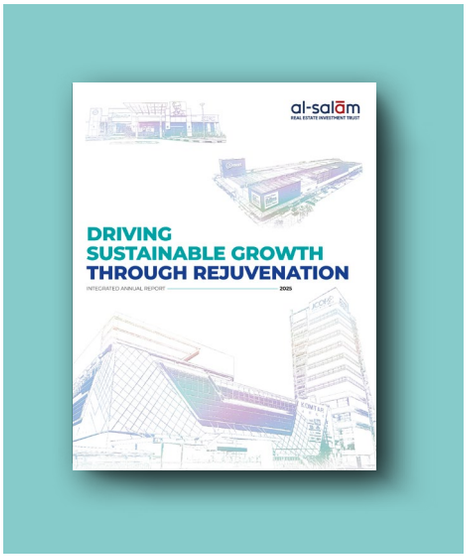

COVER RATIONALE

DRIVING SUSTAINABLE GROWTH THROUGH REJUVENATION

As markets evolve and assets mature, Al-Salām REIT embraces rejuvenation as a catalyst to unlock renewed potential and strengthen its growth trajectory. "Driving Sustainable Growth Through Rejuvenation" reflects the REIT's focused strategy to enhance asset performance and deliver sustainable value to unitholders. The properties are depicted in refined architectural line art to symbolise disciplined management and transformation, while the Rainbow Foil Effect adds vibrancy and renewed energy, representing value uplift through active rejuvenation. The interplay of teal and dark blue within the tagline reinforces a balance of progressive momentum and enduring stability, creating a cohesive narrative of revitalised assets and resilient, sustainable growth.

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DIGITAL REPORT AVAILABLE

This report can be accessed online via our website:
www.alsalamreit.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.

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ABOUT THIS REPORT

Introduction

Al-Salām Real Estate Investment Trust ("Al-Salām REIT" or "the REIT") presents its Integrated Annual Report for the financial year ended 31 December 2025 ("IAR2025").

This IAR2025 document provides expanded disclosures on the financial, business, and operational performance of Al-Salām REIT, including its business model, value creation approach, risks and mitigation measures, and future estimates of the REIT's prospects and plans.

In essence, this IAR2025 document has been prepared to provide capital providers and stakeholders with a clear view of how Al-Salām REIT creates and sustains value.

Board Statement of Responsibility:

The Board of Directors ("Board") of Al-Salām REIT acknowledges its responsibility for ensuring the integrity, accuracy, and completeness of the data and disclosures contained in this IAR2025 document.

BASIS OF PREPARATION

This IAR2025 document has been developed based on the recommendations of the Integrated Reporting Framework of the International Financial Reporting Standards ("IFRS") through the International Sustainability Standards Board ("ISSB"). Overall, the report is structured around:

Six Capitals

Financial Capital

Portfolio Capital

Intellectual Capital

Human Capital

Social Capital

Natural Capital

Seven Guiding Principles

- Strategic focus and future orientation
- Connectivity of information
- Conciseness
- Reliability and completeness
- Consistency and comparability
- Materiality
- Stakeholder relationships

Eight Content Elements

- Organisational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

All disclosures within this IAR2025 document have also been developed based on the disclosure requirements of the following reporting frameworks:

- 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
- 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")

ABOUT THIS REPORT

REPORTING SCOPE AND BOUNDARY

The disclosures in this IAR2025 cover Al-Salām REIT's operations across the Retail, Office, Food and Beverage ("F&B"), and Industrial & Others sectors. 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.

Operational boundaries are defined by the level of control Al-Salām REIT maintains over its assets and are disclosed within this IAR2025 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 REIT, Al-Salām REIT only retains operational control over common areas for non-master leased assets. The GHG emissions from assets or lots that are leased by the REIT to its tenants are not included in the IAR2025.

This reporting scope extends, where necessary, to Al-Salām REIT's value chain, which includes JLG REIT Managers Sdn Bhd, tenants, property managers, and third-party suppliers/vendors.

LIMITATIONS & EXCLUSIONS

Al-Salām REIT is committed to transparency and enhancing the comprehensiveness of its disclosures. The REIT acknowledges that certain gaps remain and shall continue to strengthen its data collection processes to refine future reporting.

All data and disclosures within this IAR2025 document are guided by the principles of proportionality, with limitations determined by the applicability, relevance, and accessibility of data available at the time of reporting. Material, accessible, and cost-effective disclosures are prioritised to ensure that the IAR2025 remains both meaningful and practical.

AUDIT & ASSURANCE

All financial information disclosed within this IAR2025 document has been audited in accordance with applicable auditing standards. Selected material non-financial disclosures, particularly those relating to sustainability performance, have also been subject to independent assurance to enhance credibility and data accuracy.

Al-Salām REIT maintains an internal review and data validation system. Data owners and the REIT's Senior Management actively verify the accuracy and completeness of all reported information.

FORWARD-LOOKING STATEMENTS

This IAR2025 document may contain forward-looking statements relating to Al-Salām REIT's operational and financial performance. These statements are based on reasonable assumptions and information available at the time of reporting.

While every effort has been made to ensure their accuracy, actual outcomes may differ due to changes beyond the REIT's control. As such, readers are advised to exercise discretion when interpreting any such future-oriented disclosures.

ABOUT THIS REPORT

NAVIGATION ICONS

The inclusion of navigation icons in IAR2025 serves to enhance readers' experience by providing a more intuitive approach to explore Al-Salām REIT's 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.

Business Segments

- Retail Segment
- Office Segment
- F&B Segment
- Industrial & Others Segment

Capitals

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

Stakeholders

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

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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REAL ESTATE INVESTMENT TRUST

Section 2

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2025 HIGHLIGHTS

Number of Properties

53
Units

Market Capitalisation

RM284.2
million

Distribution Per Unit

2.20
Sen

Distribution Yield

4.49%

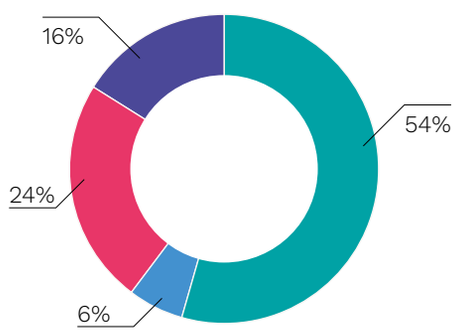
Net Lettable Area

2.4
million sq. ft.

Occupancy Rate

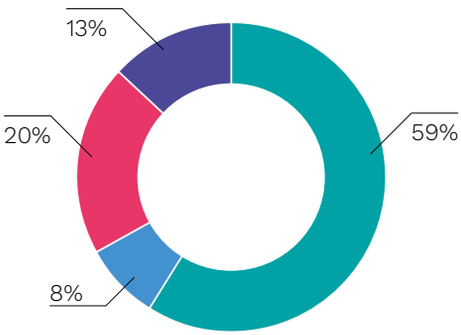
95%

Retail | Office | F&B | Industrial & Others



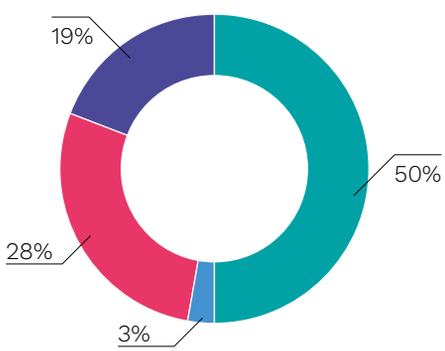
Property Value

RM1.22
billion



Gross Revenue

RM88.8
million



Net Property Income

RM61.1
million

CORPORATE PROFILE

Al-Salām REIT was established in 2015 as a Shariah-compliant real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad. Managed by JLG REIT Managers Sdn Bhd ("JRMSB" or "the Manager"), the REIT is committed to delivering stable returns and long-term capital growth through a diversified portfolio of income-generating properties across Malaysia.

Its unique position, supported by strong institutional sponsorship from Johor Corporation ("JCorp"), provides financial stability and access to potential future asset pipelines, while reinforcing its role in advancing Malaysia's Islamic capital market instruments.

The REITs portfolio benefits from high-traffic retail locations and an extensive network of F&B outlets, offering resilience and diversification across multiple industries. These assets are leased to tenants, with the REIT's operations centred on the acquisition, development, and management of properties that foster commercial activity and stimulate local economies.

With a total asset value of RM 1.32 billion, Al-Salām REIT owns 53 properties. These span the following:

Retail Properties

4

Office

1

F&B Properties

41

Industrial Properties

6

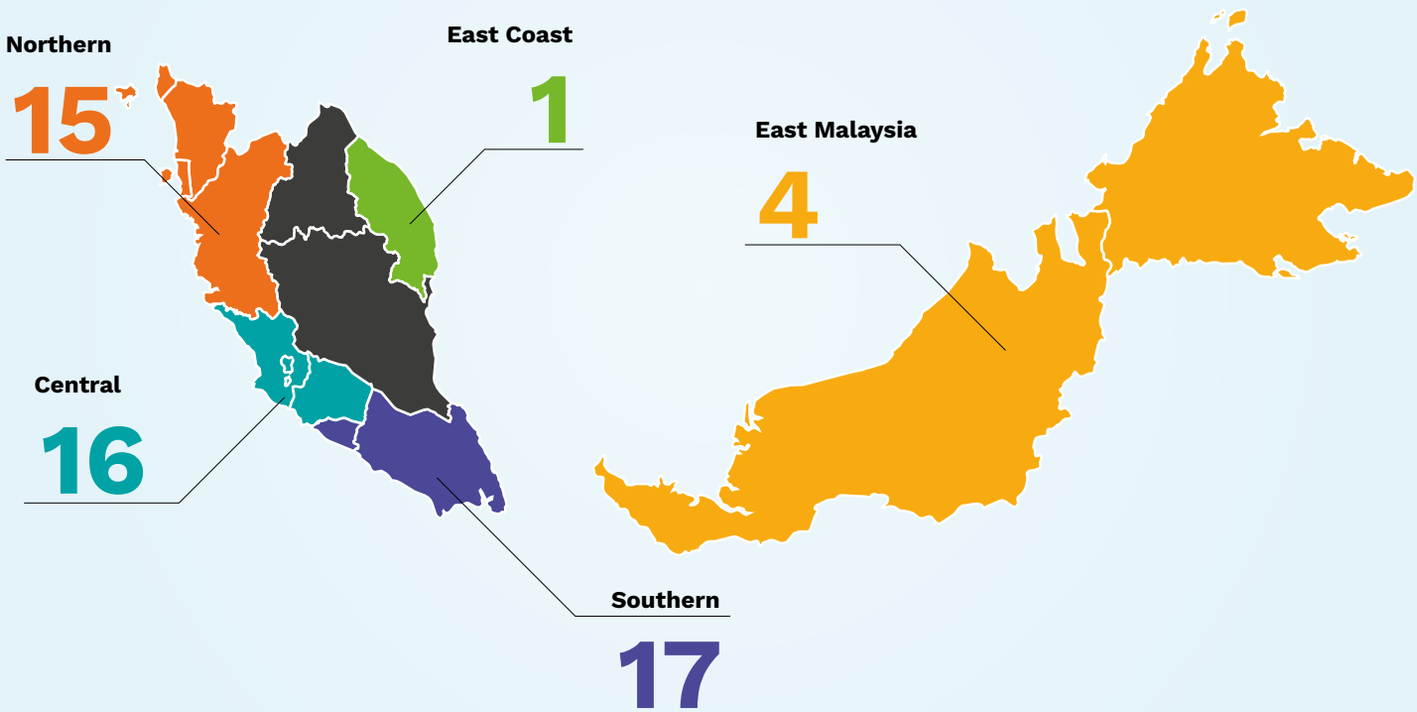
Education Property

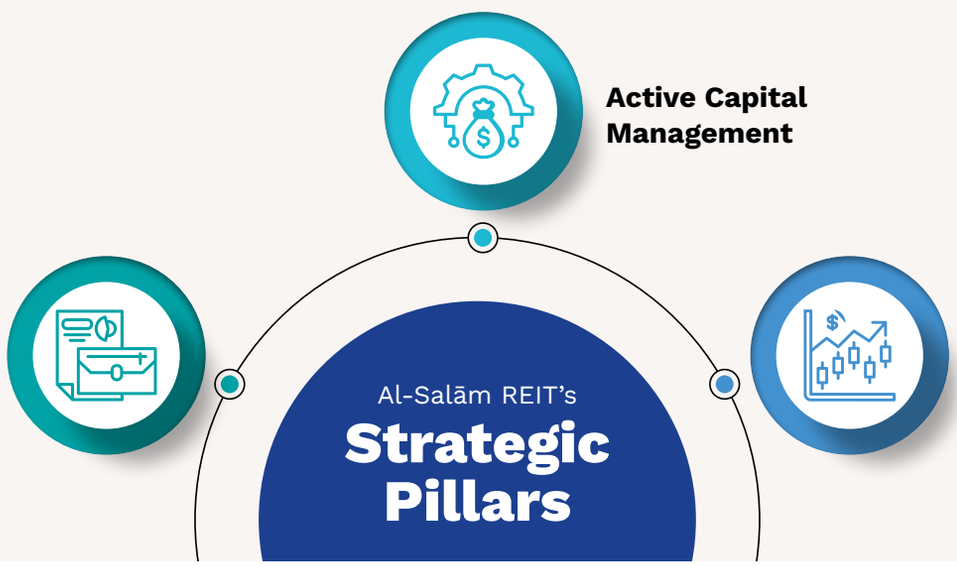
1

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

CORPORATE PROFILE

Regional Breakdown of the Properties





More information on the REIT's strategic pillar and the DISRUPT27 strategic framework can be found in the Business Review section.

TRUST STRUCTURE

ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS

For more information of Board of Directors please refer pages 148 to 159.

Our Board Committees:

BOARD AUDIT AND RISK COMMITTEE

BARC

For more information, please refer page 176.

BOARD INVESTMENT COMMITTEE

BIC

For more information, please refer page 182.

BOARD NOMINATION AND REMUNERATION COMMITTEE

BNRC

For more information, please refer page 186.

BOARD SUSTAINABILITY COMMITTEE

BSC

For more information, please refer page 190.

COMPANY SECRETARY

COMPLIANCE OFFICER

CHIEF EXECUTIVE OFFICER

HEAD, CEO'S OFFICE, INVESTOR RELATIONS & STRATEGY

- CHIEF OPERATING OFFICER
- CHIEF FINANCIAL OFFICER
- CHIEF INVESTMENT OFFICER
- HEAD, GOVERNANCE & LEGAL
- HEAD, CORPORATE SERVICES

For more information of The Management Team please refer pages 162 and 163.

SALIENT FEATURES

al-salām REAL ESTATE INVESTMENT TRUST

Name of Fund	Al-Salām Real Estate Investment Trust
Type of Fund	Income and Growth
Category of Fund	Real Estate Investment Trust
Listing	Main Market of Bursa Malaysia Securities Berhad
Listing Date	29 September 2015
Stock Name and Code	ALSREIT (5269)
Fund Size	580,000,000 units
Initial Public Offering Price	RM1.00
Financial Year End	31 December
Trustee Fee	Up to 0.02% per annum of the Fund's Net Asset Value
Manager's Fee	Up to 1% per annum of the Fund's Total Asset Value
Distribution Policy	At least 90% of distributable income
Revaluation Policy	Annually by independent registered valuer
Gearing Policy	Not exceeding 50% of the REIT's Total Asset Value

OPERATING STRATEGY

The Manager will seek to optimise the rental rates, occupancy rates and net lettable area of the subject properties in order to improve the returns from Al-Salām REIT's property portfolio.

INVESTMENT OBJECTIVE

The Fund's key objective is to invest in Shariah-compliant properties, providing unitholders with regular and stable income distributions, sustainable long term unit prices and distributable income and capital growth, while maintaining an appropriate capital structure.

INVESTMENT POLICY

Al-Salām REIT is an Islamic REIT established with the principal investment policy of investing, directly and indirectly, in a diversified shariah-compliant portfolio with income producing real estate which are used primarily for commercial retails, office and industrial purposes in Malaysia as well as real estate-related assets.

INVESTMENT MANAGEMENT STRATEGY

The Manager will source for and acquire properties that fit within Al-Salām REIT's investment strategy to enhance return to the Unitholders and capitalise on opportunities for future income and Net Asset Value ("NAV") growth.

CAPITAL MANAGEMENT STRATEGY

The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions, seek to manage financing and refinancing risk to adopt an active financing rate management strategy to manage the risks associated with changes in financing rates.

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REAL ESTATE INVESTMENT TRUST

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LETTER TO STAKEHOLDERS

PERFORMANCE AT A GLANCE

Gross Revenue

RM88.8
million

Realised Profit

RM14.1
million

Market Capitalisation

RM284.2
million

For more information of Financial Review please refer page 38.

DATUK HASHIM BIN WAHIR
Chairman

Dear Valued Stakeholders,

It is my pleasure to present our first Integrated Annual Report for the financial year ended 31 December 2025 ("FY2025"), which also marks the REIT's 10th anniversary milestone.

In this period, the REIT has successfully delivered strong financial performance while advancing our sustainability commitments with greater disclosures and transparency, among other developed initiatives. Al-Salām REIT's progress is guided by our DISRUPT27 strategy, which guides us towards achieving several economic and sustainability milestones.

LETTER TO STAKEHOLDERS

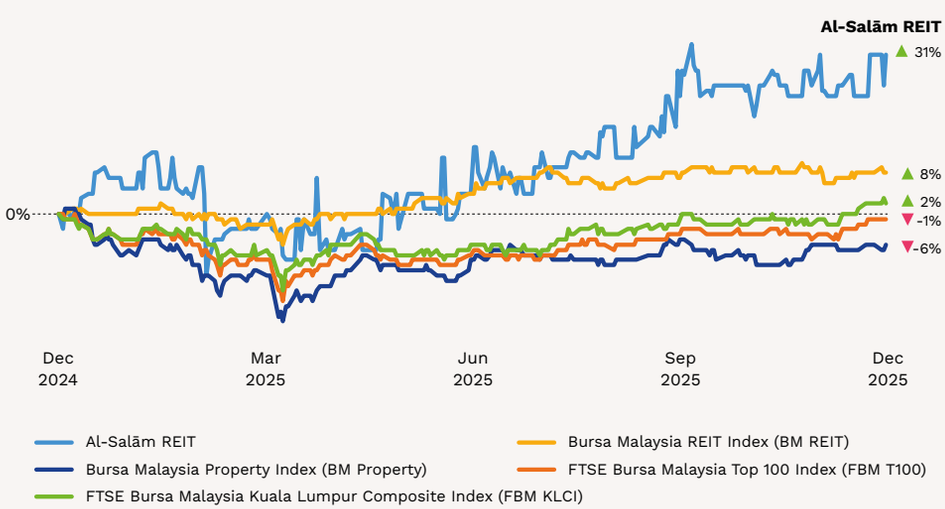
OVERVIEW OF M-REITS

Total Return:
10.5%

Average Distribution Yield:
5.9%

The M-REIT sector in 2025 experienced strong growth, supported by resilient fundamentals and a stable interest-rate environment. The 25bps OPR cut in July boosted market sentiment, while the retail and hospitality segments drove growth, aided by strong consumer activity and tourism recovery. The 8% Sales and Services Tax on rental and leasing had minimal impact, as landlords maintained occupancy and achieved favourable rental reversions.

Al-Salām REIT's FY2025 Unit Price Performance vs Benchmark Indices



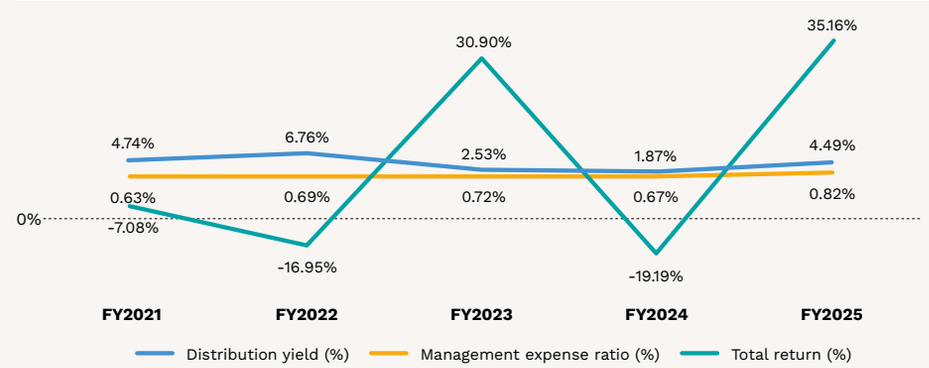
Following the expiry of the concessional 10% withholding tax rate on REIT distributions effective from Year of Assessment 2026, the tax treatment of REIT distributions will revert to prevailing tax rates applicable to different investor categories. This development may have implications for investor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

AL-SALĀM REIT EXCEEDS M-REITS

Total Return:
35.2%

Distribution Yield:
4.5%

Al-Salām REIT Distribution Yield, Expense Ratio and Total Return



Al-Salām REIT exceeded M-REITs by 31%, surpassing the Bursa Malaysia REIT and Property Index and the FBM KLCI. Its total return reached 35%, reflecting the REIT's ability to generate substantial returns for investors. Despite global economic uncertainties, Al-Salām REIT capitalised on its defensive nature, offering stability amid volatility.

LETTER TO STAKEHOLDERS

KEY MILESTONES ACHIEVED

DISRUPT27

As we reflect on our past year, we are excited to share a positive turning point for Al-Salām REIT, firmly reflected in our FY2025 financial and operational performance, particularly in the retail sector, led by our flagship asset, KOMTAR JBCC.

A key driver of our performance this year has been the significant financial improvement of our strategic asset, KOMTAR JBCC, which saw its Net Property Income ("NPI") yield rise to 2.98% in FY2025. This turnaround was primarily propelled by the success of our first-phase rejuvenation efforts, which effectively boosted occupancy rates to 71% while simultaneously achieving favourable average rental reversions.

In 2025, our focus was on setting the DISRUPT27 business and investment strategy for the coming years, essentially laying the foundation for Al-Salām REIT's next phase of growth. We reviewed our portfolio against the global and domestic economic landscape, policy reforms, business environments, and internal operating factors, and the Board saw a need to establish a strong portfolio focus. With this focus in view, the management team can better execute and achieve strategic goals with clarity.

In reinforcing our commitment to enhance long-term value creation for our unitholders, it is worthwhile to note our key milestones in 2025:

1. Completed the issuance of a RM455 million Sukuk Wakalah Programme as part of a RM3.0 billion programme in November 2025, achieving an oversubscription of approximately five-fold despite a tight liquidity window, thereby reducing our borrowing costs;
2. 205% improvement in NPI yield of KOMTAR JBCC, directly impacting our profitability and Distribution Per Unit ("DPU");
3. Improvement in DPU of 214% to 2.20 sen from 0.70 sen in FY2024;
4. Successful first phase tenant and layout reconfiguration of KOMTAR JBCC, with G floor tenants near 100% secured.

SETTING THE STAGE FOR FUTURE GROWTH

Our near-term strategy is to optimise the positioning of our flagship assets, KOMTAR JBCC and Menara KOMTAR, which are strategically located within the Ibrahim International Business District ("IIBD") of Johor-Singapore Special Economic Zone ("JS-SEZ"). This provides us with a stellar opportunity to capitalise on the economic spillover from infrastructure catalysts, such as the cross-border Rail Transit System ("RTS"), slated for completion in 2027. The completion of the final phase of Electrified Double Track Project ("EDTP") are also expected to enhance accessibility, driving increased visitor inflows from the northern region and southern Thailand.

This underscores our confidence in the growth trajectory of our flagship assets, supported by rising tourism and cross-border business demand, as well as domestic retail resilience.

Apart from our sukuk issuance to reduce borrowing costs, we have also implemented a disciplined approach to capital management, allowing us to pursue opportunistic, highly synergistic, yield-accretive acquisitions for our portfolio. This is essential to be conducted in tandem with our portfolio review, where we intend to realise our investments in mature and/or non-core assets.

As part of our portfolio review, we have disposed of the KFC Kuchai Lama Drive Thru for RM14.7 million, with a gain on disposal of RM0.1 million in June 2025.

Looking ahead, we remain mindful of global trade restrictions and potential cost escalations that may impact consumer purchasing power. However, we view the upcoming years with confidence as Al-Salām REIT is strategically positioned to capitalise on major infrastructure catalysts like the RTS Link, projected for completion by 2027, and the JS-SEZ. These developments are expected to drive a significant and sustained increase in footfall to our flagship assets, Menara KOMTAR and KOMTAR JBCC, effectively offsetting external macroeconomic volatility.

By maintaining a disciplined approach to cost management and capital stewardship, we are setting the stage for sustainable margin protection and long-term growth as we transition into a premier transit-oriented retail destination.

LETTER TO STAKEHOLDERS

OPERATIONS ANCHORED IN SUSTAINABILITY

2025 represents a strategic inflection point for Al-Salām REIT 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-Salām REIT has taken steps to align with the International Sustainability Standards Board ("ISSB") standards, specifically IFRS S1 and IFRS S2. As the REIT falls within the second phase of Malaysia's National Sustainability Reporting Framework ("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 Environmental, Social, and Governance ("ESG") framework, aligned with the United Nations Sustainable Development Goals ("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 DISRUPT27 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, effective August 2025, bringing with them extensive knowledge and experience in real estate asset management, which will further strengthen the Board's capabilities.

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-Salām REIT 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-Salām REIT

BUSINESS REVIEW

OPERATIONAL OVERVIEW

FY2025 marked the start of a renewed strategy and a phase of recovery for Al-Salām REIT, as demonstrated by strong financial performance, with revenue of RM88.8 million, an improvement of 13.2% from FY2024. The delivery of Al-Salām REIT's strong financial performance was anchored in three strategic areas, covering operations, capital management, and overall portfolio management:

Improve Portfolio Identity

Active Capital Management

Achieve Share Price at Par with NAV

Despite macroeconomic headwinds, Al-Salām REIT's portfolio demonstrated resilience across the office, F&B, and industrial sectors, while achieving exemplary financial performance driven by the retail sector, underpinned by the successful first-phase rejuvenation of KOMTAR JBCC.

In FY2025, the REIT placed greater focus on its flagship assets, KOMTAR JBCC and Menara KOMTAR, which are strategically located within walking distance of the Customs, Immigration and Quarantine ("CIQ") complex. Al-Salām REIT's flagship assets benefit from this daily heavy traffic and footfall, driving vibrancy at the retail mall and increasing the appeal of Menara KOMTAR with excellent connectivity within the vicinity of the CIQ.

In other segments, the REIT's F&B and industrial portfolio provided income stability and earnings visibility through a master lease arrangement with QSR Brands, maintaining 100% occupancy in 2025.

Al-Salām REIT takes an active portfolio management approach in reviewing the portfolio mix in preparation for the next phase of growth. The REIT regularly reviews its portfolio to ensure the relevance of its asset class and returns in the current market conditions. As part of the REIT's realignment exercise, mature assets such as the Kuchai Lama KFC drive-thru were disposed of in June 2025 for RM14.7 million, alongside the ongoing disposal of the Sunway KFC shop lot, expected to be finalised in the first half of 2026.

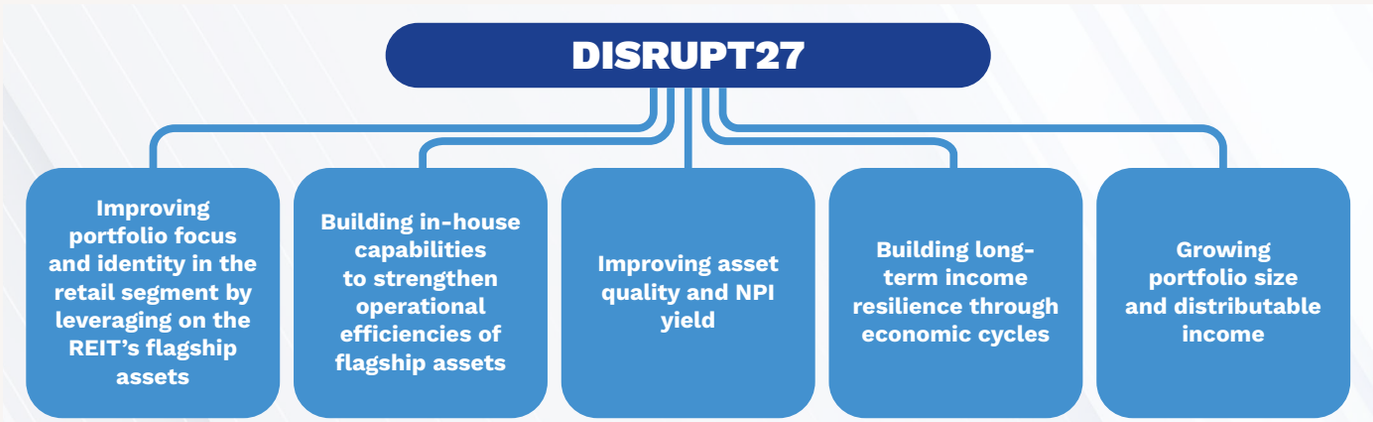
In view of this, Al-Salām REIT will continue to strengthen its position as a retail REIT and gradually reduce exposure to non-core sectors, including the disposal of assets that have reached maturity within their investment horizons. Concurrently, the REIT will continue to actively explore acquisition opportunities for yield-accretive, core assets that align with Al-Salām REIT's identity and commitment to the continuous improvement of its portfolio quality.

More information on the REIT's financial performance and portfolio capital management can be found in the Financial Capital and Portfolio Capital sections, respectively.

BUSINESS REVIEW

DISRUPT27: BUILDING A RESILIENT PORTFOLIO WITH A CLEAR FOCUS

Al-Salām REIT's DISRUPT27 strategic framework is an ongoing strategy that serves as a transformative business model, focused on enhancing human experience. This strategy aims to build a high-quality, yield-accretive, and resilient portfolio.



This strategic framework is further supported by Al-Salām REIT's growth and strategic pillars, as shown below:

BUSINESS REVIEW

ROADMAP TO A SUCCESSFUL TURNAROUND

2019

- Pre-pandemic occupancy stood at 60%.
- The mall recorded total revenue of RM38.1 million, translating into NPI of RM21.0 million.
- Tenant mix was primarily anchored by fashion retailers.

2020

- The onset of the pandemic in March 2020 significantly disrupted operations.
- Revenue declined to RM27.5 million, with NPI impacted at RM4.8 million.
- Occupancy moderated to 57%.

2021

- The mall was largely closed during the peak of the pandemic.
- Revenue fell further to RM12.8 million.
- A Net Property Loss of RM1.2 million was recorded for the year.

2022

- Performance stabilised, supported by tenants with established online retail presence.
- Revenue stood at RM12.1 million, with NPI recovering to RM0.4 million.
- Occupancy improved to 62%, reflecting gradual recovery in leasing activity.

2023

- Occupancy improved to 63% as operations recovered following post-pandemic reopening.
- Recorded a revenue of RM17.0 million, translating into NPI of RM1.8 million.
- Fashion tenants accounted for approximately 30% of occupancy, though performance remained subdued during the recovery phase.
- F&B and wellness segments demonstrated stronger resilience over the same period.

BUSINESS REVIEW

2024

- Recovery momentum strengthened, with revenue reaching RM20.7 million and NPI improving to RM4.2 million, alongside occupancy of 64%.
- New management was established, introducing stronger retail expertise and a transit-oriented strategy to capture demand from upcoming infrastructure developments.
- Tenant mix was actively curated to align with evolving market demand, including price-arbitrage, transit-driven and city-centre retail offerings.
- AEIs were initiated to enhance mall experience, aesthetics and overall configuration.
- The Pedestrian Overhead Bridge ("POB") connecting to the future RTS Link was announced, strengthening long-term connectivity.

Revenue:
RM20.7 million

NPI:
RM4.2 million

Occupancy:
64%

2025

- AEI initiatives continued, with new brands secured and progressive improvements in occupancy.
- The final phase of the EDTP commenced operations in 4Q2025, supporting increased footfall and tenant activity.

2026

- Completion of the POB and RTS Link, together with ongoing AEIs, is expected to strengthen asset positioning and enhance connectivity.
- Expected to drive sales uplift, support NPI growth and increase portfolio occupancy to above 80%.

2027

- Completion of the RTS Link is expected to drive increased footfall and activity.
- Portfolio occupancy is projected to exceed 90%.
- Higher traffic from the RTS, EDTP, Grab-and-Go and F&B offerings is expected to support stronger portfolio performance.
- Post-RTS, the REIT will undertake further AEIs to refine the portfolio and enhance the overall tenant and visitor experience.

This strategy also aligns with the six value creation capitals, focusing 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.

Through this framework, the REIT aims to expand its investment property portfolio while narrowing the gap between its share price and NAV.

BUSINESS REVIEW

STRATEGY

Improve Portfolio Identity - Portfolio Review

Capitals Enhanced:

Results
- Successful first phase KOMTAR JBCC AEIs with improved tenant mix, higher occupancy and strengthened retail positioning.
- Completion of disposal of KFC Kuchai Lama
- Undergoing disposal of KFC Sunway

Financial Impact
- Revenue and NPI improved
- Disposal of KFC Kuchai Lama at RM14.7 million, with a gain on disposal of RM0.1 million in June 2025.

Non-Financial Impact
- Improved portfolio focus and identity

STRATEGY

Active Capital Management

Capitals Enhanced:

Results
- Completed the issuance of a RM455 million Sukuk Wakalah Programme as part of a RM3.0 billion programme in November 2025

Financial Impact
- Borrowing costs reduced by 1% in 2025.

Non-Financial Impact
- Improved investor confidence
- Enhances the REIT's capacity for future capital raising

STRATEGY

Achieve Share Price at Par with NAV - AEIs on KOMTAR JBCC

Capitals Enhanced:

Results
- NPI yield improved to 2.98% in 2025 vs 0.98% in 2024
- Occupancy improved to 71% in 2025 vs 64% in 2024

Financial Impact
- Revenue and NPI improved
- DPU improved by 214% to RM2.20 sen in 2025 from RM0.70 sen in 2024.

Non-Financial Impact
- Improved tenant demand and positioning of the portfolio as a whole

BUSINESS REVIEW

OPERATIONAL HIGHLIGHT: STELLAR PERFORMANCE FROM THE RETAIL SEGMENT

Among Al-Salām REIT's portfolio, the retail segment achieved strong results throughout FY2025, supported by the success of asset enhancements at KOMTAR JBCC, which attracted strong tenant demand and improved rental reversion rates.

KOMTAR JBCC's NPI yield rose from 0.98% in FY2024 to 2.98% in FY2025, with AEIs successfully attracting tenant profiles intended for a transit-oriented mall, in anticipation of the completion of the RTS Link in 2027. These AEIs, developed to ensure the REIT is sufficiently prepared to capitalise on its cross-border shoppers and daily commuter demographic, primarily include upgrading of common areas to provide an updated look and feel to improve shopper and tenant appeal, alongside key reconfigurations of layout and tenant mix that are aligned with the position of KOMTAR JBCC as a transit-oriented mall.

As a result, KOMTAR JBCC achieved a strong occupancy of 71%, with a refreshed al-fresco dining area that enjoys high traffic exposure to Jalan Wong Ah Fook, successfully attracting cross-border F&B and medical services tenants. Common area upgrades were also completed on the first and second floors of KOMTAR JBCC.

A major tenant mix and layout reconfiguration was also completed on the second floor of KOMTAR JBCC, aimed at attracting grab-n-go and F&B tenants. The second floor now features an updated design, with improved footfall from pedestrians alighting from the Customs, Immigration and Quarantine ("CIQ") complex, which is connected via a POB to the second floor of KOMTAR JBCC.

The completion of the cross-border RTS will enhance KOMTAR JBCC's accessibility via a direct POB connection from the Bukit Chagar RTS station, positioning the asset to capture stronger pedestrian traffic flows.

This spillover is expected to enhance the appeal of Menara KOMTAR as one of the few office buildings with unparalleled connectivity to the Bukit Chagar RTS station, whilst also benefiting other developments situated strategically on the same integrated plot, creating a vibrant commercial space within the immediate area.

KOMTAR JBCC's

NPI Yield

2.98%

Occupancy Rate

71%

OPERATING ENVIRONMENT

Throughout FY2025, Al-Salām REIT faced key macroeconomic and external factors that affected its operations. Global output was estimated at 3.3% in 2025, with activity picking up in the second half of the year, compared with a bleaker outlook at the start of 2025. Looking forward, the International Monetary Fund ("IMF") projects global growth to remain steady at 3.3% in 2026 and moderate slightly to 3.2% in 2027. Trade tensions remain a risk and could weigh on global supply chain activities, potentially affecting the vibrancy of financial markets and global fiscal policies.

Global growth is expected to be largely supported by emerging economies at an estimated 4.0% for 2026 and 2027, while growth in advanced economies is projected at 1.8% in 2026 and 1.7% in 2027. Nonetheless, the US economy is expected to expand by 2.4% in 2026, supported by lower policy rates, fiscal policies, and the continued momentum from a better-than-expected second half of 2025. Subsequently, global headline inflation is projected to decline to 3.8% in 2026 and 3.4% in 2027 from 4.2% in 2025.

On the domestic front, Malaysia recorded stronger-than-expected Gross Domestic Product ("GDP") growth of 4.9% in 2025, surpassing various official estimates of 4.0% - 4.8%, including those from Bank Negara Malaysia, the International Monetary Fund, the World Bank, and other sources. Key economic metrics showed positive signs according to the Malaysian Department of Statistics, including a drop in unemployment rate to an 11-year low of 2.9% in November 2025, steady headline inflation at 1.4% and the Ringgit emerging as the best-performing Southeast Asian currency with gains of ~ 9.0% versus the greenback as of December 2025.

Continuing the positive momentum from 2025, growth in 2026 is expected to remain steady, with a slight moderation compared to 2025, primarily due to uncertainties arising from geopolitical tensions and tariff implementations. While these uncertainties pose downside risks to the economy, domestic growth is projected to remain resilient, with headline inflation expected to range between 1.3% and 2.0% in 2026, according to the Ministry of Finance's Outlook 2026.

Fiscal consolidation and structural reforms in policy also continue to drive investor sentiment and confidence, with Foreign Direct Investments ("FDI") expected to remain strong, especially in data centres, tech, and Electrical and Electronics ("E&E") related sectors. Export growth is expected to be supported by the resilience of the E&E sector and Malaysia's role in the global E&E value chain.

REAL ESTATE OUTLOOK

In view of the Malaysian government's structural reforms, growth in the real estate sector is expected to be defined by adaptation to policy and infrastructure changes, including the promotion of industrial sectors and tourism, sustainability-led policies, a proposed carbon tax, revisions to electricity tariffs, tax structures, and fiscal reforms.

With a focus on key topics in affordable housing, urban regeneration, and green building practices, the real estate sector is well-positioned for strategic growth in support of national development. Broad sector demand is also supported by policy promotion, attracting FDIs in the industrial, logistics, and E&E sectors, with expected spillover to the commercial and office sectors, while transportation line expansions and infrastructure catalysts are expected to improve cargo and commuter connectivity and uplift land values along these routes, even extending to cross-border linkages with the soon-to-be completed RTS link in 2027. Promotion of Visit Malaysia Year 2026 is also expected to boost tourism and the hospitality and retail sectors.

In terms of investments, real estate investors are increasingly cautious and are employing a disciplined approach to selecting assets for yield generation, aligning with structural reforms, long-term fundamentals for income resilience, and the flexibility of asset use.

OPERATING ENVIRONMENT

RESIDENTIAL

In the near term, the residential sector is expected to experience moderate buyer demand, with buyers being more selective in their criteria, including locations offering connectivity, products with optimised layouts suited to evolving home buyers' needs, and integrated developments with lifestyle appeal. The uptick in residential properties enhances communities, increasing local footfall and providing a consistent customer base and workforce that benefits both tenants and REITs.

Klang Valley:

Overall residential supply recorded a y-o-y 9M increase of 3.8% in the Klang Valley. While high-rise transaction volume decreased by 4.0%, transaction value increased by 4.7%; landed transaction volume and value decreased by 6.7% and 3.1%, respectively.

Overall, overhang levels decreased, driven by the high-rise segment, which saw improved absorption, while the landed segment saw a 28.2% y-o-y increase in overhang levels for the nine months ending September 2025. High-rise overhang is concentrated in Kuala Lumpur due to land scarcity, while landed overhang is concentrated in Selangor.

With an emphasis on housing affordability, mid-range properties under RM500,000 continue to receive steady interest from first-time homebuyers, young families, and urban professionals. Nonetheless, buyers are generally exhibiting a more cautious approach, carefully evaluating their choices in terms of location, convenience, the relevance of space use, lifestyle amenities, and security, among others, when making their purchase.

This is expected to continue into 2026, when developers will need to adopt layouts and create community and experiential spaces to meet buyer demand for space use and lifestyle, differentiating themselves from competitors. This is also expected to drive the development of integrated components, such as retail, commercial, and office areas around residential developments.

Johor:

The Johor residential market recorded a y-o-y increase of 2.9% in total supply for the 9M ending 2025, led by expansion of the high-rise segment of 4.5% and an increase of 2.3% in the landed segment.

In the near term, the Johor residential market is expected to be characterised by city-centre demand and demand arising from the RTS corridor, particularly from investor and cross-border commuter interests. With the completion of the RTS, the time taken for the cross-border journey will be reduced to approximately five (5) minutes, redefining cross-border connectivity between Johor Bahru and Singapore. The immediate vicinity surrounding the CIQ complex is already experiencing strong demand, with developers snapping up land for mixed development to capitalise on this infrastructure catalyst.

In Iskandar Malaysia, landed residential homes continue to perform well, where transaction values recording y-o-y 9M increases up to 22.0% in the cluster home segment. The residential segment in Johor is expected to sustain its performance. However, investment-led buyers may be wary of oversupply risks and overpricing in fringe areas with less cohesive last-mile connectivity.

For more information on the macroeconomic impacts and future outlooks of the REIT's portfolio segments, please refer to the respective segments in the Segmental Highlights of the Portfolio Capital section of this IAR2025.

OPERATING ENVIRONMENT

PESTLE ANALYSIS

To ensure the REIT remains abreast of all ongoing developments, a PESTLE analysis was employed, enabling the identification of significant external influences and opportunities shaping the REIT's performance and strategic direction.

These include:

Global Tariff Threats

Global tariff threats and trade restrictions have indirect consequences on the REIT's overall financial, business, and operational performance. With these uncertainties, global supply chains are being redefined, where suppliers and consumers alike are forced to adapt to this new order, taking into account cost escalations. Based on recent studies, 55% of Malaysian companies cited rising costs due to trade uncertainty, leading some to pass costs on to customers and other downstream consumers, ultimately impacting retail spending and consumer purchasing power.

Despite these risks, the Malaysian economy proved resilient, showing signs of growth throughout 2025, strengthening currency, and other positive economic indicators. Regardless, the REIT remains committed to implementing fail-safes, primarily through continued cost management at both the property and fund levels to ensure margins remain sustainable despite these external geopolitical developments.

Monetary Environment and Interest Rate Volatility

The monetary environment throughout FY2025 was characterised by interest rate volatility, even as Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 2.75%. While stable rates can support consumer discretionary spending, the REIT remains exposed to fluctuating financing costs due to the reliance on floating-rate debt. To safeguard unitholder value, the REIT prioritises prudent capital management, including active efforts to refinance existing facilities and restructure debt to secure more favourable and sustainable terms.

Tourism Policy and Campaign Developments

In addition to the positive national macroeconomic outlook, the REIT stands to gain by potential financial capitals provided through the 13th Malaysia Plan, offering RM430 billion between 2026 to 2030 in development expenditures, alongside the Visit Malaysia 2026 ("VM2026"), a government-led initiative targeted to attract 47 million foreign visitors and generate RM329 billion in tourism revenue, compounded with the Visit Johor 2026 campaign set to attract 12 million additional visitors, present a positive outlook Al-Salām REIT, particularly KOMTAR JBCC. In view of KOMTAR JBCC's proximity to the CIQ, KOMTAR JBCC is expected to benefit from the spillover of tourism campaigns and visitors from VM2026 and Visit Johor 2026 ("VJ2026"). The renewed tenant mix of KOMTAR JBCC is also expected to attract more visitors, in line with consumer preferences from the cross-border tourist demographic.

Catalytic Infrastructure Development and Connectivity

Al-Salām REIT is expected to experience a significant positive impact on foot traffic and revenue generation on KOMTAR JBCC due to the upcoming Johor Bahru-Singapore RTS Link, projected for completion by 2026 or 2027 with a capacity of 10,000 travellers per hour, alongside the Elevated Autonomous Rapid Transit ("E-ART") slated for completion in the coming years. This is further enhanced by the construction of a POB connecting the station directly to KOMTAR JBCC, positioning the REIT as an entry point for visitors arriving from and departing to Johor Bahru and Singapore.

These developments are expected to be a primary driver of a significant increase in footfall from Singaporean cross-border shoppers and local commuters. While short-term traffic congestion during construction remains a challenge, the REIT proactively responds through AEIs to improve e-hailing and public transport infrastructure and ensure flagship assets are positioned as premier transit-oriented retail destinations.

This is also expected to increase Menara KOMTAR's appeal as a choice office space, especially for cross-border businesses seeking to establish a presence in both Malaysia and Singapore requiring frequent travelling between both locations. With favourable economic policies such as the JS-SEZ, the demand for quality office space in the city centre is expected to remain strong, leading to rents holding stable in the coming years. The working crowd from Menara KOMTAR is also expected to translate to improved footfall in KOMTAR JBCC, reinforcing the synergies within the REIT's flagship assets.

OPERATING ENVIRONMENT

Operational Costs and Inflationary Pressures

Operational costs are facing significant upward pressure from national policy shifts, including reductions in fuel subsidies, higher sales and service taxes ("SST"), and the implementation of higher minimum wages. These inflationary factors put pressure on margins and affect tenants' overall affordability.

In view of this, the REIT is constantly monitoring operational efficiencies, including monitoring energy usage, taking long-term measures to manage utility costs, while balancing value-enhancing AEIs to common areas in KOMTAR JBCC and Menara KOMTAR to ensure shopper comfort, strong footfall and tenant satisfaction.

Economic Zones and Urban Rejuvenation

The momentum generated by the JS-SEZ and the Ibrahim International Business District ("IIBD") serves as a vital catalyst for Johor Bahru's urban and economic upgrade. This change has fuelled increased demand for office assets and commercial spaces in the central business district. Al-Salām REIT is strategically aligning its portfolio to capitalise on this opportunity by leveraging its flagship assets, KOMTAR JBCC and Menara KOMTAR, strategically located within the IIBD, to capture strong footfall and tenant demand. The REIT is also pursuing potential assets which are a strategic fit for the portfolio and reducing non-core segments in a focused approach to establish a clear identity as a diversified retail REIT.

ESG Integration and Energy Efficiency

Rising energy costs and increasingly stringent regulatory requirements have made ESG and energy efficiency a core business imperative. Electricity tariffs were raised by 13.6% in 2025 following the launch of Tenaga Nasional Berhad's ("TNB") Regulatory Period 4 ("RP4"), setting the price at 45.4 sen/kWh up to 31st December 2027. Fuel prices have also fluctuated, with fuel subsidy regulations becoming more stringent and RON97 prices increasing nationwide to RM3.28 per litre. Furthermore, there is a growing demand for sustainable operations that enhance long-term asset resilience, differentiate the REIT in a competitive market, and ensure continuous alignment with evolving sustainability standards and regulatory requirements.

Al-Salām REIT has integrated these initiatives by adopting Green Lease clauses in new agreements, installing solar photovoltaic ("PV") systems at @Mart Kempas, with plans to expand its implementation to the rest of the REIT's portfolio, and achieving Green Building Index ("GBI") certification for its primary urban assets. In tandem with green building initiatives, the REIT implemented various energy and water-efficiency measures, increased engagement with regulatory bodies, and consulted external experts to ensure continuous alignment of all operations with these standards.

Consumer Behaviour and Digitalisation

Consumer behaviour in the retail sector is rapidly shifting toward urbanisation and digitalisation, with a growing preference for experiential retail and omnichannel shopping. This is reflected in the 35% increase in e-commerce shoppers, representing 62% of the Malaysian population using online platforms in 2025, up from 46% the previous year. The ongoing global technology development also presents unique opportunities for the commercial and industrial segments. The REIT adapts to this trend by strengthening its tenant mix to include premium F&B brands and delivery services that cater to mobile, lifestyle-oriented consumers, while onboarding digitally equipped retailers to future-proof its mall offerings.

al-salām
REAL ESTATE INVESTMENT TRUST

Section 4

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

10TH ANNUAL GENERAL MEETING

NOTICE DATE
27 May 2025

MEETING DATE
25 June 2025

INVESTOR RELATIONS REPORT

4 Analyst Briefings

3 Property Site Visits

1 AGM for FY2025 held on 25 June 2025

4 Roadshows

1 New Research House Coverage

In Al-Salām REIT's journey towards increased transparency, the REIT held numerous stakeholder engagements throughout FY2025 with a heightened focus on investor relations. Through these engagements, investors receive an accurate representation of Al-Salām REIT, including past, present, and future estimates of its performance and plans.

The REIT held 11 investor engagement sessions in FY2025, which included site visits, analyst briefings, and the Annual General Meeting ("AGM"), as detailed below:

Date	Event
12 January 2025	BIMB Securities Research Initiated Coverage in January 2025 with a Buy call
16 January 2025	Investor Site Visit (Maybank) JS-SEZ
21 February 2025	4Q2024 Analyst Briefing
26 May 2025	Maybank Investment Bank upgraded from Sell to Hold
09 June 2025	1Q2025 Analyst Briefing
25 June 2025	Al-Salām REIT AGM at Persada Johor International Convention Centre
11 September 2025	2Q2025 Analyst Briefing
29 September 2025	Investor Site Visit (Maybank) KOMTAR JBCC
30 September 2025	Investor Site Visit (BIMB) KOMTAR JBCC & @mart Kempas
10 December 2025	3Q2025 Analyst Briefing

More information on Al-Salām REIT's stakeholder policy and engagement initiatives can be found in the Sustainability Statement section.

Investor Site Visit (Maybank) JS-SEZ
16 January 2025

Al-Salām REIT AGM at Persada Johor International Convention Centre
25 June 2025

2Q2025 Analyst Briefing
11 September 2025

Investor Site Visit (BIMB) KOMTAR JBCC & @mart Kempas
30 September 2025

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REAL ESTATE INVESTMENT TRUST

Section 5

APPROACH TO VALUE CREATION

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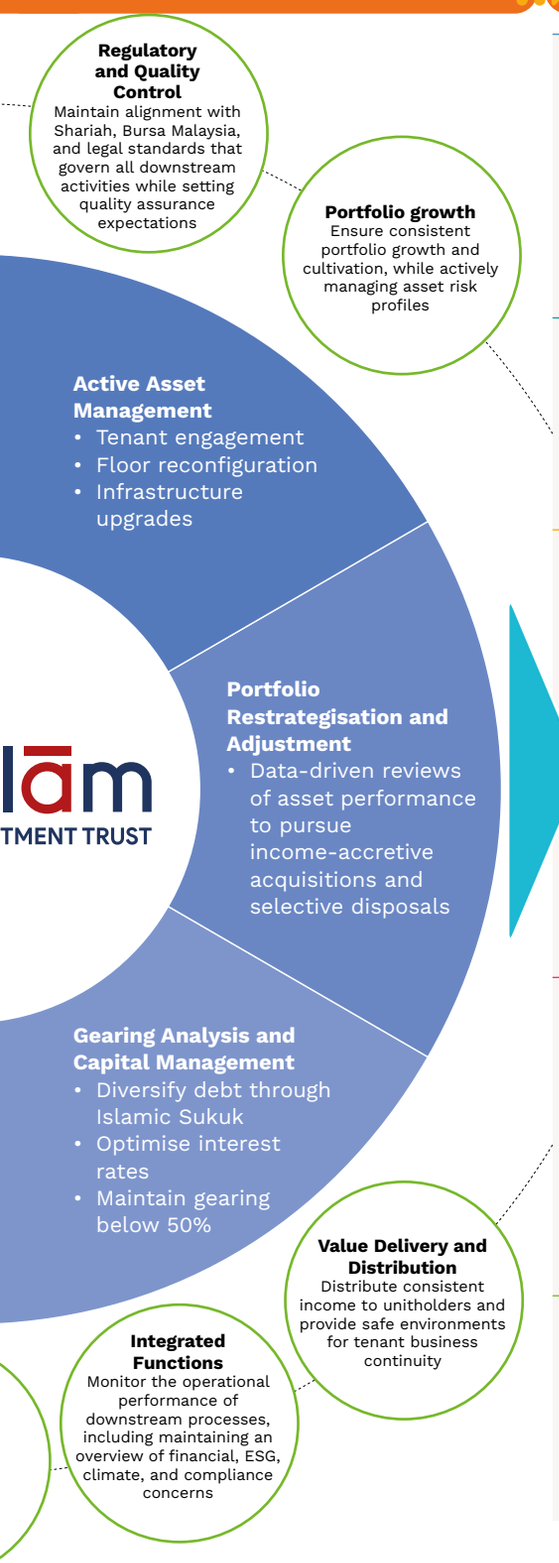
VALUE CREATION MODEL

Al-Salām REIT utilises a variety of strategies and unique capital inputs to generate and provide value to its stakeholders while ensuring long-term business continuity. The chart below summarises the REIT's value creation process and how these capitals are transformed into financial and non-financial outputs throughout FY2025.

VALUE CREATION MODEL



OUTPUTS	OUTCOMES
• Revenue: **RM88.8 million** • Profit before tax: **RM13.8 million** • Profit after tax: **RM13.6 million** • Cash and cash equivalents: **RM41.3 million** • Total assets: **RM1.315 billion** • Total liabilities: **RM663.4 million** • Total financings: **RM630.7 million**	• Unbilled rental income: **RM2.7 million** • **RM10.0 million** dividend payout • **RM40.3 million** paid in finance costs • **RM284.2 million** worth of market capitalisation
• **53** properties managed under the REIT's portfolio • **10,440,000** footfall throughout portfolio • **95%** occupancy rate • Total property valuation of **RM1.22 billion**	• Extended lifespan of critical systems through digital building management systems
• Maintained Shariah-compliant operations • Established an active asset management strategy • Implemented digitalisation and Property Technology • Maintained access to sukuk funds and Islamic finance	• Centralised digital property management and smart leasing platforms • Enhanced use of advanced data analytics for strategic tenant mix decisions, dynamic leasing, and standardised tenancy reporting
• **26** total employees • **1,541** hours of training programmes	• LTIR of 0 • **43%** of women in senior management roles • Improved compliance with OSH standards and laws
• **4** investor briefings	• Enhanced tenant engagement, improved retention, and increased green lease participation • Better shopper and visitor experience • Improved brand image through local supplier procurement and compliance with labour standards • Stronger appeal to institutional investors through ESG transparency and disciplined growth
• **78.22** MWh of electricity in headquarters, shared with Al-`Aqar REIT • **19,189** MWh of electricity by tenants across the portfolio • **1,827** litres of fuel, shared with Al-`Aqar REIT	• **8,301** litres of fuel savings against FY2024, shared with Al-`Aqar REIT

FINANCIAL CAPITAL

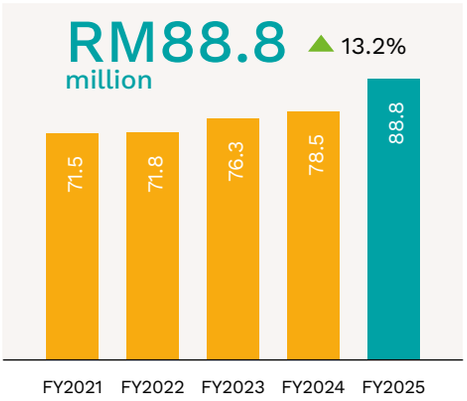
Financial Capital is a central component of Al-Salām REIT's value creation framework. It comprises funds generated from rental income, property revaluation gains, and financing activities through debt and equity. Effective management of this capital ensures operational resilience and supports portfolio growth, ultimately enabling the REIT to deliver sustainable returns to Unitholders.

Al-Salām REIT's capital management strategy emphasises a balance between growth initiatives and disciplined financial policies. By maintaining resilient cash flows and a strong balance sheet, the REIT is well-positioned to pursue opportunities while safeguarding long-term stability.

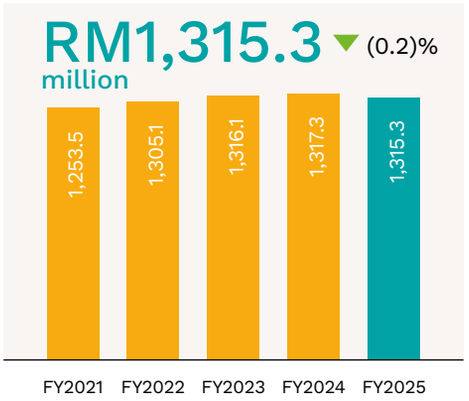
More importantly, Financial Capital also enables the growth of other Capitals utilised by the REIT. It provides the resources necessary to expand and maintain Portfolio Capital, invest in Human Capital, and drive innovation that strengthens Intellectual Capital. These investments reinforce Social Capital by building stakeholder confidence and contribute to Natural Capital through initiatives that mitigate sustainability-related risks.

FIVE-YEAR FINANCIAL PERFORMANCE

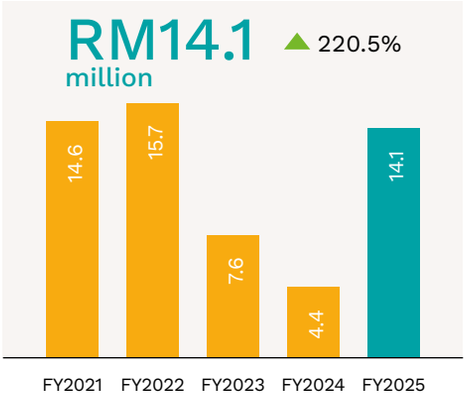
GROSS REVENUE (RM MILLION)



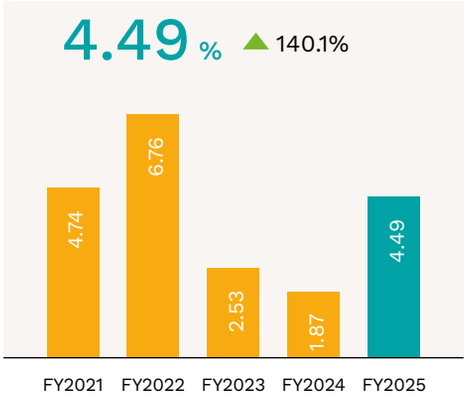
TOTAL ASSET VALUE (RM MILLION)



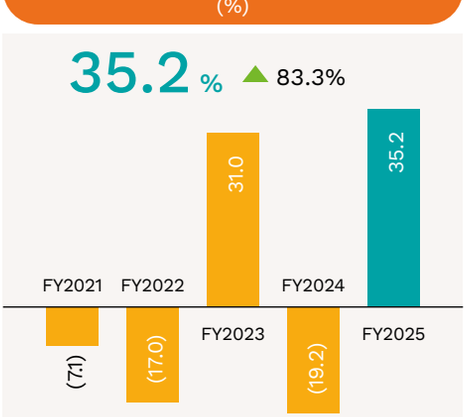
PROFIT FOR THE YEAR (REALISED) (RM MILLION)



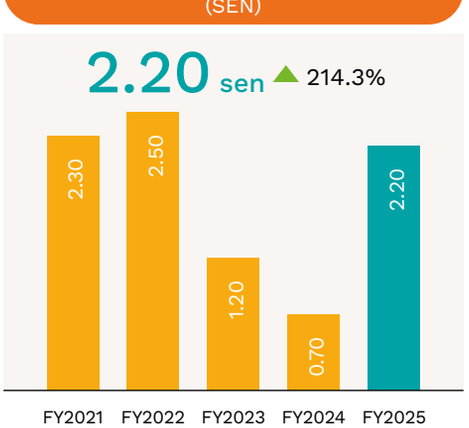
ANNUALISED DISTRIBUTION YIELD (%)



ANNUAL TOTAL RETURN (%)



DISTRIBUTION PER UNIT (SEN)



FINANCIAL CAPITAL

Financial Highlights – Group	FY2021	FY2022	FY2023	FY2024	FY2025
Statement of Comprehensive Income - Key Data & Financial Ratios					
Gross Revenue (RM'000)	71,543	71,800	76,283	78,453	88,825
Net Property Income (RM'000)	54,994	51,439	50,908	51,415	61,098
Profit for the Year (Realised) (RM'000)	14,644	15,733	7,571	4,388	14,135
Earnings per Unit (Realised) (Sen)	2.52	2.71	1.31	0.76	2.44
Statement of Financial Position – Key Data & Financial Ratios					
Investment Properties (RM'000)	1,177,237	1,224,173	1,239,014	1,201,723	1,213,433
Other Non-current Assets (RM'000)	708	803	1,797	1,667	1,390
Current Assets (RM'000)	75,555	80,138	75,250	113,875	100,524
Total Asset Value (RM'000)	**1,253,500**	**1,305,114**	**1,316,061**	**1,317,265**	**1,315,347**
Current Liabilities (RM'000)	17,810	473,105	140,374	66,659	142,593
Non-current Liabilities (RM'000)	645,080	192,223	529,279	602,219	520,779
Total Liabilities (RM'000)	**662,890**	**665,328**	**669,653**	**668,878**	**663,372**
Net Asset Value (NAV) - Before Distribution (RM'000)	**590,609**	**639,786**	**646,408**	**648,387**	**651,975**
- After Distribution (RM'000)	**580,169**	**631,086**	**645,828**	**647,053**	**647,915**
Total Unitholders' Fund (RM'000)	**590,609**	**639,786**	**646,408**	**648,387**	**651,975**
NAV Per Unit (Before Income Distribution) (RM)	1.0183	1.1031	1.1145	1.1179	1.1241
NAV Per Unit (After Income Distribution) (RM)	1.0003	1.0881	1.1135	1.1156	1.1171

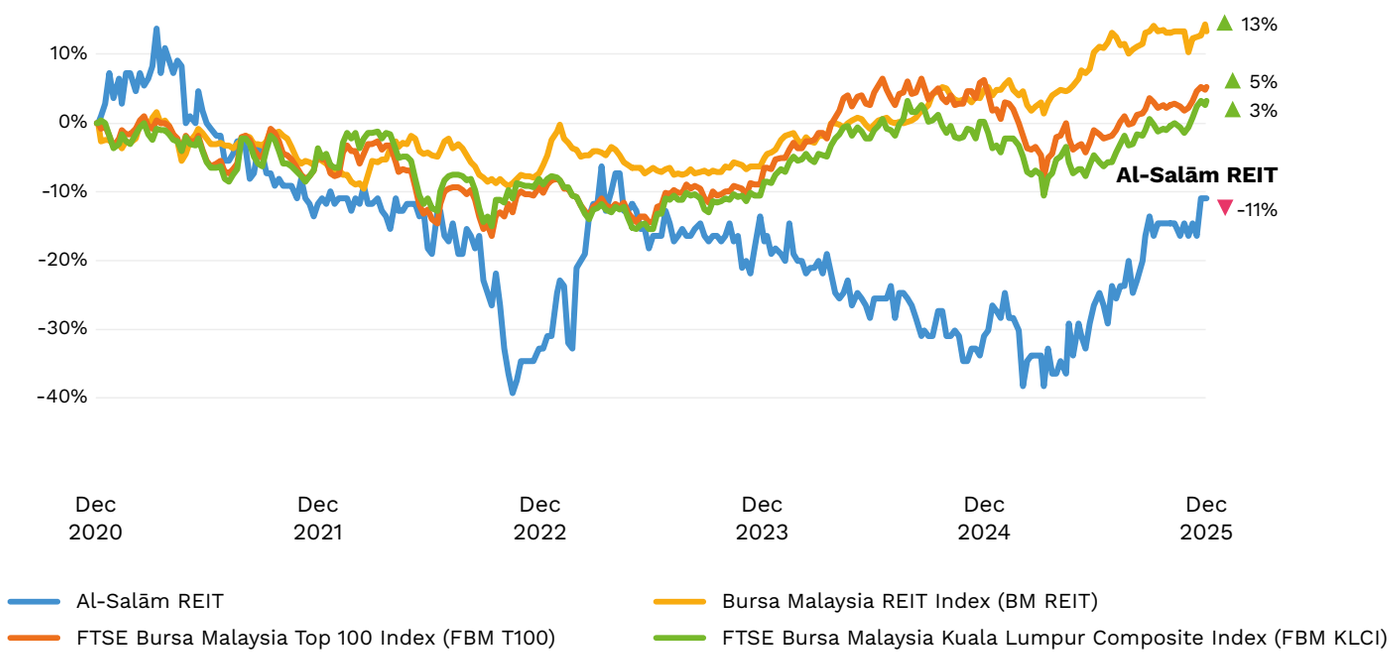
Financial Highlights – Fund	FY2021	FY2022	FY2023	FY2024	FY2025
Statement of Comprehensive Income – Key Data & Financial Ratios					
Gross Revenue (RM'000)	71,543	71,800	76,283	78,453	88,825
Net Property Income (RM'000)	54,994	51,439	50,908	51,415	61,098
Profit for the Year (Realised) (RM'000)	14,704	15,767	7,600	4,439	14,175
Income Available for Distribution (Realised) (RM'000)	14,704	15,767	7,600	4,439	14,175
Earnings per Unit (Realised) (Sen)	2.54	2.72	1.31	0.77	2.44
Distribution per Unit (Sen)	2.30	2.50	1.20	0.70	2.20
Annualised Distribution Yield (%)	4.74	6.76	2.53	1.87	4.49
Management Expenses Ratio (%)	0.63	0.69	0.72	0.67	0.82
Statement of Financial Position – Key Data & Financial Ratios					
Investment Properties (RM'000)	1,177,237	1,224,173	1,239,014	1,201,723	1,213,433
Other Non-current Assets (RM'000)	708	803	1,797	1,667	1,390
Current Assets (RM'000)	69,955	74,454	67,639	107,687	96,569
Total Asset Value (RM'000)	**1,247,900**	**1,299,430**	**1,308,450**	**1,311,077**	**1,311,392**
Current Liabilities (RM'000)	17,441	468,617	137,517	63,824	140,770
Non-current Liabilities (RM'000)	640,772	192,220	525,957	600,572	520,676
Total Liabilities (RM'000)	**658,213**	**660,837**	**663,474**	**664,396**	**661,446**
Net Asset Value (NAV) - Before Distribution	**589,687**	**638,593**	**644,975**	**646,681**	**649,946**
- After Distribution	**579,247**	**629,893**	**644,395**	**645,347**	**645,886**
Total Unitholders' Fund (RM'000)	**589,687**	**638,593**	**644,975**	**646,681**	**645,946**
NAV Per Unit (Before Income Distribution) (RM)	1.0167	1.1010	1.1120	1.1150	1.1206
NAV Per Unit (After Income Distribution) (RM)	0.9987	1.0860	1.1110	1.1127	1.1136
Unit Price as at 31 December (RM)	0.485	0.370	0.475	0.375	0.49

FINANCIAL CAPITAL

TRADING PERFORMANCE

Overall efforts made by the REIT are indirectly translated into its strong share price performance, which closed at RM0.49 on 31 December 2025, recording total unitholder returns of 35.16%, surpassing the M-REITs average of 10.5% and FBM KLCI returns of 2.3%. This has been the REIT's best year in terms of annual total returns since IPO.

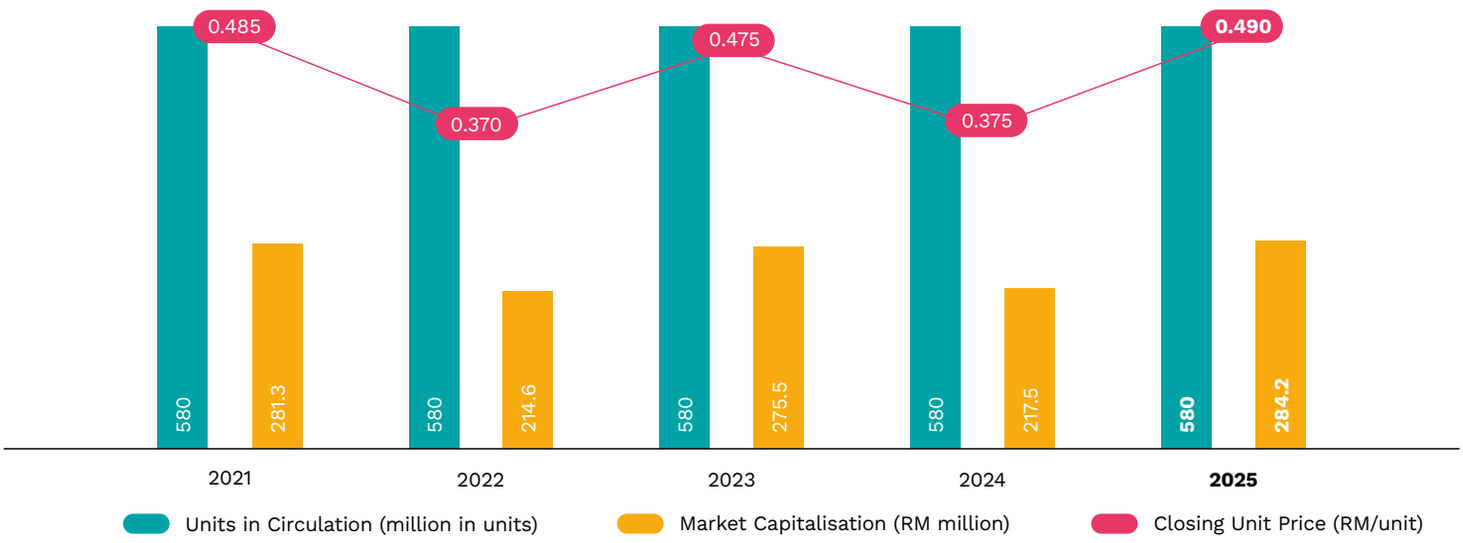
Al-Salām REIT's Five-year Unit Price Performance vs Benchmark Indices



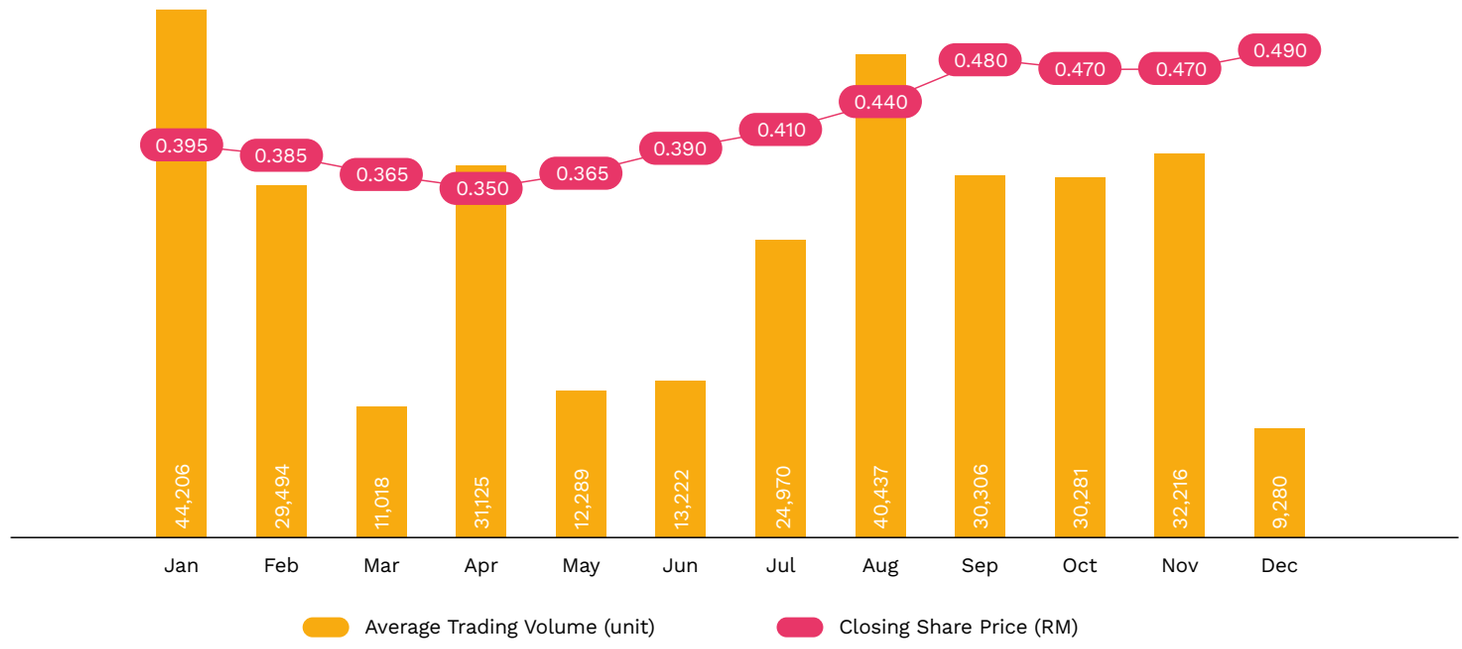
Trading Summary	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000	FY2025 RM'000
Closing Unit Price (RM)	0.485	0.370	0.475	0.375	**0.49**
52-week Highest Traded Price (RM)	0.630	0.520	0.530	0.475	**0.50**
52-week Lowest Traded Price (RM)	0.475	0.330	0.370	0.355	**0.33**
Price Movement (%)	(11.8)	(23.7)	28.4	(21.1)	**30.7**
Annual Total Return (%)	(7.1)	(17.0)	30.9	(12.2)	**35.2**
Number of Units in Circulations (RM'000)	580,000	580,000	580,000	580,000	**580,000**
Market Capitalisation (RM'000)	281,300	214,600	275,500	217,500	**284,200**

FINANCIAL CAPITAL

Market Capitalisation, Unit Price and Units in Circulation



FY2025 Trading Performance



FINANCIAL CAPITAL

FINANCIAL REVIEW

Al-Salām REIT is pleased to report that the rejuvenation efforts at KOMTAR JBCC are showing results, directly translating into a strong NPI of RM61.1 million in FY2025 for the portfolio, an improvement of 18.8% from RM51.4 million in FY2024, supported by stable rental income from the office, F&B, industrial and other sectors, boosted by the strong performance of the retail segment. Profit before tax was recorded at RM13.8 million in FY2025, up 150% from FY2024, translating into a DPU performance of 2.20 sen in FY2025, an increase of 214% from 0.70 sen in FY2024.

	FY2025 RM'000	FY2024 RM'000	Variance %
Gross Revenue	**88,825**	78,453	13.2
Net Property Income	**61,098**	51,415	18.8
Trust Expenses	**45,416**	44,834	1.3
Profit for the Year (Realised)	**14,135**	4,388	222.1
Income Available for Distribution (Realised)	**14,135**	4,388	222.1
EPU (sen) - Realised	**2.44**	0.76	222.1
DPU (sen) – Realised	**2.20**	0.70	214.3

The retail segment was the largest contributor to the REIT's assets, accounting for 50% of total portfolio NPI, with segmental NPI yield rising to 4.75% in FY2025 from 3.90% in FY2024, underpinned by yield improvements at KOMTAR JBCC following the completion of the first phase of rejuvenation. KOMTAR JBCC showed improved NPI despite a marginal increase in occupancy from 0.98% in FY2024 to 2.98% in FY2025 due to ongoing layout and tenant mix reconfiguration works.

FY2025	Retail	Office	F&B	Industrial & Others
NPI (RM'000)	30,913	1,878	17,413	11,368
NPI Yield (%)	4.29	2.68	5.73	5.78
Occupancy (%)	85	90	100	100

Note:
i. Computed based on NPI (which excludes unbilled rental income)

FINANCIAL CAPITAL

PERFORMANCE BENCHMARK

Performance indicators	FY2025	FY2024	Commentary
Management Expense Ratio (MER) (%)	**0.82**	0.67	The Management Expense Ratio increased to 0.82% in FY2025, compared to 0.67% in FY2024, reflecting higher compliance, governance, and operational costs to support portfolio management.
Total Return (%)	**35.2**	(19.2)	Total return for FY2025 turned positive, reversing the -19.2% recorded in FY2024, reflecting higher market valuations and an increased unit price supported by stronger performance during the year.
Average Total Return (3 years) (%)	**15.6**	(1.7)	The 3-year Average Annual Total Return increased to 15.6% in FY2025, compared to -1.7% in FY2024, reflecting higher unit prices supported by stronger portfolio performance.
Average Total Return (5 years) (%)	**4.6**	(8.1)	The Average Annual Total Return over 5 years registered 4.6% in FY2025, compared to -8.1% in FY2024, reflecting higher unit prices and stronger portfolio performance
Distribution Yield (%)	**4.49**	1.87	Distribution Yield increased to 4.49% (FY2024: 1.87%), reflecting higher distributable income supported by stronger market conditions.
NAV per unit (after income distribution) (RM)	**1.1171**	1.1156	NAV per unit increased marginally to RM1.1171 in FY2025, compared to RM1.1156 in FY2024, supported by stable asset valuations and consistent income generation.

Notes:

i. The ratio of expenses incurred in operating Al-Salām REIT of RM5.3 million (FY2024: RM4.3 million) to the weighted average NAV of Al-Salām REIT of RM650.7 million (FY2024: RM648.9 million).

ii. Total return represents the change in unit price during the year plus distribution yield for the year.

iii. Average total return is the sum of the return rates of Al-Salām REIT over a given number of years divided by that number of years.

iv. Based on DPU of 2.20 sen (FY2024: 0.70 sen) divided by its closing price as at 31 December 2025 of RM0.49 (FY2024: RM0.375).

v. Net asset value per unit is determined by deducting the value of all Al-Salām REIT's liabilities from the total asset value divided by total issued units.

CAPITAL REVIEW

Al-Salām's primary objective centres on delivering risk-adjusted, long-term capital growth for its unitholders through strategic portfolio investments. Within a disciplined risk management framework, the Manager facilitates both operational and acquisition-driven expansion by implementing an efficient capital management strategy.

The Manager considers a robust capital management approach as essential for enhancing total returns and mitigating risks, primarily by ensuring the financial agility needed to fund capital expenditures. To remain responsive to the prevailing economic climate and evolving investment landscape, the Manager maintains a rigorous review process of its capital strategies to align with Al-Salām's specific growth requirements.

PORTFOLIO CAPITAL

PORTFOLIO OVERVIEW

Al-Salām REIT's Portfolio Capital comprises a diversified portfolio of quality assets, strategically distributed across four key segments: Retail, Office, Food and Beverage ("F&B"), and Industrial & Others. This diversified portfolio provides resilience against market fluctuations and supports the REIT's long-term value creation objectives.

The management of Portfolio Capital is guided by a dual focus on organic and inorganic growth. Organic strategies include asset enhancement initiatives, proactive leasing, and optimisation of tenancy mix to maximise rental yields and improve asset performance. Meanwhile, inorganic strategies typically include yield-accretive acquisitions and selective property developments that strengthen the portfolio and expand income streams. Together, these approaches ensure that Al-Salām REIT remains competitive and can deliver sustainable returns to Unitholders.

Portfolio Capital is closely interlinked with the other Capitals. The acquisition, management, and operation of assets draw on the Human Capital, Intellectual Capital, and Natural Capital. At the same time, Financial Capital provides the resources required to acquire and maintain said assets, while a well-managed portfolio generates stable rental income that replenishes Financial Capital.

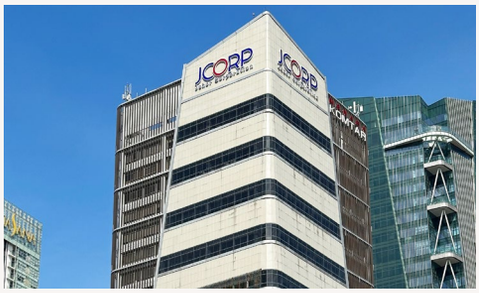
Featured Assets

FLAGSHIP ASSET

KOMTAR JBCC

As Al-Salām REIT's flagship asset, KOMTAR JBCC is strategically situated in the heart of the Ibrahim International Business District ("IIBD"). This shopping mall is being transformed into a premier transit-oriented retail destination. Leveraging the upcoming RTS Link, the mall will feature a dedicated pedestrian bridge providing cross-border shoppers with direct, air-conditioned access to its premium dining and curated lifestyle offerings.

Menara KOMTAR



This 25-storey purpose-built tower serves as the prestigious corporate headquarters for JCorp and is a cornerstone of Johor Bahru's central business district. It offers international and domestic enterprises unparalleled connectivity, positioned within walking distance of the CIQ complex and the future Bukit Chagar RTS station.

@Mart Kempas

A model of consistent commercial success, this single-storey hypermarket serves as a vital community hub with a resilient occupancy rate of 97%. The asset is anchored by a curated tenant mix tailored to the daily needs of the surrounding residential population, supporting stable footfall and resilient occupancy levels driven by repeat patronage from the local community.

Furthermore, it distinguishes itself as a leader in sustainability within the portfolio, featuring a rooftop solar PV system that generated 441 MWh of clean energy in FY2024.

PORTFOLIO CAPITAL

As part of Al-Salām REIT's strategic goal to improve portfolio focus, the REIT has reviewed its portfolio mix and established a strategy to guide its shariah-compliant investment direction in the near-to medium-term. With the portfolio strongly anchored in its flagship assets, KOMTAR JBCC and Menara KOMTAR, the REIT has taken an approach to strengthen the retail segment, establishing a clear focus and identity as a diversified retail REIT. While placing focus on the retail segment, the REIT will continuously review other segments to reduce exposure to non-core or mature assets.

The REIT is actively sourcing acquisition opportunities in tandem with the capital management strategy to reduce financing costs and return the REIT's gearing to a healthy level, allowing for headroom to acquire quality assets and subsequently enhance portfolio yield.

Currently, the REIT is conducting a portfolio review to identify asset recycling opportunities that improve asset quality, optimise resources, enhance operational efficiency, and establish a clear identity for the REIT, providing investors with clarity on its strategic goals.

The general overview of all assets under the REIT is as follows:

SASB REAL ESTATE METRICS	FY2025
RETAIL	
Number of assets	**4**
Net Lettable Area (million sqft)	**0.72**
Percentage of indirectly managed assets (% by floor area)	**35**
Average occupancy rate (%)	**85**
OFFICE	
Number of assets	**1**
Net Lettable Area (million sqft)	**0.16**
Percentage of indirectly managed assets (% by floor area)	**100**
Average occupancy rate (%)	**90**
F&B	
Number of assets	**41**
Net Lettable Area (million sqft)	**0.38**
Percentage of indirectly managed assets (% by floor area)	**0**
Average occupancy rate (%)	**100**
INDUSTRIAL & OTHERS	
Number of assets	**7**
Net Lettable Area (million sqft)	**0.69**
Percentage of indirectly managed assets (% by floor area)	**87**
Average occupancy rate (%)	**100**

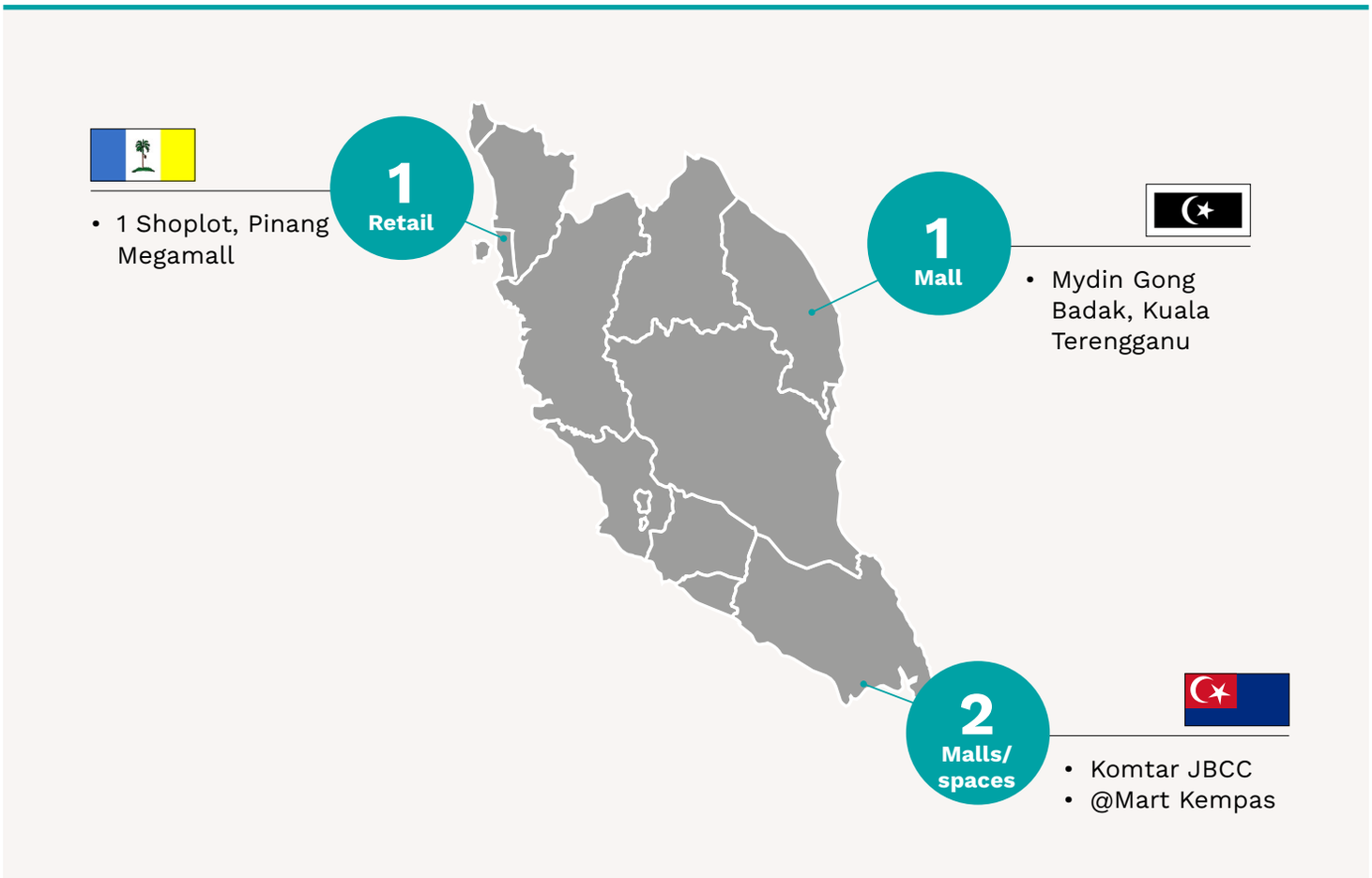
PORTFOLIO CAPITAL

SEGMENTAL HIGHLIGHTS

Retail Segment

The retail segment represents the most prominent component of Al-Salām REIT's portfolio, anchored by KOMTAR JBCC in Johor Bahru. As a premier shopping destination, this asset continues to be a key driver of revenue growth and NPI for the REIT.

Including KOMTAR JBCC, the REIT owns four retail assets across Peninsular Malaysia, as follows:



SEGMENT PERFORMANCE	FY2025
Property Value (RM million)	**684.1**
Gross Revenue (RM million)	**52.2**
Net Property Income (RM million)	**30.9**
Net Lettable Area (million sqft)	**0.72**
Average Occupancy Rate (%)	**85**
Annual Gross Yield (%)	**7.53**
Annual Net Yield (%)	**4.75**

PORTFOLIO CAPITAL

RETAIL SEGMENT

KOMTAR JBCC

Date of acquisition:
2015

Acquisition Cost:
RM462.0 million

Title:
GRN 44587

Tenure & Expiry Date:
Freehold

Encumbrance:
Nil

Year of Completion:
2014

Age of Building:
11 years

Appraised Value:
RM431.0 million
(Date of valuation 31 December 2025)

KOMTAR JBCC, Johor Bahru City Centre, Jalan Wong Ah Fook, Johor Bahru, Johor, Malaysia

T: +60 7-267 9900
Fx: +60 7-267 9968

https://komtarjbcc.com.my/

info@komtarjbcc.com.my

Land area (sqft)	**230,756**	No. of Tenancies	**105**
GFA (sqft)	**623,374**	Value per sqft (RM)	**1,159**
NLA (sqft)	**371,888**	Occupancy Rate	**71%**
No. of Parking Bays	**1,049**		

As Al-Salām REIT's flagship asset, KOMTAR JBCC offers a premier 4-storey retail experience strategically situated in the IIBD, the heart of Johor Bahru City Centre's central business district. This transit-oriented destination features a curated selection of F&B, convenience stores, grab-and-go kiosks, and beauty services expertly tailored to meet the needs of a diverse audience, including commuters, JB-Singapore workers, tourists, neighbourhood communities, and cross-border travellers.

Uniquely positioned for the future of regional travel, it provides the city's only pedestrian overhead bridge, offering a direct, seamless connection to the upcoming Bukit Chagar RTS station. Under the DISRUPT27 strategy, this landmark asset is undergoing a total rejuvenation to capitalise on its superior connectivity and establish itself as the premier lifestyle entryway for regional and local visitors alike.

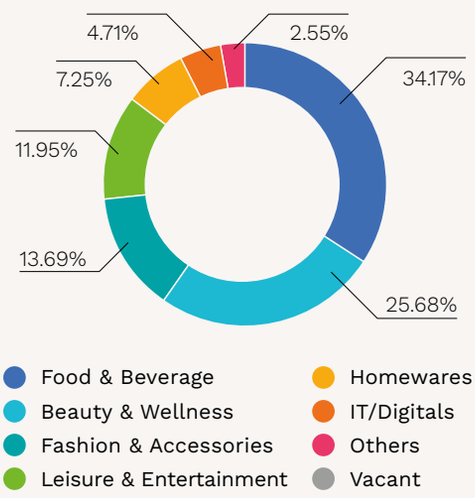
PORTFOLIO CAPITAL

RETAIL SEGMENT

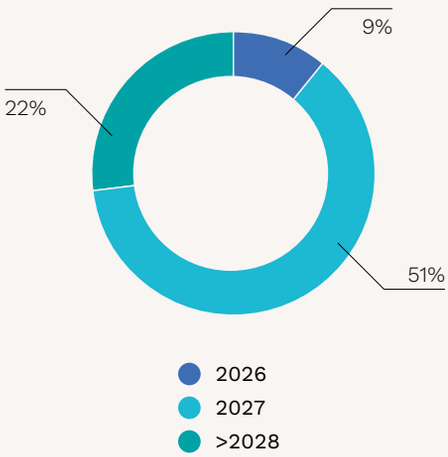
KOMTAR JBCC

Asset Performance (based on 31 December 2025)

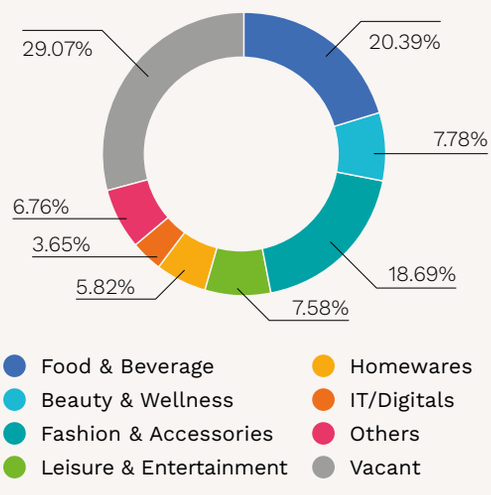
Tenant Mix by Trade Sector - Gross Rental Income (%)



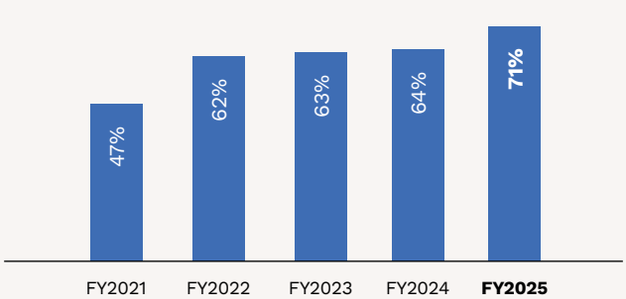
Lease Expiry Profile Based on Net Lettable Area (%)



Tenant Mix by Trade Sector - Net Lettable Area (%)



Average Occupancy Rate (%)



Top 10 Tenants

	Tenant	% GRI	% NLA
1.	RHB Bank	5.87%	3.15%
2.	Manzanita	4.14%	1.10%
3.	Caring Pharmacy	3.01%	0.78%
4.	Brands Outlet	2.70%	3.88%
5.	Tea Garden	2.53%	0.83%

	Tenant	% GRI	% NLA
6.	Watsons	2.40%	0.86%
7.	Kids Republic	2.37%	15.61%
8.	YFS Concept Store	2.30%	7.26%
9.	The Dim Sum Place	2.25%	1.62%
10.	Famous Amos Café	2.14%	0.26%

PORTFOLIO CAPITAL

RETAIL SEGMENT

@MART KEMPAS

Date of acquisition:
2015

Acquisition Cost:
RM65.0 million

Title:
HSD 510051

Tenure & Expiry Date:
Leasehold - 99 years,
expiring on 23rd January 2106

Encumbrance:
Charged to Malaysian Trustees Berhad

Year of Completion:
2010

Age of Building:
15 years

Appraised Value:
RM79.0 million
(Date of valuation 31 December 2025)

Management Office, Mezzanine Floor, No. 10, Jalan Persiaran Tanjung, Taman Cempaka, 81200 Johor Bahru, Johor

+60 7-232 8262 / +60 7-232 8260 | Nil | dasbpmsb@dasb.com.my

Land area (sqft)	**501,961**	No. of Tenancies	**154**
GFA (sqft)	**164,625**	Value per sqft (RM)	**800**
NLA (sqft)	**98,808**	Occupancy Rate	**96%**
No. of Parking Bays	**478**		

Strategically situated in the heart of Kempas, Johor Bahru, @Mart Kempas has established itself as a premier community hub since its inception in March 2011. This purpose-built, single-storey hypermarket is designed for maximum accessibility and convenience, serving as a vital commercial anchor for the surrounding residential and business districts.

The facility offers a comprehensive and integrated shopping experience, featuring a diverse layout that includes a vibrant fresh market, dry retail lots, and dedicated promotion areas. Beyond traditional retail, the inclusion of a popular food court transforms the hypermarket into a versatile destination where commerce and community intersect. With its optimised single-level floor plan, @Mart Kempas ensures a seamless flow for shoppers seeking quality, variety, and convenience in one well-established location.

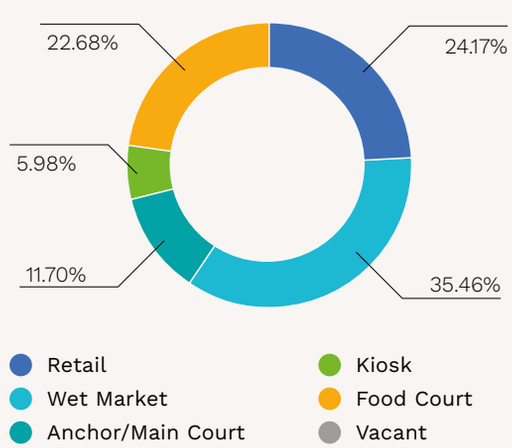
PORTFOLIO CAPITAL

RETAIL SEGMENT

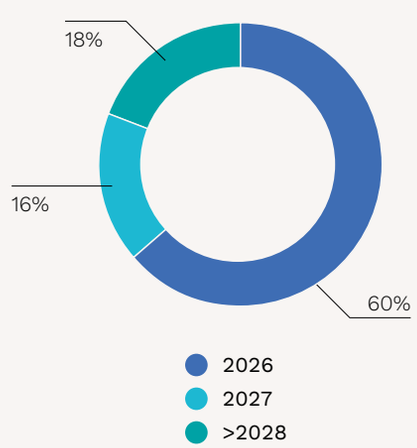
@MART KEMPAS

Asset Performance (based on 31 December 2025)

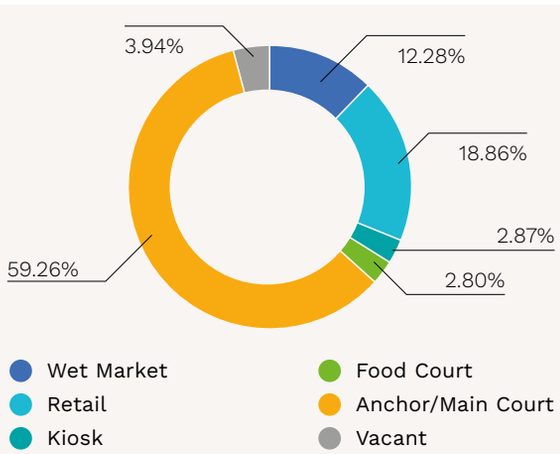
Tenant Mix by Trade Sector - Gross Rental Income (%)



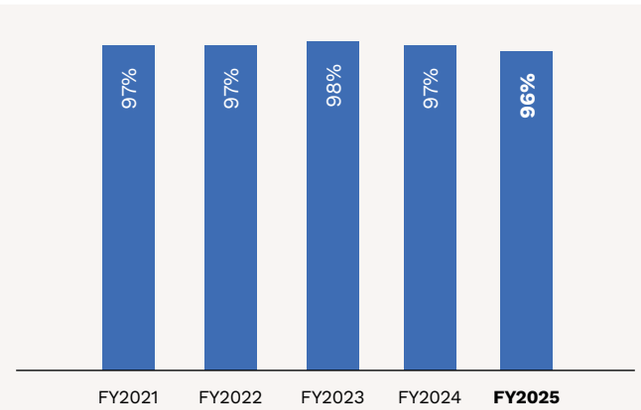
Lease Expiry Profile Based on Net Lettable Area (%)



Tenant Mix by Trade Sector - Net Lettable Area (%)



Average Occupancy Rate (%)



Top 10 Tenants

	Tenant	% GRI	% NLA
1.	Unified Vision Sdn Bhd	10.33	33.19
2.	Pasarayaku Trading	2.49	5.23
3.	LinkMe Trading Sdn Bhd	2.42	3.46
4.	Lionmas Furnishers (M) Sdn Bhd	2.09	5.23
5.	Kasut U Sdn Bhd	2.04	3.49

	Tenant	% GRI	% NLA
6.	Green Point Departmental Store Sdn Bhd	1.75	1.39
7.	Cosmo Restaurants Sdn Bhd	1.74	1.72
8.	Mr. D.I.Y (Johor) Sdn Bhd	1.57	5.23
9.	Raihana Cold Storage	1.40	0.65
10.	Family Jaya Enterprise	1.31	0.85

PORTFOLIO CAPITAL

RETAIL SEGMENT

MYDIN HYPERMARKET GONG BADAK

Date of acquisition:
2018

Acquisition Cost:
RM155.0 million

Title:
PN 10207

Tenure & Expiry Date:
Leasehold – 99 years,
expiring on 26th December 2109

Encumbrance:
Charged to Malaysian Trustees Berhad

Year of Completion:
2014

Age of Building:
11 years

Appraised Value:
RM173.0 million
(Date of valuation 31 December 2025)

Lot 52606 (Formerly PT No. 35511), Dataran Austin, Jalan Gong Pak Damat, 21200 Kuala Terengganu, Terengganu

T: +60 9-662 7509 | https://mydin.my/ | Nil

Land area (sqft)	**307,309**
GFA (sqft)	**360,628**
NLA (sqft)	**253,784**
No. of Parking Bays	**805**

No. of Tenancies	**Master leased to Mydin**
Value per sqft (RM)	**681.68**
Occupancy Rate	**100%**

Mydin Hypermarket Gong Badak stands as a prominent two-storey hypermarket strategically located in Kuala Terengganu. As a dedicated hub for commercial activity, it operates effectively within the robust retail and wholesaling market segments, serving as a central point for trade and consumer engagement. Notably, the master lease structure mitigates income volatility and benefits from Mydin's strong brand presence and consistent shopper traffic, reinforcing the asset's role as a defensive retail component within Al-Salām REIT's portfolio.

The mall features a comprehensive and diverse layout designed to meet a wide array of business and consumer needs. This extensive offering comprises conventional retail and F&B lots, complemented by versatile promotion areas, kiosks, and pushcarts. Additionally, the inclusion of ancillary lots, bazaar spaces, and a dedicated food court creates a vibrant, all-encompassing environment that supports a dynamic range of shopping and dining experiences under one roof.

PORTFOLIO CAPITAL

RETAIL SEGMENT

Date of acquisition:
2015

Acquisition Cost:
RM1.9 million

Title:
GRN 166213, Mukim 1, District of Seberang Perai Tengah, Pulau Pinang

Tenure & Expiry Date:
Freehold

Encumbrance:
Nil

Year of Completion:
1998

Age of Building:
27 years

Appraised Value:
RM1.1 million
(Date of valuation 31 December 2025)

Unit No. G-104, Megamall Pinang Shopping Complex, No. 2828, Jalan Baru, Bandar Perai Jaya, 13700 Perai, Pulau Pinang

+60 4-397 6688 / +60 4-399 1827 | Nil | mobileoutlet96@gmail.com

Land area (sqft)	2,762	Value per sqft (RM)	398.26
GFA (sqft)	2,762	Occupancy Rate	100%
NLA (sqft)	2,762		

Unit No. G-104 is a prime ground-floor retail lot situated within the Megamall Pinang Shopping Complex, a premier retail destination in Perai, Pulau Pinang. The unit is currently tenanted by Talk Space Distribution Sdn Bhd, a comprehensive telecommunications provider specialising in mobile devices and accessories. As a budget-accessible destination for the latest flagship smartphones, the outlet contributes to the mall's diverse tenant mix and serves a broad consumer demographic.

PORTFOLIO CAPITAL

RETAIL SEGMENT OUTLOOK

The retail sector continues to see an increase in experiential-led retail, with the food and beverage sector dominating leasing activity, followed by the increasing momentum in the leisure, entertainment, and wellness sectors, with increasingly blurred boundaries across these sectors. Mall strategies continue to evolve, becoming more integrated with surrounding components to retain returning visitors in the immediate vicinity.

While the retail sector is expected to sustain its performance into 2026, there are risks of a slight moderation in consumer sentiment following the implementation of SST, while malls are also facing increased operational costs due to the adjustment in electricity tariffs.

Klang Valley:

The overall retail sector in the Klang Valley showed continued recovery post-pandemic, led by the strong performance of prime retail malls and destination malls, where tenant demand remains strong, attracting international and experiential retail brands.

Prime retail malls are expected to continue their outperformance, with mall managers regularly fine-tuning their curation of tenant mixes to stay ahead of the curve, investing in strategic placemaking and reconfiguring space use to serve both tenant and shopper preferences. Prime location is no longer a sole defining characteristic of guaranteed strong rental reversion, thus driving mall managers to be increasingly competitive in creating differentiation for their tenants and shoppers.

On the other hand, older, underperforming malls are increasingly struggling to remain relevant and adapt to tenant and shopper needs. Management of these older assets requires cost discipline and innovative leasing strategies to remain relevant as experiential-led retail is expected to continue appealing to younger consumers.

Johor:

Activity in Johor's retail sector is primarily centred around key locations such as the city centre, immediate areas surrounding the CIQ complex, and neighbourhoods like Skudai, Tebrau, and Iskandar Puteri. This trend is expected to continue, especially in city centre areas with pedestrian connectivity to the Bukit Chagar RTS Station slated for operations by 2027.

Several plots of land in the vicinity of the CIQ complex and RTS station are also currently being developed as mixed-use, commercial-centric projects, integrating office space, hotels, retail, residential, and transit-oriented uses.

Johor's retail market is expected to remain resilient despite an influx of retail spaces in the city centre, such as SKS City Mall, Gem @ Coronation Square, and Sunway's upcoming retail podium directly attached to the Bukit Chagar RTS Station. With the Visit Malaysia Year 2026 and Visit Johor Year 2026 campaigns, the retail sector in 2026 is expected to perform well, supported by tourist activities. Suburban and community malls are expected to remain resilient with a tenant mix focused on F&B and services to cater to the immediate neighbourhood.

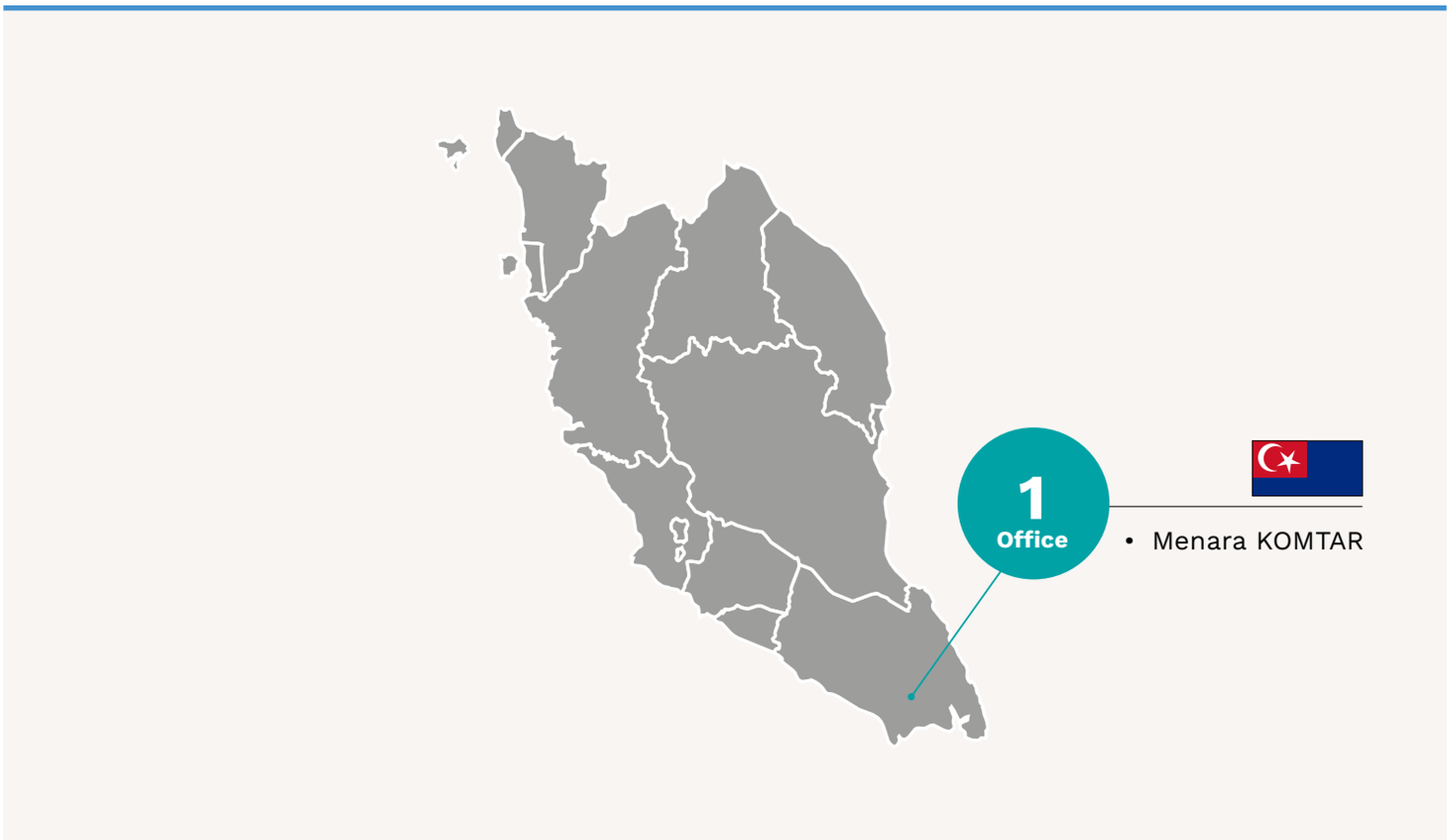
In view of this, Al-Salām REIT expects its retail portfolio to continue to outperform in 2026, underpinned by stronger earnings expected for KOMTAR JBCC, given the nearing completion of infrastructure catalysts, which will directly benefit the mall. Furthermore, the REIT's community mall in Kempas is expected to maintain its strong occupancy levels, with some refinement of the tenant mix to cater to neighbourhood preferences.

PORTFOLIO CAPITAL

Office Segment

Al-Salām REIT's office segment represents a stable component of the REIT's portfolio. Menara Komtar being the sole asset within this segment continues to serve as a strategic office space in Johor Bahru's IIBD. Its prime location and stable occupancy underscore its significance in contributing to the REIT's income stability

There is one office asset under the REIT's office segment, as follows:

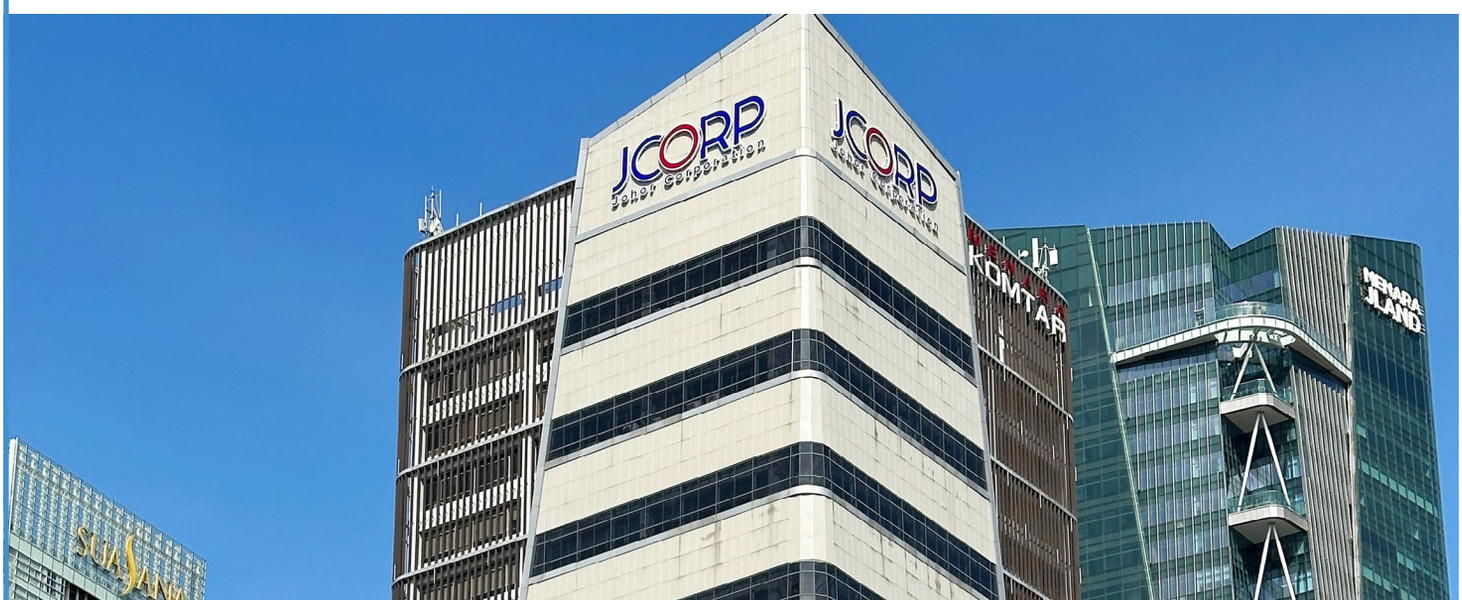


SEGMENT PERFORMANCE	FY2025
Property Value (RM million)	**70.0**
Gross Revenue (RM million)	**7.03**
Net Property Income (RM million)	**1.88**
Net Lettable Area (million sqft)	**0.16**
Average Occupancy Rate (%)	**90**
Annual Gross Yield (%)	**10.00**
Annual Net Yield (%)	**2.68**

PORTFOLIO CAPITAL

OFFICE SEGMENT

MENARA KOMTAR



Date of acquisition:
2015

Acquisition Cost:
RM70.0 million

Title:
GRN 44587

Tenure & Expiry Date:
Freehold

Encumbrance:
Nil

Year of Completion:
1979

Age of Building:
46 years

Appraised Value:
RM70.0 million
(Date of valuation 31 December 2025)

Menara KOMTAR, Johor Bahru City Centre, Jalan Wong Ah Fook, 80888 IIBD, Johor

T: +60 7-267 9900
Fx: +60 7-267 9968

https://komtarjbcc.com.my/

info@komtarjbcc.com.my

Land area (sqft)	230,757	Value per sqft (RM)	445.53
GFA (sqft)	242,195	Occupancy Rate	90%
NLA (sqft)	157,117		
No. of Parking Bays	208		

Menara KOMTAR is a 25-storey freehold office tower located within the Ibrahim International Business District and represents the sole office asset within Al-Salām REIT's diversified portfolio. The tower is integrated with KOMTAR JBCC, forming part of a mixed-use development in a prime central business district location.

The asset continues to demonstrate stable performance, underpinned by strong tenancy from the JCorp Group of Companies. Its consistent occupancy profile and strategic positioning reinforce its role as a key contributor to the REIT's recurring income stability, while supporting long-term capital appreciation. The upcoming Bukit Chagar RTS station is expected to enhance connectivity and further strengthen the asset's appeal, while supporting increased activity across the integrated development.

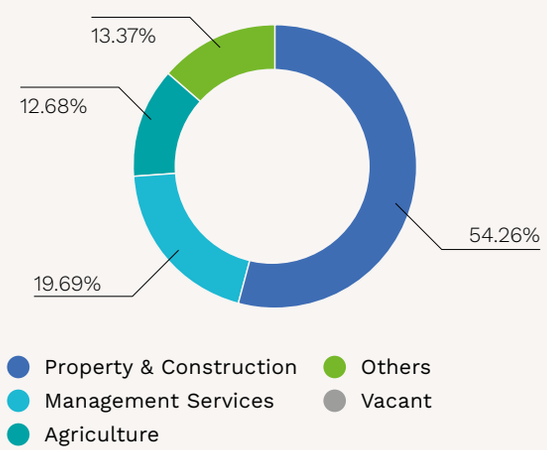
PORTFOLIO CAPITAL

OFFICE SEGMENT

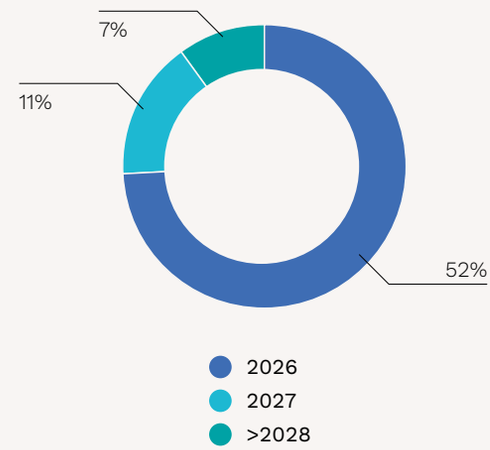
MENARA KOMTAR

Asset Performance (based on 31 December 2025)

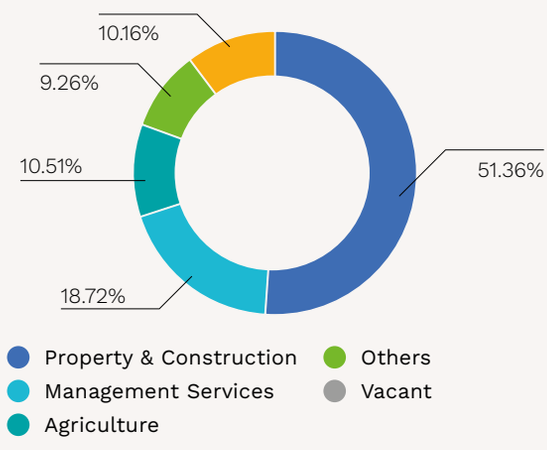
Tenant Mix by Trade Sector - Gross Rental Income (%)



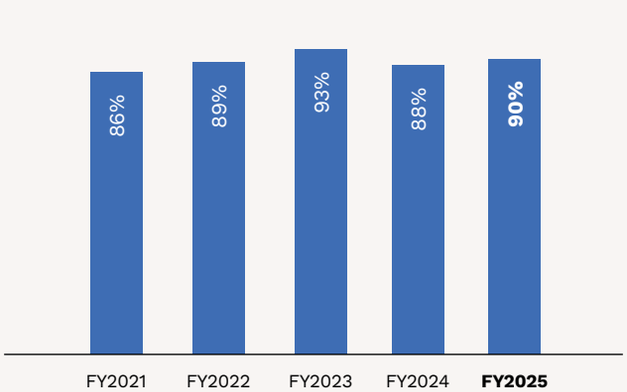
Lease Expiry Profile Based on Net Lettable Area (%)



Tenant Mix by Trade Sector - Net Lettable Area (%)



Average Occupancy Rate (%)



Top 10 Tenants

	Tenant	% GRI	% NLA
1.	Johor Corporation	31.61	27.86
2.	JLG Project Sdn Bhd	9.64	10.14
3.	JLG Services	9.18	8.94
4.	Johor Plantation Group	6.46	4.79
5.	JLG Investment	5.41	4.79

	Tenant	% GRI	% NLA
6.	JLG Buildworks Sdn Bhd	4.40	2.66
7.	Farmbyte Sdn Bhd	2.94	2.64
8.	Kulim (Malaysia) Berhad	2.78	2.58
9.	Jemaluang Dairy Valley	2.25	2.15
10.	Longevity Lifecare	1.98	1.89

PORTFOLIO CAPITAL

OFFICE SEGMENT OUTLOOK

Klang Valley:

In 2025, the office sector showed slight improvements in occupancy levels across the Klang Valley and Kuala Lumpur city centre, driven by the availability of new Grade A and green-certified buildings. The office sector movement was also marked by major movements in the banking and financial sector into the Tun Razak Exchange ("TRX") compound. While occupancy levels in prime offices continued to trend upwards, older non-prime offices recorded a steady decline as tenants shifted towards newer, prime-grade spaces. Newer office towers are increasingly adopting green practices and certifications, making them an appealing choice for multinationals and ESG-focused enterprises.

The flight to quality is expected to continue into 2026, where demand for prime-grade offices is anticipated to hold steady, while the gap widens between older, non-prime assets in fringe locations. This is further exacerbated by newer offices offering the latest lifestyle amenities to foster a collaborative work environment, catering to the preferences of a younger workforce and indirectly shaping tenant demand and leasing decisions. Older offices will face pressure to maintain occupancy levels amid rising rents.

Johor:

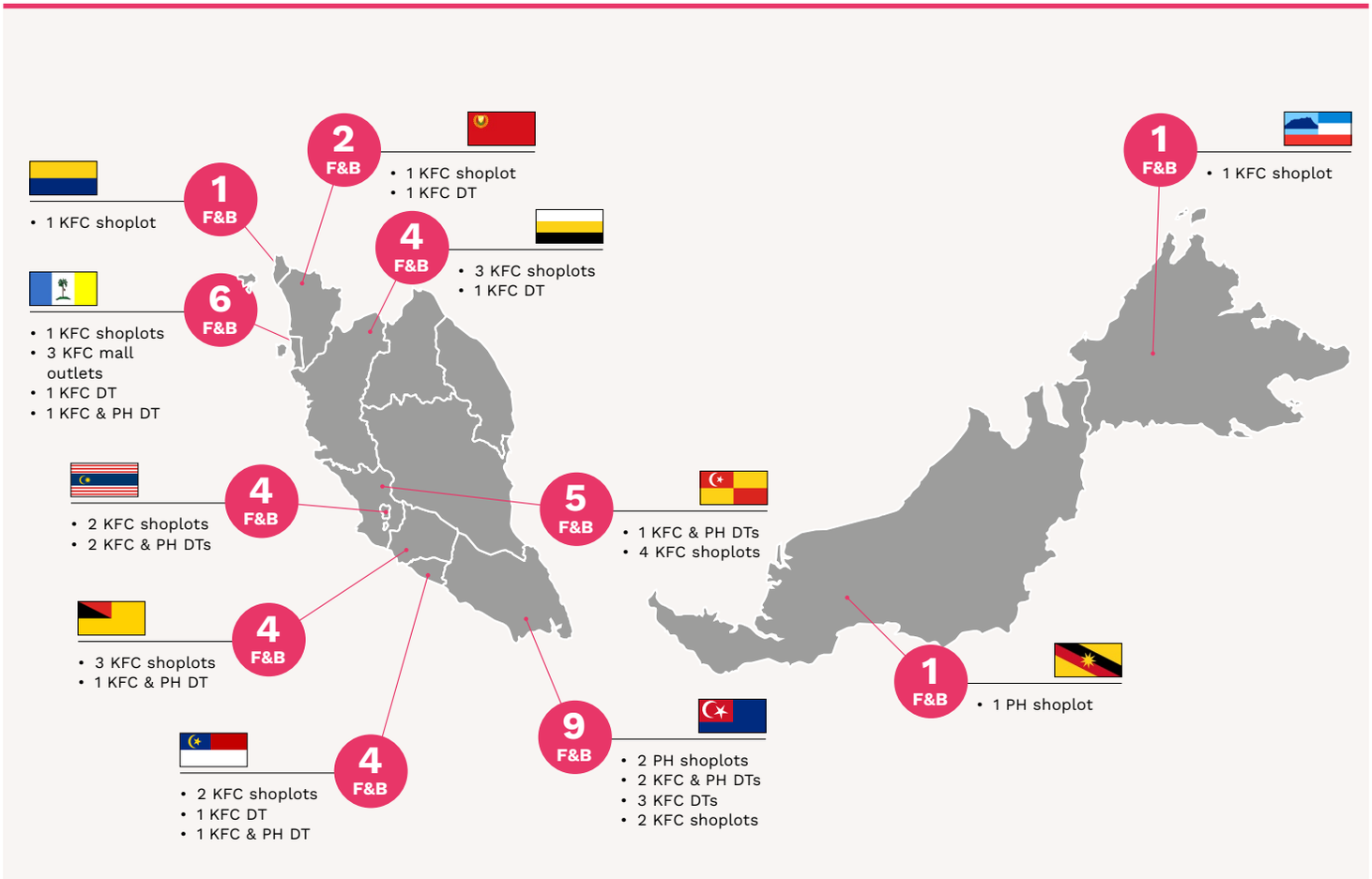
In 2025, Johor's office sector in the city centre and areas within the vicinity of the CIQ complex received steady demand, supported by the appeal of connectivity to the RTS Link for cross-border multinationals and regional businesses requiring frequent travel to and from Singapore. There was no new supply of offices in 2025, hence overall occupancy levels held steady at 55.0%, while gross rents increased from RM4.00 per sqft to RM4.50 per sqft in 2025.

Similarly, tenants in Johor are seeking modern office spaces integrated with lifestyle amenities, while also having excellent transit connectivity. A particular segment, such as co-working spaces, continues to expand its presence as Johor emerges as a cross-border service hub following the establishment of the JS-SEZ, with an increasing number of entrants taking up space in strategically located office spaces. Offices with transit connectivity in city-fringe areas are expected to see steady rental growth as incoming supply remains limited in 2026.

PORTFOLIO CAPITAL

F&B Segment

The F&B segment remains a cornerstone of Al-Salām REIT's diversified portfolio, comprising 41 strategically located properties across Malaysia, all fully leased to QSR Brands Group of Companies operating the fast-food chains KFC and Pizza Hut. These assets operate under a triple net lease arrangement, wherein QSR assumes responsibility for all property-related expenses, ensuring a stable and predictable income stream for the REIT.



SEGMENT PERFORMANCE	FY2025
Property Value (RM million)	**297.87**
Gross Revenue (RM million)	**17.6**
Net Property Income (RM million)	**17.4**
Net Lettable Area (million sqft)	**0.38**
Average Occupancy Rate (%)	**100**
Annual Gross Yield (%)	**5.79**
Annual Net Yield (%)	**5.73**

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
KFC Restaurant

Year of Completion:
1993

Title:
PN 2263

Tenure & Expiry Date:
Leasehold 99 years, expiring on 15th May 2090

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
32 years

Appraised Value:
RM4.9 million
(Date of valuation 31 December 2025)

No. 34, Jalan Mahsuri, 11950, Bayan Lepas, Pulau Pinang

Description:
KFC Restaurant

Year of Completion:
1996

Title:
PN 72423, PN 72424, HSM 9319, HSM 9320

Tenure & Expiry Date:
Leasehold 99 years, expiring on 28th December 2092 and 11th March 2095

Encumbrance:
Charged to Bank Islam Malaysia Berhad

Age of Building:
29 years

Appraised Value:
RM9.7 million
(Date of valuation 31 December2025)

Nos. 60 & 62, Jalan PJS 11/28A Bandar Sunway, 46150 Petaling Jaya, Selangor

Description:
KFC Restaurant

Year of Completion:
1992

Title:
HSD17607

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
33 years

Appraised Value:
RM580,000
(Date of valuation 31 December 2025)

No. 5, Bangunan Joota Brothers, Jalan Sungai Korok, 06000, Jitra, Kedah

Description:
Pizza Hut Restaurant

Year of Completion:
2004

Title:
PN74196

Tenure & Expiry Date:
Leasehold 99 years, expiring on 14th May 2085

Encumbrance:
Charged to Malaysian Trustees Berhad

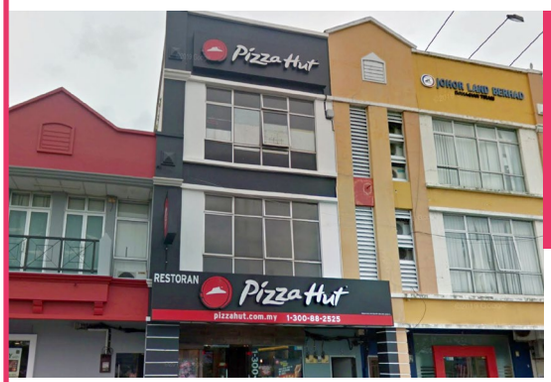
Age of Building:
21 years

Appraised Value:
RM1.0 million
(Date of valuation 31 December 2025)

Nos. 1 & 1-1, Jalan Niaga, 81900, Kota Tinggi, Johor

PORTFOLIO CAPITAL

F&B SEGMENT



Description:
Pizza Hut Restaurant

Year of Completion:
2010

Title:
GRN 343903

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
15 years

Appraised Value:
RM1.1 million
(Date of valuation 31 December 2025)

No. 3, Jalan Resam 13, Taman Bukit Tiram, 81800, Ulu Tiram, Johor

Description:
KFC Restaurant

Year of Completion:
2011

Title:
PN69846

Tenure & Expiry Date:
Leasehold 93 years, expiring on 16th July 2101

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
14 years

Appraised Value:
RM2.5 million
(Date of valuation 31 December 2025)

No. 1, Jalan Bandar Baru 1, Bandar Baru Ayer Hitam, 86100, Ayer Hitam, Johor

Description:
KFC Restaurant

Year of Completion:
1997

Title:
PN48982

Tenure & Expiry Date:
Leasehold 74 years, expiring on 8th May 2085

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
28 years

Appraised Value:
RM2.0 million
(Date of valuation 31 December 2025)

No. 1, Jalan Mahajaya, Pekan Port Dickson, 71000, Port Dickson, Negeri Sembilan

Description:
KFC Restaurant

Year of Completion:
1996

Title:
PM1181

Tenure & Expiry Date:
Leasehold 99 years, expiring on 25th September 2092

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
29 years

Appraised Value:
RM590,000
(Date of valuation 31 December 2025)

No. 9, Persiaran Putra Timur 1, 02000, Kuala Perlis, Perlis

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
KFC Restaurant

Year of Completion:
1982

Title:
GRN 45688, GRN 45689

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
43 years

Appraised Value:
RM11.0 million
(Date of valuation 31 December 2025)

Nos. 18 & 20, Jalan Sulaiman, Bandar Kajang, 43000, Kajang, Selangor

Description:
Pizza Hut Restaurant

Year of Completion:
2015

Title:
Lot No 14079 & 14080 Section 65, Kuching Town Land District, Sarawak

Tenure & Expiry Date:
Leasehold 99 years, expiring on 11th August 2113

Encumbrance:
Nil

Age of Building:
10 years

Appraised Value:
RM4.1 million
(Date of valuation 31 December 2025)

Nos. 12C & 12D, Metrocity Commercial Precint, Jalan Metrocity Boulevard 3A, 93050 Kuching, Sarawak

Description:
KFC Restaurant

Year of Completion:
1982

Title:
GRN 50935 & 40542, Lots Nos. 831 & 832 situated in Bandar Seremban, District of Seremban, Negeri Sembilan

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
43 years

Appraised Value:
RM4.5 million
(Date of valuation 31 December 2025)

Nos. 20 - 21, Jalan Dato Sheikh Ahmad, 70000, Seremban, Negeri Sembilan

Description:
KFC Restaurant

Year of Completion:
2017

Title:
GRN 40351, Lot No. 1293 N, situated in Town of Ipoh, District of Kinta, Perak

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
8 years

Appraised Value:
RM4.1 million
(Date of valuation 31 December 2025)

Nos. 65, 65A-E, Jalan Dato Onn Jaafar, 30300, Ipoh, Perak

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
KFC Restaurant

Year of Completion:
1997

Title:
GRN 177945 & GRN 108899, Lot Nos. 4125 & 4126 situated in Pekan Senawang, District of Seremban, Negeri Sembilan

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad TNB lease

Age of Building:
28 years

Appraised Value:
RM1.1 million
(Date of valuation 31 December 2025)

Nos. 24 & 26, Jalan Bunga Raya 7, Pusat Perniagaan Senawang, Taman Tasik Jaya, 70400, Seremban, Negeri Sembilan

Description:
KFC Restaurant

Year of Completion:
2010

Title:
GRN 343902, Lot No. 107788, situated in Mukim Tebrau, District of Johor Bahru, Johor

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
15 years

Appraised Value:
RM2.1 million
(Date of valuation 31 December 2025)

No. 1, Jalan Resam 13, Taman Bukit Tiram, 81800, Ulu Tiram, Johor

Description:
KFC Restaurant

Year of Completion:
1990

Title:
CL 015437948, situated in District of Kota Kinabalu, Sabah

Tenure & Expiry Date:
Leasehold 999 years, expiring in 15th May 2915

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
35 years

Appraised Value:
RM3.1 million
(Date of valuation 31 December 2025)

Lot 25, Block 3, Bornion Centre, Jalan Kolam, 88300, Kota Kinabalu, Sabah

Description:
KFC Restaurant

Year of Completion:
2005

Title:
PN 326743, Lot No. 96, situated in District of Kampar, Perak

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
20 years

Appraised Value:
RM1.7 million
(Date of valuation 31 December 2025)

No. 158, Jalan Idris, 31900, Kampar, Perak

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
KFC Restaurant

Year of Completion:
1971

Title:
GRN 8311, Lot No 48635, situated in Mukim Hulu Kinta, District of Kinta, Perak

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
54 years

Appraised Value:
RM2.4 million
(Date of valuation 31 December 2025)

No. 79, Jalan Dato' Lau Pak Khuan, Taman Ipoh, 31400, Ipoh, Perak

Description:
KFC Restaurant

Year of Completion:
2017

Title:
PM 12273 & 12274, Lot Nos. 2429 & 2430, situated in Town of Kepong, District of Gombak, Selangor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 8th March 2081

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
8 years

Appraised Value:
RM7.5 million
(Date of valuation 31 December 2025

Nos. 23 & 24, Jalan Desa Jaya 54 (Jalan 54), Desa Jaya, Kepong, 52100, Kuala Lumpur

Description:
KFC Restaurant

Year of Completion:
2014

Title:
GRN 59853, 59858 & 59862, Lot Nos. 1417, 1419 & 1421, situated in District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
11 years

Appraised Value:
RM4.9 million
(Date of valuation 31 December 2025)

No 140, Jalan Raja Laut, 50350, Kuala Lumpur

Description:
KFC Restaurant

Year of Completion:
2014

Title:
GRN 10894, Lot No. 503, Section 83, situated in District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
11 years

Appraised Value:
RM10.3 million
(Date of valuation 31 December 2025)

No 437, Wisma Hualang, Jalan Ipoh, 51200, Kuala Lumpur

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
KFC Restaurant

Year of Completion:
1997

Title & Expiry Date:
PN 18632, Lot No. 4111 situated in Mukim of Balai Panjang, District of Melaka Tengah, Melaka

Tenure:
Leasehold 99 years, expiring on 7th May 2099

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
28 years

Appraised Value:
RM1.2 million
(Date of valuation 31 December 2025)

No. 9, Jalan PPM 9, Plaza Pandan Malim, 75250, Melaka

Description:
KFC Restaurant

Year of Completion:
1989

Title:
HSM 5744, PT No. 7735, situated in Mukim of Sungai Buloh, District of Petaling, Selangor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 13th March 2087

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
36 years

Appraised Value:
RM1.8 million
(Date of valuation 31 December 2025)

No. 2105, Jalan 3/1, Bandar Baru Sungai Buloh, 47000, Sungai Buloh, Selangor

Description:
KFC Restaurant

Year of Completion:
2015

Title:
Geran 8562, Lot No. 966, situated in Kawasan Bandar VII, District of Melaka Tengah, Melaka

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
10 years

Appraised Value:
RM2.4 million
(Date of valuation 31 December 2025)

No. 555, Plaza Melaka, Jalan Gajah Berang, 75000, Melaka

Description:
KFC Restaurant with drive through facility

Year of Completion:
2017

Title:
No. GRN 23532, situated in Town of Georgetown, North-East District, Pulau Pinang

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
8 years

Appraised Value:
RM23.9 million
(Date of valuation 31 December 2025)

No. 10A, Jalan Masjid Negeri, 11600, Jelutong, Pulau Pinang

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
KFC Restaurant with drive through facility

Year of Completion:
2015

Title:
No. PN 64752, Lot 150725, situated in Mukim of Pulai, District of Johor Bahru, Johor

Tenure & Expiry Date:
Leasehold 991 years, expiring on 4th September 2911

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
10 years

Appraised Value:
RM9.0 million
(Date of valuation 31 December 2025)

No. 5, Jalan Persiaran Jaya 1, Taman Mutiara Rini, 81300, Skudai, Johor

Description:
Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility

Year of Completion:
2011

Title:
GRN 140646, situated in Mukim of Hulu Kinta, District of Kinta, Ipoh, Perak

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
14 years

Appraised Value:
RM9.4 million
(Date of valuation 31 December 2025)

Lot No. 383044, Jalan Kuala Kangsar, Taman Tasek Mutiara, 31400, Ipoh, Perak

Description:
Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility

Year of Completion:
2005

Title
PN33135, situated in Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Tenure & Expiry Date::
Leasehold 99 years, expiring on 28th April 2096

Encumbrance:
Charged to RHB Islamic Bank Berhad

Age of Building:
20 years

Appraised Value:
RM18.7 million
(Date of valuation 31 December 2025)

Lot 59060, Jalan Prima 1, Metro Prima, Off Jalan Kepong, 52100, Kuala Lumpur

Description:
Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility

Year of Completion:
2004

Title:
Lot No. PT 6878 (New Lot 28333), HSD 99750, situated in Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Tenure & Expiry Date:
Leasehold 83 years, expiring on 19th April 2083

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
21 years

Appraised Value:
RM31.0 million
(Date of valuation 31 December 2025)

Lot PT 6878, Jalan 8/27A, Pusat Bandar Wangsa Maju, 53300, Kuala Lumpur

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility

Year of Completion:
2012

Title:
PM 4878, situated in Mukim of Bukit Katil, District of Melaka Tengah, Melaka

Tenure & Expiry Date:
Leasehold 99 years, expiring on 13th May 2108

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
13 years

Appraised Value:
RM10.8 million
(Date of valuation 31 December 2025)

Lot 19838, Located along Lebuh Ayer Keroh, Melaka

Description:
Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility

Year of Completion:
2009

Title:
HSD 491589, PTD 153154 situated in Mukim Tebrau, District of Johor Bahru, Johor

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
16 years

Appraised Value:
RM13.6 million
(Date of valuation 31 December 2025)

PTD 153154, Jalan Tampoi, Taman Damansara Aliff, 81200, Johor Bahru

Description:
KFC Restaurant with Drive Through Facility

Year of Completion:
2014

Title:
HSD 58402, situated in Mukim of Senai, District of Kulai, Johor

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
11 years

Appraised Value:
RM10.5 million
(Date of valuation 31 December 2025)

PTD 103231, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400, Senai, Johor

Description:
Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility

Year of Completion:
2009

Title:
GM 2913 (formerly HSM 2181), situated in Mukim of Pulai, District of Johor Bahru, Johor

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Bank Islam Malaysia Berhad

Age of Building:
16 years

Appraised Value:
RM13.2 million
(Date of valuation 31 December 2025)

Lot 148224 (formerly PTD 171459), Jalan Persisiran Perling, Taman Perling, 81200, Johor Bahru, Johor

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
KFC Restaurant with drive through facility

Year of Completion:
2012

Title:
HSD 125211, situated in Town of Sungai Petani, District of Kuala Muda, Kedah

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Malaysian Trustees Berhad

Age of Building:
13 years

Appraised Value:
RM6.2 million
(Date of valuation 31 December 2025)

PT No. 2281, Jalan Kuala Ketil, Bandar Puteri Jaya, 08000, Sungai Petani, Kedah

Description:
KFC Restaurant with drive through facility

Year of Completion:
2016

Title & Expiry Date:
GRN 542913, situated in Mukim Plentong, District of Johor Bahru, Johor

Tenure:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
9 years

Appraised Value:
RM8.9 million
(Date of valuation 31 December 2025)

Lot 207318, Jalan Suria 1, Bandar Seri Alam, 81750, Masai, Johor

Description:
Pizza Hut Restaurant and KFC Restaurant with drive through facility

Year of Completion:
2017

Title:
GRN 181184, Lot No. 22529, situated in Mukim 6, District of Seberang Perai Utara, Pulau Pinang

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
8 years

Appraised Value:
RM7.9 million
(Date of valuation 31 December 2025)

No. 2263, Jalan Dagangan 1/1, Pusat Bandar Bertam Perdana, 13200, Kepala Batas, Pulau Pinang

Description:
Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility

Year of Completion:
2016

Title:
HSD 256439, situated in Pekan Puchong Perdana, District of Petaling, Selangor

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

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
9 years

Appraised Value:
RM15.9 million
(Date of valuation 31 December 2025)

No. 5665, Persiaran Taman Tasik Prima 3, Taman Tasik Prima, 47150, Puchong, Selangor

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
Pizza Hut Restaurant and KFC Restaurant with Drive Through Facility

Year of Completion:
2014

Title:
Geran 175308, Lot 33693, situated in Bandar Seremban Utama, District of Seremban, Negeri Sembilan

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
11 years

Appraised Value:
RM8.6 million
(Date of valuation 31 December 2025)

Lot 33693, KFC Drive Through & Pizza Hut, Central Business District, Seremban 2, 70300, Negeri Sembilan

Description:
KFC Restaurant with drive through facility

Year of Completion:
2019

Title:
PM 1917, situated in Mukim of Merlimau District of Jasin, Melaka

Tenure & Expiry Date:
Leasehold 99 years, expiring on 1st April 2111

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
6 years

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

Lot 6497, located along Jalan Jasin – Merlimau, Bandar Baru Merlimau Utara, 77300, Merlimau, Melaka

Description:
KFC Restaurant with drive through facility

Year of Completion:
2008

Title:
GRN 97433/M1/1/126, Lot No. 15736, situated in Mukim 12, South-West District, Pulau Pinang

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
17 years

Appraised Value:
RM15.2 million
(Date of valuation 31 December 2025)

Unit No. GF-12A, Queensbay Mall, 100, Persiaran Bayan Indah, 11900, Bayan Lepas, Pulau Pinang

Description:
KFC Restaurant

Year of Completion:
1997

Title:
Parent Title No. GRN 166071, Lot 20306, situated in Mukim 13, North-East District, Pulau Pinang

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Age of Building:
28 years

Appraised Value:
RM3.5 million
(Date of valuation 31 December 2025)

Unit No. 3A-G-18, Kompleks Bukit Jambul, Jalan Rumbia, 11900, Bayan Lepas, Pulau Pinang

PORTFOLIO CAPITAL

F&B SEGMENT

Description:
KFC Restaurant

Year of Completion:
1998

Title:
Parent Tittle No. GRN 166213, situated in Mukim 1, District of Seberang Perai Tengah, Pulau Pinang

Tenure & Expiry Date:
Freehold

Encumbrance:
Nil

Age of Building:
27 years

Appraised Value:
RM2.6 million
(Date of valuation 31 December 2025)

Unit No. G-103, Megamal Pinang, 2828, Jalan Baru, Bandar Perai Jaya, 13600, Perai, Pulau Pinang

F&B SEGMENT OUTLOOK

Al-Salām REIT's F&B portfolio remained stable in 2025 due to the nature of the portfolio under a master lease with QSR Brands. From a business perspective, QSR Brands (M) Holdings Bhd posted a stronger financial year in 2025, recording a 31% revenue growth from KFC Malaysia and Pizza Hut Malaysia, driven by new growth opportunities, including a strategic partnership for its upstream poultry business and temporarily closing its loss-making outlets in April 2024 following careful planning and analysis to prioritise stores with higher returns. QSR has reported that all affected outlets have since been reopened.

Going forward, the REIT expects the portfolio to remain stable in terms of earnings as the master lease continues to be in effect, notwithstanding a necessary review of the portfolio to assess the suitability and exposure of this segment in alignment with the identity of Al-Salām REIT as a diversified retail REIT. The REIT will continue to reassess the F&B segment for opportunities to unlock value and shift towards a more focused approach in acquiring assets aligning with a better strategic fit for its portfolio.

PORTFOLIO CAPITAL

Industrial & Others Segment

Al-Salām's industrial portfolio comprises 7 strategically located properties across Malaysia, integral to our diversified investment strategy. Leased to QSR under the triple net arrangement, these properties provide stable and long-term rental income streams. Positioned in key industrial hubs, these properties meet the demands of logistics and warehousing needs of our F&B operations supply chain of KFC and Pizza Hut.

The education portfolio, anchored by KPJ International College Johor Bahru continues to deliver stable and resilient income for Al-Salām REIT under a master lease agreement with KPJ Healthcare University College Sdn Bhd. Strategically located in Bandar Dato' Onn, a rapidly developing township in Johor Bahru, KPJIC JB benefits from strong demographic growth and enhanced accessibility, reinforcing its position as a premier institution for healthcare education.

SEGMENT PERFORMANCE	FY2025
Property Value (RM million)	**196.80**
Gross Revenue (RM million)	**12.0**
Net Property Income (RM million)	**11.4**
Net Lettable Area (million sqft)	**0.69**
Average Occupancy Rate (%)	**100**
Annual Gross Yield (%)	**6.09**
Annual Net Yield (%)	**5.78**

PORTFOLIO CAPITAL

INDUSTRIAL & OTHERS SEGMENT

Date of acquisition:
2015

Acquisition Cost:
RM53.4 million

Title:
GRN 215115

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Bank Islam Malaysia Berhad

Year of Completion:
1998

Age of Building:
27 years

Appraised Value:
RM66.9 million
(Date of valuation 31 December 2025)

No. 17, 19 & 21, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park. Section U1, 40150, Shah Alam, Selangor

Land area (sqft)	**202,265**	Value per sqft (RM)	**449.52**
GFA (sqft)	**148,827**	Occupancy Rate	**100%**
NLA (sqft)	**148,827**		

This industrial facility features a sophisticated double-storey factory integrated with a two-level office and an annexed single-storey warehouse. Located within the well-established HICOM Glenmarie Industrial Park, the property sits in one of the Klang Valley's most prominent corridors of growth. Its strategic positioning is bolstered by a mature landscape of surrounding amenities and robust infrastructure, ensuring optimal connectivity for logistics and workforce access. As a prime industrial asset, it offers a prestigious address in a high-demand area known for its sustained economic development.

PORTFOLIO CAPITAL

INDUSTRIAL & OTHERS SEGMENT

Date of acquisition:
2015

Acquisition Cost:
RM44.8 million

Title:
PN 11243, situated in Town of Port Swettenham, District of Klang, Selangor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 15th March 2087

Encumbrance:
Charged to Malaysian Trustees Berhad

Year of Completion:
1996

Age of Building:
29 years

Appraised Value:
RM52.3 million
(Date of valuation 31 December 2025)

No. 3, Lorong Gerudi 1, Off Jalan Pelabuhan Utara, 42000, Pelabuhan Klang, Selangor

Land area (sqft)	**304,158**	Value per sqft (RM)	**170.65**
GFA (sqft)	**306,476**	Occupancy Rate	**100%**
NLA (sqft)	**306,476**		

This industrial asset features a double-storey detached warehouse integrated with a functional three-storey office building. Located in Port Klang, the facility is positioned at Malaysia's principal port and serves as the nation's primary maritime gateway. Its strategic value is further enhanced by exceptional connectivity to major industrial arteries, including the NKVE, Federal Highway, Shapadu Highway, and the New North Klang Straits Bypass. This prime location ensures efficient transit and logistical fluidity, placing the facility at the epicentre of Malaysia's most vital trade and distribution network.

PORTFOLIO CAPITAL

INDUSTRIAL & OTHERS SEGMENT

Date of acquisition:
2015

Acquisition Cost:
RM25.5 million

Title:
PN 8616, situated in Section 21, Town of Port Swettenham, District of Klang, Selangor

Tenure & Expiry Date:
Leasehold 99 years, expiring on 15th March 2087

Encumbrance:
Charged to Malaysian Trustees Berhad

Year of Completion:
2011

Age of Building:
14 years

Appraised Value:
RM31.2 million
(Date of valuation 31 December 2025)

No. 6, Jalan Gerudi, Off Jalan Pelabuhan Utara, 42000, Pelabuhan Klang, Selangor

Land area (sqft)	**220,133**	Value per sqft (RM)	**264.25**
GFA (sqft)	**118,068**	Occupancy Rate	**100%**
NLA (sqft)	**118,068**		

This industrial complex features a specialised layout comprising a single-storey detached factory, a single-storey detached warehouse, and a dedicated three-storey office building. Situated in Port Klang, the facility is anchored at Malaysia's principal port and serves as the primary maritime gateway into the country. Its strategic value is reinforced by its proximity to a robust transportation network, offering direct access from major industrial arteries including the NKVE, Federal Highway, Shapadu Highway, and the New North Klang Straits Bypass. This location is ideal for businesses requiring high-volume logistics and rapid connectivity to Malaysia's most critical trade infrastructure.

PORTFOLIO CAPITAL

INDUSTRIAL & OTHERS SEGMENT

Date of acquisition:
2015

Acquisition Cost:
RM1.13 million

Title:
GRN 149808, situated in Mukim 13, District of Seberang Perai Tengah, Pulau Pinang

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Malaysian Trustees Berhad

Year of Completion:
1997

Age of Building:
28 years

Appraised Value:
RM1.5 million
(Date of valuation 31 December 2025)

No. 31, Lorong IKS Juru 3, Taman Industri Ringan Juru, 14100, Simpang Ampat, Pulau Pinang

Land area (sqft)	**11,926**	Value per sqft (RM)	**486.70**
GFA (sqft)	**3,082**	Occupancy Rate	**100%**
NLA (sqft)	**3,082**		

This one-and-a-half-storey corner semi-detached factory offers a versatile industrial space designed for specialised business operations. Located within Taman IKS Juru, the property is situated in a renowned hub for small and medium-sized industries, including automotive services, metal fabrication, furniture making, and food processing. Its strategic proximity to major highways and key industrial zones ensures cost-effective operations and streamlined supply chain support.

PORTFOLIO CAPITAL

INDUSTRIAL & OTHERS SEGMENT

Date of acquisition:
2015

Acquisition Cost:
RM2.3 million

Title:
County Lease 015680663, situated in District of Kota Kinabalu, Sabah

Tenure & Expiry Date:
Leasehold 99 years, expiring on 31st December 2096

Encumbrance:
Not verified

Year of Completion:
1999

Age of Building:
26 years

Appraised Value:
RM3.1 million
(Date of valuation 31 December 2025)

Lot 5, Lorong Tembaga 3, Kawasan MIEL, Kota Kinabalu Industrial Park, 88450, Kota Kinabalu, Sabah

Land area (sqft)	**21,979**	Value per sqft (RM)	**238.79**
GFA (sqft)	**12,982**	Occupancy Rate	**100%**
NLA (sqft)	**12,982**		

This one-and-a-half-storey semi-detached factory offers a versatile industrial footprint designed to accommodate both production and administrative functions. The property is strategically located within Kawasan MIEL, KKIP Selatan, situated along the eastern side of the Jalan Sepanggar main road in the Kota Kinabalu Industrial Park. This prime location is part of a sophisticated zone designated for general light and medium industry, alongside commercial, residential, and institutional uses. Furthermore, the surrounding area incorporates tourism, recreational spaces, and a nature park, providing a unique and diverse environment that supports a wide range of economic and community-focused activities.

PORTFOLIO CAPITAL

INDUSTRIAL & OTHERS SEGMENT

Date of acquisition:
2019

Acquisition Cost:
RM3.5 million

Title:
CL 015319892, situated in District of Kota Kinabalu, Sabah

Tenure & Expiry Date:
Leasehold 999 years, expiring on 22nd January 2901

Encumbrance:
Charged to CIMB Islamic Bank Berhad

Year of Completion:
1989

Age of Building:
36 years

Appraised Value:
RM4.9 million
(Date of valuation 31 December 2025)

Lot 43A, Lorong Karamunsing C, Wisma KFC Sabah, Karamunsing Warehouse, 88100 Kota Kinabalu, Sabah

Land area (sqft)	**6,360**	Value per sqft (RM)	**361.17**
GFA (sqft)	**15,112**	Occupancy Rate	**100%**
NLA (sqft)	**13,567**		

This three-storey corner terraced shop and office building currently accommodates a prominent KFC warehouse. The facility is strategically located within the Karamunsing commercial area, which serves as one of the major business thoroughfares in Kota Kinabalu, Sabah. The surrounding environment is predominantly commercial, characterised by a dense concentration of shop-offices, residential units, modern office buildings, and hotels.

PORTFOLIO CAPITAL

INDUSTRIAL & OTHERS SEGMENT

KPJ INTERNATIONAL COLLEGE OF NURSING AND HEALTH SCIENCES

Date of acquisition:
2015

Acquisition Cost:
RM28.2 million

Title:
HSD 539995, situated in Mukim Tebrau, District of Johor Bahru, Johor

Tenure & Expiry Date:
Freehold

Encumbrance:
Charged to Malaysian Trustees Berhad

Year of Completion:
2010

Age of Building:
15 years

Appraised Value:
RM36.9 million
(Date of valuation 31 December 2025)

No 1, Jalan Dato' Onn 1, Bandar Dato' Onn, 81100, Johor Bahru, Johor

+60 7-360 1907 | https://kpju.edu.my/ | infojb@kpju.edu.my

Land area (sqft)	**87,123**	Value per sqft (RM)	**423.27**
GFA (sqft)	**92,157**	Occupancy Rate	**100%**
NLA (sqft)	**87,178**		

KPJ International College of Nursing and Health Sciences is a specialised four-storey academic building dedicated to nursing and health sciences. This purpose-built facility serves as a critical infrastructure asset for professional medical education, designed to support high-level clinical training and academic excellence.

Strategically located in Johor Bahru, the college has consistently delivered stable earnings through a master lease arrangement with the education arm of the KPJ Group. By leveraging the robust reputation of KPJ as a preeminent leader in the healthcare industry, the property is positioned to maintain its strong track record of offering sustainable yields for Al-Salām REIT. This established partnership ensures long-term operational stability and reinforces the facility's value as a premier institutional asset within a growing healthcare landscape.

PORTFOLIO CAPITAL

INDUSTRIAL & OTHERS SEGMENT OUTLOOK

Klang Valley:

The industrial sector remained stable across the Klang Valley in 2025, driven by e-commerce, logistics and light manufacturing, particularly in areas with proximity to ports and along the logistics corridor such as Shah Alam, Bukit Raja and Port Klang or Pulau Indah. With structural support such as promotion of policy and clarity in focus sectors, the industrial sector showed resilience in rentals and occupancy despite macroeconomic headwinds affecting the global supply chain.

Going forward, the Klang Valley industrial sector is expected to sustain its momentum, continued to be driven by e-commerce, logistics and manufacturing. As new supply comes online, the sophistication of warehouses is also improving to allow logistics and e-commerce players achieve operational efficiencies in an increasingly competitive market. Nonetheless, industrial demand is expected to remain robust in line with the expected expansion of national trade and FDI targets in 2026 and beyond.

Besides industrial properties along the supply chain corridor, older and underutilised industrial locations such as Petaling Jaya are increasingly experiencing an adaptive reuse of space into commercial and lifestyle hubs due to their prime locations in mature neighbourhoods, bringing vibrancy back to these industrial hubs. This trend is expected to continue into the near future to cater to the lifestyle needs of the younger generation.

The REIT also expects data centre demand to remain strong in the Klang Valley despite tighter approval processes and sustained land prices, as infrastructure readiness remains a key investment factor for hyperscalers.

Johor:

The Johor industrial sector recorded strong growth in 2025, underpinned by FDIs in high-value sectors such as E&E, renewable energy, and logistics, reflecting a strong investor sentiment. Johor's committed investments surged to RM91.1 billion by the third quarter of 2025 from only RM18.1 billion in 2024, surpassing all other states, driven by its positioning as a regional data centre and advanced manufacturing hub. In particular, free trade zones and locations with proximity to ports, such as Senai Airport City, Tanjung Pelepas and Pasir Gudang experienced active transactions in line with expansion of warehousing and logistics facilities. Rentals also held stable as supply of new space was modest in 2025.

Looking ahead, Johor's industrial sector is expected to continue its expansion, supported by continued investment into logistics and high-value manufacturing. While growth could moderate due to the exceptionally strong performance in 2025, policy promotions and infrastructure catalysts such as the RTS Link, ART and EDTP are expected to drive investment activity beyond 2026.

As Johor continues to strengthen its position as a regional data centre hub, infrastructure readiness and capacity, particularly power and water, remain an overshadowing concern despite strong demand fundamentals. Committed investments and sustained growth in the data centre segment will largely depend on clarity of infrastructure availability.

In general, the REIT is optimistic that the Johor industrial market is expected to sustain its momentum into 2026.

al-salām
REAL ESTATE INVESTMENT TRUST

Section 6

SUSTAINABILITY STATEMENT

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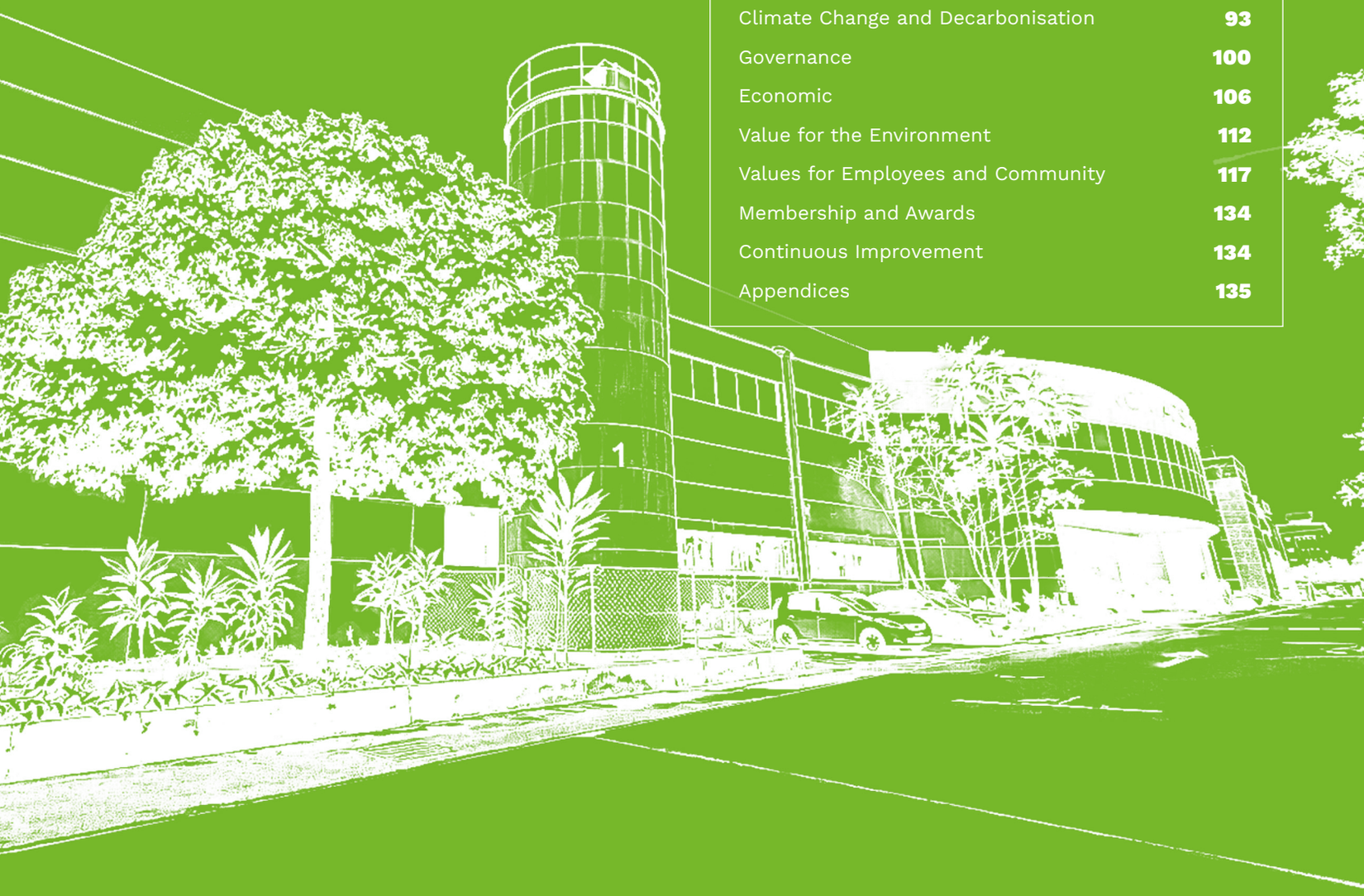


SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

BASIS OF PREPARATION

For FY2025, JLG REIT Managers Sdn Bhd ("the Manager") is pleased to present the Sustainability Statement 2025 ("SS2025") for Al-Salām Real Estate Investment Trust ("Al-Salām REIT" or "the REIT"). The SS2025 details the REIT's FY2025 Environmental, Social, and Governance ("ESG") progress, targets, and initiatives throughout our REIT operations, showcasing our continued commitment towards sustainability and leaving a lasting impact for both the REIT and all our stakeholders.

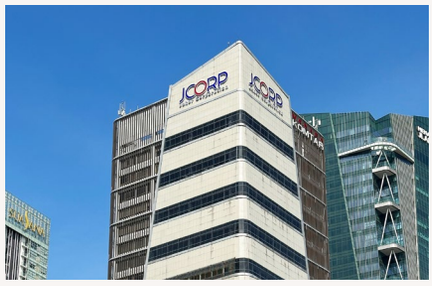
The disclosures of the SS2025 are aligned with several ESG frameworks and guidelines to provide the highest level of transparency to our stakeholders, which include:

- Bursa Malaysia's Main Market Listing Requirements ("MMLR") and Sustainability Reporting Guide Third Edition
- National Sustainability Reporting Framework ("NSRF")
- International Financial Reporting Standards ("IFRS") S1 and S2
- FTSE4Good Bursa Malaysia Index
- Global Reporting Index ("GRI") Standards
- United Nations Sustainable Development Goals ("UN SDGs")

The SS2025 reports disclosures between 1 January 2025 to 31 December 2025 ("FY2025"), covering all of Al-Salām REIT's activities and operations in KOMTAR JBCC, Menara KOMTAR, Pasaraya Komuniti @Mart Kempas, Malaysian College of Hospitality & Management (MCHM) and our headquarters in Petaling Jaya and Johor Bahru.

SCOPE OF THE SUSTAINABILITY STATEMENT

KOMTAR JBCC



Menara KOMTAR

Pasaraya Komuniti @Mart Kempas

Where available, the report includes three years of historical data, providing stakeholders with enhanced insight into the REIT's historical performance and progress.

The SS2025 report comprehensively covers all identified material topics and incorporates relevant disclosures aligned with other ESG frameworks. Where available, the SS2025 report presents our performance in relation to its value chain, which includes suppliers, business partners, contractors, vendors, and service providers. In the context of this report, the term "local" refers to regions within Malaysia where the REIT operates.

ASSURANCE AND DATA ACCURACY

The Board of Directors ("Board") and Senior Management have reviewed the disclosures to ensure that they fairly represent the REIT'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.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT (CONT'D)

ASSURANCE AND DATA ACCURACY (CONT'D)

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

We welcome all feedback from our stakeholders. We recognise every input has the potential to improve our disclosures and operations. All inquiries, suggestions, and feedback can be provided through the contacts provided below:

Roziah Abu Bakar
Compliance Officer

Email
roziah.bakar@jlandgroup.com.my

The REIT's report can be accessed via:
https://www.alsalamreit.com.my/investors.php

STAKEHOLDER ENGAGEMENT REPORT

The REIT considers stakeholders as individuals or groups that have the ability to influence or be influenced by its activities, including internal parties such as employees, as well as indirect external parties such as the local communities in which it operates. Recognising the diverse range of stakeholders, the REIT maintains regular engagement to ensure that its operations remain aligned with stakeholder interests.

The REIT has identified several key stakeholder groups and has outlined the corresponding engagement methods and frequency. These platforms serve as the primary channels for gathering feedback, as well as for monitoring, assessing and addressing the evolving needs of stakeholders. This approach enables the REIT to adapt its operations accordingly, while supporting the robustness and long-term continuity of its business.

Engagement frequency legend:

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

Stakeholders

Investors

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

Engagement Platform	Areas of Concern	Response
• Annual General Meeting • REIT website • Yearly and quarterly financial reports • Investor relations presentations • Investment	• Financial performance • Governance practices • Investor relations • Environmental issues • Asset security	• Annual audits • Uphold strong governance practices

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT REPORT (CONT'D)

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 the REIT's credibility and success.

Engagement Platform	Areas of Concern	Response
● Quarterly compliance reports submitted to the Board ● Announcements, notifications & regular updates ● Compliance reviews and audits	• Adherence to regulations • Employment practices • Openness and information sharing	• Adheres to current laws and regulations

Stakeholders

Employees

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

Engagement Platform	Areas of Concern	Response
● Performance and career growth plans ● Townhall sessions ● Salary package reviews ● Balancing work and personal life	• Employees' performance and growth • Business strategies, goals and achievements • Employees well-being • Employees benefits	• 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
● Monthly reporting ● Monthly meetings	• Maintenance overview	• Senior management consistently engages in discussions with all building and property managers to address improvement opportunities • Maintenance managers submit monthly updates to REIT

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT REPORT (CONT'D)

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
● Tenant satisfactory survey ● Monthly reports ● ServeDeck Complaint Management System ● Quarterly meeting	• Lease contracts • Keeping leased premises in good repair and condition	• 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

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	Areas of Concern	Response
● Assessment and performance reviews ● Adherence to the MACC Act and PDPA ● Procurement Guidelines	• Tenant Procurement Procedures • Business Practices	• 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 retail properties, leading to positive economic and social impacts in the areas we serve.

Engagement Platform	Areas of Concern	Response
● Complaint handling ● Social media such as Facebook and Instagram ● E-mail communication ● Community activities ● Foodbank/volunteer work ● ServeDeck Complaint Management System	• Corporate Social Responsibility ("CSR") • Community Growth • Environmental Effects	• Participates in local community initiatives and charitable projects • Implements environmentally sustainable practices, such as adopting energy-efficient technologies

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT REPORT (CONT'D)

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.

MATERIALITY ASSESSMENT

At Al-Salām REIT, the REIT considers the inputs of its 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 it to improve its operations while identifying key areas of concern that need the utmost attention. This commitment allows the REIT to ensure that the voices of all its stakeholders are heard, building strong and long-lasting relationships that are essential to the long-term sustainability of its operations.

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 its stakeholders, including the protection of the environment, maintaining good governance practices, and ensuring the wellbeing of communities. The REIT's materiality assessment follows a specific procedure as outlined below:

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 the 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 us to obtain various perspectives and align our 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 our 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 us 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.

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT (CONT'D)

The REIT's materiality matrix follows the topics from FY2023 as the identified issues remain relevant to both the REIT's internal and external stakeholders. The materiality matrix has been validated by the Board and deemed relevant for operations throughout FY2025.

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 its stakeholders and global sustainability targets outlined by the UN SDGs.

Robust Corporate Governance

Material Matter

01 **Corporate Governance and Anti-Corruption**

Embracing the values, principles, standards, and norms that are critical for keeping the REIT's business sustainable and preventing corruption, bribery, and any unethical behaviour

Relevant Stakeholders

Material Matter

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 the REIT's business activities

Relevant Stakeholders

Material Matter

05 **Data Privacy and Cybersecurity**

Protecting the data privacy and cybersecurity of the REIT's customers' personal and financial data, while taking an active approach to risk mitigation, positions the REIT as a trustworthy entity in digital transactions and communications

Relevant Stakeholders

Sustainability Trust Fund

Material Matter

02 **Economic Performance**

Effectively managing broader economic impacts of infrastructure investments and associated services, alongside enhancing financial performance, to ensure the beneficial value creation for the REIT's stakeholders

Relevant Stakeholders

Material Matter

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

Relevant Stakeholders

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT (CONT'D)

MATERIAL MATTER ALIGNMENT (CONT'D)

Strong Social Relationships

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 REIT's 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 facilitate mutual development and support their wellbeing through regular engagement

Relevant Stakeholders

Environmental Stewardship

Material Matter

09 Energy Emissions and Climate Resilience

Implementing initiatives that minimise energy consumption, reduce greenhouse gas emissions, and strengthen the climate resilience of the REIT'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

Al-Salām REIT is committed to becoming the leader in sustainable practices while providing the highest value and returns to its stakeholders and communities. As part of its sustainability journey, the REIT continues to implement initiatives that lower its environmental footprint, upholding transparency, accountability and integrity throughout its operations, and ensuring the wellbeing of its employees and the communities that have allowed the REIT to reach where it is today. In its ongoing sustainability journey, the REIT has developed a Sustainability Framework, aligned with the UN SDGs, to better guide Al-Salām REIT's sustainable implementations.

JLG 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	Driving Energy Transition and Low-Carbon Within the Real Estate Industry	Enriching the Wellbeing of Employee and Communities
• Supply Chain Management • Anti-corruption, Ethics and Transparency • Governance, Risk and Regulatory Compliance • Data Privacy and Security • Innovation and Research & Development • Economic Performance	• Climate Change • Biodiversity and Conservation • Environmental Footprint • Product Lifecycle Management	• Customer Satisfaction • Health and Safety • Human Rights and Labour Practices • Diversity, Equity and Inclusion • Community Development

Growth | Stakeholder-centricity | AI & Digital | Sustainability | People

SUSTAINABILITY STATEMENT

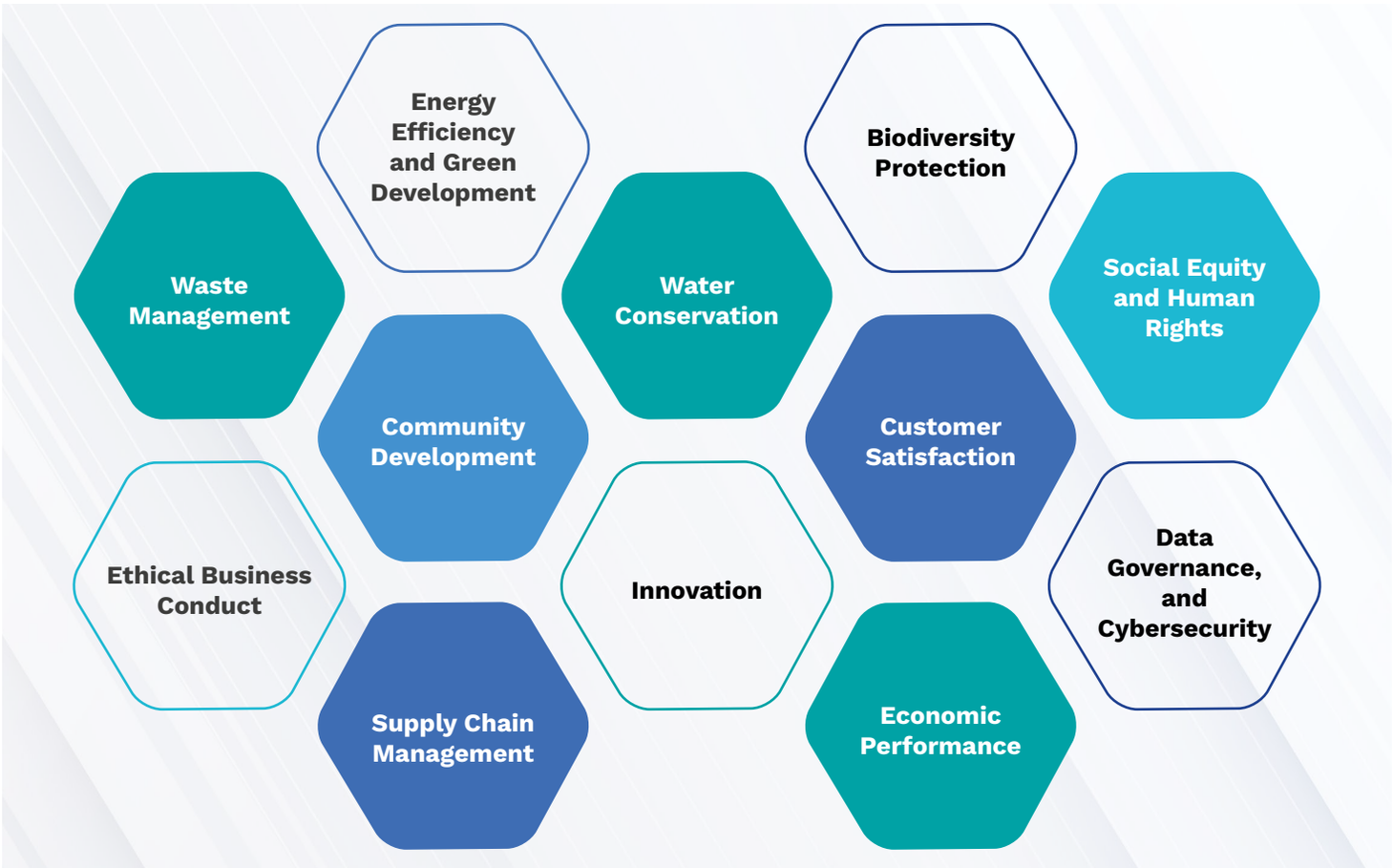
SUSTAINABILITY STRATEGY (CONT'D)

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 short-, medium- 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 ("BSC"), 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 the REIT'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 — Governance | Social | 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
				Develop and implement emergency preparedness and response plans, with drills year on year

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	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, the REIT 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 REIT's initiatives have the most significant impact in advancing the targets of the five UN SDGs below, the REIT's sustainability initiatives go beyond the recommendations of the UN SDGs, leaving a positive impact throughout everything the REIT does.

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	Ensured compliance with labour-related regulations
	Target 8.8: Protection of labour rights and promotion of safe and secure working environments for all	Enforce minimum wage, and the prohibition of child and forced labour
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 and installation of organic waste composter
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 the AI-based recycling machines at Pasaraya Komuniti @Mart Kempas and subsequently expanded to KOMTAR JBCC and MCHM
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 our 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 Integration of material climate risks into ERM Framework
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 ERM Policy and Framework

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY (CONT'D)

SUSTAINABILITY MILESTONES

FY2017-2018

- Published inaugural Sustainability Statement in FY2017
- Established a Sustainability Governance Structure in FY2017
- Established an ESG Framework consisting of 5 pillars (Governance, Environment, Partner, Corporate Social Investment and People)

FY2019-2022

- Conducted stakeholder engagement exercise in FY2019
- Implemented a three-tier governance structure
- Adopted SDG 8, 9, 11, 13, and 16 in FY2021
- Conducted a materiality reassessment in FY2021
- Reported on Scope 2 emissions

FY2023

- Enhanced climate-related disclosures by adopting TCFD Recommendations
- Streamlined material matters to Bursa disclosure requirements
- Conducted materiality reassessment and identified 13 material sustainability matters
- Reported on our limited Scope 3 GHG emissions
- Updated the Sustainability Governance Structure to reflect the formation of the BSC and SMC
- Streamlined materiality matters to Bursa Malaysia's sustainability disclosure requirements

FY2024

- Enhanced climate-related disclosures by evaluating risks and opportunities over short-, medium-, and long-term
- Improved the ESG strategy by incorporating Key Performance Indicators ("KPIs")
- Updated KPIs based on the REIT's latest ESG performance, with allocated timeframes (short-, medium-, or long-term) allocated for each

FY2025

- Commenced phased alignment with IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2)
- Began referencing selected relevant SASB metrics to enhance industry-specific sustainability disclosures.
- Continued to comply with Bursa Malaysia Sustainability Reporting Requirements.
- Strengthened ESG data governance frameworks and internal review processes

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, JLG REIT Manager ensures that climate-related matters are escalated to the Board of Directors, the Audit and Risk Committee, and the Sustainability Committee 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 the REIT's commitment to adopt sustainability throughout every facet of Al-Salām 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 its sustainability goals remain a priority. Additionally, each target has been linked with specific UN SDGs to ensure the REIT's operations align with global trends and developments, showcasing the REIT's dedication to not only operational excellence, but towards the greater betterment of humanity and the environment.

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**	
	To ensure 100% of operations are assessed for anti-corruption risk by FY2025	Achieved	**Achieved**	
	To provide training and regular communication on the Anti-Bribery and Anti-Corruption Policy for 100% of the Manager's employees by FY2025	Achieved	**Achieved**	
Regulatory Compliance and Risk Management	Conduct 100% coverage of ESG risk management with mitigation plans	Achieved. 100% completed	**Achieved. 100% completed**	
	Achieve zero customer privacy breaches and data losses	Achieved	**Achieved**	
Data Privacy and Cybersecurity	At least 90% of employees trained on data privacy and cybersecurity annually	N/A	**Achieved 100%**	

SUSTAINABILITY STATEMENT

SUSTAINABILITY TARGETS & PERFORMANCE (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	**Achieved**	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	100% of vendors meet the ESG assessment criteria	Conducted supplier assessment on environment related criteria	**Achieved**	
Environmental Stewardship				
Energy, Emissions and Climate Resilience	At least 1 property with green building certification by 2030	0%	**In progress (~10%)**	11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION
	Adopt Green leases for all lease renewals and implement adoption of green leases by new tenants by FY2026	0	**100% for JBCC, Menara KOMTAR and @Mart to start in 2026**	
Waste Management	At least 1 initiative conducted a year	Achieved. Installation of Klean Machine at Pasaraya @Mart Kempas	**Achieved.** • **Installation of Klean Machine at JBCC** • **Installation of food compost machine at Menara KOMTAR**	
Strong Social Relationships				
Occupational Health and Safety	Maintain zero fatalities and Lost Time Injury Rate of less than 3.00 annually	0 fatalities and injuries	**Achieved**	8 DECENT WORK AND ECONOMIC GROWTH
	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 80% in the tenant satisfaction survey	86%	**Achieved**	
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 the REIT's commitment to robust risk management, Al-Salām REIT 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") 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 the REIT's brand image, operational productivity, and financial performance.

The REIT's risk management is overseen by the BARC and supported by the Enterprise Risk Management Committee ("ERMC"). The BARC and ERMC identify risk parameters, appetite, profiles, and prepare mitigation measures and action plans in response to identified risks. These initiatives are cascaded to Risk Owners who manage 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 are detailed below:

Board Audit and Risk Committee

- Oversees the risk management framework and policies
- Ensures existing controls are relevant to emerging trends and strategies
- Reviews, monitors, and assesses the effectiveness of risk controls, including sustainability- and climate-related risks

Enterprise Risk Management Committee

- Oversees the risk management strategy operations, framework, and policies
- Reports any comprehensive risk to the BARC
- Conducts quarterly risk assessments
- Documents identified risks to the risk register

Risk Owners

- Manages day-to-day operational risks
- Implements internal controls and reports on the effectiveness of existing mitigation measures

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 our 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: • **Enterprise Risk Management Framework:** The RMC continuously monitors, evaluates and manages significant risks. Corrective actions are implemented as necessary, and their effectiveness is regularly reviewed • **Internal Controls:** The Management implements action plans with specific timeframes for mitigation when necessary • **Internal and External Audits:** The Audit and Risk Management Committee regularly examines the internal control process and the results of the risk management

The table below summarises the principal ESG risk areas relevant to the REIT.

ESG Pillar	Risk Area
Environmental	Climate & Transition Risk
	Energy Inefficiency
	Poor Environmental Due Diligence
Social	Tenant Health & Wellbeing
	Community Relations
	Workforce Diversity & Inclusion
	Health & Safety Compliance
	Breach of Human Rights/Child Labour
Governance	ESG Governance Weakness
	Inadequate ESG Reporting
	Conflict of Interest/Recurrent Related Party Transactions (RRPT)
	Greenwashing
	Data Privacy & Cybersecurity
	Corruption & Bribery Risk
	Fit and Proper Risk

RISK PRIORITISATION

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 REIT's approach to climate risk management ensures that climate risk remains a central concern in its 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 demonstrates its commitment to enhancing climate resilience and providing its customers and stakeholders with the safest and most resilient properties.

SUSTAINABILITY STATEMENT

CLIMATE CHANGE AND DECARBONISATION

CLIMATE GOVERNANCE

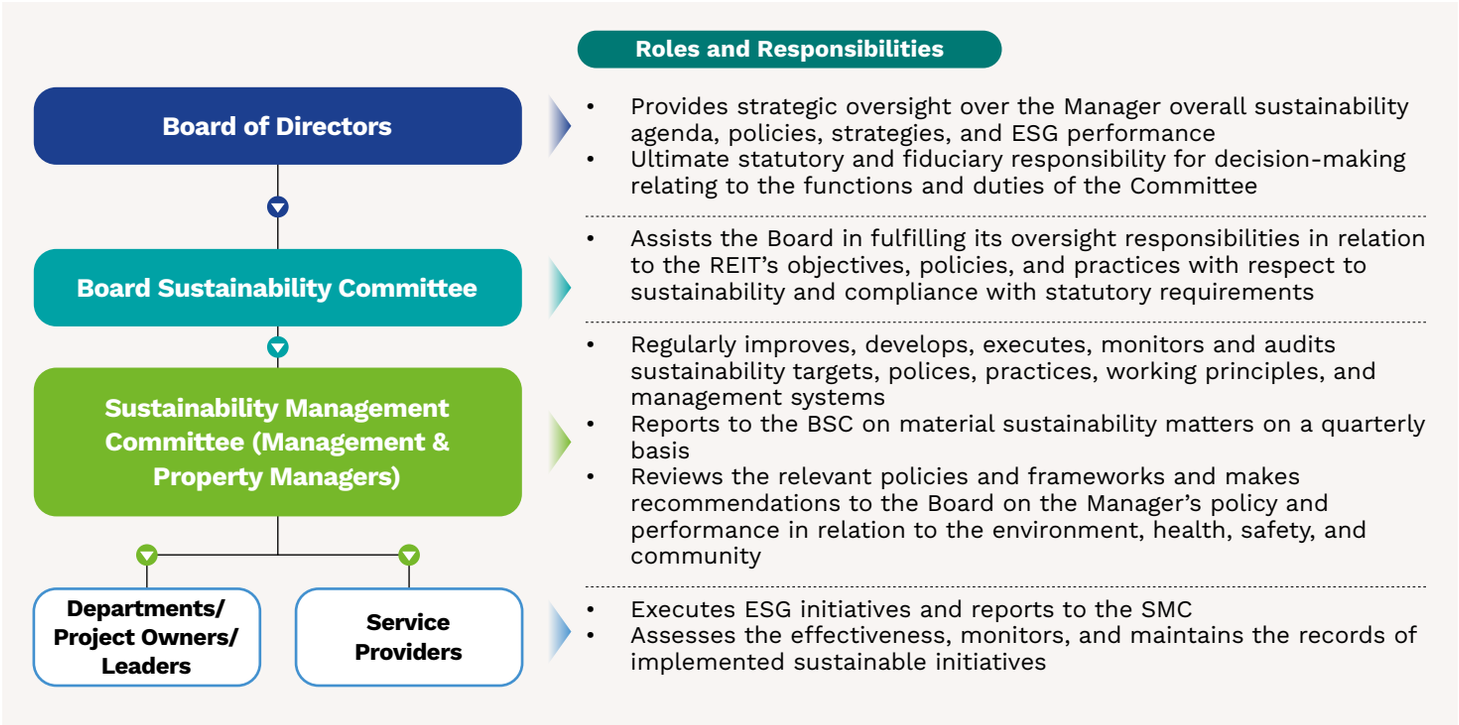
Risk Area	Risk Rating	Risk Tolerance Level
ESG Governance Weakness is a risk if ESG considerations are not adequately integrated into Board and management decision-making processes.	●	●

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 the REIT's assets.

Al-Salām REIT adopts a top-down approach to managing sustainability-related initiatives and concerns. The 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 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 its Board members to ensure the REIT's strategic direction and oversight controls remain flexible to evolving climate change developments. The REIT's approach ultimately positions the REIT to be prepared in mitigating all climate risks, enhancing its climate resilience and its long-term operational sustainability.

SUSTAINABILITY STATEMENT

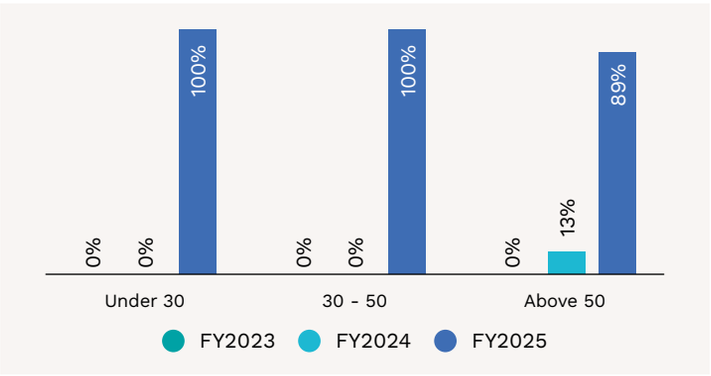
CLIMATE CHANGE AND DECARBONISATION (CONT'D)

CLIMATE GOVERNANCE (CONT'D)

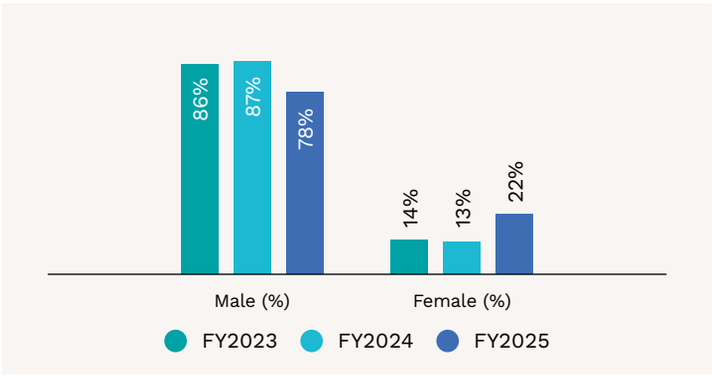
Board Composition and Competency

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 supports objective decision-making, accountability and alignment with long-term value creation for stakeholders.

Age Breakdown



Gender Breakdown



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.

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	●	●

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. The REIT'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).

SUSTAINABILITY STATEMENT

CLIMATE CHANGE AND DECARBONISATION (CONT'D)

CLIMATE RISKS AND OPPORTUNITIES (CONT'D)

The REIT identified several physical and transition risks that impact its operations, financial performance, and the wellbeing of its employees and stakeholders. Based on the identified risks, the REIT developed mitigation measures to counter them 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	• Higher operating costs to maintain compliance due to more stringent environmental regulations and standards	In addition to complying with potential upcoming regulations, we tap 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	• Higher capital expenditures for new technologies, including solar panels and smart building solutions, that optimise energy consumption and decarbonises our portfolio • Additional costs to adapt existing processes to align with emerging standards	Investments in low-carbon and energy-efficient technologies reduces our GHG footprint and positions us to be a leader in sustainable property management	Short to medium term
Market			
Evolving market conditions and customer demand	• 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 our sustainability commitment and implementations to differentiate us from competitors and attract environmentally aware clients	Short term
Reputation			
Reputational damage as a polluting or lagging organisation in portfolio decarbonisation	• 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 our 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 our image as a responsible and reliable REIT	Long term

SUSTAINABILITY STATEMENT

CLIMATE CHANGE AND DECARBONISATION (CONT'D)

CLIMATE RISKS AND OPPORTUNITIES (CONT'D)

Physical Risks	Potential Impact	Mitigation Strategies
Acute		
Extreme, short-term climate events such as heat waves, floods, and landslides	• Extreme weather events can cause damage to the buildings or the assets • Pose potential safety risks	• 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	• 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	• 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 AND DECARBONISATION (CONT'D)

DECARBONISATION ROADMAP

To further strengthen the REIT's decarbonisation measures, the REIT 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)	• 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
Medium term (FY2027-28)	• Implement, chiller upgrades, and energy analytics platform • Establish annual climate training for the Operations Team • Investigate and develop more robust emission reduction initiatives • Expand solar panel utilisation to properties in the REIT's portfolio
Long term (FY2029-30)	• Continuous energy monitoring and optimisation • Adopt carbon offset implementations

ENERGY AND EMISSION METRICS

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

SUSTAINABILITY STATEMENT

CLIMATE CHANGE AND DECARBONISATION (CONT'D)

ENERGY AND EMISSION METRICS (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 with rooftop solar panels. In parallel, the REIT is supportive and welcomes collaborations with tenants for ESG initiatives.

The REIT implemented a Green Lease for tenants, emphasising sustainability criteria such as energy usage and waste management. At Pasaraya Komuniti @Mart Kempas, the REIT installed solar panels for better energy efficiency. The REIT also installs smart meters across its properties. These measures reflect the REIT's holistic approach to enhancing energy management and climate resilience across its portfolio.

The REIT'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 CO_2, N_2O, and CH_4, converted into units of metric tons of carbon dioxide-equivalents ("t CO_2e"). 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 JB Office, PJ Office, KOMTAR JBCC, Menara KOMTAR, Pasaraya Komuniti @Mart Kempas, Malaysian College of Hospitality & Management (MCHM), and Mydin, where the REIT has operational control. This includes common areas such as carparks and hallways and excludes areas managed and occupied by the tenants.

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. The energy consumption in common area as well as tenanted areas of JBCC, Menara KOMTAR, @Mart and MCHM was 19,189.07 MWh or 69,080.64 GJ.

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

Note: Data collection begins in 2025.

Energy Consumption ('000)	FY2023	FY2024	FY2025
Gigajoules (GJ)	83,821.28	86,821.20	**69,080.64**
Megawatt hour (MWh)	23,283.69	24,117.00	**19,189.07**

SUSTAINABILITY STATEMENT

CLIMATE CHANGE AND DECARBONISATION (CONT'D)

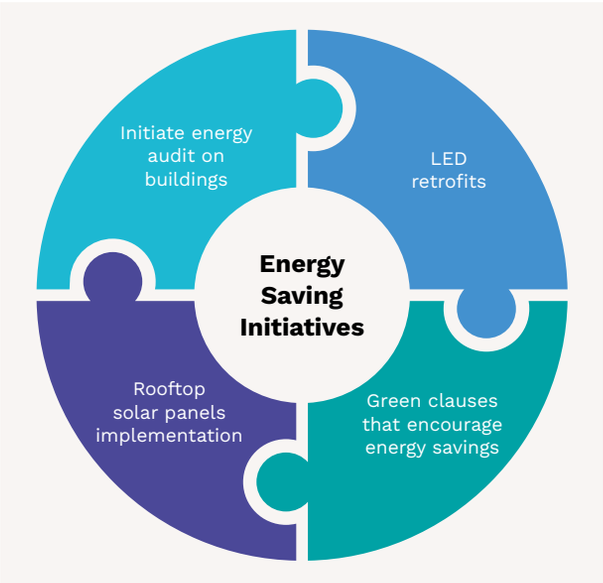
ENERGY AND EMISSION METRICS (CONT'D)

Indicator (Emission Management) –	Measurement Unit	FY2023	FY2024	FY2025
Scope 1 emissions in $MTCO_2e$	Metric Tonnes			
- Diesel		19.85	6.22	**-**
- Petrol		-	20.87	**4.30**
Scope 2 emissions in $MTCO_2e$	Metric Tonnes	23.94*	25.60*	**14,545.31**
- Electricity (JRMSB – PJ & JB)				
- Electricity (Leased Building-Common Area)				
Total (Scope 1 & 2)		43.79	52.69	**10,403.40**
Scope 3 emissions in $MTCO_2e$ (at least for the categories of business travel and employee commuting)	Metric Tonnes			
- Water (Leased Building)		24.80	41.13	**38.04**
- Electricity (Leased Building)		18,121.68*	18,280.69*	**4,122.67**
- Business Travel & Employee Commuting		44.00	37.20	**59.93**
- Waste (Recycle & Non-Recycle)			1,094.98	**2,360.59**
Total (Scope 1, 2 & 3)		18,234.27	19,506.69	**16,984.63**

Note: Taken up under Scope 3.

Intensity Metrics

To improve comparability and performance tracking, the REIT will progressively disclose Energy intensity (kWh/m²), Emissions intensity (t CO_2e/m^2) and Water intensity (m^3/m^2). 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 and the disclosure of Scope 1, Scope 2 and Scope 3 emissions. 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

Al-Salām REIT is committed to ensuring the highest level of professionalism and ethics in its governance, upholding principles of transparency, accountability, and integrity. This approach ensures that the REIT's 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 its stakeholders with transparency, fostering an open culture among the people the REIT considers important. Through fostering a culture of trust with its stakeholders, the REIT ensures its long-term operations continue unhindered while fortifying its risk management.

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

Key Stakeholders

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

SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE AND ETHICS

The REIT developed internal Standard Operating Procedures ("SOPs") that guide its operations and streamline the REIT's management and business activities. Further reinforcing the REIT's 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.	●	●

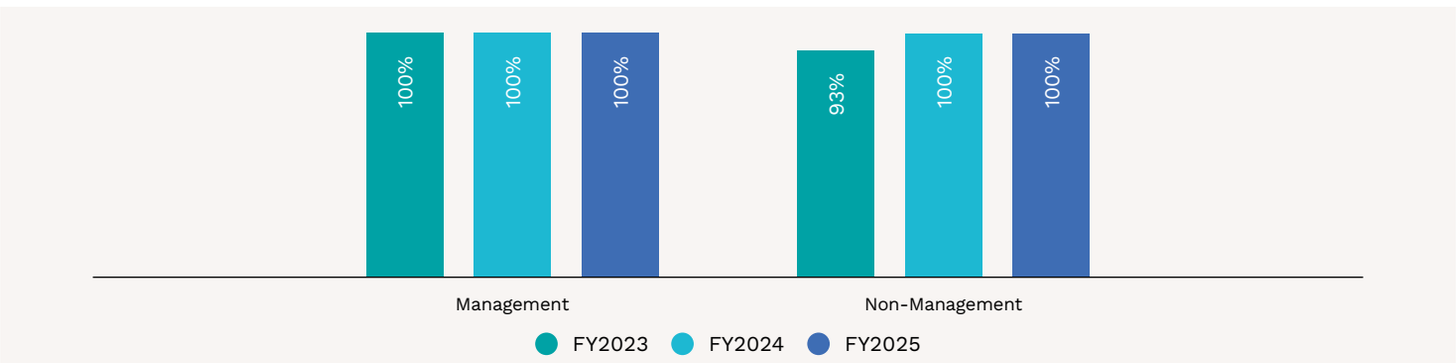
Al-Salām REIT enforces a zero-tolerance approach towards acts of corruption, bribery, and other unethical behaviour. The REIT's ABAC Policy was created to enforce anti-corruption measures, which are aligned with the Malaysian Anti-Corruption Act 2009.

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 our corporate website

Anti-corruption measures and procedures are cascaded through regular refreshers, briefings, and training sessions, ensuring that the REIT's employees understand the most recent developments in anti-corruption protocols and reinforcing the REIT's stance against acts of corruption. The policy is also communicated to external parties through a publication found on the REIT's corporate website. In FY2025, the anti-corruption communication and training have been undertaken by 100% of the REIT's employees.

Percentage of Employees Who Received Anti-Corruption Training (%)



SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE AND ETHICS (CONT'D)

Anti-Corruption (Cont'd)

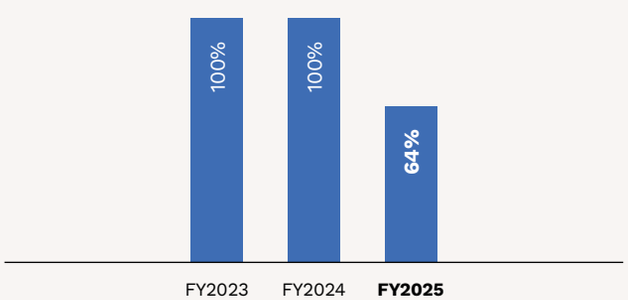
Additionally, the REIT conducts regular corruption-related risk assessments and maintains due diligence procedures through regular evaluation. This assessment covers 15 corruption risks as outlined below, and the subsequent outcome is added to the REIT's integrity risk register, fortifying the REIT's overall risk management.

Assessed Corruption Risks under Al-Salām REIT

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 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 it has assessed 100% of its operations for corruption risks for three consecutive years, marking a milestone in its sustainability journey.

Percentage of operations assessed for corruption-related risks



Al-Salām 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 its suppliers and business partners to acknowledge and sign a compliance declaration against acts of corruption, holding its 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, as the REIT faced 0 reports or fines due to acts of bribery or corruption, showcasing the REIT's commitment to minimising corruption risks internally and among its associates. While the results remain positive for several consecutive years, the REIT remains dedicated to improving its controls and procedures to ensure that corruption risks within its operations are minimised and eliminated.

SUSTAINABILITY STATEMENT

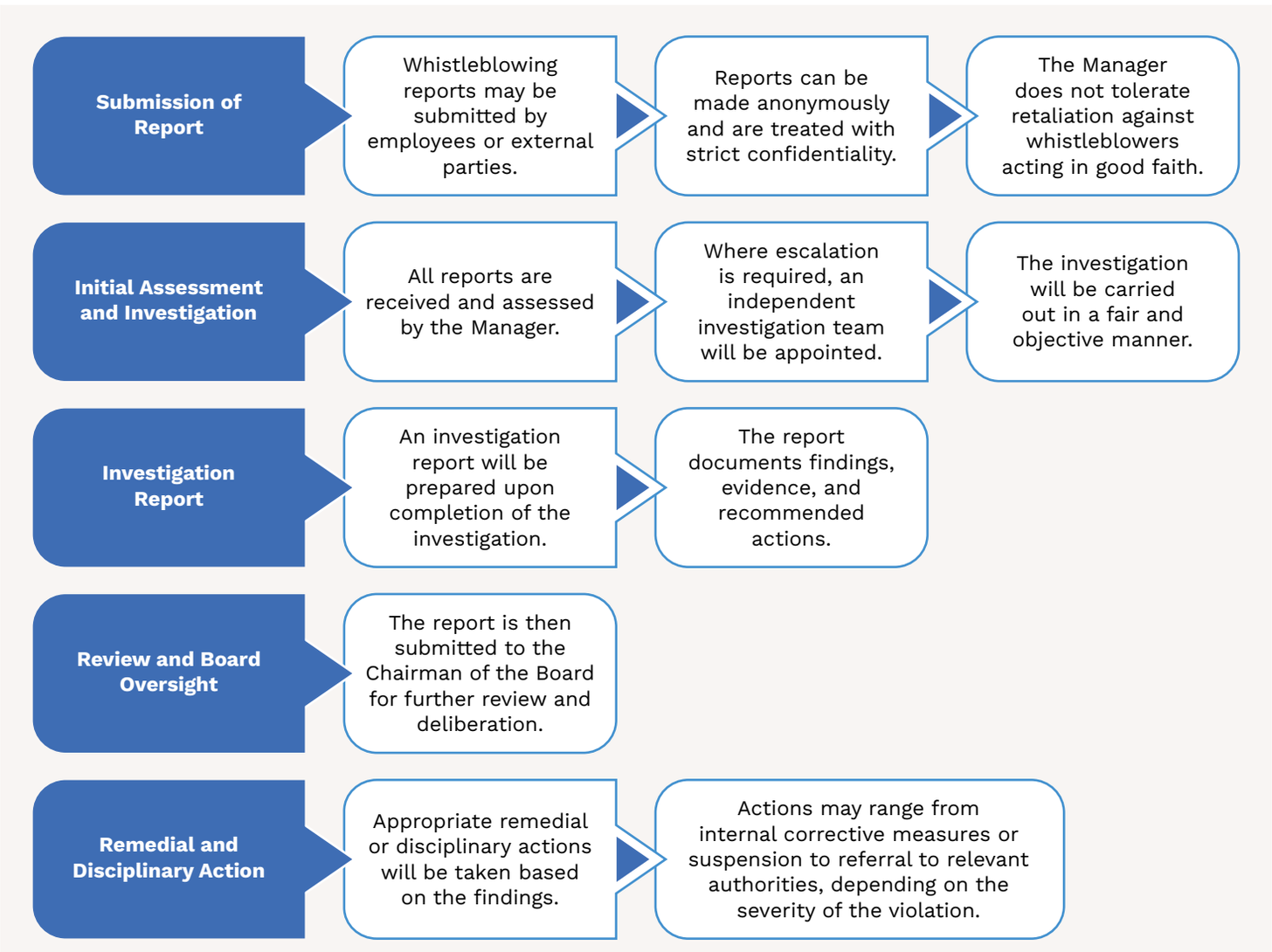
CORPORATE GOVERNANCE AND ETHICS (CONT'D)

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 who wish to file a whistleblowing report can utilise the following channels:

Email: jlgrm.integrity@jlandgroup.com.my

or,

by writing or visiting our 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.	●	●

Al-Salām 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 as the highest priority, including but not limited to the following laws, regulations, and guidelines:

- **Bursa Malaysia MMLR**
- **Guidelines on Listed REITs**
- **Employees' Provident Fund ("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 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 our 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 is accessible online through the REIT's corporate websites and annual reports.

These approaches allow the REIT and the Board to stay updated on 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

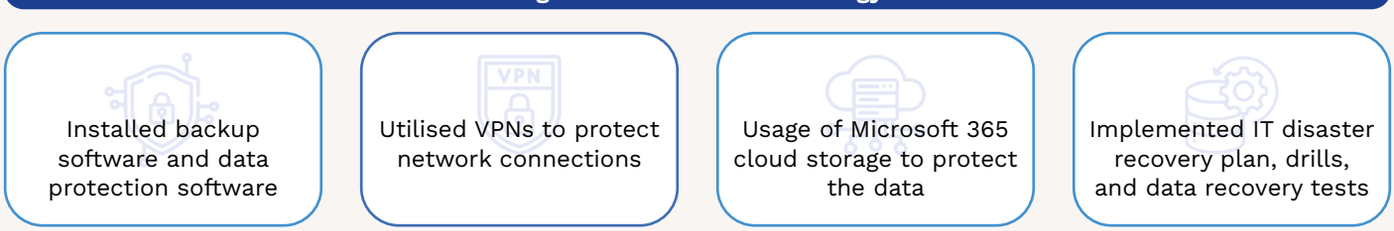
Risk Area	Risk Rating	Risk Tolerance Level
Data privacy & cybersecurity risk is a risk due to the potential loss, unauthorised access, or breach of personal and confidential data.		

Al-Salām 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 that of its customers' private information, the REIT implements numerous measures and safeguards to ensure all data and the REIT's digital wellbeing remains protected. To solidify this commitment, the REIT has developed the Personal Data Protection ("PDP") Policy, which is aligned with the Personal Data Protection Act 2010 and outlines the REIT's approach to data management and protection, and is aligned with data protection regulations.

Among the REIT's approaches to data protection, the REIT utilises a User Access Rights Matrix that limits access to sensitive information to authorised personnel. In cases of a security or privacy breach, the REIT will deploy its Cyber Security Procedures alongside its Data Recovery Procedures, which detail 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 its data privacy and cybersecurity controls.

In cases of a security or privacy breach, the REIT will deploy its Cyber Security Procedures alongside its Data Recovery Procedures, which detail 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 its data privacy and cybersecurity controls.

Digital Transformation Strategy



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

Among the REIT's developments towards advancing sustainability, the REIT recognises that economic impacts have the potential to shape the wellbeing of not only Al-Salām 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 its 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 its brand reputation, while strengthening relationships with its stakeholders by implementing mutually beneficial initiatives. This approach also strengthens the REIT's long-term resilience to evolving market demand and economic conditions, ensuring the REIT stays abreast of all developments and demands, and creating value that is aligned with the best interests of all its stakeholders.

Key Stakeholders

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

SUSTAINABILITY STATEMENT

ECONOMIC PERFORMANCE

Al-Salām 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, the REIT ensures that its finances remain strong, securing its long-term financial stability and the desirability of its real estate portfolio.

Direct Economic Impacts

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

Group Economic Performance (RM'000)	FY2024	FY2025
Economic value generated (revenue)	78,453	**88,825**
Property Expenses	27,038	**27,727**
Fund Expenses (Manager fees, trustee fees, audit fees, and other related expenses)	44,834	**45,416**
Taxes paid to the government	248	**215**
Profit for the year (profit after tax)	5,284	**13,621**

The REIT's approach to maximising economic performance is centred around the optimised and efficient budget allocation of its properties. This ensures that all of its capital is allocated to investments and properties with the highest possible returns. The REIT's 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 allow it to create long-lasting economic value and financial stability for all its stakeholders and investors.

Indirect Economic Impacts

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

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

SUSTAINABILITY STATEMENT

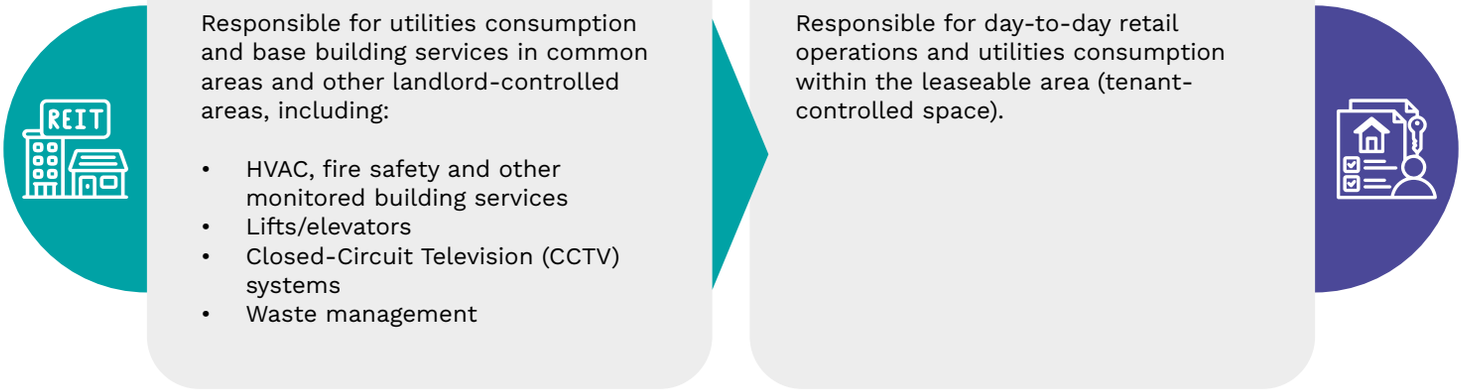
TENANT PARTNERSHIP

At Al-Salām, the REIT regards its tenants as long-term partners and prioritises the development of collaborative, value-creating relationships that support sustainable occupancy and long-term asset performance.

The REIT has implemented a POS-integrated footfall analytics system, enabling more accurate and real-time monitoring of tenant sales and gross turnover.

Division of Operational Control

Operational responsibilities at Al-Salām are clearly defined between the Manager and tenants to ensure effective governance and efficient asset management. Under this structure, tenants retain operational control over their leased premises while the Manager is responsible for landlord-controlled areas and base building systems. These systems enhance operational monitoring, energy management, safety, security, and waste management across the portfolio.



The Manager applies Active Asset Management (AAM) across landlord-controlled areas, covering leasing strategy, tenant mix optimisation, asset enhancement initiatives, and continuous building system upgrades. This clear division of responsibilities strengthens accountability, supports regulatory compliance and performance monitoring, and enables tenants to operate within a well-managed, safe, and efficient retail environment.

SUSTAINABILITY STATEMENT

TENANT PARTNERSHIP (CONT'D)

Tenant Engagement and Satisfaction

Tenant engagement is an integral component of Al-Salām's AAM framework. Management maintains regular communication with tenants through ongoing engagement, lease renewal discussions, performance reviews and proactive arrears management. Tenant feedback is considered in leasing decisions, marketing initiatives and asset enhancement planning.

Casual Mall Leasing arrangements

- Where appropriate, new tenants can request to set up temporary shops (pop-ups) for short periods.
- Enable new and emerging brands to test retail concepts with lower entry barriers.
- Enhance mall vibrancy, optimise space utilisation and introduce fresh customer experiences.
- Support the mall's continued relevance in a competitive retail landscape.

POS-integrated footfall analytics system

- Strengthen data-driven engagement.
- Combine real-time store entry and exit data captured through technologies such as sensors, cameras and Wi-Fi tracking.
- Insights from this system support leasing decisions, tenant performance monitoring and targeted marketing efforts.

Asset Enhancement Initiatives

- Façade repainting and lighting upgrades to improve exterior identity and visibility.
- Toilet refurbishments to enhance customer comfort.

Tenant/customer satisfaction survey is

>80%

in FY2025

During FY2025, a tenant satisfaction survey recorded a score of more than 80%. These outcomes demonstrate the REIT's 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 REIT's portfolio.

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.	●	●

SUSTAINABILITY STATEMENT

SUSTAINABLE SUPPLY CHAIN (CONT'D)

Effective supply chain management contributes to tenant satisfaction, property value enhancement, and cost efficiency. While tenant lease structures influence contractor and service provider selection, Al-Salām REIT maintains oversight through a structured approval process, with substantial asset replacements requiring trustee consent. Management services for REIT properties encompass maintenance, cleaning, security, statutory property expenses, and insurance. The REIT's suppliers, contractors, and service providers are assessed based on pricing, punctuality, quality, after-sales service, and responsiveness to complaints.

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 Surveys for vendors on adherence to environmental regulations, climate resilience strategies, sustainability practices, labour law compliance, and human rights protections. In addition, 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

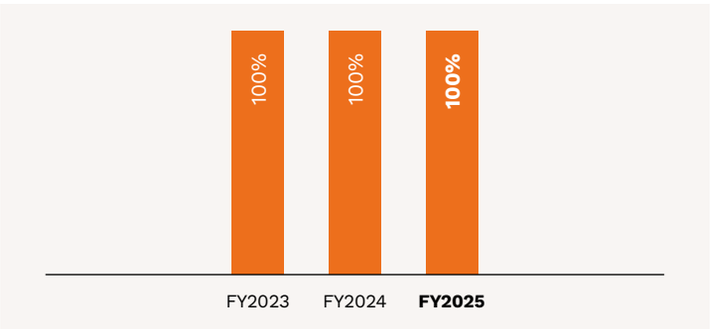
SUSTAINABLE SUPPLY CHAIN (CONT'D)

Indicator	FY2023	FY2024	FY2025
Percentage of new suppliers that were screened using environmental criteria	33	42	100
Percentage of suppliers assessed for environmental impacts (new & existing)	46	43	65
Percentage of the REIT's total property portfolio certified to a recognised building management standard for property (GBI & MyCrest)	-	-	-

This year, there were zero cases reported on violations of the law or the REIT's supplier assessment criteria.

In line with the REIT's commitment to advancing the wellbeing of the local communities around it, the REIT 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, alongside reduced transportation time and delays. In FY2025, the REIT sourced 100% of its materials from local suppliers, showcasing the REIT's commitment to supporting local businesses.

Proportion of spending on local suppliers



In conclusion, Al-Salām REIT's structured approach to supplier ESG screening, compliance declarations, and local procurement reflects the REIT's commitment to responsible supply chain management. The REIT's 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 THE ENVIRONMENT

Al-Salām REIT is committed to upholding environmental stewardship by implementing initiatives that minimise its GHG and environmental footprint, conserve natural resources, minimise waste generation, and improve its climate resilience.

The REIT undertakes proactive measures and innovative solutions to strengthen its environmental protection controls, aiming to go beyond minimum compliance requirements and become a leader in environmental management in the industry.

Key Stakeholders

Materiality Matters

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

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

SUSTAINABILITY STATEMENT

GREEN PORTFOLIO

As a REIT, the REIT'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 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, often relying on polluting fossil fuel sources.

GreenRE Certification Initiative	Energy Audit and Preliminary Building Assessment	Incorporation of Green Building Design Elements
The REIT has proposed to obtain GreenRE certification to improve overall building sustainability performance and align with recognised green building standards.	To identify opportunities for improvement.	To include the use of energy-efficient lighting, water-saving fixtures, and sustainable materials where feasible.

In the medium-term, set between FY2027 and FY2028, the REIT plans to retrofit its heating, ventilation, and air conditioning ("HVAC") filters and ultraviolet systems to control airborne diseases and contaminants. After these initiatives are implemented, the REIT will deploy air quality control systems in the long-term through the use of smart monitoring integration and IAQ optimisation that ensures air quality control is automated and maintained at healthy levels at all times.

These initiatives improve the health, wellbeing, and satisfaction of visitors and occupants, improving the desirability of the REIT's portfolio and aligning with the REIT's overarching long-term sustainability strategy.

Green Leasing and Responsible Tenancy

To date, the REIT has taken the first steps towards establishing a portfolio-wide green lease adoption. JBCC has historically implemented green lease requirements for its tenants. The REIT is currently in the process of integrating green clauses into its tenants' tenancy agreements for Menara Komtar and Pasaraya Komuniti @Mart Kempas, with further integration across more portfolios planned.

Green Clauses

Integrate sustainability clauses in new and renewed tenant leases	Include shared ESG data reporting obligations (energy, waste, water)

Moving forward, the REIT has established targets to increase green clause adoption for 100% of its tenants by FY2028. This includes involving the participation of at least half of its tenants in data-sharing programmes and providing incentives to tenants that conduct green certification to further improve the overall environmental footprint of their operations and the REIT's 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 the facilities. In particular, the responsible management of water and waste is critical in a retail environment, where resource consumption is driven by tenant activities, customer footfall, and the operation of common area services across the malls.

Water Management

Al-Salām REIT is committed to minimising its environmental impact through responsible water management. This includes implementing 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. Based on the World Resources Institute's Aqueduct Water Risk Atlas, none of the REIT's buildings are located in water-stressed regions.

Water Withdrawal (Megalitres)	FY2023	FY2024	FY2025
Municipal Water	166.44	268.66	**207.87**
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	166.44	268.66	**207.87**

Note: Water withdrawal follows the same quantity as the water consumed from the listed sources above.

Water Discharge (Litres)	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.

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

In the future, the REIT plans to implement water conservation measures, including the installation of smart water meters and sub-metering, as well as the retrofitting of water-efficient fittings such as low-flow taps and dual-flush systems.

For the long term, the REIT plans to optimise water reuse and leak detection systems. These initiatives reflect the REIT's commitment to water sustainability by reducing its water footprint and associated water stress in the regions in which it operates.

SUSTAINABILITY STATEMENT

RESOURCE MANAGEMENT (CONT'D)

Waste Management

Efficient waste management at the REIT's properties is crucial for mitigating environmental impacts. By adopting structured waste management strategies, Al-Salām 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 Pasaraya Komuniti @Mart Kempas and subsequently expanded to KOMTAR JBCC and MCHM in FY2025.
- RVMs sort PET bottles, containers and cans .
- Encourage participation for recycling waste by rewarding the users with vouchers and coupons.

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

- Provide recycling bins for paper, cans, and bottles throughout our facilities.
- Facilitate waste sorting and waste collection by licensed contractors for further processing.
- Implemented in JBCC, @mart and MCHM.

Waste (Tonnes)	FY2023	FY2024	FY2025
Total waste generated	-	2,294.60	**1,966.43**
Total waste diverted from disposal	-	192.59	**23.99**
Total waste directed to disposal	-	2,102.01	**2,183.33**

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)	JBCC	@Mart Kempas	MCHM
PET	10.18	16.93	**0.4**
Can	1.68	0.98	**13**
Container	95.4	150.4	**3.68**
Total Weight (kg)	107	168	**17**
Total Weight (tonnes)	0.11	0.17	**0.02**

SUSTAINABILITY STATEMENT

RESOURCE MANAGEMENT (CONT'D)

Waste Management (Cont'd)

Accordingly, the REIT has adopted a phased waste management strategy that focuses on building foundational systems, strengthening stakeholder engagement, and progressively enhancing data visibility and reporting. The initiative begins with the installation of organic waste composter.

Installation of Organic Waste Composters

- To process food waste, eggshells, coffee grounds, dried leaves, and other biodegradable materials.

Mixture of Compost and Soil

- To enrich nutrients for plants
- To enhance soil quality over time
- To support landscape development

The short, medium and long-term approaches are structured to improve waste segregation, increase recycling rates, and support continuous improvement in waste performance.

Short-Term

- Establish centralised waste segregation system.
- Conduct waste baseline.

Medium-Term

- Collaborate with tenants for recycling and composting programmes.

Long-Term

- Full waste tracking and integration with reporting systems.

Collectively, these initiatives strengthen the REIT's ability to systematically manage waste, enhance on-site segregation and recovery and improve the quality and transparency of waste-related data for Al-Salām REIT.

SUSTAINABILITY STATEMENT

VALUES FOR EMPLOYEES AND COMMUNITY

In the REIT's pursuit of excellence in asset management, the REIT is committed to fostering a positive and inclusive work environment and actively engaging with its communities. The REIT empowers its employees to reach their full potential, cultivating mutually rewarding relationships that drive both their growth and the REIT's continued success. Through community engagement initiatives, the REIT strives to create positive social impact and build strong partnerships.

Key Stakeholders

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

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.	●	●

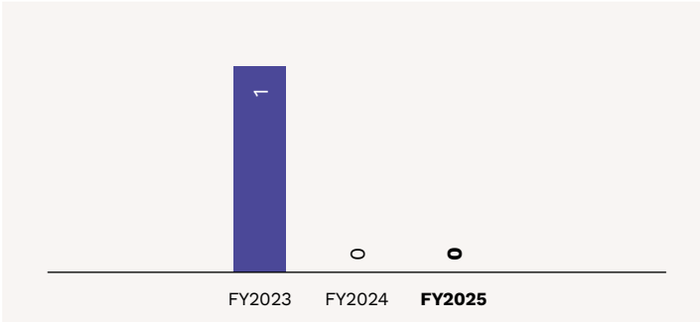
Al-Salām REIT manages occupational health and safety through structured procedures applied across its properties to protect tenants, contractors, visitors, and employees. Site inspections are carried out regularly with support from Howden Insurance Brokers to identify operational risks and ensure that necessary controls are implemented. Any incidents or unsafe conditions are reported to the on-site Emergency Response Team ("ERT"), whose members are trained in firefighting, search and rescue, and first aid. The REIT also monitors risks associated with the use, storage, and handling of materials within its premises.

Safety performance

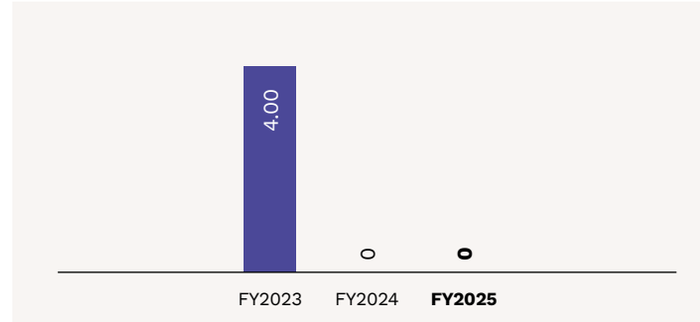
The REIT's properties are equipped with essential safety features, including fire detection and suppression systems, emergency exits, and signage in compliance with regulatory requirements. Emergency response plans are established and periodically reviewed to ensure preparedness for incidents such as 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.

Number of Work-Related Incidents



Lost Time Incident Rate (LTIR)



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 its portfolio.

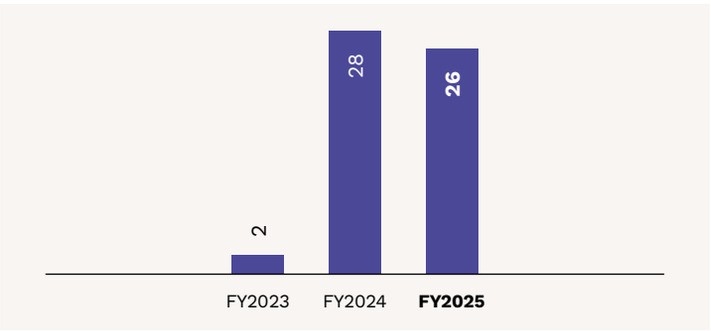
By prioritising occupational safety and health, the REIT safeguards the wellbeing of its employees, tenants, and building users while supporting reliable healthcare operations. The REIT's commitment to strong OSH governance, risk management, and continuous improvement reinforces its role as a responsible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

SUSTAINABILITY STATEMENT

OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Safety Training

Number of Employees Trained on Health and Safety Standards



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.

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, and tenancy surveys into its operational processes. Performance is monitored through quarterly, 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.

SUSTAINABILITY STATEMENT

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.	●	●

Al-Salām REIT recognises that a fair, inclusive and well-governed workforce is essential to sustaining performance and delivering long-term value. Its employment practices are anchored in applicable labour laws, ethical standards and internal policies that uphold fairness, transparency and respect for human rights across the organisation. Through inclusive workplace practices and strong labour standards, the REIT aims to attract, develop and retain talent while fostering a safe, respectful and supportive working environment.

Workforce Management

Al-Salām REIT manages its workforce in accordance with applicable labour laws and regulatory requirements, with the objective of ensuring fair treatment, transparent employment practices, and a stable working environment. These principles guide recruitment, performance management, and employee relations, supporting the organisation's ability to retain experienced personnel and maintain operational continuity.

Al-Salām REIT Workforce Lifecycle Model

Al-Salām REIT's workforce management is guided by a structured lifecycle approach encompassing recruitment, development, retention, and periodic review. This model ensures that human capital practices support operational continuity, regulatory compliance, and long-term organisational stability. Workforce data, including new hires, training participation, parental leave outcomes, and employee turnover, is monitored to inform management decisions and workforce planning.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

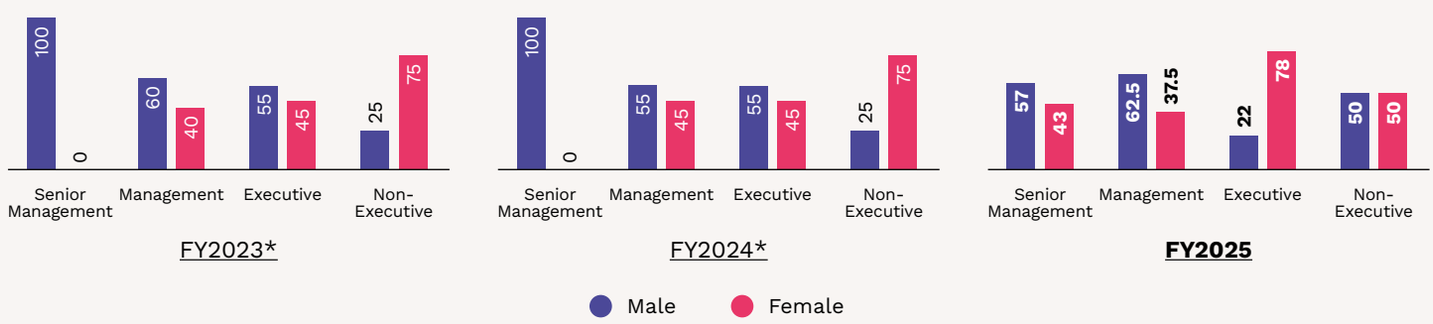
Al-Salām REIT Workforce Lifecycle Model (Cont'd)

Understanding the composition of its workforce enables Al-Salām 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.

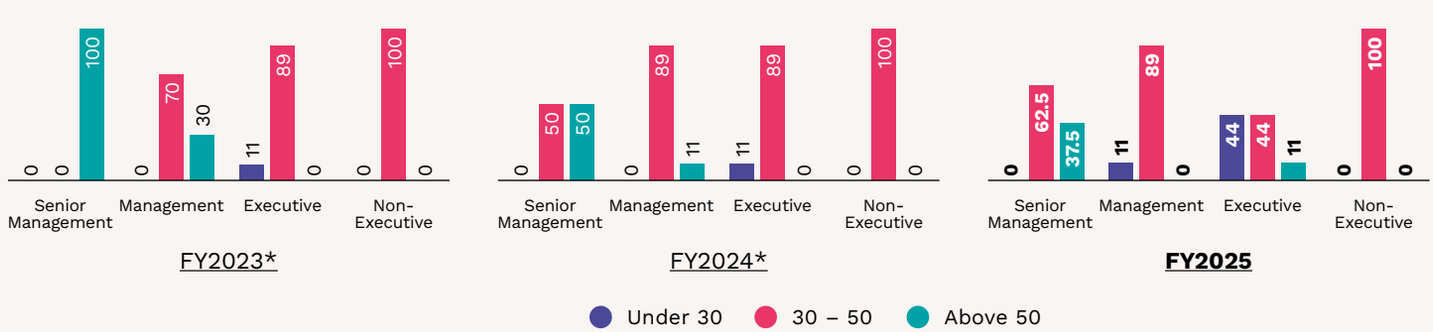
The REIT has a total of 26 employees. The employee breakdown presented below provides an overview of our workforce by key categories such as gender, age group, management level and employment type, supporting responsible workforce management and continuous improvement.

Total Workforce	FY2023	FY2024	FY2025
	25	23	26

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

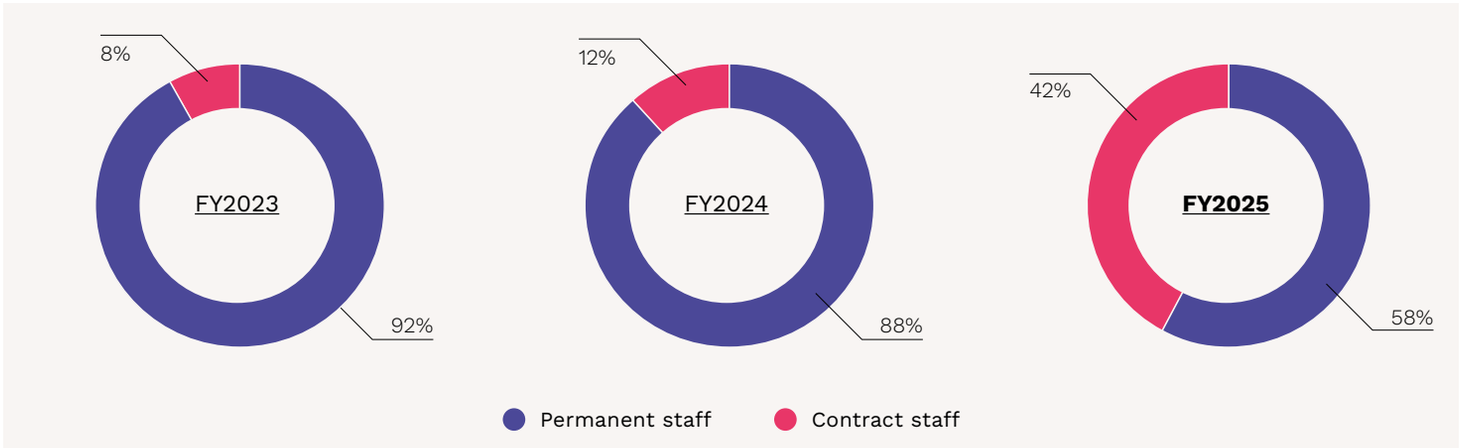
The REIT maintains a lean yet specialised workforce structure that supports effective asset management, governance oversight, and long-term value creation for unitholders and stakeholders. The workforce profile reflects the REIT's commitment to ensuring that the right mix of leadership experience, professional 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 the REIT'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.

Proportion of Contract Staff (%)



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

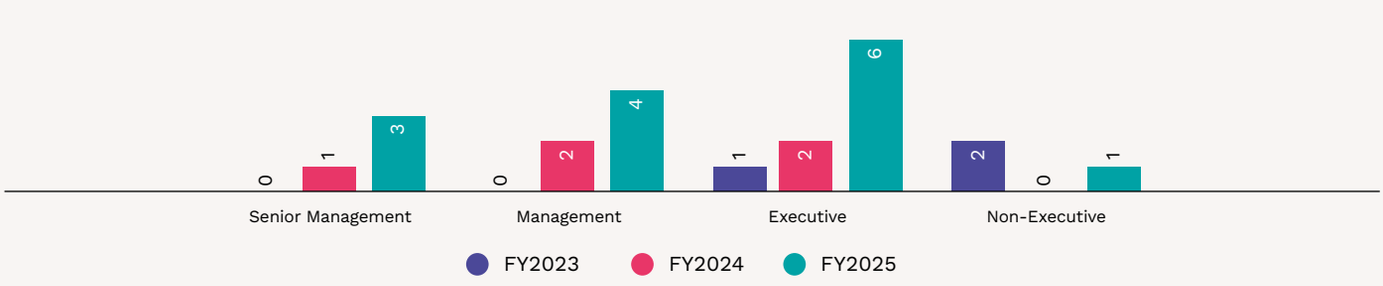
The REIT prioritised diversity and inclusion as fundamental to building a resilient organisation and supporting the effective management of healthcare assets. The REIT recognises that a diverse workforce, supported by an inclusive culture, enhances decision-making, strengthens risk management and contributes 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. The REIT 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, subjects 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.

Employee turnover at the REIT increased in FY2025, reflecting specific organisational initiatives undertaken during the year. The rise was primarily attributable to manpower rationalisation and organisational restructuring efforts, including five employees exiting under a Mutual Separation Scheme (MSS) and four employees being redeployed to a shared services entity within JLG Group.

Accordingly, the increase represents a strategic realignment of the workforce to support operational efficiency and evolving business priorities, rather than underlying challenges related to employee retention or engagement

Total Turnover by Employment Category



Turnover (number)	FY2023	FY2024	FY2025
	3	5	14

HUMAN AND LABOUR RIGHTS

Human Rights

Respect for human rights forms a fundamental component of Al-Salām REIT's social responsibility and governance framework. The REIT recognises that responsible business conduct requires safeguarding the dignity, well-being, and fair treatment of employees, tenants, contractors, customers, and the wider community throughout its operations. Human rights considerations are therefore embedded within the REIT's governance structures, operational policies, and stakeholder engagement practices.

Oversight of social and human rights matters is exercised through the BSC, which monitors regulatory developments, stakeholder expectations, and emerging ESG risks. This governance structure ensures that the REIT's commitments relating to labour practices, diversity, occupational health and safety, and human rights are aligned with applicable regulations, industry standards, and evolving sustainability frameworks. Through this oversight, the Board ensures that human rights considerations remain integrated into corporate strategy, risk management, and operational decision-making.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

Human Rights (Cont'd)

At the operational level, Al-Salām REIT emphasises fair labour practices and responsible employment standards. The REIT promotes equitable treatment in the workplace, supports diversity and inclusion across its workforce, and ensures that employees are provided with safe and respectful working conditions. Occupational health and safety systems are implemented to protect workers and contractors across the REIT's managed properties, reinforcing the REIT's commitment to preventing harm and maintaining a secure working environment.

Human Rights Area	Management Approach	Key Indicators/Monitoring
Governance & Oversight	Oversight of social responsibility, labour practices, and human rights matters is provided by the BSC, which monitors regulatory developments, ESG risks, and stakeholder expectations.	• Board-level oversight of ESG and human rights matters
Fair Labour Practices	The REIT promotes fair and responsible employment practices, ensuring employees are treated with dignity and respect and that employment conditions comply with applicable labour laws and regulations.	• Total hours of training by employee category • Employee turnover monitoring
Diversity and Equal Opportunity	Al-Salām REIT supports diversity and equal opportunity in the workplace and encourages inclusive employment practices across gender and age groups.	• Percentage of employees by gender and age group • Percentage of directors by gender and age group
Occupational Health & Safety	The REIT maintains a strong focus on workplace safety to protect employees, contractors, and service providers operating across managed assets.	• Number of work-related fatalities • Lost time incident rate • Employees trained on health and safety standards
Grievance and Complaints Mechanism	Mechanisms are available for employees and stakeholders to report concerns related to workplace conduct or potential human rights issues. All complaints are reviewed and addressed through established processes.	• Number of substantiated complaints concerning human rights violations
Responsible Supply Chain	The REIT encourages suppliers and service providers to adhere to ethical labour practices and responsible business conduct aligned with the REIT's sustainability principles.	• Proportion of spending on local suppliers
Performance in FY2025	No substantiated complaints regarding human rights violations were recorded across operations.	• 0 cases recorded

Human rights protections are also reflected in the REIT's complaints and grievance mechanisms, which provide channels for employees and stakeholders to report concerns related to labour standards, workplace conduct, or potential human rights violations. These mechanisms ensure that concerns can be raised, investigated, and addressed appropriately, reinforcing transparency and accountability within the organisation. During the reporting period, no substantiated complaints relating to human rights violations were recorded across the REIT's operations, indicating continued adherence to established policies and practices.

Beyond internal operations, the REIT recognises that human rights risks may arise within broader value chains. As such, Al-Salām REIT promotes responsible conduct among business partners, suppliers, and service providers by encouraging compliance with ethical labour practices and applicable legal requirements. This approach supports responsible supply chain management while reinforcing the REIT's commitment to upholding fundamental human rights standards.

Moving forward, Al-Salām REIT will continue strengthening its human rights approach by enhancing employee awareness, monitoring labour practices across operations, and integrating human rights considerations into sustainability governance and risk management processes. Through these efforts, the REIT aims to maintain a workplace and business environment that respects human dignity, promotes fairness, and contributes to sustainable and inclusive growth.

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

Human Rights (Cont'd)

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 is 0 case reported on bullying, harassment, and discrimination There is 0 substantiated complaints concerning human rights violations in FY2025.

Workforce Practices

Al-Salām REIT adopts a structured approach to workforce development, recognising that organisational performance depends on the capability and continuity of its people. Recruitment focuses on experienced professionals aligned with operational requirements, while ongoing development is supported through targeted training, regular performance assessments, and role-specific career development planning. The Human Resources function oversees these processes to ensure that skills development, performance management, and succession planning are aligned with business needs.

Employee Benefits

Employee remuneration and benefits are structured to remain competitive within the market while supporting employee well-being. Benefits are designed to address healthcare, family needs, and personal obligations, contributing to workforce stability and retention.

Employee Benefits

Key benefits include:

- **Medical coverage and insurance**
- **Dental care**
- **Paternity leave**
- **Pilgrimage leave**
- **Optical care**

Employee Engagement and Feedback

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

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

Employee Engagement and Feedback (Cont'd)

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

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.

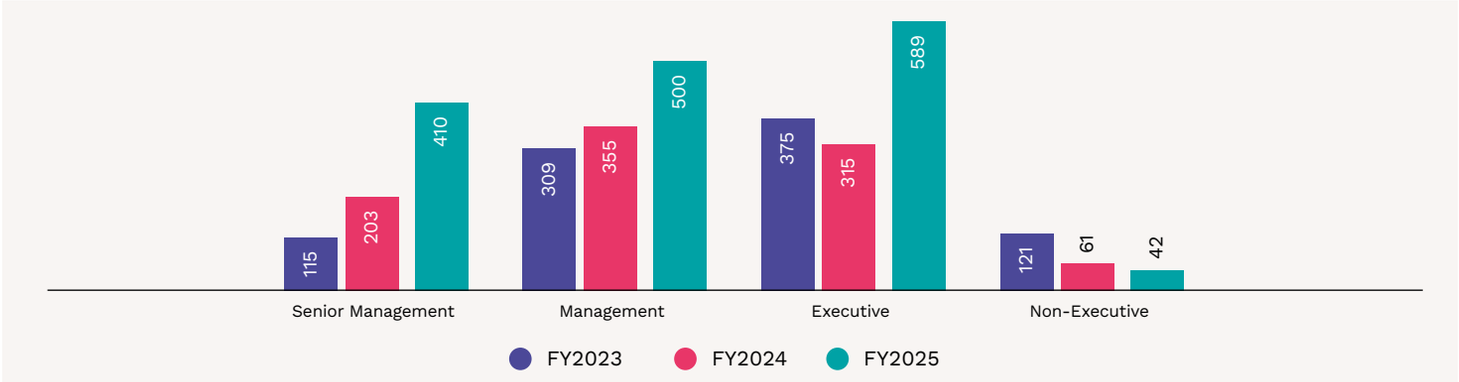
In sum, the findings provide a clearer understanding of workforce priorities and engagement drivers, enabling the REIT to strengthen its human capital strategies in a more targeted and responsive manner.

TRAINING AND DEVELOPMENT

Learning and Capability Building

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 of training by employee category



Total (hours)	FY2023	FY2024	FY2025
	920	934	1,541

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 the REIT'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.

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)

Focus Area	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

SUSTAINABILITY STATEMENT

LABOUR PRACTICES, DIVERSITY & INCLUSION (CONT'D)

List of Trainings (Cont'd)

Focus Area	Training / Programme	Professional Development Impact
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
Internal Training / Corporate Workshops	Al-Salām REIT Integrated Report FY2025 Workshop	Strengthens internal capabilities in integrated reporting and disclosure practices
	Training – Tumbuk Rusuk	Reinforces team engagement and organisational culture
	Process Orientation & Continuous Improvement	Drives operational efficiency and process optimisation

COMMUNITY ENGAGEMENT

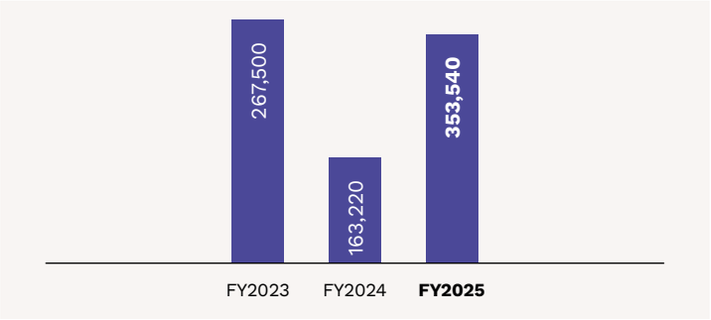
Risk Area	Risk Rating	Risk Tolerance Level
A lack of engagement with stakeholders and the community may create reputational risk and weaken trust if concerns are not properly addressed.	●	●

Al-Salām REIT approaches community engagement as a structured responsibility linked to the management of its properties and the environments in which it operates. Engagement with surrounding communities, tenants, and local stakeholders is carried out to address safety, accessibility, social impact, and operational considerations arising from the REIT's activities. These interactions are used to identify concerns, manage potential risks, and ensure that the REIT's operations are responsive to the needs of affected groups while maintaining regulatory compliance and long-term asset value.

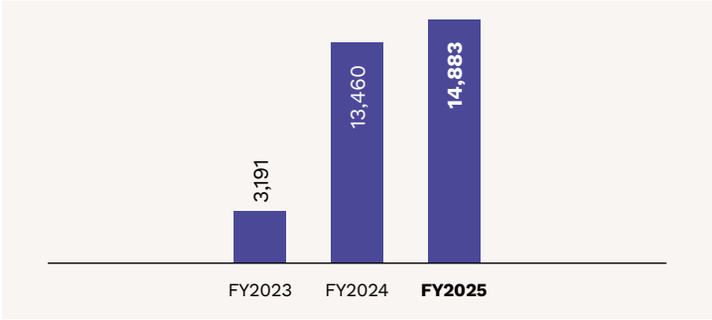
SUSTAINABILITY STATEMENT

COMMUNITY ENGAGEMENT (CONT'D)

Total Amount Invested in CSR Programmes (RM)



Total Number of Beneficiaries



During the year, the REIT implemented a series of Corporate Social Responsibility (CSR) initiatives across its retail assets aimed at supporting community well-being, preserving cultural heritage, and encouraging environmental responsibility. These initiatives were carried out through collaborative programmes involving local communities, charitable organisations, tenants, and visitors, reflecting the REIT's commitment to creating shared social value within the communities where it operates.

At KOMTAR JBCC, the REIT supported initiatives that promote cultural appreciation and community inclusion. In support of arts, culture and heritage, contributions were extended to Galeri Sejarah Johor through programmes that encourage greater public appreciation of Johor's historical and cultural legacy. These initiatives play an important role in sustaining cultural awareness while strengthening connections between communities and local heritage institutions.

Community well-being was further supported through a Raya Shopping Spree and Iftar programme with children from Rumah Perlindungan Fitrah Qaseh, providing underprivileged children with an opportunity to experience the festive season in a meaningful and inclusive setting. Complementing this effort, the Projek Berbagi programme delivered food assistance to communities in need, reinforcing the importance of compassion, social solidarity, and collective support for vulnerable groups.

Environmental awareness was also promoted through the KLEAN Vending Machine initiative, which encourages visitors to recycle responsibly by returning recyclable materials. Through this programme, recyclable collections during the reporting period contributed to an estimated 0.0760 tonnes of carbon footprint savings, demonstrating how everyday actions within retail environments can support broader environmental objectives.

Festive engagement was further enhanced through the Persona Irama Raya campaign at KOMTAR JBCC, which featured a Raya campaign launch with key opinion leaders (KOLs) alongside a shopper redemption programme offering exclusive festive items such as Sampul Duit Raya and Batik Sarung. These activities enriched the festive retail experience while strengthening engagement between the mall and the surrounding community.

SUSTAINABILITY STATEMENT

COMMUNITY ENGAGEMENT (CONT'D)

At @Mart Kempas, the REIT continued to support community-based initiatives that encourage social participation and local engagement. Weekly busking performances organised within the mall provide a platform for local musicians to showcase their talent while creating a lively and welcoming atmosphere for visitors.

The mall also supports charitable initiatives that promote community generosity. The Tabung Infaq Bergerak "Hibah Lil Waqah", organised by Waqaf An-Nur, provides visitors with an opportunity to contribute to charitable causes through a mobile donation initiative located within the concourse area. In addition, the Bakul Makanan AMAL Kongsi Rezeki programme, located at the Wet Market area and organised in collaboration with Waqaf An-Nur, AMAL Malaysia, and Masjid An-Nur Larkin Sentral, encourages the public and vendors to contribute food items that can be distributed to communities in need.

In line with its commitment to fostering cultural harmony and religious engagement, the REIT also facilitates festive celebrations and community activities at its retail assets. Celebrations organised in collaboration with relevant authorities provide opportunities for visitors from diverse backgrounds to gather and celebrate together, promoting social cohesion and cultural understanding.

The REIT also supports community religious practices by facilitating a Zakat Fitrah collection counter within the mall during the fasting month, providing convenient access for visitors to fulfil their charitable obligations in collaboration with local religious authorities.

Beyond social and cultural initiatives, the REIT also promotes public health awareness through community health screening programmes conducted in collaboration with health organisations. These initiatives provide visitors with access to basic health assessments and professional health counselling, contributing to greater awareness of preventive healthcare practices within the community.

Seasonal campaigns and tenant-led initiatives are also supported as part of the REIT's broader effort to maintain vibrant and engaging retail environments. Promotional activities organised by tenants during festive periods enhance the overall visitor experience while supporting business activity within the mall ecosystem.

Collectively, these initiatives demonstrate the REIT's commitment to integrating community engagement, social support, cultural celebration, and environmental awareness into the management of its retail assets, reinforcing the role of its properties as community-centric spaces that contribute positively to the societies they serve.

SUSTAINABILITY STATEMENT

COMMUNITY ENGAGEMENT (CONT'D)

Case Studies

1. KOMTAR JBCC as A Retail Space that Serves the Community

Retail centres are often perceived primarily as commercial destinations. At KOMTAR JBCC, however, the space functions as more than a place for shopping as it acts as a community hub where social engagement, cultural appreciation, and everyday sustainability intersect.

Through a series of initiatives throughout the year, KOMTAR JBCC has positioned itself as a centre that connects people, supports local communities, and encourages responsible behaviour among visitors.

One key dimension of this commitment lies in fostering community compassion and inclusion. Programmes such as the Raya Shopping Spree and Iftar with children from Rumah Perlindungan Fitrah Qaseh created opportunities for the community to share festive moments with those who may otherwise be left out of such experiences. Rather than limiting celebrations to retail promotions, KOMTAR JBCC extended the spirit of the festive season to meaningful community engagement. Similarly, initiatives such as Projek Berbagi channelled support toward vulnerable groups through food assistance efforts, reinforcing the centre's role as a platform for collective care and solidarity.

KOMTAR JBCC also recognises that strong communities are built upon shared cultural identity. Its support for programmes at Galeri Sejarah Johor reflects a broader intention to celebrate and preserve the heritage of Johor. By supporting cultural and historical initiatives, the centre contributes to strengthening local pride and encourages visitors to connect with the stories and traditions that shape the region.

Environmental responsibility forms another layer of KOMTAR JBCC's community ethos. The introduction of the KLEAN vending machine initiative encourages visitors to practise responsible recycling while going about their daily activities. This simple yet impactful intervention transforms everyday behaviour into a collective sustainability effort, demonstrating how public spaces can influence positive environmental habits.

Taken together, these initiatives illustrate how KOMTAR JBCC functions not merely as a retail complex, but as a community-centred destination it is a place where commerce, culture, compassion, and sustainability coexist. By opening its platform to community initiatives and meaningful engagement, KOMTAR JBCC continues to strengthen its role as a space where people gather, celebrate, support one another, and contribute to a more responsible and connected society.

SUSTAINABILITY STATEMENT

COMMUNITY ENGAGEMENT (CONT'D)

Case Studies

2. A Neighbourhood Marketplace for Community and Inclusion

@Mart Kempas that acts as a community mart, demonstrates how a neighbourhood retail asset can be strategically positioned to deliver value beyond commercial performance.

Located within a residential catchment area in Johor Bahru, the property functions as a community marketplace that integrates affordability, local economic participation, and social cohesion into its operational approach. By prioritising accessibility and community relevance, @Mart Kempas strengthens its role as a daily touchpoint for surrounding neighbourhoods while reinforcing the REIT's commitment to responsible asset management.

A key component of this approach is supporting local economic participation. The marketplace format provides opportunities for small businesses, wet market vendors, and service operators to operate within an organised retail environment that remains accessible to the surrounding community. This ecosystem helps sustain local entrepreneurship while ensuring that essential goods and services remain available at competitive and affordable price points, particularly for households within the immediate residential catchment.

Beyond its economic role, @Mart Kempas also functions as a community gathering platform. Regular activities held within the mall, including performances by local busking bands, create a vibrant environment that encourages interaction and participation among visitors. These initiatives provide exposure for local creative talents while reinforcing the property's role as a social hub where community members can connect within a familiar and welcoming setting.

The property further contributes to community cohesion and social support networks by providing space for charitable and community-led initiatives. Partnerships with local organisations enable programmes such as donation initiatives and food-sharing efforts to operate within the mall environment, lowering barriers for the public to contribute to community welfare. Through the provision of space and operational support, the property facilitates initiatives that strengthen community solidarity and social support systems.

@Mart Kempas also plays a role in strengthening community identity and cultural unity by hosting festive and cultural celebrations in collaboration with public institutions and community stakeholders. By serving as a neutral and accessible venue for these activities, the property encourages participation across diverse community groups and contributes to fostering a shared sense of belonging within the neighbourhood.

Taken together, these initiatives illustrate a strategic approach in which retail assets are positioned as community infrastructure rather than purely commercial spaces. By supporting affordability, enabling local enterprise, and creating accessible platforms for community engagement, @Mart Kempas reinforces its long-term relevance within the Kempas neighbourhood while contributing to broader social value creation.

SUSTAINABILITY STATEMENT

MEMBERSHIP AND AWARDS

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

Our membership in associations:

- Malaysian REIT Managers Association (MRMA)

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

- FTSE4Good Bursa Malaysia Index – Constituent

We remain 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 NSFR 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

Crowe Malaysia PLT
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April 8, 2026

The Board of Directors
Al-Salām 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 AL-SALĀM 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-Salām REIT ("Al-Salām") to perform a limited assurance engagement on the selected sustainability information for the financial year ended 31 December 2025 ("the Subject Matter") in the Sustainability Report of Al-Salām 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 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_2e tonnes
		Total GHG Scope 2 Emissions in CO_2e tonnes
3	Occupational Health and Safety	Lost time incident rate
		Number of work-related fatalities
4	Water Consumption	Total water consumption in litre
5	Waste Management	Total waste diverted from disposal
		Total waste directed to disposal

The boundary of the Subject Matter is limited to KOMTAR JBCC, Menara KOMTAR, Pasaraya Komuniti @ Mart Kempas, Malaysian College of Hospitality & Management and the headquarters in Petaling Jaya and Johor Bahru.

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SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

Crowe

Applicable Criteria
The Subject Matter has been prepared in accordance with Al-Salām'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-Salām'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-Salām's Responsibilities
The management of Al-Salām (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-Salām which are reasonable in the circumstances.

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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 Al-Salām. 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.

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SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

Crowe

Restriction on Distribution and Use of Our Report
Our report has been prepared for the Directors of Al-Salām (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 Al-Salām or for any purpose or in any context. Any party other than Al-Salām 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 Al-Salām 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-Salām's Annual Report 2025, to assist the Directors of Al-Salām 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 Al-Salām'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

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SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

GLOBAL REPORTING INITIATIVES ("GRI") INDEX

Statement of Use

Al-Salām REIT acknowledges that disclosures made in the SS2025 have 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	Pages 76-77
	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 117-129
	2-8	Workers who are not employees	Page 122
	2-9	Governance structure and composition	Page 11
	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 84-89
	2-23	Policy commitments	Pages 101-104
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	Pages 103-104
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	
	2-28	Membership associations	Page 134
	2-29	Approach to stakeholder engagement	Pages 77-80

SUSTAINABILITY STATEMENT

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GRI INDEX (CONT'D)

GRI STANDARD	DISCLOSURE		PAGE REFERENCE/ REASONS FOR OMISSIONS
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Pages 80-83
	3-2	List of material topics	
	3-3	Management of material topics	
ECONOMIC			
GRI 201: Economic Performance 2016	3-3	Management of material topics	Pages 106-107
	201-1	Direct economic value generated and distributed	
GRI 203: Indirect Economic Impacts 2016	3-3	Management of material topics	Pages 106-107
	203-1	Infrastructure investments and services supported	
	203-2	Significant indirect economic impacts	
GRI 204: Procurement Practices 2016	3-3	Management of material topics	Pages 110-111
	204-1	Proportion of spending on local suppliers	
GOVERNANCE			
GRI 205: Anti-corruption 2016	3-3	Management of material topics	Pages 101-102
	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	Page 102
	415-1	Political contributions	
GRI 418: Customer Privacy 2016	3-3	Management of material topics	Page 105
	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	Pages 97-99
	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	Page 114
	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	Page 99
	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	Pages 115-116
	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	Pages 110-111
	308-1	New suppliers that were screened using environmental criteria	
SOCIAL			
GRI 401: Employment 2016	3-3	Management of material topics	Pages 120-123
	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	Pages 118-119
	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	Page 119
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 118-119
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	Page 118
GRI 404: Training and Education 2016	3-3	Management of material topics	Pages 126-128
	404-1	Average hours of training per year per employee	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

GRI INDEX (CONT'D)

GRI STANDARD	DISCLOSURE		PAGE REFERENCE/ REASONS FOR OMISSIONS
SOCIAL			
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	Pages 94, 120-123
	405-1	Diversity of governance bodies and employees	
GRI 406: Non-discrimination 2016	3-3	Management of material topics	Pages 123-125
	406-1	Incidents of discrimination and corrective actions taken	
GRI 408: Child Labour 2016	3-3	Management of material topics	
	408-1	Operations and suppliers at significant risk for incidents of child labour	
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	
GRI 413: Local Communities 2016	3-3	Management of material topics	Pages 129-133
	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	

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

BURSA MALAYSIA PRESCRIBED TABLE

AL-SALAM REIT
BMLR Transition Period

Date & Time: 2026-04-23_15:55:01
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	64	—	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	353,540.00	—	No assurance
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	14,883	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Male	Percentage	57.00	—	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

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-23_15:55:01

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AL-SALAM REIT

BMLR Transition Period

Date & Time: 2026-04-23_15:55:01

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
Footnote 2025	Typo error in previous value				
Bursa (Energy management)	Bursa C4 (a) Total energy consumption	Gigajoules	69,080,640.00	—	External (Limited)

SUSTAINABILITY STATEMENT

APPENDICES (CONT'D)

BURSA MALAYSIA PRESCRIBED TABLE (CONT'D)

AL-SALAM REIT
BMLR Transition Period

Date & Time: 2026-04-23_15:55:01
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Health and safety)	Bursa C5 (a) Number of work-related fatalities	Number	0	—	External (Limited)
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	207.87	—	External (Limited)

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AL-SALAM REIT
IFRS S2

Date & Time: 2026-04-23_15:55:01
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	4.3	—	External (Limited)
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	14,545.31	—	External (Limited)
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	4.05	—	No assurance
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	55.88	—	No assurance

al-salām
REAL ESTATE INVESTMENT TRUST

Section 7

CORPORATE GOVERNANCE REPORT

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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 SUSEELAWATI 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-Salām REIT;
- Any conflict of interest with Al-Salām REIT;
- 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

Number of Board Meeting Attended

9/9

AGE **68**

GENDER **Male**

NATIONALITY **Malaysia**

Date of Board Appointment

Appointment as director on 24 January 2022

Redesignation as Chairman on 31 December 2024

Committee Member

N/A

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-`Aqar Healthcare 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

BARC Board Audit and Risk Committee

BIC Board Investment Committee

BNRC Board Nomination and Remuneration Committee

BOARD OF DIRECTORS

ABDULLAH BIN ABU SAMAH

Independent
Non-Executive Director

Number of Board Meeting Attended
9/9

AGE
60

GENDER
Male

NATIONALITY
Malaysia

Date of Board Appointment
10 March 2021

Committee Member

BARC BNRC

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

Current Appointment

Nil

Past Appointment/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-`Aqar Healthcare REIT
- Media Prima Berhad
- Johor Plantations Group Berhad

Public Companies

Nil

Course Attended

- MIA International Accountants Conference 2025

BSC Board Sustainability Committee | N/A Not applicable | Chairman

BOARD OF DIRECTORS

SHAMSUL ANUAR BIN ABDUL MAJID

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

Number of Board Meeting Attended
8/9

AGE
54

GENDER
Male

NATIONALITY
Malaysia

Date of Board Appointment
24 August 2020

Committee Member

BIC BNRC

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

Current Appointment

- Chief Investment Officer, Johor Corporation

Past Appointment/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-`Aqar Healthcare 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

BARC Board Audit and Risk Committee
BIC Board Investment Committee
BNRC Board Nomination and Remuneration Committee

BOARD OF DIRECTORS

DATUK Sr AKMAL BIN AHMAD

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

Number of Board Meeting Attended
8
9

AGE
59

GENDER
Male

NATIONALITY
Malaysia

Date of Board Appointment
21 January 2021

Committee Member

BARC

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 Appointment/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-`Aqar Healthcare 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

BSC Board Sustainability Committee | N/A Not applicable | Chairman

BOARD OF DIRECTORS

DATO' HAJI MOHAMMED RIDHA BIN DATO' HAJI ABD KADIR

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

Number of Board Meeting Attended
1/9

AGE
55

GENDER
Male

NATIONALITY
Malaysia

Date of Board Appointment
22 August 2024

Committee Member

N/A

Academic and Professional Qualifications

- Bachelor of Resource and Environmental Economics, Universiti Pertanian Malaysia
- Master of Technology Management, Universiti Teknologi Malaysia

Working Experience

Current Appointment

- State Secretary of Johor, Johor State Secretary's Office

Past Appointment/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-`Aqar Healthcare 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

BARC Board Audit and Risk Committee
BIC Board Investment Committee
BNRC Board Nomination and Remuneration Committee

BOARD OF DIRECTORS

LAILATUL AZMA BINTI ABDULLAH

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

Number of Board Meeting Attended
5/5

AGE
54

GENDER
Female

NATIONALITY
Malaysia

Date of Board Appointment
16 December 2022

Committee Member

BARC BSC

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

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-`Aqar Healthcare REIT
- Varia Berhad

Public Companies

Nil

BSC Board Sustainability Committee | N/A Not applicable | Chairman

BOARD OF DIRECTORS

DATIN UNGKU SUSEELAWATI BINTI UNGKU OMAR

Independent
Non-Executive Director

Number of Board Meeting Attended
9/9

AGE
67

GENDER
Female

NATIONALITY
Malaysia

Date of Board Appointment
21 January 2025

Committee Member

BIC

Academic and Professional Qualifications

- Bachelor Marketing, Lancaster University, UK

Working Experience

Current Appointment

- Executive Director & Regional Head of Retail, SEA, Nawawi Tie Leung

Past Appointment/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-`Aqar Healthcare REIT

Public Companies

- PHB Property Ventures Berhad

Course Attended

- JCorp Future Forward Leadership Series 2025

Membership of Board Committees

BARC Board Audit and Risk Committee
BIC Board Investment Committee
BNRC Board Nomination and Remuneration Committee

BOARD OF DIRECTORS

ONG LI LEE

Independent
Non-Executive Director

Number of Board Meeting Attended
4/4

AGE
65

GENDER
Female

NATIONALITY
Malaysia

Date of Board Appointment
4 August 2025

Committee Member

BSC BARC BNRC

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 Appointment/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-`Aqar Healthcare 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

BSC Board Sustainability Committee | N/A Not applicable | Chairman

BOARD OF DIRECTORS

GOH TIAN SUI

Independent
Non-Executive Director

Number of Board Meeting Attended
9/9

AGE
70

GENDER
Male

NATIONALITY
Malaysia

Date of Board Appointment
21 January 2025

Committee Member

BIC BSC

Academic and Professional Qualifications

- Bachelor of Science University of Reading, UK

Working Experience

Current Appointment

Nil

Past Appointment/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-`Aqar Healthcare REIT

Public Companies

Nil

Courses Attended

- JCorp Future Forward Leadership Series
- 32nd National Real Estate Convention

Membership of Board Committees

BARC Board Audit and Risk Committee
BIC Board Investment Committee
BNRC Board Nomination and Remuneration Committee

BOARD OF DIRECTORS

ABDUL AZIZ BIN ABDUL RASHEED

Non-Independent
Non-Executive Director

Number of Board Meeting Attended

3/4

AGE
49

GENDER
Male

NATIONALITY
Malaysia

Date of Board Appointment
4 August 2025

Committee Member

BIC BSC

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, London, UK

Working Experience

Current Appointment

- Managing Director, JLG Capital Sdn Bhd

Past Appointment/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-`Aqar Healthcare REIT

Public Companies

Nil

Courses Attended

- Mandatory Accreditation Programme Part II: Leading for Impact
- Leaders Solving for Tomorrow
- Integrity Awareness

BSC Board Sustainability Committee | N/A Not applicable | Chairman

SHARIAH COMMITTEE

DATO' (DR.) HAJI NOOH BIN GADOT

Chairman, Shariah Committee

AGE	GENDER	NATIONALITY
80	Male	Malaysia

Date of Appointment
22 June 2006

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

AGE	GENDER	NATIONALITY
79	Male	Malaysia

Date of Appointment
22 June 2006

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-Salām REIT 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-Salām REIT

In relation to Shariah matters, the designated persons responsible for overseeing the Shariah aspects of the fund's investment activities under Al-Salām REIT 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-Salām;
- Any conflict of interest with Al-Salām;
- 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.

THE MANAGEMENT TEAM

ZULHILMY BIN KAMARUDDIN
Chief Executive Officer

AGE	GENDER	NATIONALITY
51	Male	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

AGE	GENDER	NATIONALITY
54	Male	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

AGE	GENDER	NATIONALITY
49	Male	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)

THE MANAGEMENT TEAM

NOR SHAKIRA BINTI ZAINAL

Head, Governance & Legal

AGE	GENDER	NATIONALITY
41	**Female**	**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

AGE	GENDER	NATIONALITY
58	**Female**	**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-Salām REIT;
- Any conflict of interest with Al-Salām REIT;
- 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 Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, 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:

Principle A

BOARD LEADERSHIP AND EFFECTIVENESS

For more information refer to page 167 of this report.

Principle B

EFFECTIVE AUDIT AND RISK MANAGEMENT

For more information refer to page 172 of this report.

Principle C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

For more information refer to page 174 of this report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

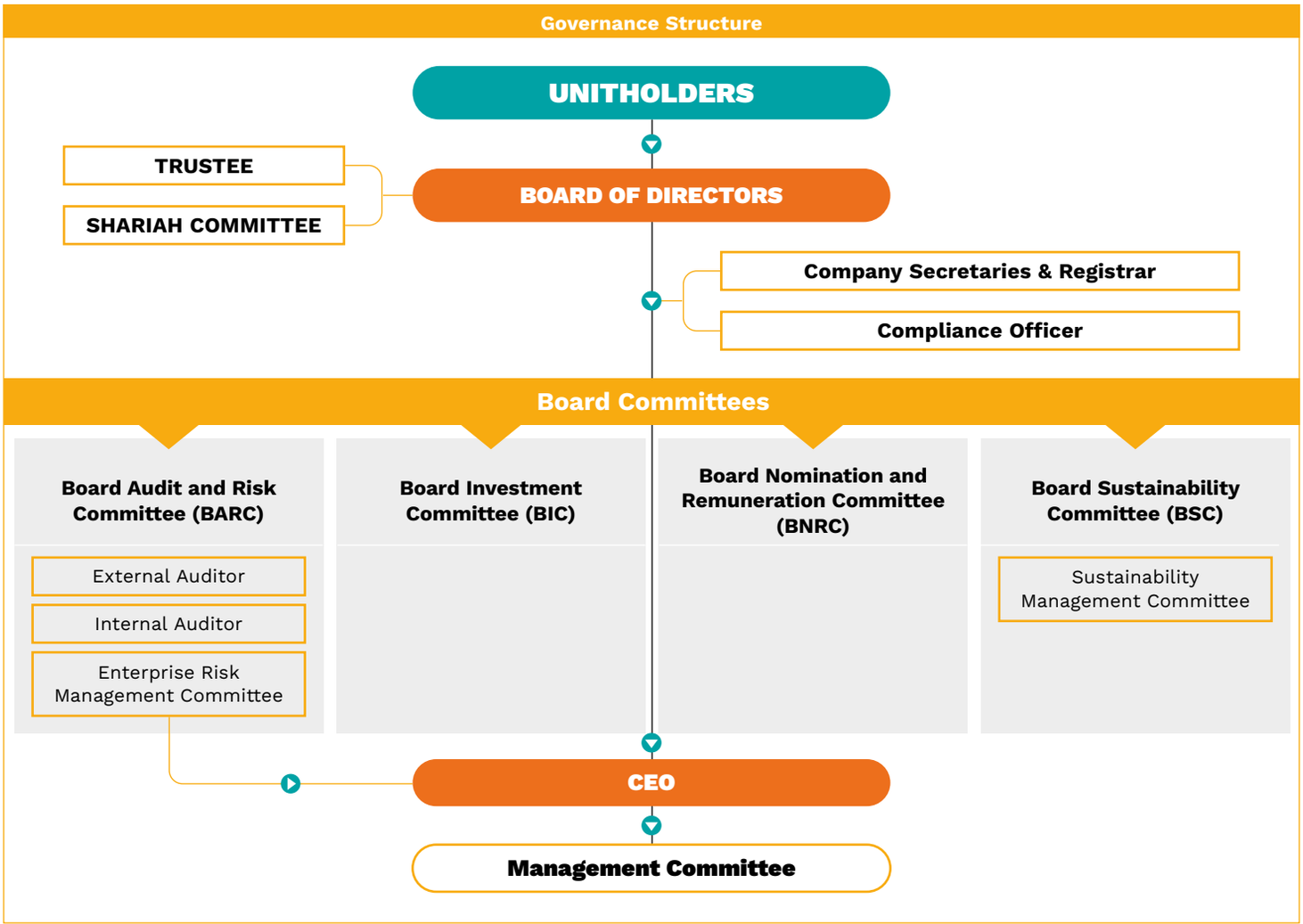
To ensure ongoing compliance with the latest corporate governance standards and regulatory requirements, the Board periodically reviews and enhances its governance policies, procedures and internal control mechanisms.

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 REIT's website at www.alsalamreit.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 Audit and Risk Committee 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:

Indicator		
STRUCTURE	• Committee structure and charters • Organisational design and reporting lines • Control and support function roles	• 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	• Committee (s) authorities and responsibilities • Management accountability and authority • Board oversight and responsibilities • Reporting, escalation, and veto rights	• 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	• Business and operating principles • Core belief and risk culture • Leadership development and talent programmes performance • Management and incentives	• 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	• Policies and Procedures	• 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's 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 177, 183, 187 and 190, 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	30 APR 2025 (SPECIAL)	26 MAY 2025	12 JUN 2025 (SPECIAL)	26 AUG 2025	4 SEP 2025 (SPECIAL)	27 OCT 2025 (SPECIAL)	27 NOV 2025
1	**DATUK HASHIM BIN WAHIR**	√	√	√	√	√	√	√	√	√
2	**ABDULLAH BIN ABU SAMAH**	√	√	√	√	√	√	√	√	√
3	**DATUK Sr AKMAL BIN AHMAD**	√	√	√	√	√	√	√	X	√
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	X	X	√
6	**GOH TIAN SUI**	√	√	√	√	√	√	√	√	√
7	**DATIN UNGKU SUSEELAWATI 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 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	• 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	• 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 2025 overall performance, competencies and relevant market comparisons.

DISCLOSURE OF DIRECTORS' REMUNERATION

Practice 8.1 of the MCCG 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 MCCG 2021 is not applicable to the REIT.

SENIOR MANAGEMENT REMUNERATION

The Manager adopts 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 ("MCCG 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 MCCG 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 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 MCCG 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 REIT 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:

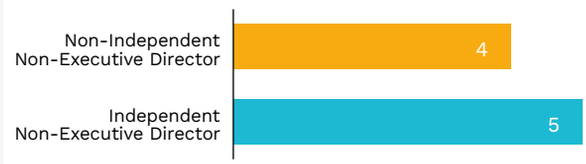
- Diversity in Decision-Making: Gender-diverse boards bring varied perspectives and experiences, leading to more robust decision-making and innovation.
- Ethical and Social Responsibility: Companies with diverse boards demonstrate commitment to inclusivity, reflecting societal values and expectations.
- 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.

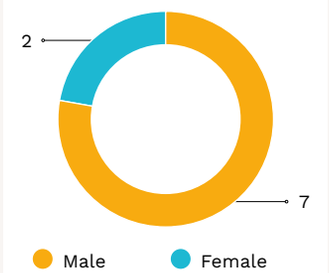
As such, with respect to Practice 5.9 of the MCCG, the Manager's Departs from the Practice. The board will continue to scout for women directors to sit on board in the coming years, taking into account diverse perspectives and insights based on the candidate's integrity, independence, diversity in terms 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:

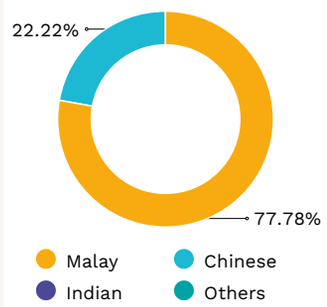
Composition (% and Total)



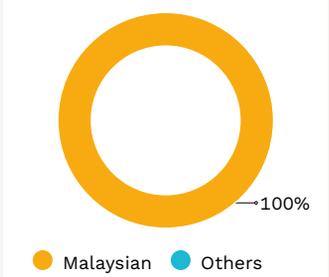
Gender



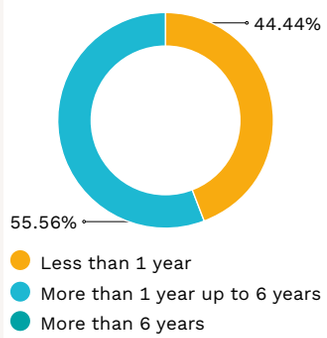
Race/Ethnicity



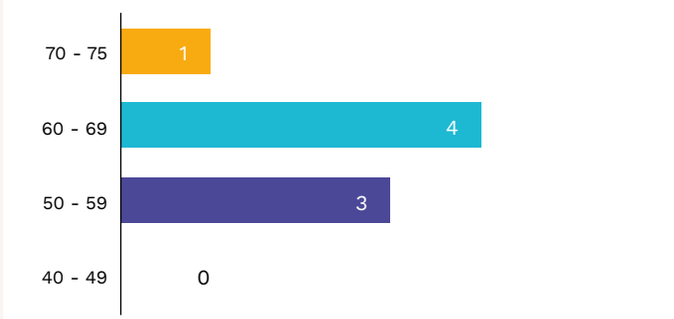
Nationality



Tenure



Age



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 REIT.

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 Section 8 of the IAR. 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.

The full details of the BARC activities in 2025 are elaborated in the IAR2025 on page 181.

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 unitholders, 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:

Stakeholders	Engagement and Initiatives
Investment Community (Unitholders, Analysts, Fund Managers)	• Statutory announcement • Annual General Meeting • Roadshow • Investors and analysts briefing • Corporate website • Social media
Media	• Media interview • Media release and press statements • Corporate website • Social media

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Stakeholders	Engagement and Initiatives
Government, local authorities and regulators	• Engagement meeting • Consultation papers • Engagement through MRMA • Maintain rapport with local authorities
Tenants and lessees	• Periodic meetings • Surveys and feedbacks • Rental support programme • Marketing support and promotional activities
Suppliers and contractors	• Supplier ESG Assessments • Procurement Committee and Tender interview • Supplier evaluation and audit
Employees	• Townhalls • Employee engagement dialogue • Climate Surveys • 360 degrees performance appraisal • Flexible work arrangement • Upskilling and reskilling programmes
Communities	• Customers' surveys • CSR programme

The Manager is highly committed to ensuring that relevant and material corporate information is shared with the REIT's unitholders and investing community effectively. The Manager maintains the corporate website, www.alsalamreit.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 Securities, 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 REIT's website to enable the public to forward queries relating to the REIT 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 Board Audit and Risk Committee ("BARC") is established by the 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 Main Market Listing Requirements of Bursa Securities ("MMLR"), the composition of the BARC is as follows:

Members

1. **Abdullah bin Abu Samah**
   Chairman/Independent Non-Executive Director*
2. **Datuk Sr Akmal bin Ahmad**
   Non-Independent Non-Executive Director
3. **Ong Li Lee**
   Independent Non-Executive Director
   (Appointed w.e.f. 4 August 2025)
4. **Lailatul Azma binti Abdullah**
   Independent Non-Executive Director
   (Resigned w.e.f. 4 August 2025)

* *Abdullah bin Abu Samah, is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.*

Secretaries

1. **Nuraliza binti A. Rahman**
   (MAICSA 7067934)
2. **Rohaya binti Jaafar**
   (LS0008376)
   (Retired w.e.f. 31 August 2025)

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 Board Remuneration and Nomination Committee ("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 financial year ended 31 December 2025 ("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 seven meetings during the FY2025 which were attended by all members.

During the FY2025, the details of attendance are as follows:

		DATE OF MEETINGS						
NO	BARC MEMBERS	23 JAN 2025 (SPECIAL)	31 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 ("CFO") 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

(a) 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.

(b) Reviewed the quarterly financial statements in compliance with Malaysian Financial Reporting Standards ("MFRS") 134 and the MMLR of Bursa Securities before recommending the same to the Board for approval.

(c) Reviewed the draft announcements of the quarterly financial results to Bursa Malaysia, to ensure with the applicable accounting standards in Malaysia and other legal and regulatory requirements prior to tabling to the Board for approval.

(d) Reviewed the income distributions of the REIT which were made in line with the REIT's distribution policy, prior to recommending the proposal to the Board.

(e) 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 193 to 218 of the IAR2025.

Internal Audit

Internal audit activities for the financial year ended 2025 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-Salām REIT 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 and 2 moderate-risk issues.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			TOTAL
				HIGH	MEDIUM	LOW	
1	11.8.2025	1 April 2024 – 31 March 2025	Asset Acquisition and Disposal 11 August 2025	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.

A follow-up review on the Financial and Budgetary Controls Review was conducted on 22 October 2025, which confirmed that all audit issues identified had been resolved and satisfactorily closed. The outcome of the follow-up review was reported to the BARC, and no further corrective actions were required.

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 Audit and Risk Committee 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 Audit and Risk Committee reviewed the SORMIC on 10 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:

(a) 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.

(b) 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 10 Feb 2026.

(c) 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.

(d) Ensures appropriate controls are in place in management of the REIT, 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 193 to 218 (SORMIC of this IAR2025).

Details in respect of the principal risks and uncertainties are set out in Section 8 of the IAR.

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-Salām REIT. During the financial year 2025, there was one non-compliance case under Al-Salām REIT involving a breach of the Public Shareholding Spread requirement. Management implemented remedial actions and the breach was fully rectified in October 2025.

(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 Audit and Risk Committee also reviewed and recommended to the Board, for inclusion in the IAR2025, the following key governance and compliance disclosures:

- The Audit and Risk Committee 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)	31 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/Announcement	√		√		√	√	√
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 Audit and Risk Committee 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 Board Investment Committee ("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

1. **Shamsul Anuar bin Abdul Majid**
   Chairman/Non-Independent Non-Executive Director
   (Resigned w.e.f. 31 March 2026)
2. **Abdullah bin Abu Samah**
   Independent Non-Executive Director
   (Resigned w.e.f. 4 August 2025)
3. **Datin Ungku Suseelawati binti Ungku Omar**
   Independent Non-Executive Director
   (Appointed w.e.f. 21 January 2025)
4. **Goh Tian Sui**
   Independent Non-Executive Director
   (Appointed w.e.f. 21 January 2025)
5. **Abdul Aziz Bin Abdul Rasheed**
   Non-Independent Non-Executive Director
   (Appointed w.e.f. 4 August 2025)
6. **Lailatul Azma binti Abdullah**
   Independent Non-Executive Director
   (Resigned w.e.f. 4 August 2025)

Secretaries

1. **Nuraliza binti A. Rahman**
   (MAICSA 7067934)
2. **Rohaya binti Jaafar**
   (LS0008376)
   (Retired w.e.f. 31 August 2025)

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

(a) Making recommendations to the Board on all acquisitions, investments and disposals;

(b) Making recommendations to the Board on any financing offers, capital management proposals and additional banking facilities;

(c) Reporting and recommending to the Board any corporate exercise, including the issuance of new REIT units; and

(d) 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 REIT 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 REIT'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 REIT 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 Board Nomination and Remuneration Committee ("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.alsalamreit.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

1. **Abdullah bin Abu Samah**
   Chairman/Independent Non-Executive Director
   (Redesignation w.e.f. 4 August 2025)
2. **Ong Li Lee**
   Independent Non-Executive Director
   (Appointed w.e.f. 4 August 2025)
3. **Shamsul Anuar bin Abdul Majid**
   Non-Independent Non-Executive Director
   (Resigned w.e.f. 31 March 2026)

Secretaries

1. **Nuraliza binti A. Rahman**
   (MAICSA 7067934)
2. **Rohaya binti Jaafar**
   (LS0008376)
   (Retired w.e.f. 31 August 2025)

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 summarised 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 REIT.

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 Board Sustainability Committee ("BSC") is pleased to present its report on the sustainability governance, oversight and activities of Al-Salām REIT for the financial year ended 31 December 2025.

The BSC assists the Board in overseeing the sustainability agenda of the REIT, ensuring that environmental, social and governance ("ESG") considerations are embedded into strategy, risk management and decision-making to support long-term value creation for unitholders.

The Committee's oversight focuses on safeguarding and enhancing the value of the REIT's capitals by promoting resilient assets, responsible operations, regulatory compliance and transparent disclosure, while balancing financial performance with sustainability outcomes.

COMPOSITION

The Committee comprises members of the Board with appropriate experience in governance, sustainability, risk management and the REIT sector, ensuring effective oversight and independent judgment.

The terms of reference of the Committee is as stated in website www.alsalamreit.com.my. The Committee held two (2) meetings during the financial year:

- 25 August 2025 (1/2025)
- 26 November 2025 (2/2025)

The Committee works closely with Management, the BARC and other Board Committees to ensure coordinated oversight across governance, risk and sustainability matters.

All members were present at every meeting held during the financial year, reflecting strong commitment to sustainability oversight, as shown below. Attendance details are disclosed below.

NO	MEMBERS	DATE OF MEETINGS		ATTENDANCE
		25 AUG 2025 (1/2025)	26 NOV 2025 (2/2025)	
1	**Ong Li Lee** (Appointed w.e.f. 4 August 2025)	√	√	2/2
2	**Goh Tian Sui**	√	√	2/2
3	**Abdul Aziz bin Abdul Rasheed** (Appointed w.e.f. 4 August 2025)	√	√	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.

BOARD SUSTAINABILITY COMMITTEE REPORT

KEY MATTERS REVIEWED IN 2025

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.

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 its diversed asset class, 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 Disclosures

The Committee reviewed the scope and structure of sustainability disclosures for inclusion in the IAR2025 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.

8 ESG Strategic Planning – Property Investment Pillar

On 26 November 2025 meeting, the Committee reviewed ESG strategic planning in relation to the Property Investment Pillar, including the integration of ESG considerations into acquisition, asset enhancement and capital allocation decisions including setting of Objective Key Results (OKR).

Sustainability Reporting

The Committee reviewed sustainability reporting matters at the 26 November 2025 meeting, including the content and structure of disclosures for the IAR2025 and consistency across governance, risk and performance narratives.

BOARD SUSTAINABILITY COMMITTEE REPORT

Compliance, Benchmarking and Assurance

At both meetings, the Committee considered compliance with sustainability requirements, peer benchmarking and the role of assurance in supporting credible and reliable sustainability disclosures.

Sustainability Governance and Climate Oversight

The Committee continued to oversee sustainability governance arrangements and the integration of ESG considerations into strategy and risk management. Climate-related risks and asset resilience remained areas of ongoing focus.

Summary of key matters discussed at the BSC shown below:

NO	AGENDA ITEM	25 AUG 2025 (1/2025)	26 NOV 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	√	√

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** – Overseeing the rollout of energy efficiency projects, including chiller replacement and Solar PV initiatives, to support emissions reduction and operational efficiency.
- **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 of sustainability reporting.

CONCLUSION

The Committee is satisfied that sustainability matters were appropriately overseen during the financial year. The Committee remains committed to supporting the Board in advancing the sustainability agenda and long-term value creation of Al-Salām REIT.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (LR) of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of JLG REIT Managers Sdn Bhd ("the Manager") as the manager of Al-Salām REIT 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 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-Salām REIT 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-Salām REIT operates a diversified property portfolio comprising of Retail outlets, Food & Beverage (F&B) restaurants, industrial assets and education/college asset.

In line with Bursa Malaysia's SORMIC, the Board provides leadership and oversight of risk management and internal control, with BARC assisting the Board in monitoring risk exposures and control effectiveness.

Management is responsible for implementing risk management processes and internal controls, with a strong emphasis on integrity, ethical conduct, regulatory compliance, and transparency. This governance structure ensures that material risks are identified, assessed, mitigated, and monitored in a manner consistent with Al-Salām REIT's risk appetite and strategic objectives.

BOARD RESPONSIBILITY

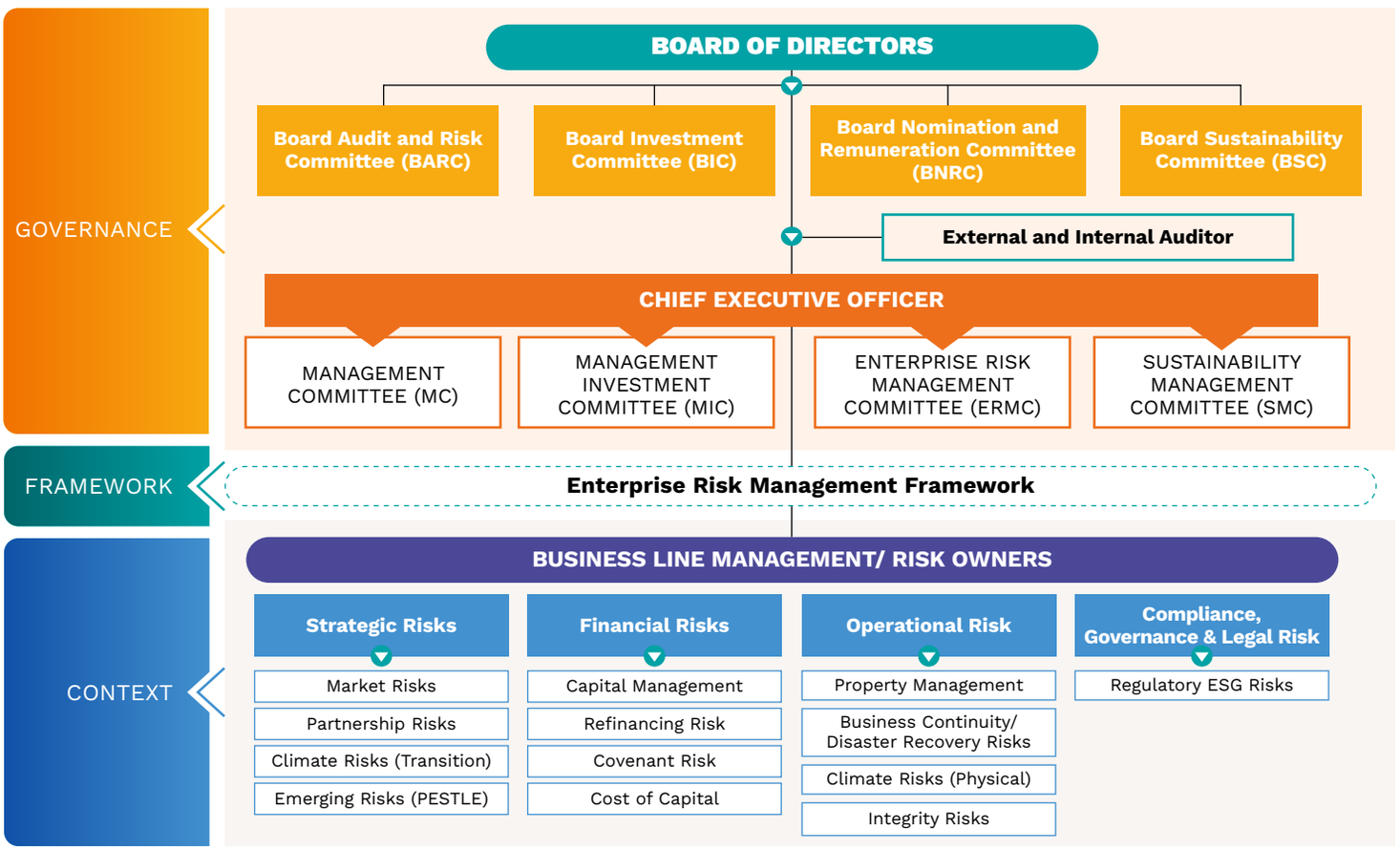
The Board affirms its responsibility for overseeing the REIT's risk management and internal control system to safeguard unitholders' interests and the REIT's assets. The system is designed to provide reasonable, not absolute, assurance against material misstatement, operational disruption, financial 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 namely the 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 bin 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 & IR, 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
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 Management Investment Committee 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-Salām REIT's strategic, operational, financial, compliance and sustainability objectives.

Al-Salām 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	Optimise long-term portfolio value and income sustainability through active management of retail malls and office towers, disciplined tenant mix optimisation and selective acquisitions or disposals aligned with market demand and Shariah principles.	• Moderate appetite for value-accretive growth, repositioning and asset-enhancement initiatives; • Low tolerance for execution delays, prolonged vacancies, excessive concentration in any single asset class or tenant segment (including F&B), or value-dilutive transactions.
Financial	Maintain financial resilience and stable distributions through prudent capital management and proactive management of gearing, liquidity and refinancing risks, while ensuring income streams remain Shariah compliant.	• Prudent appetite; • Low tolerance for refinancing uncertainty, covenant pressure, liquidity stress, material volatility in distributable income or financial exposure arising from Shariah non-compliance.
Operational / ESG	Ensure safe, efficient and reliable operations across malls and office towers while enhancing ESG performance, including energy efficiency, waste and water management, operational oversight relating to F&B tenant activities and climate resilience.	• Moderate appetite for operational variability inherent in retail, F&B and office operations; • Minimal tolerance for safety incidents, critical building system failures (e.g. HVAC, lifts), food-related incidents, major service disruptions or delays in ESG and asset-improvement initiatives.
Market Risk	Monitor and respond to macroeconomic conditions, consumer spending trends, office market dynamics, interest rate movements and regulatory changes affecting asset valuations, occupancy and funding costs.	• Moderate appetite for market-driven volatility; • Low tolerance for unmanaged interest-rate exposure, structural decline in retail or office demand or adverse market cycles that materially impair income stability or asset values.
Business Partnership/ Strategic Alliances	Maintain strong and reliable relationships with mall operators, office tenants, F&B operators and key service providers to support operational continuity, asset performance and rental sustainability.	• Low appetite for counterparty and partnership risk; • Low tolerance for tenant distress, rental arrears, F&B compliance failures, partnership disputes, contractor underperformance or service failures that disrupt operations or cash flows.
Reputational	Preserve stakeholder confidence and safeguard Al-Salām REIT's reputation as a well-governed, Shariah-compliant retail and office REIT through transparent disclosures and consistent performance.	• Very Low appetite for reputational risk; • Very Low tolerance for governance failures, Shariah breaches, health and safety incidents, adverse regulatory findings, negative media exposure or prolonged DPU underperformance.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

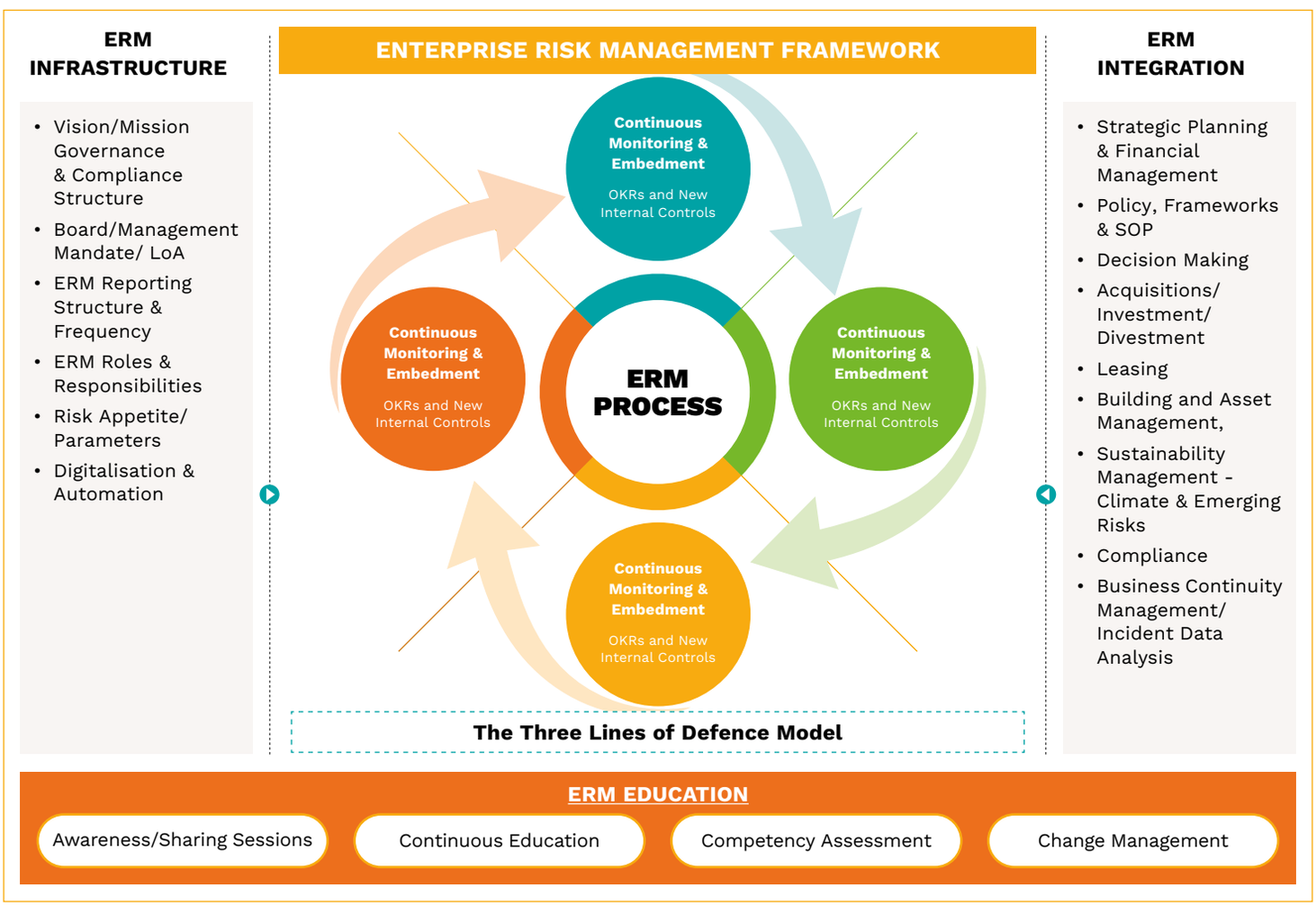
Category	Risk Appetite Statement	Tolerance Level
Compliance/ Governance/ Legal	• Ensure full compliance with regulatory, statutory, Shariah, reporting and Bursa Malaysia requirements, while upholding high standards of corporate governance, integrity and ethical conduct across all business activities.	• Near-Zero tolerance for regulatory or Shariah non-compliance, late submissions or inaccurate disclosures; • Zero tolerance for governance lapses, conflicts of interest or unethical conduct; • Low tolerance for legal disputes, lease non-performance, unauthorised tenant activities or exposures arising from inadequate 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.

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.

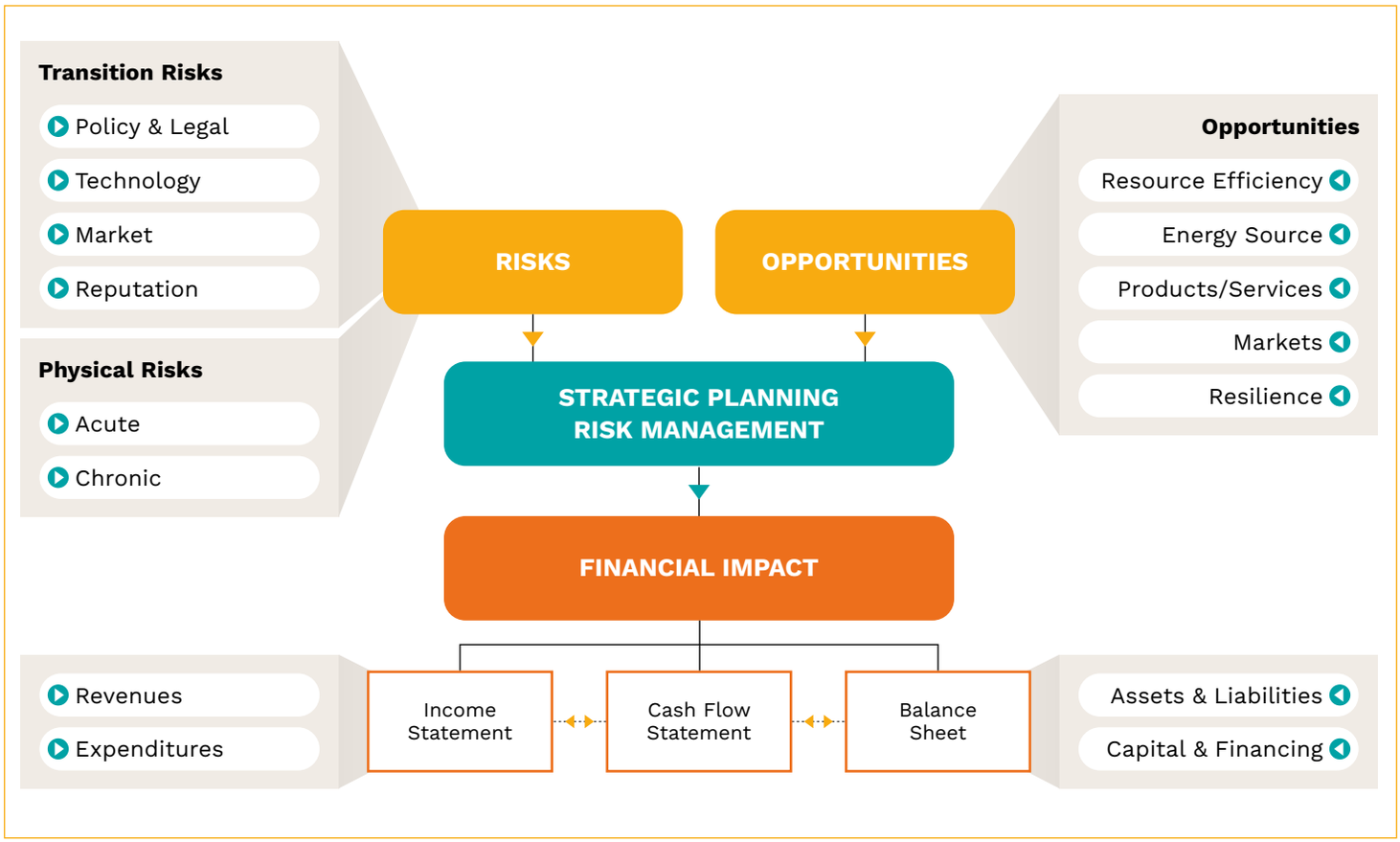
STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

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-Salām REIT'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 assets in Malaysia. 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, high-level climate-scenario considerations (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 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-Salām assets are as follows:

Physical Risks – Acute

Risk	Description	Risk Rating	Key Mitigation
Flooding & Stormwater Intrusion	Urban flash flooding affecting basements, car parks, loading bays and access to malls (e.g. JBCC, neighbourhood retail).	🔴	Drainage upgrades, flood mapping, protection of M&E rooms, emergency response plans, insurance review.
Extreme Heat & Heatwaves	Increased cooling demand in malls and offices; discomfort affecting footfall and occupier satisfaction.	🟡	HVAC optimisation, operating-hour controls, preventive maintenance, shading and reflective materials where feasible.
Severe Weather Disruption	Heavy rainfall and storms disrupting operations, access and tenant business continuity.	🟡	BCM plans, contractor readiness, tenant communication protocols.

Physical Risks – Chronic

Risk	Description	Risk Rating	Key Mitigation
Rising Temperatures (Cooling Load)	Long-term increase in energy consumption and operating costs for common areas.	🟡	Progressive equipment replacement at end-of-life, energy efficiency embedded in capex planning.
Water Stress & Supply Disruptions	Higher water demand for cooling and F&B tenants; potential supply interruptions.	🟠	Water efficiency measures, leak detection, tenant engagement, contingency planning.
Asset Obsolescence	Older retail and office assets becoming less competitive due to climate performance.	🟡	Capital planning, selective refurbishments, portfolio optimisation.

Transition Risks – Regulatory & Policy

Risk	Description	Risk Rating	Key Mitigation
Energy & Environmental Regulations	Tighter energy efficiency, reporting and compliance requirements under Bursa/ ISSB.	🟠	Governance framework, REM oversight, audits, strengthened disclosures.
Carbon Pricing / Cost Pass-Through	Potential future cost increases indirectly affecting operating expenses.	🟡	Cost monitoring, efficiency measures, conservative decarbonisation targets.

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Transition Risks – Market & Tenant

Risk	Description	Risk Rating	Key Mitigation
Tenant Climate Readiness (F&B)	F&B tenants' high energy use and waste practices affecting asset ESG performance.	🟡	Green lease clauses (data sharing), voluntary engagement, fit-out guidelines.
Shifts in Retail & Office Demand	Preference for more efficient, resilient buildings.	🟠	Asset upgrades where viable, portfolio review, leasing strategy adjustments.

Transition Risks – Reputational & Disclosure

Risk	Description	Risk Rating	Key Mitigation
Greenwashing / Over-Commitment	Risk of overstating decarbonisation ambition beyond operational control.	🟠	Conservative 3% target, clear Scope 1 & 2 boundaries, transparent disclosures.
Data Quality & Assurance	Inaccurate or incomplete emissions and energy data.	🟠	Improved metering, data governance, periodic verification.

Legend:

🔴 Very High 🟠 High 🟡 Moderate 🟢 Low

The Board recognises that climate change presents physical and transition risks to Al-Salām REIT. Climate risk assessments were conducted and categorised into acute and chronic physical risks, as well as regulatory, market and reputational transition risks.

The assessment indicates that flooding and stormwater intrusion represent the highest physical risk exposure, while rising temperatures may increase long-term cooling demand and operating costs. Transition risks primarily relate to evolving energy efficiency, climate reporting and regulatory requirements, as well as tenant-driven energy use, particularly within F&B operations.

These risks are monitored through a climate risk heat map and managed through operational controls, preventive maintenance, energy optimisation and enhanced governance. The Board, through the BSC and BARC, provides oversight to ensure climate-related risks remain within the REIT's risk appetite and aligned with Bursa Malaysia's sustainability reporting expectations.

The Three Lines of Defence Approach

Al-Salām REIT 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:

BOARD OF DIRECTORS
BOARD SUSTAINABILITY COMMITTEE
- ACCOUNTABILITY TO STAKEHOLDER FOR ORGANISATIONAL

- Sets strategic direction, approves risk appetite, including ESG, climate, and Shariah thresholds.
- Oversees the effectiveness of risk managementand internal control frameworks.
- Reviews and challenges significant risks escalated by Management and ERMC.
- Ensures Internal Audit's independence and effectiveness.
- Safeguards unitholder interests through transparent governance and disclosures

1ST LINE OF DEFENCE
- OPERATIONAL MANAGEMENT (DEPARTMENTS)

- Asset/Property Management
- & Leasing
- Finance
- Strategy, IR
- Investment
- Sustainability
- IT
- Legal
- Procurement

- Conducts day-to-day monitoring of operational and financial controls across hospitals and healthcare premises.
- Tracks tenancy management, rental collection, maintenance activities, and capex progress.
- Provides monthly/quarterly reports on performance, risk indicators, ESG metrics, and compliance status.
- Performs front-line identification of control gaps (e.g., delays in works, compliance breaches) and initiates corrective measures.
- Maintains operational records (such as Sustainable Finance Register, disbursement tracking, climate-related data).

2ND LINE OF DEFENCE
- RISK OVERSIGHT

- ERMC
- Compliance
- Shariah Advisers
- Governance

- Provides risk oversight, monitoring, and challenge to Line 1.
- Reviews risk assessments, mitigation plans, and emerging risks (including ESG and climate-related risks).
- Tracks mitigation progress and escalates significant issues to ERMC and BARC.
- Coordinates compliance monitoring and updates on regulatory changes.
- Maintains governance documentation policies, SOPs, registers, compliance files).

3RD LINE OF DEFENCE
- INTERNAL AUDIT / INDEPENDENT ASSURANCE

- Conducts risk-based audits covering operational, financial, compliance, IT, ESG, and climate-related areas.
- Provides independent and objective effectiveness of internal control and risk-management systems.
- Assesses alignment with COSO principles the identifies systemic weaknesses.
- Tracks remediation actions and reports findings directly to the Audit Committee (BARC).

EXTERNAL ASSURANCE
- Auditors
- ESG Assurance

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 pestle 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 7 Risk Owners at the management and head of departments' level.

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-Salām REIT)	Financial Performance & Stability	Business Performance (Mall & Office Assets)	Governance, Compliance & Shariah Integrity	Tenant Experience & Operational Reliability	Climate & Environmental Impact	ESG & Sustainability Performance	Health, Safety & Asset Integrity	Community & Shopper/ Occupier Wellbeing	Responsible Investment & Portfolio Strategy
Retail & office market / demand risk	●●	●●	●	●		●		●●	●●
Tenant performance risk (incl. F&B)	●●	●●	●	●●		●	●●	●●	●
Asset valuation & impairment risk	●●	●	●			●	●		●●
Tenancy renewal & concentration risk	●●	●●	●	●●		●	●	●	●
Mall & office operational management risk	●	●	●	●●		●	●●	●	
Health, safety & building integrity 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	●●	●●	●●	●●		●●	●●	●●	●
Acquisition / Asset Growth Risk	●●	●●	●●	●	●	●	●	●	●●

Legend:

●● Strong Linkage ● High

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

KEY RISK PROFILES

The consolidated analysis of Al-Salām REIT's risk landscape highlights several key themes that shape the REIT's overall risk posture and priorities for Board oversight:

- Top risks (Retail & Office Market Demand, Tenant Performance including F&B, Asset Valuation, and Acquisition / Asset Growth) represent the most significant drivers of income stability and portfolio performance and therefore require continued Board-level attention.
- Financial risks (financing, refinancing, liquidity and rental collection) remain sensitive to interest rate movements and market conditions and will continue to be closely monitored over the medium term.
- Operational risks (mall and office operations, health and safety, building integrity and vendor management) are generally well managed but require ongoing oversight and disciplined capital expenditure to sustain asset quality and tenant experience.
- Climate-related and ESG risks are emerging as increasingly important considerations, with potential implications for asset resilience, operating costs, regulatory compliance, disclosures and long-term valuation.
- Governance, regulatory and Shariah compliance risks remain stable, supported by established policies, oversight structures and control frameworks.

The table below presents the top ten risks for Al-Salām REIT, summarising their respective heat map positions, residual risk ratings and the effectiveness of current mitigation measures based on the latest risk assessment.

#	Risk	Risk Rating	Mitigation Effectiveness	Effectiveness Summary
1	Retail & Office Market Demand Risk		(Moderate–Strong)	Active leasing and repositioning strategies are in place; however, exposure to macroeconomic conditions and changing consumer and office demand remains significant.
2	Tenant Performance Risk (including F&B)		(Moderate–Strong)	Tenant screening, diversification and arrears management mitigate risk, but F&B exposure increases sensitivity to cost pressures and consumption trends.
3	Tenancy Renewal & Concentration Risk		(Moderate–Strong)	Lease expiry profiling and proactive renewals reduce short-term risk; residual exposure remains for anchor tenants and concentrated income streams.
4	Asset Valuation & Impairment Risk		(Moderate–Strong)	Independent valuations and oversight are robust, but asset values remain exposed to yield movements and retail/office sector sentiment.
5	Acquisition / Asset Growth Risk		(Moderate–Strong)	Governance, due diligence and Shariah review processes are established; execution risk and market pricing remain key constraints.
6	Financing, Interest Rate & Refinancing Risk		(Moderate–Strong)	Prudent gearing and established banking relationships support refinancing; residual risk remains from interest rate volatility and funding conditions.
7	Mall & Office Operational Management Risk		(Strong)	Preventive maintenance, managing agent oversight and KPIs are effective; ageing assets require ongoing capex discipline.
8	Health, Safety & Building Integrity Risk		(Moderate–Strong)	Safety procedures and statutory compliance are in place; residual risk relates to high-footfall areas and contractor dependency.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

#	Risk	Risk Rating	Mitigation Effectiveness	Effectiveness Summary
9	Climate & Physical Environmental Risk		(Moderate)	Baseline climate controls are implemented; physical adaptation and long-term resilience measures are progressively being enhanced.
10	Regulatory, Shariah & Compliance Risk		(Strong)	Strong governance, compliance monitoring and Shariah oversight; minor residual exposure remains due to regulatory changes and tenant activities.

Al-Salām REIT's Top 10 risks are largely driven by market demand, tenant performance and asset valuation, which remain sensitive to external conditions and require ongoing Board oversight. Financial risks are manageable but exposed to interest rate movements, while operational, regulatory and Shariah risks are generally well controlled. Climate-related risks, although currently moderate, are expected to become increasingly relevant and will continue to be monitored. Overall, the Board is satisfied that risks remain within the REIT's approved risk appetite.

Summary of Key Risk Movements (Q1 → Q4)

Q1 → Q2 (Improvement Phase)

Residual impact reduced across several strategic and operational risks, reflecting early progress in yield enhancement initiatives, tighter execution oversight, and stable operating conditions. Certain legacy risks showed reduced likelihood following management intervention and clearer action plans.

Financial risks remained elevated but contained, largely driven by external capital market conditions rather than internal control gaps. Overall, the REIT recorded a more disciplined and improved risk posture compared with Q1.

Q2 → Q3 (Stabilisation with Selective Re-Emergence)

Q3 marked a plateau in risk reduction, with most risks recording no material change, indicating that mitigation measures remained effective.

However, selective risks experienced upward movement from Low to Medium, driven by:

- execution timing dependencies,
- reliance on third parties and market conditions, and
- increasing complexity of asset and ESG-related initiatives.

Strategic and financial risks particularly those linked to capital access, transaction execution, and tenant concentration continued to anchor the overall residual risk profile at Medium to High, despite the absence of systemic deterioration.

Q3 → Q4 (Consolidation & Risk Sustainability Phase)

In Q4, the risk profile demonstrated broad stabilisation, with no significant expansion of the risk universe. Several operational and ESG-related risks showed improved control effectiveness, reflecting progress in project governance, clearer timelines, and better coordination with stakeholders.

Notwithstanding these improvements, key strategic and financial risks remained structurally elevated, particularly:

- capital raising and refinancing sensitivity,
- acquisition and divestment execution risk,
- valuation and concentration exposure.

These risks did not materially worsen in Q4, but their persistence underscores continued dependence on external market conditions and transaction outcomes, rather than further internal mitigation alone.

Overall Risk Posture (Q1 → Q4)

Across the four quarters, the REIT's risk profile reflects a transition from risk reduction (Q1–Q2) to risk containment and sustainability (Q3–Q4). Early mitigation actions successfully arrested escalation and reduced selected exposures; however, residual strategic and financial risks remain elevated due to their inherent nature.

Importantly, Q4 confirms that:

- controls are operating as intended,
- risks are being monitored and reassessed conservatively, and
- no latent or emerging risks have crystallised unexpectedly.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Mitigation Actions Undertaken and Planned

The Manager continues to implement mitigation measures aligned with the REIT's risk appetite, execution capacity, and long-term strategic objectives.

Strategic Mitigation

- Continued management-level oversight of acquisition, divestment, and yield enhancement initiatives
- Strengthened internal challenge on execution assumptions and delivery timelines
- Ongoing development of a structured portfolio optimisation and rebalancing roadmap

Financial Mitigation

- Proactive monitoring of refinancing timelines and capital market readiness
- Maintenance of liquidity buffers and covenant headroom
- Sustained engagement with lenders, advisers, and capital market participants
- Clear investor communication to manage expectations and sentiment

Operational & ESG Mitigation

- Improved project governance for sustainability-related initiatives
- Progressive embedding of ESG considerations into asset management and leasing
- Monitoring of execution risks to prevent slippage in ESG and operational programmes

Valuation & Asset Resilience Mitigation

- Regular asset health diagnostics to inform prioritised AEI and capex planning
- Alignment of asset enhancement initiatives with yield, resilience, and ESG outcomes
- Integration of ESG and resilience considerations into transaction assessments

Market & Sentiment Mitigation

- Ongoing benchmarking against peer REITs and market indicators
- Consistent IR messaging on DPU outlook, execution progress, and sustainability initiatives
- Enhanced transparency to support investor confidence and trust

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 Group'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.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

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.

Summary of the CRA

In line with MCCG Practice 3.1, the Board oversees the implementation of a robust governance and integrity framework, including the conduct of a CRA to identify and manage corruption risks across key business processes. The CRA indicates that the Manager has in place sound policies, controls and approval structures, supported by a positive ethical culture and a strong tone from the top. No evidence of systemic corruption or deliberate circumvention of controls was identified, and higher-risk areas such as procurement, property acquisition and payment approvals are governed by defined authority limits and review mechanisms under the Group's ABAC framework.

Consistent with MCCG Practice 11.1, the Board, through the BARC, is satisfied that the Manager's risk management and internal control systems remain adequate and effective in addressing corruption and integrity risks. The CRA identified opportunities for continuous improvement, including enhanced documentation, strengthened conflict-of-interest management and increased awareness of whistleblowing mechanisms. Overall, the Board is of the view that the REIT's corruption risk exposure remains low and manageable, with ongoing monitoring and assurance processes in place to further strengthen governance resilience

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-Salām. 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:

a) Chief Financial Officer: Ahmad Nazri bin Mohamad, appointed on 17 February 2025
c) Chief Investment Officer: Mohd Adrian bin Abu, appointed on 7 July 2025
c) Head of Strategy & IR: Ng Hui Mei, appointed on 7 April 2025
d) 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.	• 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.	• 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.	• Updated job descriptions & R&R 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.	• 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.	• 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.	• 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.	• Board induction and governance training. • Updated Board Charter and Board Committee terms of reference.
	Shift in Oversight Priorities: New Directors may influence strategic direction.	• Alignment sessions with Management. • Clear documentation of updated risk appetite.
	Compliance Familiarisation Risk: New Directors may require time be familiar with regulatory reporting.	• Directors Mandatory Accreditation Programme (MAP) 1 and 2. • Regular compliance updates to Board & ERMC. • 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, MCCG, 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 REITs 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.	• 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	• 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-Salām REIT's control environment is built on strong governance practices, clear accountability and a culture of integrity that supports the management of 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 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 REIT 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-Salām REIT'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 diversified 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-Salām 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, ERMC, 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 ERMC 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-Salām REIT'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-Salām 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-Salām REIT 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 2025 tenant satisfaction survey achieved an average of 77% satisfaction rate, demonstrating sustained confidence in the property's management and service delivery. The survey results also provide valuable insights into tenant expectations, enabling the Manager to identify areas for improvement and implement targeted initiatives to enhance the overall tenant experience. Continuous engagement with tenants, combined with responsive management practices, helps to build long-term relationships, encourage lease renewals, and support stable occupancy levels across the property.

Moving forward, the Manager will continue to strengthen communication channels, monitor tenant feedback, and implement service enhancements where necessary. These efforts aim to foster a collaborative landlord–tenant relationship, support tenants' operational needs, and sustain the asset's competitiveness and long-term performance.

Monitoring, Review and Assurance of Internal Controls

Monitoring activities are embedded across Al-Salām REIT 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 ERMC, 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 ERMC 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 of Al-Salām on 30 April 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, MCCG, 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 ERMC, 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 operations and facility management. The audits identified several improvement areas, all of which were addressed by Management.

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, the Shariah Adviser conducted monthly Shariah reviews on the properties to assess ongoing compliance with Shariah requirements. The findings from these monthly reviews, covering lease arrangements, investment activities, financing structures, and compliance with Shariah principles, were tabled and deliberated at the Shariah Committee meetings held on 28 July 2025 and 24 October 2025, and were formally reported to Management and the Board, with a clean assurance outcome.

ESG-related disclosures and sustainability data were subjected to limited external assurance to ensure accuracy, consistency, and alignment with the NSRF, IFRS S1/S2, and Bursa's Sustainability Reporting requirements. 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-Salām REIT'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 the SORMIC 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 5 March 2026 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 25 February 2026.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad 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 units during FY2025.

3. Audit and Non-Audit Fees

For information, please refer to page 236.

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 ("Unitholder's 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), such Unitholders' Mandate is subject to annual renewal and the disclosure in the annual report of RRPTs conducted pursuant to the mandate during the financial year ended 31 December 2024 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.

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)
JCorp Group	Registrar expenses	JCorp is a major unitholder of Al-Salām. The Manager is also indirectly wholly owned by JCorp.	177	177
	Rental income for renting of office at Menara KOMTAR		2,308	2,779
	Building management and maintenance related costs at Menara KOMTAR, KOMTAR JBCC and @MART KEMPAS	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	2,292	2,749

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)
JLGPMSB	Property services fee which includes, inter-alia, building management and maintenance and lease and tenancy administration	JLGPMSB is an 82.67% owned subsidiary of DASB, the holding company of the Manager. DASB is a wholly-owned subsidiary of JCorp. DASB and JCorp are also the major unitholders of Al-Salām. The Manager is also indirectly wholly owned by JCorp. 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. Datuk Sr Akmal bin Ahmad is the Director of JRMSB, Director of DASB and also part of the senior management of JCorp Group.	3,732	4,402
KPJ Group	Rental income for renting of a college building at Bandar Dato' Onn, Johor	JCorp has a direct and indirect interest of 35.9% and 9.1% respectively in KPJ. KPJ (through JCorp) and JCorp are also the major unitholders of Al-Salām. The Manager is also indirectly wholly-owned by JCorp. 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. Shamsul Anuar bin Abdul Majid is a Director of JRMSB and also a Director of KPJ. 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.	1,956	2,340

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)
JLG Group	Technical advisory in relation to the project management	JCorp (via indirect shareholdings) is a major unitholder of Al-Salām. JLG is a wholly-owned subsidiary of JCorp. The Manager, is also indirectly wholly owned by JCorp. 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. Shamsul Anuar bin Abdul Majid and Datuk Sr Akmal bin Ahmad are Directors of JRMSB and also Directors of JLG nominated by JCorp	-	-
	Rental income for renting of offices and food court at Menara KOMTAR and KOMTAR JBCC		2,049	2,406
	Contractor services infrastructure works		-	-
	Waste management		-	-
Aggregate Value of Transactions			**12,514**	**14,853**

SHARIAH ADVISER'S REPORT

To the Unitholders of AL-SALĀM REIT

We have acted as the Shariah Adviser of Al-Salām Real Estate Investment Trust (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 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. The percentage of Shariah non-compliant rental for the financial year ended 31 December 2025 is 3.81% which is below than the permissible 5% threshold; 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

29 April 2026

TRUSTEE'S REPORT

For the financial year ended 31 December 2025

To the unit holders of **AL-SALĀM REAL ESTATE INVESTMENT TRUST** ("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 SDN 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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REAL ESTATE INVESTMENT TRUST

Section 8

RISK MANAGEMENT

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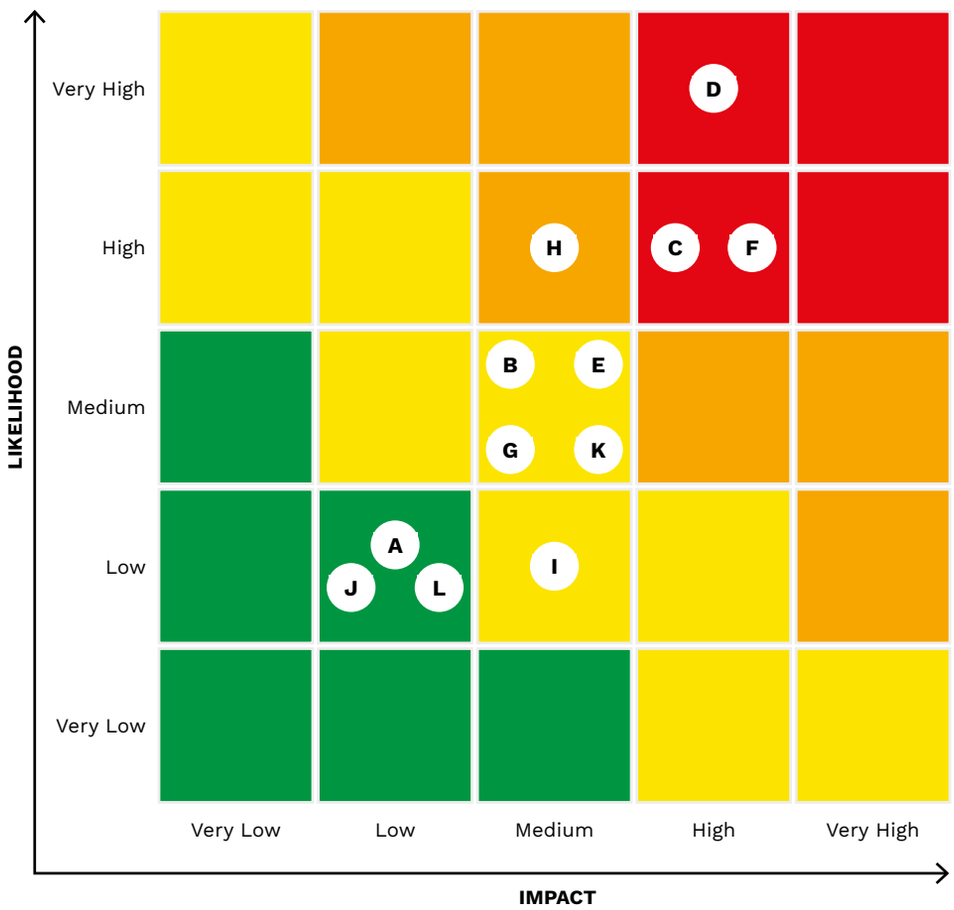
RISK ASSESSMENT & IDENTIFICATION

Al-Salām REIT provides enhanced disclosures and greater transparency in its identified business and sustainability risks, including plans to ensure mitigation measures remain effective. Through the REIT's ERM Framework, material risks were identified, enabling prioritisation of resources and mitigation efforts, targeting the issues with the greatest impact or highest likelihood.

More information on the REIT's risk management governance, ERM, and risk monitoring and control can be found within the Statement on Risk Management & Internal Control section.

In addition to the identified business risks, the REIT has begun integrating sustainability risks in the IAR2025, based on the identified ESG material matters (details on the identification of material matters can be found in the Sustainability Statement of this IAR2025). This ensures that the concerns and impacts on internal and external stakeholders are addressed.



Based on the risk matrix, the REIT's highest risks are as follows. These risks are aligned with the REIT's strategic direction, ensuring Al-Salām's priorities and operations tackle and mitigate these risks.

- **C** **Misalignment of Asset Acquisitions**
- **D** **Targeted Asset Disposal Delays**
- **F** **Underperforming Assets**

Legend:

- **A** Misalignment with Shariah Requirements
- **B** Overconcentration in a Single Sector
- **C** Misalignment of Asset Acquisitions
- **D** Targeted Asset Disposal Delays
- **E** Asset Fair Value Sensitivity
- **F** Underperforming Assets
- **G** Sustainability Barriers
- **H** Digital Property Management System Delays
- **I** Strata Title Issuance Delays
- **J** Underperforming Tenants
- **K** Sukuk Capital Management Timeline
- **L** Tenancy Agreement Misalignment

The short-, medium-, and long-term likelihood and severity of sustainability and climate risks are established following the determination of material matters, aligned with IFRS S1 and S2, and subsequent mitigation measures are prepared. The REIT plans to include financial disclosures of identified risk in the future.

RISK MANAGEMENT

Al-Salām 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-Salām 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.

Value Creation Strategies	Core Risk Management Strategy
Active Asset Management	• Enhance asset functionality • Uplift NPI yield • Strengthen investor confidence
Organic Growth	• Improve occupancy • Reduce OPEX • Increase A&P revenue • Stabilise rental performance
Inorganic Growth	• Maintain disciplined growth pipeline and financial stability
Long-Term Yield Accretion	• Build resilience • Reduce cost volatility • Strengthen capital structure
Innovative Business Models	• Diversify income sources • Improve tenant satisfaction • Align with sustainability targets
Digitalisation, Technology, & Innovation	• Enhance operational visibility • Improve cost control • Accelerate leasing cycles
ESG Strategy	• Strengthen ESG ratings • Reduce environmental impact • Improve stakeholder confidence

Legend:

Capitals:

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

Resources:

- Financial Capital
- Systems Implementation
- Equipment Acquisition
- Appointed Persons-in-Charge
- Technology Utilisation
- Manpower & Talent

Likelihood:

Very Low | Low | Moderate | High | Very high

Severity:

Very Low | Low | Moderate | High | Very high

RISK MANAGEMENT

C MISALIGNMENT OF ASSET ACQUISITIONS

The ongoing calibration of the investment pipeline to ensure all new acquisitions strictly adhere to evolving regulatory clearances and yield requirements.

Capitals:	Severity:	Likelihood:

Risk Management Initiative

- Ensure all acquisition activities undergo rigorous regulatory and compliance verification to preserve financial stability
- Prioritise high-resilience assets that mitigate cost volatility and support sustainable distribution targets

Mitigation Measures

- Establishment of standardised project timelines
- Timely appointment of professional independent advisers
- Disciplined growth pipeline monitoring under the Investment Pillar

Resources:

D TARGETED ASSET DISPOSAL DELAYS

The strategic management of divestment timelines to ensure capital recycling occurs at optimal market pricing and valuation levels.

Capitals:	Severity:	Likelihood:

Risk Management Initiative

- Streamline the divestment of non-core properties to optimise the broader portfolio mix
- Align disposal timelines with strategic capital reallocation and disciplined growth objectives

Mitigation Measures

- Continuous market engagement with real estate agents and potential purchasers
- Strategic planning and alignment of disposal pricing with long-term portfolio goals

Resources:

RISK MANAGEMENT

F UNDERPERFORMING ASSETS

Underperforming assets may result in sustained income shortfalls, higher vacancies and costs, increased capex, and potential valuation impairments, adversely affecting NPI, distributions, and overall, portfolio performance.

Capitals:	Severity:	Likelihood:

Risk Management Initiative

- Accelerate the transition from manual processes to automated, high-fidelity digital systems
- Leverage digital insights to reduce operational inefficiencies and improve decision-making accuracy

Mitigation Measures

- Periodic progress reporting to Management and the Board
- Ongoing monitoring under the REIT's risk management framework
- Existing manual and legacy system controls with senior management oversight

Resources:

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REAL ESTATE INVESTMENT TRUST

Section 9

FINANCIAL STATEMENTS

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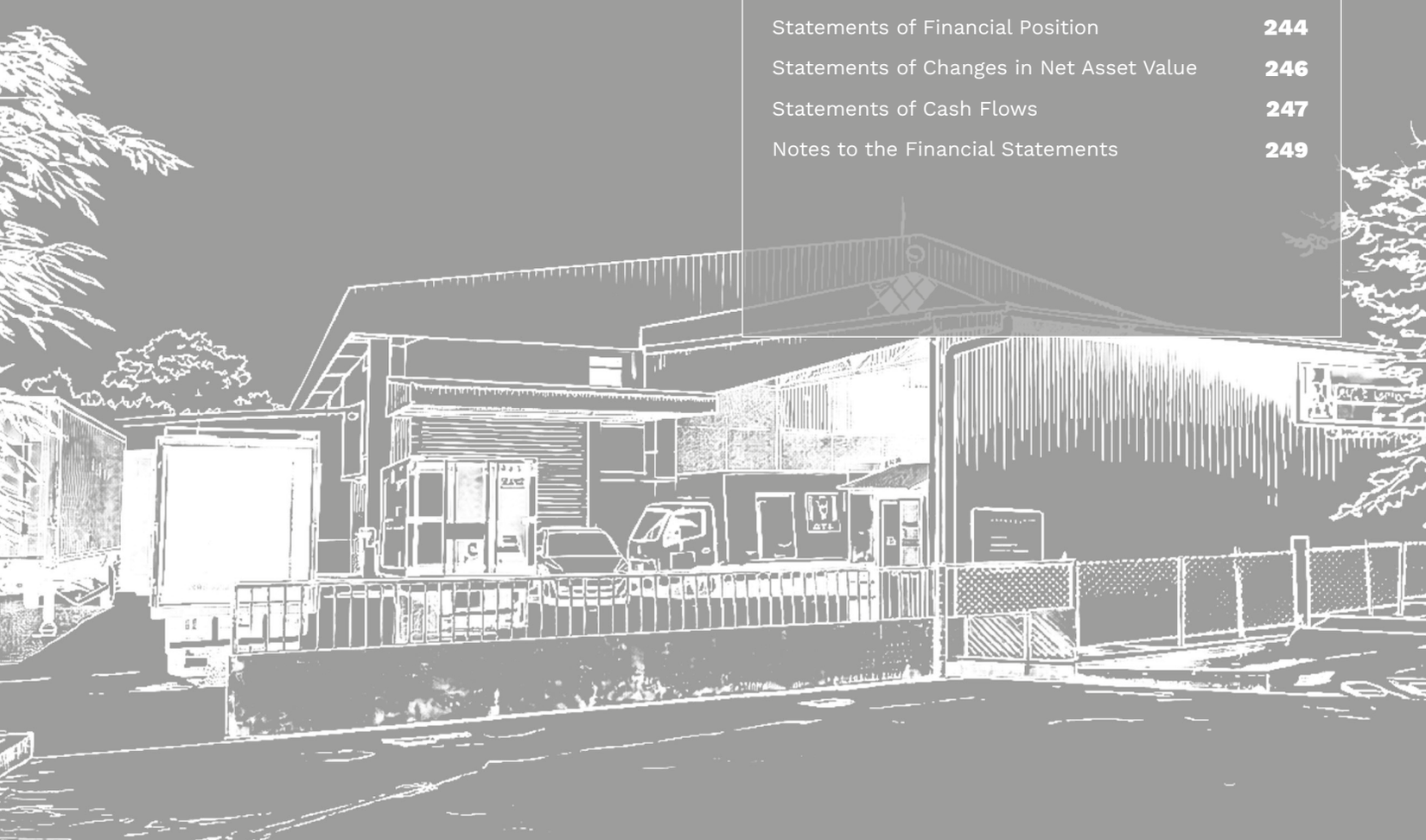

MANAGER'S REPORT

The Manager of Al-Salām Real Estate Investment Trust (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	**13,621,385**	**13,297,861**

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 0.23 sen per unit on 580,000,000 units, paid on 28 February 2025	**1,333,573**
In respect of the financial year ended 31 December 2025 as reported in the directors' report of current year:	
First interim income distribution of 0.51 sen per unit on 580,000,000 units, paid on 30 June 2025	**2,957,970**
Second interim income distribution of 0.47 sen per unit on 580,000,000 units, paid on 3 October 2025	**2,725,971**
Third interim income distribution of 0.52 sen per unit on 580,000,000 units, paid on 31 December 2025	**3,015,969**
	10,033,483

A final income distribution in respect of the financial year ended 31 December 2025, of 0.70 sen per unit on 580,000,000 units amounting to an income distribution payable of RM4,060,000 will be payable on 27 February 2026.

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 ending 31 December 2026.

MANAGER'S REPORT

The Fund and its investment objective

The Fund is a Malaysia-based real estate and investment trust established pursuant to the execution of a Trust Deed dated 26 March 2015 between the Fund, the Manager and AmanahRaya Trustees Berhad (the "Trustee"). The said Trust Deed was registered with the Securities Commission Malaysia on 30 March 2015 which is the Fund's establishment date. The Fund was listed on the Main Market of Bursa Malaysia Securities Berhad on 29 September 2015.

On 6 June 2019, at the Extraordinary General meeting the unitholders of the Fund has approved the proposed amendments and consolidation of the Trust Deed into Restated Trust Deed was executed and lodged on 25 November 2019 with the Securities Commission Malaysia. The Fund will continue its operations until such time as determined by the Trustee and the Manager as provided under the provision of the Restated Trust Deed (the "Deed").

The Fund's key objective is to provide unitholders with regular and stable income distributions, sustainable long term unit prices and distributable income and capital growth, while maintaining an appropriate capital structure.

The principal activity of the subsidiary is as a special-purpose company for the purpose of raising Islamic financing for Al-Salām Real Estate Investment Trust.

This 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 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 principal activity during the financial year.

Manager's investment strategies and policies

The Fund is authorised to invest in real estate, special-purpose-vehicles ("SPVs"), real estate-related assets, non-real estate-related assets, cash, Shariah-compliant deposits, Islamic money market instruments and any other investments not specified above but specified as a permissible investment in the Guidelines on Real Estate Investment Trust (the "REIT Guidelines") and the Guidelines for Islamic Real Estate Investment Trust (the "Islamic REIT Guidelines") as issued by the Securities Commission Malaysia or as otherwise permitted by the Securities Commission Malaysia.

To achieve the Fund's primary objective, the Manager will seek to achieve the following strategies:

(a) Active asset management strategy

The Manager will seek to optimise the rental rates, occupancy rates and Net Lettable Area ("NLA") of the Fund's properties in order to improve the returns from the Fund's property portfolio.

(b) Acquisition growth strategy

The Manager will source for and acquire properties that fit within the Fund's investment strategy to enhance returns to unitholders and to capitalise on opportunities for future income and net asset value growth.

MANAGER'S REPORT

Manager's investment strategies and policies (Cont'd)

(c) Capital and risk management strategy

The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions, seek to manage financing and refinancing risk and to adopt an active financing rate management strategy to manage the risks associated with changes in financing rates.

The investments of the Fund are subject to the following investment limits imposed by the REIT Guidelines:

(a) at least 50% of the Fund's total asset value must be invested in real estate assets at all times; and

(b) not more than 25% of the Fund's total asset value may be invested in non-real estate-related assets and/or cash, Shariah-compliant deposits and Islamic money market instruments.

The investments of the Fund are limited to instruments in both real estate-related assets and non-real estate-related assets as follows:

(a) the value of the Fund's investments in securities issued by any single issuer must not exceed 5% of the Fund's total asset value;

(b) the value of the Fund's investment in securities issued by any group of companies must not exceed 10% of the Fund's total asset value; and

(c) the Fund's investment in any class of securities must not exceed 10% of the securities issued by any single issuer; or

Such other limits and investments as may be permitted by the Securities Commission Malaysia or the REIT Guidelines.

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	
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)
Abdul Aziz bin Abdul Rasheed	(Appointed on 4 August 2025)
Ong Li Lee	(Appointed on 4 August 2025)
Lailatul Azma binti Abdullah	(Resigned on 4 August 2025)
Ahmad Fadzli bin Zainudin *	(Appointed on 23 October 2025)
Tay Hui Ping #	(Appointed on 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

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 which accrue from the fee paid to the Manager or from transactions made with companies related to the Manager) by reason of a contract made by the Manager or the Fund or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during that period, did there subsist any arrangement to which the Manager of the Fund is a party, with the object or objects of enabling the directors of the Manager to acquire benefits by means of the acquisition of units in or debentures of the Fund or any other body corporate.

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
Al-Salām Real Estate Investment Trust				
Dato' Haji Salehuddin bin Hassan	**9,125**	**-**	**-**	**9,125**
Related company				
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
Related company				
Johor Plantation Group Berhad				
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 Deed dated 25 November 2019, the Manager is entitled to receive from the Fund:

(a) A base management fee of up to 1% per annum of total asset value (excluding cash and bank balances) of the Fund calculated on a monthly accrual basis;

(b) An acquisition fee of 1% of the transaction value (being the total purchase price) of any investment property directly or indirectly acquired from time to time by the Trustee for and on behalf of the Fund pro-rated, if applicable, to the proportion of the Fund's interest and payable to the Manager upon completion of the acquisition of the investment property; and

(c) A disposal fee of 0.5% of the transaction value (being the total sales price) of any investment property directly or indirectly sold from time to time by the Trustee for and on behalf of the Fund pro-rated, if applicable, to the proportion of the Fund's interest and payable to the Manager upon completion of the disposal of the investment property.

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 provision

There was no material transfer to and from reserves or provisions during the year, other than those as disclosed in the statement of changes in net asset value.

Holding company and corporation

The immediate holding company is Damansara Assets Sdn Bhd. The ultimate holding corporation is Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995). Both holding company and corporation are incorporated in Malaysia.

Other statutory information

(a) Before the statements of comprehensive and statements of financial position of the Group and 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 all known bad debts had been written off 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; or

(ii) any contingent liability in respect 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 or 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 or 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 and the Fund have exceeded the current assets by RM42,069,419 and RM44,201,400 respectively. In the opinion of the Manager, the Group will be able to meet their obligations and liabilities as and when they fall due on the basis that the Group will be able to repay their borrowings when it matures.

As of 31 December 2025, the Group had borrowings of RM118,000,000 with contractual maturity dates in March 2026. Subsequent to year end, the Group obtained offer letter from the bank approving a one-year extension of the repayment tenure for the facilities. Accordingly, manager is of the view that the Group will be able to meet its repayment obligations as and when they fall due, and that the going concern basis of preparation remains appropriate.

MANAGER'S REPORT

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM	Fund RM
Audit fees		
- Current year	220,000	195,000
- Other service	20,000	20,000
	240,000	215,000

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 unspecific 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

Abdullah bin Abu Samah

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 Manager, the financial statements of Al-Salām Real Estate Investment Trust (the "Fund") set out on pages 242 to 297 are drawn up in accordance with applicable provisions of the Deed dated 25 November 2019, 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-Salām Real Estate Investment Trust, do solemnly and sincerely declare that the accompanying financial statements set out on pages 242 to 297 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-Salām Real Estate Investment Trust and its subsidiary
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al-Salām Real Estate Investment Trust (the "Fund"), which comprise the statements of financial position as at 31 December 2025 of the Group and of the Fund, and 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 242 to 297.

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 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 RM1,213,433,365 which represents 92% of the Group's and 93% of the Fund's total assets.

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 judgmental.

INDEPENDENT AUDITORS' REPORT

to the Unitholders of Al-Salām Real Estate Investment Trust and its subsidiary
(Incorporated in Malaysia)

Report on the audit of the financial statements (Cont'd)

Valuation of investment properties (Cont'd)

Our audit procedures focused on the valuations performed by firms of independent valuers, which included, amongst others, the following procedures:

- We considered the objectivity, independence and expertise of the firms of independent 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 Note 3.2 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 information included in the annual report, but does not include the financial statements of the Group and of the Fund and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and 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 the other information that we obtained prior to 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 Group's 2025 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Managers of the Fund and take appropriate action.

INDEPENDENT AUDITORS' REPORT

to the Unitholders of Al-Salām Real Estate Investment Trust and its subsidiary
(Incorporated in Malaysia)

Report on the audit of the financial statements (Cont'd)

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 determine 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 intend to liquidate the Group or 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and 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 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 and the Fund to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

to the Unitholders of Al-Salām Real Estate Investment Trust and its subsidiary
(Incorporated in Malaysia)

Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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 skepticism throughout the audit. We also (Cont'd):

- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Fund, including the disclosures, and whether the financial statements of the Group and the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express 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	Group		Fund	
		2025 RM	2024 RM	2025 RM	2024 RM
Gross rental income	4	**77,561,732**	68,501,447	**77,561,732**	68,501,447
Other income	5	**11,263,228**	9,951,801	**11,263,228**	9,951,801
Total revenue		**88,824,960**	78,453,248	**88,824,960**	78,453,248
Utilities expenses		**(8,427,346)**	(9,322,555)	**(8,427,346)**	(9,322,555)
Maintenance expenses		**(5,030,902)**	(4,456,381)	**(5,030,902)**	(4,456,381)
Quit rent and assessment		**(1,805,833)**	(1,716,355)	**(1,805,833)**	(1,716,355)
Property manager fee		**(474,000)**	(474,000)	**(474,000)**	(474,000)
Other property expenses		**(11,988,493)**	(11,069,071)	**(11,988,493)**	(11,069,071)
Total property expenses		**(27,726,574)**	(27,038,362)	**(27,726,574)**	(27,038,362)
Net property income		**61,098,386**	51,414,886	**61,098,386**	51,414,886
Investment income	6	**1,131,910**	897,996	**1,131,910**	897,996
Net fair value loss on investment properties		**(3,078,218)**	(1,946,592)	**(3,078,218)**	(1,946,592)
Gain on disposal of asset held for sale		**100,000**	-	**100,000**	-
Total investment loss		**(1,846,308)**	(1,048,596)	**(1,846,308)**	(1,048,596)
Net investment income		**59,252,078**	50,366,290	**59,252,078**	50,366,290
Finance costs on loan:					
- Finance costs charged by financing institution		**(36,923,418)**	(38,407,075)	**(9,562,254)**	(10,128,404)
- Finance costs from a subsidiary		**-**	-	**(27,361,164)**	(28,278,671)
- Imputed finance costs		**(3,185,247)**	(2,089,535)	**(3,185,247)**	(2,089,535)
Allowance for expected credit loss on amount due from a subsidiary		**-**	-	**(363,637)**	(323,523)
Manager fees		**(3,001,723)**	(2,610,881)	**(3,001,723)**	(2,610,881)
Trustee fees		**(132,300)**	(129,687)	**(132,300)**	(129,687)
Audit fees					
- Current year		**(220,000)**	(210,000)	**(195,000)**	(185,000)
- Other services		**(20,000)**	(20,000)	**(20,000)**	(20,000)
Valuation fees		**(318,088)**	(398,889)	**(318,088)**	(398,889)
Other expenses		**(1,614,905)**	(968,214)	**(1,599,792)**	(942,807)
Total fund expenses		**(45,415,681)**	(44,834,281)	**(45,739,205)**	(45,107,397)
Profit before tax		**13,836,397**	5,532,009	**13,512,873**	5,258,893
Tax expense	7	**(215,012)**	(247,559)	**(215,012)**	(247,559)
Profit for the year, representing total comprehensive income for the year		**13,621,385**	5,284,450	**13,297,861**	5,011,334

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	Group		Fund	
		2025 RM	2024 RM	2025 RM	2024 RM
Total comprehensive income for the year					
Realised		**14,134,725**	4,388,151	**14,174,838**	4,438,558
Unrealised:		**(513,340)**	896,299	**(876,977)**	572,776
		13,621,385	5,284,450	**13,297,861**	5,011,334
Earnings per unit	8				
Basic		**2.35**	0.91		

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	Group 2025 RM	Group 2024 RM	Fund 2025 RM	Fund 2024 RM
Assets					
Non-current assets					
Investment properties	10	**1,213,433,365**	1,201,723,255	**1,213,433,365**	1,201,723,255
Equipment	11	**706,373**	861,140	**706,373**	861,140
Investment in a subsidiary	12	**-**	-	**2**	2
Other receivables	13(b)	**683,467**	805,867	**683,467**	805,867
		1,214,823,205	1,203,390,262	**1,214,823,207**	1,203,390,264
Current assets					
Trade receivables	13(a)	**31,848,153**	34,675,674	**31,848,153**	34,675,674
Other receivables and prepaid expenses	13(b)	**5,697,372**	4,833,522	**5,696,007**	4,818,634
Amount due from an immediate holding company	13(c)	**19,937**	19,937	**19,937**	19,937
Amount due from related companies	13(d)	**2,155,128**	1,501,353	**2,155,128**	1,501,353
Amount due from a subsidiary	13(e)	**-**	-	**4,534,938**	1,864,219
Cash and bank balances	14	**51,303,195**	35,744,360	**42,814,929**	27,707,341
		91,023,785	76,774,846	**87,069,092**	70,587,158
Assets classified as held for sale	27	**9,500,000**	37,100,000	**9,500,000**	37,100,000
		100,523,785	113,874,846	**96,569,092**	107,687,158
Total assets		**1,315,346,990**	1,317,265,108	**1,311,392,299**	1,311,077,422
Total unitholders' fund and liabilities					
Unitholders' fund					
Unitholders' capital	18	**572,545,319**	572,545,319	**572,545,319**	572,545,319
Undistributed income		**79,429,727**	75,841,825	**77,400,595**	74,136,217
Total unitholders' fund		**651,975,046**	648,387,144	**649,945,914**	646,681,536
Non-current liabilities					

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Fund	
		2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax liability	15	**2,377,965**	2,242,953	**2,377,965**	2,242,953
Other payables	16	**5,677,759**	5,697,759	**5,677,759**	5,697,759
Islamic financing	17	**512,723,016**	594,278,034	**59,782,428**	187,526,884
Amount due to a subsidiary	16(c)	**-**	-	**452,837,741**	405,104,258
		520,778,740	602,218,746	**520,675,893**	600,571,854
Current liabilities					
Other payables and accrued expenses	16	**22,607,782**	19,752,427	**20,785,070**	16,917,241
Amount due to related companies	16(a)	**2,010,424**	1,406,791	**2,010,424**	1,406,791
Amount due to a subsidiary	16(b)	**-**	-	**-**	45,500,000
Islamic financing	17	**117,974,998**	45,500,000	**117,974,998**	-
		142,593,204	66,659,218	**140,770,492**	63,824,032
Total liabilities		**663,371,944**	668,877,964	**661,446,385**	664,395,886
Total unitholders' fund and liabilities		**1,315,346,990**	1,317,265,108	**1,311,392,299**	1,311,077,422
Number of units in circulation	18	**580,000,000**	580,000,000	**580,000,000**	580,000,000
Net asset value ("NAV")					
- before income distribution		**651,975,046**	648,387,144	**649,945,914**	646,681,536
- after income distribution		**647,915,046**	647,053,144	**645,885,914**	645,347,536
NAV per unit					
- before income distribution		**1.12**	1.12	**1.12**	1.11
- after income distribution		**1.12**	1.12	**1.11**	1.11

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

Group

	Unitholders' capital RM	Realised* RM	Unrealised RM	Total undistributed income RM	Total unitholders' fund RM
At 1 January 2024	572,545,319	9,976,547	63,885,991	73,862,538	646,407,857
Total comprehensive income	-	4,388,151	896,299	5,284,450	5,284,450
Transactions with unitholders:					
Income distributions (Note 9)	-	(3,305,163)	-	(3,305,163)	(3,305,163)
At 31 December 2024	572,545,319	11,059,535	64,782,290	75,841,825	648,387,144
At 1 January 2025	**572,545,319**	**11,059,535**	**64,782,290**	**75,841,825**	**648,387,144**
Total comprehensive income	**-**	**14,134,725**	**(513,340)**	**13,621,385**	**13,621,385**
Transactions with unitholders:					
Income distributions (Note 9)	**-**	**(10,033,483)**	**-**	**(10,033,483)**	**(10,033,483)**
At 31 December 2025	**572,545,319**	**15,160,777**	**64,268,950**	**79,429,727**	**651,975,046**

Fund

	Unitholders' capital RM	Realised* RM	Unrealised RM	Total undistributed income RM	Total unitholders' fund RM
At 1 January 2024	572,545,319	10,249,792	62,180,254	72,430,046	644,975,365
Total comprehensive income	-	4,438,558	572,776	5,011,334	5,011,334
Transactions with unitholders:					
Income distributions (Note 9)	-	(3,305,163)	-	(3,305,163)	(3,305,163)
At 31 December 2024	572,545,319	11,383,187	62,753,030	74,136,217	646,681,536
At 1 January 2025	**572,545,319**	**11,383,187**	**62,753,030**	**74,136,217**	**646,681,536**
Total comprehensive income	**-**	**14,174,838**	**(876,977)**	**13,297,861**	**13,297,861**
Transactions with unitholders:					
Income distributions (Note 9)	**-**	**(10,033,483)**	**-**	**(10,033,483)**	**(10,033,483)**
At 31 December 2025	**572,545,319**	**15,524,542**	**61,876,053**	**77,400,595**	**649,945,914**

* 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

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities				
Profit before tax	**13,836,397**	5,532,009	**13,512,873**	5,258,893
Adjustments for:				
Finance costs on loan:				
- Finance costs charged by financing institution	**36,923,418**	38,407,075	**36,923,418**	38,407,075
- Imputed finance costs	**3,185,247**	2,089,535	**3,185,247**	2,089,535
Depreciation of equipment	**175,600**	175,989	**175,600**	175,989
Fair value loss on investment properties	**3,078,218**	1,946,592	**3,078,218**	1,946,592
Gain on disposal of asset held for sale	**(100,000)**	-	**(100,000)**	-
Investment income	**(1,131,910)**	(897,996)	**(1,131,910)**	(897,996)
Unbilled rental income	**(2,699,890)**	(3,090,450)	**(2,699,890)**	(3,090,450)
Operating profit before working capital changes	**53,267,080**	44,162,754	**52,943,556**	43,889,638
Decrease/(increase) in:				
Trade receivables	**5,527,411**	(3,397,446)	**5,527,411**	(3,397,446)
Other receivables and prepaid expenses	**(741,450)**	1,974,021	**(754,973)**	1,974,937
Amount due from an immediate holding company	**-**	-	**-**	-
Amount due from related companies	**(653,775)**	18,881	**(653,775)**	18,881
Amount due from a subsidiary	**-**	-	**(2,670,719)**	(1,702,943)
Increase/(decrease) in:				
Other payables and accrued expenses	**3,898,706**	188,014	**3,928,817**	157,774
Amount due to related companies	**603,633**	(1,287,062)	**603,633**	(1,287,062)
Net cash generated from operating activities	**61,901,605**	41,659,162	**58,923,950**	39,653,779
Cash flows from investing activities				
Income received from other investments	**1,131,910**	897,996	**1,131,910**	897,996
Purchase of equipment	**(20,833)**	(168,565)	**(20,833)**	(168,565)
Additions to investment properties	**(1,788,328)**	(1,756,141)	**(1,788,328)**	(1,756,141)
Disposal of investment properties	**14,700,000**	-	**14,700,000**	-
Net cash generated from/(used in) investing activities	**14,022,749**	(1,026,710)	**14,022,749**	(1,026,710)

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2025

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from financing activities				
Increase in pledged deposits with licensed banks	**(277,000)**	(328,000)	**(54,000)**	(51,000)
Income distributions paid	**(10,033,483)**	(3,305,163)	**(10,033,483)**	(3,305,163)
Islamic financing costs paid	**(37,605,536)**	(38,493,409)	**(37,605,536)**	(38,441,459)
Transaction cost paid	**(2,726,500)**	(1,926,900)	**(2,726,500)**	(1,926,900)
Increase in amount due to a subsidiary	**-**	-	**(7,473,592)**	1,674,949
Repayment of long term financing	**(10,000,000)**	-	**-**	-
Drawdown of Islamic financing	**455,000,000**	-	**-**	-
Redemption of Islamic financing	**(455,000,000)**	-	**-**	-
Net cash used in financing activities	**(60,642,519)**	(44,053,472)	**(57,893,111)**	(42,049,573)
Net increase/(decrease) in cash and cash equivalents	**15,281,835**	(3,421,020)	**15,053,588**	(3,422,504)
Cash and cash equivalents at beginning of year	**25,991,360**	29,412,380	**25,961,341**	29,383,845
Cash and cash equivalents at end of year (Note 14)	**41,273,195**	25,991,360	**41,014,929**	25,961,341

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-Salām Real Estate Investment Trust (the "Fund") is a Malaysian domiciled Islamic Real Estate Investment Trust constituted pursuant to a Trust Deed dated 26 March 2015 between the Fund, JLG REIT Managers Sdn Bhd (the "Manager") and AmanahRaya Trustees Berhad (the "Trustee"). The Trust Deed was registered with the Securities Commission Malaysia ("SC Malaysia") on 30 March 2015.

On 6 June 2019, at the Extraordinary General Meeting the unitholders of the Fund has approved the proposed amendments and consolidation of the Trust Deed into Restated Trust Deed was executed and lodged on 25 November 2019 with the Security Commission. The Fund will continue its operations until such time as determined by the Trustee and the Manager as provided under the provision of the Restated Trust Deed.

The Fund is regulated by the Capital Markets and Services Act, 2007, SC Malaysia Guidelines on Real Estate Investment Trusts and Islamic Real Estate Investment Trusts (the "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 commenced its business operations on 6 May 2015 and was listed on the Main Market of Bursa Malaysia on 29 September 2015.

The immediate holding company is Damansara Assets Sdn Bhd. The ultimate holding corporation is Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995). Both holding company and corporation are incorporated in Malaysia.

The principal activity of the Fund is to invest in Shariah-compliant properties with the primary objective of providing unitholders with regular and stable income distributions, sustainable long term unit prices and distributable income and capital growth, while maintaining an appropriate capital structure.

The principal activity of the subsidiary is as a special-purpose company for the purpose of raising Islamic financing for Al-Salām Real Estate Investment Trust.

The registered office of the Manager is located at Level 14, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor, Malaysia.

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.

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:

(a) Property manager's fees

Under a Property Management Agreement entered between the Fund, the Manager and Exastrata Solutions Sdn Bhd (the "Property Manager"), the Property Manager is entitled to receive property manager's fees.

The property manager's fee for the current financial year is RM474,000 (2024: RM474,000).

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

1. Corporate information (Cont'd)

(b) Manager's fees

Pursuant to the Deed dated 25 November 2019, the Manager is entitled to receive the following fees from the Fund:

(i) A base management fee of up to 1% per annum of total asset value (excluding cash and bank balances) of the Fund calculated on a monthly accrual basis. The Manager's base management fee for the current financial year is RM2,928,223 (2024: RM2,610,881).

(ii) An acquisition fee of 1% of the transaction value (being the total purchase price) of any investment property directly or indirectly acquired from time to time by the Trustee for and on behalf of the Fund pro-rated, if applicable, to the proportion of the Fund's interest and payable to the Manager upon completion of the acquisition of the investment property. The Manager did not earn any acquisition fee for the current and previous financial year.

(iii) A disposal fee of 0.5% of the transaction value (being the total sales price) of any investment property directly or indirectly sold from time to time by the Trustees for and on behalf of the Fund pro-rated, if applicable, to the proportion of the Fund's interest and payable to the Manager upon completion of the disposal of the investment property. The Manager's base disposal fee for the current financial year is RM73,500.

(c) Trustee's fees

Pursuant to the Deed dated 25 November 2019, the Trustee is entitled to receive a fee of up to 0.02% 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 current financial year is RM132,300 (2024: RM129,687).

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.

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 Restated Trust Deed dated 25 November 2019, 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 Berhad.

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 and the Fund have exceeded the current assets by RM42,069,419 and RM44,201,400 respectively. In the opinion of the Manager, the Group will be able to meet their obligations and liabilities as and when they fall due on the basis that the Group will be able to repay their borrowings when it matures.

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

2. Basis of preparation and material accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

As of 31 December 2025, the Group had borrowings of RM118,000,000 with contractual maturity dates in March 2026. Subsequent to year end, the Group obtained offer letter from the bank approving a one-year extension of the repayment tenure for the facilities. Accordingly, manager is of the view that the Group will be able to meet its repayment obligations as and when they fall due, and that the going concern basis of preparation 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 Company adopted the following new and amended MFRS 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.

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 Company expects that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of application.

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

2. Basis of preparation and material accounting policies (Cont'd)

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 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

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.

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)

Business combination

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 subsidiary - separate financial statements

In the Fund's separate financial statements, investments in subsidiary is accounted for at cost less impairment losses if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Revenue recognition

(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.

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.

(a) Gross rental income

Revenue from rental of investment properties, including service charges, are recognised on a straight line basis over the period of the lease term in accordance with terms and conditions of the tenancy agreement between the Group and its tenants.

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) Revenue recognition (Cont'd)

(i) Rental income (Cont'd)

(b) Percentage rent

Rental income earned from certain tenants include percentage rent clauses whereby rent received and/or receivable is the higher of base rent and a percentage of sales earned by the tenant during the financial year. Percentage rent is recognised when it can be reliably measured by the Group.

(ii) Other income

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Fund recognise revenue when or as it transfer control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

An entity transfer control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(i) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; or

(ii) The entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(iii) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for payment completed to date.

If a performance obligation is not satisfied over time, an entity satisfied the performance obligation at a point in time.

(a) Parking income and event and advertising income

Parking income and events and advertising income are recognised on an accruals basis in the accounting period in which the services are being rendered.

(b) Investment income

Investment income, which comprise income earned from Islamic fixed deposit placements, are recognised on an accrual basis.

(c) 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.

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) 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.

(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.

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)

(d) 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.

(e) 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 office building and shopping mall 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.

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) Investment properties (Cont'd)

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.

(f) Equipment

Equipment are stated at cost less accumulated depreciation and any impairment losses.

Equipment are depreciated on the straight-line method at an annual rate of 10% based on its estimated useful lives.

The estimated useful lives, residual values and depreciation method of equipment are reviewed at the end of each reporting period, with the effect of any change in estimates accounted for prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

At the end of each reporting period, the Group and the Fund review the carrying amounts of their non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Fund estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(g) Impairment of non financial assets

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately 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)

(h) Leases

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.

(i) Islamic Financing

Islamic financing are recognised initially at fair value, net of transaction costs incurred. Islamic financing are subsequently stated at amortised cost; any difference between the fair value (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the Islamic financing using the effective interest method.

Islamic financing are classified as current liabilities unless the Group and the Fund have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Debt financing costs incurred arising from extinguishment of Islamic financing are accounted for in profit or loss in the period during which the extinguishment is concluded. Debt financing costs incurred on new Islamic financing are capitalised and amortised over the period of Islamic financing. All other Islamic financing costs are recognised in profit or loss in the period they are incurred. Islamic financing costs consist of financing costs and other costs that the Group and the Fund incurred in connection with the Islamic financing of funds.

(j) 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.

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) 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 market place (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 (excluding prepaid expenses and unbilled rental income), amount due from related companies, 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)

(k) 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.

(l) 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)

(l) 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.

(m) 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.

The Group's and the Fund's other financial liabilities include total payables (non-current and current), Islamic financing, amount due to related companies and amount due to a subsidiary.

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.

(n) 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.

(o) 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 bank balances consist of cash and Islamic fixed deposits with licensed banks.

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)

(p) Segment reporting

For management purposes, the Group and the Fund are organised into operating segments based on industry 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 Manager of the Group and 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.

(q) Fair value measurement

The Group and the Fund measure financial instruments such as derivatives and 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.

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 rate, as appropriate.

The carrying amount of deferred tax liabilities is disclosed in Note 15.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities of the Fund within the next financial year are discussed below:

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 an independent professional valuer 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 valuer is most sensitive to the estimated yield rate and discount rate. The range of the yield rate and the discount rate used in the valuation is described 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)

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)	
	2025 RM	**2024 RM**
Yield rate		
- 0.25%	**(1,010,000)**	3,400,000
+ 0.25%	**(2,010,000)**	(5,100,000)
Discount rate		
- 0.25%	**31,630,000**	43,470,000
+ 0.25%	**(32,660,000)**	(42,970,000)

4. Gross rental income

	Group		Fund	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Rental income:				
- Base rental income	**66,508,712**	59,918,955	**66,508,712**	59,918,955
- Unbilled rental income	**2,699,890**	3,090,450	**2,699,890**	3,090,450
Percentage rent	**4,459,614**	2,174,550	**4,459,614**	2,174,550
Service charges	**3,893,516**	3,317,492	**3,893,516**	3,317,492
	77,561,732	68,501,447	**77,561,732**	68,501,447

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

5. Other income

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Timing of revenue recognition:				
At a point in time				
Parking income	**6,721,693**	6,554,789	**6,721,693**	6,554,789
Event and advertising income	**4,541,535**	3,397,012	**4,541,535**	3,397,012
	11,263,228	9,951,801	**11,263,228**	9,951,801

The sales of the company are made within Malaysia.

6. Investment income

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Income from Islamic deposit placements	**1,131,910**	897,996	**1,131,910**	897,996

7. Tax expense

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Real Property Gain Tax	**80,000**	-	**80,000**	-
Deferred tax relating to the origination and reversal of temporary differences (Note 15)	**135,012**	247,559	**135,012**	247,559
	215,012	247,559	**215,012**	247,559

Pursuant to Section 61A of the Malaysian Income Tax Act, 1967 ("Act"), income of the Fund will be exempted from tax provided that at least 90% of its total taxable income (as defined in the Act) is distributed to the unitholders' in the basis period of the Fund for that year of assessment within two months after the close of the financial year. If the 90% distribution condition is not complied with or the 90% distribution is not made within two months after the close of the financial year which forms the basis period for a year of assessment, the Fund will be subject to income tax at the prevailing statutory rate on its total taxable income. Income which has been taxed at the Fund's level will have tax credits attached when subsequently distributed to unitholders.

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.

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

7. Tax expense (Cont'd)

Deferred tax liability has been provided for the investment properties held by Al-Salām REIT at 10% which reflects the expected manner of recovery of the investment properties, i.e. recovered through sale.

Reconciliation of the tax expense is as follows:

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	**13,836,397**	5,532,009	**13,512,873**	5,258,893
Tax at the statutory tax rate of 24%	**3,320,735**	1,327,682	**3,243,090**	1,262,134
Expenses not deductible for tax purposes	**1,545,908**	981,755	**1,545,908**	981,755
Income not subject to tax	**(4,786,643)**	(2,309,437)	**(4,708,998)**	(2,243,889)
Deferred tax recognised at different tax rate	**135,012**	247,559	**135,012**	247,559
	215,012	247,559	**215,012**	247,559

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, distributions to unitholders (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 distributions in their normal corporate tax return and subject to the normal corporate tax rate of 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	**13,621,385**	5,284,450
Weighted average number of units	**580,000,000**	580,000,000
Earnings per unit (sen)	**2.35**	0.91

9. Income distribution

	Group and Fund	
	2025 RM	**2024 RM**
Income distributions on ordinary shares in respect of the current financial year		
First interim income distribution of 0.30 sen per unit declared on 24 May 2024 and paid on 28 June 2024	**-**	1,739,976
Second interim income distribution of 0.17 sen per unit declared on 29 August 2024 and paid on 3 October 2024	**-**	985,763
First interim income distribution of 0.51 sen per unit declared on 26 May 2025 and paid on 30 June 2025	**2,957,970**	-
Second interim income distribution of 0.17 sen per unit declared on 29 August 2025 and paid on 3 October 2025	**2,725,971**	-
Third interim income distribution of 0.30 sen per unit declared on 24 November 2025 and paid on 31 December 2025	**3,015,969**	-
	8,699,910	2,725,739
Income distribution on ordinary shares in respect of the previous financial year		
Final income distribution of 0.10 sen per unit declared on 24 January 2024 and paid on 29 February 2024	**-**	579,424
Final income distribution of 0.23 sen per unit declared on 24 January 2025 and paid on 28 February 2025	**1,333,573**	-
	10,033,483	3,305,163

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

9. Income distribution (Cont'd)

The Manager had declared a final income distribution of 0.70 (2024: 0.23) sen per unit totaling RM4,060,000 (2024: RM1,334,000) for the financial year ended 31 December 2025 on 27 January 2026 (2024: 24 January 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 ending 31 December 2026.

The total distributions (including proposed final income distribution) for the financial year ended 31 December 2025 amounting to RM12,759,910 (2024: RM4,059,739. Total income distribution is 2.20 (2024: 0.70) sen per unit.

Distribution to unitholders is derived from the following sources:

	Group		Fund	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Net property income	**61,098,386**	51,414,886	**61,098,386**	51,414,886
Investment income	**1,131,910**	897,996	**1,131,910**	897,996
Less: Unbilled rental income	**(2,699,890)**	(3,090,450)	**(2,699,890)**	(3,090,450)
Less: Gain on disposal	**100,000**	-	**100,000**	-
	59,630,406	49,222,432	**59,630,406**	49,222,432
Less: Fund expenses	**(45,495,681)**	(44,834,281)	**(45,455,568)**	(44,783,874)
Realised income	**14,134,725**	4,388,151	**14,174,838**	4,438,558
Undistributed income brought forward	**11,059,535**	9,976,547	**11,383,187**	10,249,792
Less: Undistributed income	**(15,160,777)**	(11,059,535)	**(15,524,542)**	(11,383,187)
	10,033,483	3,305,163	**10,033,483**	3,305,163

10. Investment properties

	Group		Fund	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
At 1 January	**1,201,723,255**	1,239,013,706	**1,201,723,255**	1,239,013,706
Enhancements	**1,788,328**	1,756,141	**1,788,328**	1,756,141
Fair value adjustment	**(3,078,218)**	(1,946,592)	**(3,078,218)**	(1,946,592)
Transfer from/(to) assets classified as held for sale	**13,000,000**	(37,100,000)	**13,000,000**	(37,100,000)
At 31 December	**1,213,433,365**	1,201,723,255	**1,213,433,365**	1,201,723,255

NOTES TO THE FINANCIAL STATEMENTS
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10. Investment properties (Cont'd)

Fair value measurement of the Group's and the Fund's investment properties

The fair values of the Group's and the Fund's investment properties as of 31 December 2025 have been arrived at on the basis of valuation carried out by Rahim&Co. and Persuit Property Advisory, independent valuer not related to the Group and the Fund. The valuer are registered members of the Board of Valuers, Appraisers and Estate Agents, Malaysia, and they have appropriate qualifications and recent experience in the valuation of the properties in the relevant locations. The valuation of the Fund's investment properties were performed in accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The fair values were determined based on the capitalisation of net income 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, insurance, repairs and maintenance and management, 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 following table shows a reconciliation of Level 3 fair values:

	Group		Fund	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Valuation per valuers' report	**1,239,270,000**	1,224,860,000	**1,239,270,000**	1,224,860,000
Less: Unbilled rental income	**(25,836,635)**	(23,136,745)	**(25,836,635)**	(23,136,745)
	1,213,433,365	1,201,723,255	**1,213,433,365**	1,201,723,255

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 valuer in applying the investment method above are as follows:

Significant unobservable inputs	**Inter-relationship between significant unobservable input and fair value measurement**
Term yield ranging from 5.25% - 7.00% (2024: 5.50% - 6.75%%)	Higher term yield rates, lower fair value
Reversionary yield ranging from 5.50% - 7.25% (2024: 5.75% - 7.25%)	Higher reversionary yield rates, lower fair value
Discount rate ranging from 5.00% to 7.50% (2024: 5.50% - 7.25%)	Higher discount rates, lower fair value
Allowance for void of 5.0% - 10.00% (2024: 3.0% - 10.00%)	Higher allowance for void rates, lower fair value

The valuer had adopted market corroborated capitalisation rates, which is the most frequently adopted methodology by the property industry in Malaysia, based on information pertaining to recent comparable sales which are publicly available, adjusted for the location, quality and characteristics of the investment properties.

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	Location	Acquisition Cost	Date of valuation	2025 Carrying Value	2024 Carrying Value	2025 Fair value	2024 Fair value	2025 Percentage of fair value to NAV	2024 Percentage of fair value to NAV	Fair value hierarchy
		RM				RM	RM	%	%	
1. KOMTAR JBCC ##	Johor Bahru, Johor	462,000,000	31/12/2025	**432,602,878**	432,335,825	**431,000,000**	431,000,000	**66**	66	3
2. Menara KOMTAR ##	Johor Bahru, Johor	70,000,000	31/12/2025	**70,135,450**	70,329,206	**70,000,000**	70,000,000	**11**	11	3
3. @Mart Kempas ##	Johor Bahru, Johor	65,000,000	31/12/2025	**78,050,000**	78,091,110	**79,000,000**	78,000,000	**12**	12	3
4. KPJ Healthcare College ##	Johor Bahru, Johor	28,200,000	31/12/2025	**36,200,000**	36,200,000	**36,900,000**	36,200,000	**6**	6	3
5. Mydin Hypermart Gong Badak ##	Gong Badak, Terengganu	155,000,000	31/12/2025	**149,863,255**	151,953,706	**147,163,365**	149,863,255	**23**	23	3
6. Retail unit Megamall Pinang Shopping Complex #	Perai, Penang	1,900,000	31/12/2025	**1,130,000**	1,130,000	**1,100,000**	1,130,000	**0**	0	3
7. QSR Properties:										
Restaurant in shop lots										
a. KFC restaurant ##	Kajang, Selangor	8,000,000	31/12/2025	**11,200,000**	11,000,000	**11,000,000**	11,200,000	**2**	2	3
b. KFC restaurant ##	Jitra, Kedah	490,000	31/12/2025	**590,000**	590,000	**580,000**	590,000	**0**	0	3
c. KFC restaurant ##	Ayer Hitam, Johor	1,900,000	31/12/2025	**2,500,000**	2,500,000	**2,500,000**	2,500,000	**0**	0	3
d. KFC restaurant #	Bayan Lepas, Penang	3,700,000	31/12/2025	**4,800,000**	4,800,000	**4,900,000**	4,800,000	**1**	1	3
e. KFC restaurant #	Port Dickson, Negeri Sembilan	1,600,000	31/12/2025	**2,000,000**	2,000,000	**2,000,000**	2,000,000	**0**	0	3
f. KFC restaurant ##	Kuala Perlis,Perlis	450,000	31/12/2025	**590,000**	590,000	**590,000**	590,000	**0**	0	3
g. PHD restaurant ##	Ulu Tiram, Johor	820,000	31/12/2025	**1,100,000**	1,100,000	**1,100,000**	1,100,000	**0**	0	3
h. PHD restaurant ##	Kota Tinggi, Johor	800,000	31/12/2025	**1,000,000**	1,000,000	**1,000,000**	1,000,000	**0**	0	3

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):

Description of property	Location	Acquisition Cost	Date of valuation	2025 Carrying Value	2024 Carrying Value	2025 Fair value	2024 Fair value	2025 Percentage of fair value to NAV	2024 Percentage of fair value to NAV	Fair value hierarchy
		RM				RM	RM	%	%	
7. QSR Properties (Cont'd):										
Restaurant in shop lots (Cont'd)										
i. KFC restaurant #	Kepong, Kuala Lumpur	6,230,000	31/12/2025	**7,400,000**	7,300,000	**7,500,000**	7,400,000	**1**	1	3
j. KFC restaurant #	Kampar, Perak	1,210,000	31/12/2025	**1,700,000**	1,700,000	**1,700,000**	1,700,000	**0**	0	3
k. KFC restaurant #	Jalan Raja Laut, Kuala Lumpur	3,800,000	31/12/2025	**4,900,000**	4,800,000	**4,900,000**	4,900,000	**1**	1	3
l. KFC restaurant #	Jalan Ipoh, Kuala Lumpur	8,600,000	31/12/2025	**10,300,000**	10,300,000	**10,300,000**	10,300,000	**2**	2	3
m. KFC restaurant #	Ipoh, Perak	1,750,000	31/12/2025	**2,400,000**	2,300,000	**2,400,000**	2,400,000	**0**	0	3
n. KFC restaurant #	Balai Panjang, Melaka	870,000	31/12/2025	**1,200,000**	1,200,000	**1,200,000**	1,200,000	**0**	0	3
o. KFC restaurant #	Ulu Tiram, Johor	1,600,000	31/12/2025	**2,100,000**	2,100,000	**2,100,000**	2,100,000	**0**	0	3
p. KFC restaurant #	Jalan Dato Onn Jaafar, Perak	3,000,000	31/12/2025	**4,000,000**	4,000,000	**4,100,000**	4,000,000	**1**	1	3
q. KFC restaurant #	Senawang, Negeri Sembilan	760,000	31/12/2025	**1,100,000**	1,100,000	**1,100,000**	1,100,000	**0**	0	3
r. KFC restaurant #	Seremban, Negeri Sembilan	3,900,000	31/12/2025	**4,500,000**	4,400,000	**4,500,000**	4,500,000	**1**	1	3
s. KFC restaurant #	Kota Kinabalu, Sabah	2,500,000	31/12/2025	**3,100,000**	3,100,000	**3,100,000**	3,100,000	**0**	0	3
t. Pizza Hut restaurant #	Kuching, Sarawak	3,510,000	31/12/2025	**4,400,000**	4,300,000	**4,100,000**	4,400,000	**1**	1	3

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):

Description of property	Location	Acquisition Cost RM	Date of valuation	2025 Carrying Value	2024 Carrying Value	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
7. QSR Properties (Cont'd):										
Restaurant in shop lots (Cont'd)										
u. KFC restaurant #	Sg Buloh, Selangor	1,460,000	31/12/2025	**1,900,000**	1,900,000	**1,800,000**	1,900,000	**0**	0	3
v. KFC restaurant #	Jalan Hang Tuah, Melaka	1,900,000	31/12/2025	**2,400,000**	2,400,000	**2,400,000**	2,400,000	**0**	0	3
Restaurants in shopping mall										
w. KFC Restaurant in Queensbay Mall #	Bayan Lepas, Penang	11,600,000	31/12/2025	**15,400,000**	15,300,000	**15,200,000**	15,400,000	**2**	2	3
x. KFC Restaurant Kompleks Bukit Jambul #	Bayan Lepas, Penang	2,650,000	31/12/2025	**3,600,000**	3,500,000	**3,500,000**	3,600,000	**1**	1	3
y. KFC Restaurant in Megamall Pinang Shopping Complex #	Perai, Penang	2,600,000	31/12/2025	**2,550,000**	2,550,000	**2,600,000**	2,550,000	**0**	0	3
Restaurants with drive-through facility										
z. Pizza Hut and KFC ##	Sungai Petani, Kedah	5,000,000	31/12/2025	**6,300,000**	6,100,000	**6,200,000**	6,300,000	**1**	1	3
aa. Pizza Hut and KFC ##	Senai, Johor	8,100,000	31/12/2025	**10,700,000**	10,600,000	**10,500,000**	10,700,000	**2**	2	3
bb. Pizza Hut and KFC ##	Taman Damansara Aliff, Johor Bahru	11,600,000	31/12/2025	**13,500,000**	13,000,000	**13,600,000**	13,500,000	**2**	2	3
cc. Pizza Hut and KFC ###	Taman Perling, Johor Bahru	12,800,000	31/12/2025	**13,000,000**	-	**13,200,000**	-	**2**	-	3
dd. Pizza Hut and KFC ##	Ipoh, Perak	8,100,000	31/12/2025	**9,500,000**	9,200,000	**9,400,000**	9,500,000	**1**	1	3

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):

Description of property	Location	Acquisition Cost RM	Date of valuation	2025 Carrying Value	2024 Carrying Value	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
7. QSR Properties (Cont'd):										
Restaurants with drive-through facility (Cont'd)										
ee. Pizza Hut and KFC ####	Off Jalan Kepong, Kuala Lumpur	14,800,000	31/12/2025	**18,700,000**	18,300,000	**18,700,000**	18,700,000	**3**	3	3
ff. Pizza Hut and KFC ##	Pusat Bandar Wangsa Maju, Kuala Lumpur	24,200,000	31/12/2025	**30,000,000**	29,500,000	**31,000,000**	30,000,000	**5**	5	3
gg. Pizza Hut and KFC ##	Hang Tuah Jaya, Melaka	8,000,000	31/12/2025	**10,700,000**	10,700,000	**10,800,000**	10,700,000	**2**	2	3
hh. KFC #	Bandar Seri Alam, Johor Bahru	7,620,000	31/12/2025	**8,900,000**	8,900,000	**8,900,000**	8,900,000	**1**	1	3
ii. KFC #	Skudai, Johor	7,870,000	31/12/2025	**9,400,000**	9,400,000	**9,000,000**	9,400,000	**1**	1	3
jj. KFC #	Georgetown, Penang	23,360,000	31/12/2025	**26,000,000**	26,000,000	**23,900,000**	26,000,000	**4**	4	3
kk. Pizza Hut and KFC #	Kepala Batas, Penang	6,600,000	31/12/2025	**7,900,000**	7,900,000	**7,900,000**	7,900,000	**1**	1	3
ll. Pizza Hut and KFC #	Puchong Perdana, Selangor	13,500,000	31/12/2025	**15,300,000**	15,300,000	**15,900,000**	15,300,000	**2**	2	3
mm. Pizza Hut and KFC #	Seremban, Negeri Sembilan	7,570,000	31/12/2025	**8,700,000**	8,700,000	**8,600,000**	8,700,000	**1**	1	3
nn. KFC #	Jasin, Melaka	3,890,000	31/12/2025	**4,600,000**	4,600,000	**4,600,000**	4,600,000	**1**	1	3
8. Warehouse and factory										
oo. Warehouse ##	Simpang Ampat Penang	1,130,000	31/12/2025	**1,700,000**	1,600,000	**1,500,000**	1,700,000	**0**	0	3
pp. Warehouse and factory #	Kota Kinabalu, Sabah	3,500,000	31/12/2025	**3,000,000**	3,000,000	**3,100,000**	3,000,000	**0**	0	3

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):

Description of property	Location	Acquisition Cost RM	Date of valuation	2025 Carrying Value	2024 Carrying Value	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
8. Warehouse and factory (Cont'd)										
qq. Warehouse ##	Pelabuhan Klang, Selangor	44,800,000	31/12/2025	**52,000,000**	51,500,000	**52,300,000**	52,000,000	**8**	8	3
rr. Warehouse and factory ##	Pelabuhan Klang, Selangor	25,500,000	31/12/2025	**30,500,000**	30,000,000	**31,200,000**	30,500,000	**5**	5	3
ss. Warehouse and factory ###	Shah Alam, Selangor	53,400,000	31/12/2025	**66,600,000**	66,100,000	**66,900,000**	66,600,000	**10**	10	3
tt. Warehouse #	Kota Kinabalu, Sabah	2,300,000	31/12/2025	**4,800,000**	4,800,000	**4,900,000**	4,800,000	**1**	1	3
		1,151,440,000		**1,216,511,583**	1,201,069,847	**1,213,433,365**	1,201,723,255			

The investment properties amounting to RM167,300,000 (2024: RM169,480,000) are used to secure against Term Financing-I ("TF-i") issued by the Fund as disclosed in Note 17.

The investment properties amounting to RM727,163,365 (2024: RM946,943,255) are used to secure against Islamic Medium Term Notes ("IMTNs") issued by the subsidiary as disclosed in Note 17.

The investment properties amounting to RM66,900,000 (2024: RM66,600,000) are used to secure against Business Financing-I ("BF-I") issued by the Fund as disclosed in Note 17.

Restaurant with drive-through facility: Pizza Hut and KFC Off Jalan Kepong, Kuala Lumpur, amounting of RM18,700,000 (2024: RM18,700,000) are used to secure against Commodity Murabahah Revolving Credit ("CMRC").

* Based on valuation carried out by independent professional valuer, Messrs. Rahim & Co.

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11. Equipment

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Cost				
At 1 January	**1,988,373**	1,819,808	**1,988,373**	1,819,808
Additions	**20,833**	168,565	**20,833**	168,565
At 31 December	**2,009,206**	1,988,373	**2,009,206**	1,988,373
Accumulated depreciation				
At 1 January	**1,127,233**	951,244	**1,127,233**	951,244
Charge for the year	**175,600**	175,989	**175,600**	175,989
At 31 December	**1,302,833**	1,127,233	**1,302,833**	1,127,233
Net carrying amount				
At 31 December	**706,373**	861,140	**706,373**	861,140

12. Investment in a subsidiary

	Fund	
	2025 RM	2024 RM
Unquoted shares, at cost	**2**	2

Details of the subsidiary are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Proportion of ownership interest 2025 %	Proportion of ownership interest 2024 %
ALSREIT Capital Sdn Bhd	Special purpose company for the purpose of raising Islamic financing for the Fund	Malaysia	**100**	100

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13. Trade receivables, other receivables and prepaid expenses

(a) Trade receivables

	Group and Fund	
	2025 RM	2024 RM
Current		
Third parties	**7,385,202**	6,565,612
Amount due from related companies	**2,582,247**	8,929,248
	9,967,449	15,494,860
Less: Allowance for expected credit losses	**(3,955,931)**	(3,955,931)
	6,011,518	11,538,929
Unbilled rental income (Note (i))	**25,836,635**	23,136,745
	31,848,153	34,675,674

Trade receivables comprise rental receivable from lessees. The credit period granted by the Group and the Fund on rental receivable from lessees generally ranges from 1 to 7 days (2024: 1 to 7 days).

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

13. Trade receivables, other receivables and prepaid expenses (Cont'd)

(a) Trade receivables (Cont'd)

The ageing analysis of the Group's and of the Fund's trade receivables is as follows:

	Total gross carrying amount at default RM	Allowance for expected credit losses RM	Total RM
Group and Fund			
At 31 December 2025			
1 to 30 days past due	**3,306,555**	**(270,404)**	**3,036,151**
31 to 60 days past due	**789,641**	**(152,054)**	**637,587**
61 to 90 days past due	**176,080**	**(12,845)**	**163,235**
90 to 120 days past due	**348,091**	**(107,403)**	**240,688**
More than 120 days past due	**5,347,082**	**(3,413,225)**	**1,933,857**
	9,967,449	**(3,955,931)**	**6,011,518**
At 31 December 2024			
1 to 30 days past due	3,632,556	(270,404)	3,362,152
31 to 60 days past due	1,852,167	(152,054)	1,700,113
61 to 90 days past due	1,508,634	(12,845)	1,495,789
90 to 120 days past due	1,364,062	(107,403)	1,256,659
More than 120 days past due	7,137,441	(3,413,225)	3,724,216
	15,494,860	(3,955,931)	11,538,929

Movement in allowance for expected credit losses of trade receivables:

	Group and Fund	
	2025 RM	2024 RM
At 1 January	**3,955,931**	3,980,471
Written off	**-**	(24,540)
At 31 December	**3,955,931**	3,955,931

(i) Unbilled rental income

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

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

13. Trade receivables, other receivables and prepaid expenses (Cont'd)

(b) Other receivables and prepaid expenses

	Group		Fund	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Non-current				
Deferred lease expenses	**683,467**	805,867	**683,467**	805,867
Current				
Other receivables	**5,574,972**	4,711,122	**5,573,607**	4,696,234
Deferred lease expenses	**122,400**	122,400	**122,400**	122,400
	5,697,372	4,833,522	**5,696,007**	4,818,634
Total other receivables and prepaid expenses (non-current and current)	**6,380,839**	5,639,389	**6,379,474**	5,624,501
Total trade and non-trade receivables	**38,228,992**	40,315,063	**38,227,627**	40,300,175
Add:				
Amount due from an immediate holding company (Note(c))	**19,937**	19,937	**19,937**	19,937
Amount due from related companies (Note (d))	**2,155,128**	1,501,353	**2,155,128**	1,501,353
Amount due from a subsidiary (Note (e))	**-**	-	**4,534,938**	1,864,219
Cash and bank balances	**51,303,195**	35,744,360	**42,814,929**	27,707,341
Total financial assets carried at amortised cost (debt instruments)	**91,707,252**	77,580,713	**87,752,559**	71,393,025

(c) Amount due from an immediate holding company

Amount due from an immediate holding company is non-trade, unsecured, interest-free and repayable on demand.

(d) Amount due from related companies

Amount due from related companies, which arose mainly from collections on behalf, is unsecured, interest-free and repayable on demand. Transactions with related parties are disclosed in Note 20.

(e) Amount due from a subsidiary

Amount due from a subsidiary is non-trade, unsecured, bears interest of 5.82% to 6.35% (2024: 6.01% to 6.35%) per annum and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
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14. Cash and bank balances

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Islamic fixed deposits with licensed banks	**36,360,000**	31,053,000	**28,130,000**	23,046,000
Cash and bank balances	**14,943,195**	4,691,360	**14,684,929**	4,661,341
	51,303,195	35,744,360	**42,814,929**	27,707,341
Less: Islamic fixed deposits with licensed banks with maturity period of more than 3 months	**(10,030,000)**	(9,753,000)	**(1,800,000)**	(1,746,000)
Cash and cash equivalents	**41,273,195**	25,991,360	**41,014,929**	25,961,341

At the reporting date, the weighted average deposit rate per annum and average remaining maturity period of fixed deposits with licensed banks are as follows:

	Group		Fund	
	2025	2024	2025	2024
Weighted average deposit rate (%)	**3.33%**	2.91%	**3.37%**	2.67%
Average remaining maturity period	**33**	37	**28**	37

The deposits with licensed banks of the Group and of the Fund of RM10,030,000 and RM1,800,000 (2024: RM9,753,000 and RM1,746,000) respectively are placed as reserve for repayment of finance costs on long-term Islamic financing as mentioned in Note 17 and hence, are not available for general use.

15. Deferred tax liability

	Group and Fund	
	2025 RM	2024 RM
At 1 January	**2,242,953**	1,995,394
Recognised in profit or loss (Note 7)	**135,012**	247,559
At 31 December	**2,377,965**	2,242,953

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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16. Other payables and accrued expenses

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Non current				
Tenant deposit payables	**5,677,759**	5,697,759	**5,677,759**	5,697,759
Current				
Tenant deposit payables	**9,409,228**	8,598,205	**9,409,228**	8,598,205
Other payables	**3,835,215**	2,129,529	**3,835,215**	2,129,529
Accrued expenses	**6,608,624**	5,126,627	**6,608,495**	5,096,387
Accrued financing cost	**2,754,715**	3,898,066	**932,132**	1,093,120
	22,607,782	19,752,427	**20,785,070**	16,917,241
Total payables (non-current and current)	**28,285,541**	25,450,186	**26,462,829**	22,615,000
Add:				
Islamic financing (Note 17)	**630,698,014**	639,778,034	**177,757,426**	187,526,884
Amount due to related companies (Note (a))	**2,010,424**	1,406,791	**2,010,424**	1,406,791
Amount due to a subsidiary (Note (b))	**-**	-	**452,837,741**	450,604,258
Total financial liabilities carried at amortised cost	**660,993,979**	666,635,011	**659,068,420**	662,152,933

(a) Amount due to related companies

Amount due to related companies are non-trade, unsecured, interest-free and repayable on demand.

(b) Amount due to a subsidiary

Amount due to a subsidiary represents unsecured advances received from the proceeds raised from Islamic financing by the subsidiary. The finance costs and repayment terms of the unsecured advances mirror the finance costs and repayment terms of the Islamic financing of Sukuk Ijarah raised by the said subsidiary as disclosed in Note 17.

The amount due to a subsidiary is unsecured, repayable on demand and bears returns of 5.82% to 6.35% (2024: 6.03% to 6.35%) per annum, that are presented as net amount as 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
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17. Islamic financing

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Non current				
Term Financing-i ("TF-i") (Note (a))	**-**	118,000,000	**-**	118,000,000
Business Financing-i ("BF-i") (Note (b))	**60,000,000**	70,000,000	**60,000,000**	70,000,000
Sukuk Ijarah (Note (c))	**-**	409,500,000	**-**	-
Sukuk Wakalah (Note (d))	**455,000,000**	-	**-**	-
	515,000,000	597,500,000	**60,000,000**	188,000,000
Less: Transaction cost	**(2,276,984)**	(3,221,966)	**(217,572)**	(473,116)
	512,723,016	594,278,034	**59,782,428**	187,526,884
Current				
Sukuk Ijarah (Note (c))	**-**	45,500,000	**-**	-
Term Financing-i ("TF-i") (Note (a))	**118,000,000**	-	**118,000,000**	-
	118,000,000	45,500,000	**118,000,000**	-
Less: Transaction cost	**(25,002)**	-	**(25,002)**	-
	117,974,998	45,500,000	**117,974,998**	-
Total Islamic financing	**630,698,014**	639,778,034	**177,757,426**	187,526,884

(a) TF-i

The TF-i profit is payable over a period of 60 months from the date of first disbursement. The effective profit rate for the TF-i will be based on COF which is based on the Bank's COF + 1.45% per annum for the duration of the TF-i.

The average effective profit rate for the TF-i is 5.27% (2024: 5.45%) per annum. The principal amount is to be expected to be paid in March 2024. The Bank, via letter dated 4 March 2024 agreed to extend the tenure for another 2 years to March 2026.

As of 31 December 2025, the current liabilities of the Group and the Fund have exceeded the current assets by RM42,069,419 and RM44,201,400 respectively. In the opinion of the Manager, the Group will be able to meet their obligations and liabilities as and when they fall due on the basis that the Group will be able to repay their borrowings when it matures. As of 31 December 2025, the Group had borrowings of RM118,000,000 with contractual maturity dates in March 2026. Subsequent to year end, the Group obtained offer letter from the bank approving a one-year extension of the repayment tenure for the facilities. Accordingly, manager is of the view that the Group will be able to meet its repayment obligations as and when they fall due, and that the going concern basis of preparation remains appropriate.

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17. Islamic financing (Cont'd)

(a) TF-i (Cont'd)

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

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

The financing is secured by the investment properties amounting to RM167,300,000 (2024: RM169,480,000) as disclosed in Note 10.

(b) BF-i

The BF-i profit is payable over a period of 72 months from the date of first disbursement. The effective profit rate for the BF-i will be based on COF which is based on the Bank's COF + 0.60% per annum for the duration of the BF-i.

The average effective profit rate for the BF-i is 5.30% (2024: 5.30%) per annum. The principal amount is to be expected to be paid in September 2027.

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

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

The financing is secured by the investment properties amounting to RM66,900,000 (2024: RM66,600,000) as disclosed in Note 10.

(c) Sukuk Ijarah

The company established a Sukuk Ijarah comprising IMTN of up to RM1,500,000,000 in nominal value.

On 24 August 2020, the Company issued RM520,000,000 in nominal value of IMTNs ("Issue 2") which bear profit rate of 4.83% to 5.60% (2022: 3.75% to 5.09%) per annum. The Company redeemed RM69,000,000 and RM451,000,000 in nominal value of IMTNs ("Issue 2") on 24 September 2021 and 24 August 2023 respectively.

On 24 August 2023, the Company issued RM455,000,000 in nominal value of IMTNs ("Issue 3") which bears profit rate of 6.01% to 6.35% (2023: 6.03% to 6.25%) per annum. The principal amount is to be expected to be paid in 24 August 2026.

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

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

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

The financing is secured by the investment properties amounting to RM727,163,365 (2024: RM946,943,255) as disclosed in Note 10.

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17. Islamic financing (Cont'd)

(d) Sukuk Wakalah

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

On 24 November 2025, ALSREIT Capital issued RM455,000,000 in nominal value of IMTNs pursuant to the Sukuk Wakalah Programme, bearing a profit rate of 3.95% per annum with a tenure of five (5) years. The proceeds were utilised to redeem Sukuk Ijarah Issue 3 amounting to RM455,000,000. The principal is payable on 24 November 2030.

The RM455,000,000 issuance (the "Guaranteed Sukuk Wakalah") is guaranteed by Credit Guarantee and Investment Facility ("CGIF") and contains financial covenants in which the subsidiary, Al-Salām REIT and its subsidiary shall at all times, maintain the following financial covenants:

(i) Finance-to-Asset Ratio is not more than 0.50 times;
(ii) FSCR of not less than 1.25 times; and
(iii) Security Cover Ratio shall not be less than 1.40 times.

The financing is secured by investment properties amounting to RM727,163,365.

Revolving credit:

As of 31 December 2025, the Fund unutilised revolving credit facilities amounting to RM10,000,000 (2024: RM10,000,000) which is granted from a financial institution. The said facility of is secured by investment properties of the subsidiary amounting to RM18,700,000 (2024: RM18,700,000) as disclosed in Note 10.

Changes in liabilities arising from financing activities:

	Non-current RM	Current RM	Total RM
Group			
At 1 January 2025	**594,278,034**	**45,500,000**	**639,778,034**
Cash flows	**(12,726,500)**	**-**	**(12,726,500)**
Reclassification	**(72,474,998)**	**72,474,998**	**-**
Charged to profit or loss	**3,646,480**	**-**	**3,646,480**
At 31 December 2025	**512,723,016**	**117,974,998**	**630,698,014**
At 1 January 2024	521,681,074	117,934,325	639,615,399
Cash flows	(1,926,900)	-	(1,926,900)
Reclassification	72,434,325	(72,434,325)	-
Charged to profit or loss	2,089,535	-	2,089,535
At 31 December 2024	594,278,034	45,500,000	639,778,034

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

17. Islamic financing (Cont'd)

Changes in liabilities arising from financing activities (Cont'd):

	Non-current RM	Current RM	Total RM
Fund			
At 1 January 2025	**187,526,884**	**-**	**187,526,884**
Cash flows	**(10,162,702)**	**-**	**(10,162,702)**
Reclassification	**(117,974,998)**	**117,974,998**	**-**
Charged to profit or loss	**393,244**	**-**	**393,244**
At 31 December 2025	**59,782,428**	**117,974,998**	**177,757,426**
At 1 January 2024	69,521,341	117,934,325	187,455,666
Reclassification	117,612,299	(117,934,325)	(322,026)
Charged to profit or loss	393,244	-	393,244
At 31 December 2024	187,526,884	-	187,526,884

18. Unitholders' capital

	No. of units			
	2025	2024	2025 RM	2024 RM
Group and Fund				
Unitholders' capital	**580,000,000**	580,000,000	**572,545,319**	572,545,319

The Fund issued 580,000,000 units of RM1 each in conjunction with the Fund's Initial Public Offering ("IPO") on the Main Market of Bursa Malaysia on 29 September 2015 of which 327,640,000 units of RM1 each were issued to vendors of the Fund's investment properties to partially finance the acquisition of the said investment properties. The remaining 252,360,000 units of RM1 each were issued as part of the IPO to institutional investors and the Malaysian public.

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- 31 December 2025

18. Unitholders' capital (Cont'd)

Details of units held by the related companies of the Manager which comprise companies related to Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995), and substantial unitholders of the Fund, and their market value as of 31 December 2025 based on the Record of Depositors are as follows:

	No. of units			
	2025	2024	2025 RM	2024 RM
Group and Fund				
Related companies:				
Johor Corporation	**24,436,600**	24,436,600	**11,973,934**	9,163,725
Damansara Assets Sdn Bhd	**223,679,417**	278,539,417	**109,602,914**	104,452,281
Kulim (Malaysia) Berhad	**27,060,600**	27,060,600	**13,259,694**	10,147,725
Waqaf An-Nur Corporation Berhad	**57,529,401**	57,769,401	**28,189,406**	21,663,525
JLG Land Berhad	**1,499,500**	1,499,500	**734,755**	562,313
KPJ Healthcare Berhad	**2,000,000**	2,000,000	**980,000**	750,000
Kumpulan Bertam Plantations Berhad	**296,000**	296,000	**145,040**	111,000
Tenaga Utama (Johor) Berhad	**7,688**	7,688	**3,767**	2,883

Market value for purposes of disclosure above is based on the closing price of the Fund as shown on the board of the Main Market of Bursa Malaysia, which was RM0.49 per unit as at 31 December 2025 (2024: RM0.38 per unit).

19. Management Expense Ratio ('MER')

	Group/Fund	
	2025 %	2024 %
MER	**0.82**	0.67

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 administrative 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 ("REIT") which use a different basis of calculation may not be an accurate comparison.

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

20. Significant related party transactions

For the purposes of these have financial statements, related companies are considered to be related to the Group and the Fund if the Group and the Fund have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Fund and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Significant related party transactions other than those separately disclosed elsewhere in the financial statements are as follows:

	Group		Fund	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Rental income received/receivable from related companies	**34,795,208**	34,232,335	**34,795,208**	34,232,335
Other property management fees charged by related companies of the Manager (included in other operating expenses)	**7,565,141**	5,536,916	**7,565,141**	5,536,916
Finance cost paid/payable to a subsidiary	**-**	-	**27,361,164**	28,278,671

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

21. Fair values of financial instruments

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, regardless of whether that price is directly observable or estimated using another valuation technique.

The carrying amount of the various financial assets and financial liabilities reflected in the statements of financial position approximate their fair values other than as disclosed below:

	Carrying amount RM	**Fair value RM**
Group		
At 31 December 2025		
Financial liability at amortised cost		
Islamic financing - non-current	**512,723,016**	**431,222,407**
Islamic financing - current	**117,974,998**	**116,712,008**
	630,698,014	**547,934,415**

NOTES TO THE FINANCIAL STATEMENTS
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21. Fair values of financial instruments (Cont'd)

The carrying amount of the various financial assets and financial liabilities reflected in the statements of financial position approximate their fair values other than as disclosed below (Cont'd):

	Carrying amount RM	Fair value RM
Group (Cont'd)		
At 31 December 2024		
Financial liability at amortised cost		
Islamic financing - non-current	594,278,034	542,215,995
Islamic financing - current	45,500,000	45,088,159
	639,778,034	587,304,154
Fund		
At 31 December 2025		
Financial liability at amortised cost		
Islamic financing - non-current	**59,782,428**	**54,910,179**
Islamic financing - current	**117,974,998**	**116,712,008**
Amount due to a subsidiary - non-current	**452,837,741**	**376,312,228**
	630,595,167	**547,934,415**
At 31 December 2024		
Financial liability at amortised cost		
Islamic financing - non-current	187,526,884	171,447,125
Amount due to a subsidiary - non-current	405,104,258	370,768,870
Amount due to a subsidiary - current	45,500,000	45,088,159
	638,131,142	587,304,154

The fair value of the non-current Islamic financing was estimated using discounted cash flow analysis based on market equivalent profit rate of 5.09% (2024: 5.54%) per annum for similar type of instruments of similar risk and cash flow profiles. The disclosure of the fair value of the non-current Islamic financing is considered a Level 2 fair value hierarchy disclosure.

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

22. Financial risk management objectives and policies

The Group's and the Fund's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and Fund's portfolios whilst managing their credit risks, liquidity risks and financing rate risks. The Group and the Fund have taken measures to minimise their exposure to the risks associated with its financing, investing and operating activities and operates within clearly defined guidelines as set out in the SC Guidelines and the Fund's Trust Deed.

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 refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group and the Fund. Credit risk with respect to trade and other receivables is managed through the application of credit approvals, credit limits and monitoring procedures. Credit is extended to the customers based upon careful evaluation of the customers' financial condition and credit history.

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, other receivables and amount due from related companies is disclosed in Note 13.

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 71% (2024: 61%) of the Group's and Fund's trade receivables was due from third party. The risk of default arising from non-performance by this party is low.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Fund may encounter difficulty in meeting financial obligations on time due to shortage of funds. The Group's and the Fund's exposure to liquidity risk arises from mismatches of the maturities of financial assets and liabilities. The Group's and the Fund's approach are to maintain a balance between continuity of funding and flexibility through the use of their credit and financing facilities.

The Group and the Fund manage liquidity risk by maintaining adequate reserves, banking facilities and financing facilities, by continuously monitoring forecast and actual cash flow from their portfolios, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

22. Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Fund's financial liabilities as at the reporting date based on undiscounted contractual payments:

	Weighted average effective profit rate %	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	Within 2 to 5 years RM
Group					
31 December 2025					
Non-profit bearing financial liabilities:					
Other payables and accrued expenses	-	**28,285,541**	**28,285,541**	**22,607,782**	**5,677,759**
Profit bearing financial liabilities:					
Variable profit rate instruments - Islamic financing	**5.09**	**630,698,014**	**735,405,100**	**124,218,600**	**611,186,500**
Fund					
31 December 2025					
Non-profit bearing financial liabilities:					
Other payables and accrued expenses	-	**26,462,829**	**26,462,829**	**20,785,070**	**5,677,759**
Profit bearing financial liabilities:					
Variable profit rate instruments - Islamic financing	**5.27**	**177,757,426**	**190,542,600**	**124,218,600**	**66,324,000**
Amount owing to a subsidiary	**3.95**	**452,837,741**	**544,862,500**	**-**	**544,862,500**

NOTES TO THE FINANCIAL STATEMENTS
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22. Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

	Weighted average effective profit rate %	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	Within 2 to 5 years RM
Group					
31 December 2024					
Non-profit bearing financial liabilities:					
Other payables and accrued expenses	-	25,450,186	25,450,186	19,752,427	5,697,759
Profit bearing financial liabilities:					
Variable profit rate instruments - Islamic financing	5.09	639,778,034	735,405,100	124,218,600	611,186,500
Fund					
31 December 2024					
Non-profit bearing financial liabilities:					
Other payables and accrued expenses	-	22,615,000	22,615,000	16,917,241	5,697,759
Profit bearing financial liabilities:					
Variable profit rate instruments - Islamic financing	5.27	187,526,884	190,542,600	124,218,600	66,324,000
Amount owing to a subsidiary	3.95	450,604,258	544,862,500	-	544,862,500

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

22. Financial risk management objectives and policies (Cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Fund's financial instruments will fluctuate because of changes in the market interest rates.

The Group and the Fund manage their interest rate exposure by maintaining matching their cash flows from rental income and fixed rate profit bearing deposits with the Group's and the Fund's variable rate profit bearing Islamic financing. The Group and the Fund place cash deposits on a short-term basis and therefore allows the Group and the Fund to respond to significant changes of interest rate promptly.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's and Fund's profit before tax would have been:

	Group Increase/(Decrease)		Fund Increase/(Decrease)	
	Effect on profit before tax 2025 RM	**Effect on profit before tax 2024 RM**	**Effect on profit before tax 2025 RM**	**Effect on profit before tax 2024 RM**
Interest rate decreased by 25 basis points	**1,491,600**	1,523,888	**368,696**	406,406
Interest rate increased by 25 basis points	**(1,491,600)**	(1,523,888)	**(368,696)**	(406,406)

The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

The interest rate mentioned above 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 the Shariah requirements.

23. Segment reporting

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

For management purposes, the Group and the Fund are organised into the following operating divisions:

- Retail outlets
- Office buildings
- Food and beverage ('F&B') properties comprising restaurant
- Industrial and others
- Other comprising fund level operations

No information on geographical areas is presented as the Group and the Fund operate solely in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

23. Segment reporting (Cont'd)

The accounting policies of the reportable segments below are the same as the Group's and the Fund's accounting policies described in Note 2.

	Retail outlets RM	Office buildings RM	F&B restaurants RM	Industrial & Others RM	Other - Fund level operations RM	Total RM
Group						
For the year ended 31 December 2025						
Total revenue	**52,235,669**	**7,002,549**	**17,594,472**	**11,992,270**	**-**	**88,824,960**
Total property expenses	**(21,322,731)**	**(5,124,122)**	**(181,733)**	**(623,988)**	**(474,000)**	**(27,726,574)**
Net property income/ (loss)	**30,912,938**	**1,878,427**	**17,412,739**	**11,368,282**	**(474,000)**	**61,098,386**
Fair value (loss)/ gain on investment properties	**(3,382,768)**	**(135,450)**	**(1,560,000)**	**2,000,000**	**-**	**(3,078,218)**
Gain on disposal	**-**	**-**	**100,000**	**-**	**-**	**100,000**
Investment income	**-**	**-**	**-**	**-**	**1,131,910**	**1,131,910**
Total income	**27,530,170**	**1,742,977**	**15,952,739**	**13,368,282**	**657,910**	**59,252,078**
Total fund expenditure	**-**	**-**	**-**	**-**	**(8,492,263)**	**(8,492,263)**
Operating profit/(loss)	**27,530,170**	**1,742,977**	**15,952,739**	**13,368,282**	**(7,834,353)**	**50,759,815**
Islamic financing costs	**-**	**-**	**-**	**-**	**(36,923,418)**	**(36,923,418)**
Income tax expense	**-**	**-**	**-**	**-**	**(215,012)**	**(215,012)**
Profit/(loss) for the year	**27,530,170**	**1,742,977**	**15,952,739**	**13,368,282**	**(44,972,783)**	**13,621,385**
Total assets	**696,085,699**	**71,069,516**	**299,004,839**	**196,759,020**	**52,427,916**	**1,315,346,990**
Total liabilities	**19,144,885**	**4,898,157**	**-**	**941,426**	**638,387,476**	**663,371,944**

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23. Segment reporting (Cont'd)

	Retail outlets RM	Office buildings RM	F&B restaurants RM	Industrial & Others RM	Other - Fund level operations RM	Total RM
Fund						
For the year ended 31 December 2025						
Total revenue	**52,235,669**	**7,002,549**	**17,594,472**	**11,992,270**	**-**	**88,824,960**
Total property expenses	**(21,322,731)**	**(5,124,122)**	**(181,733)**	**(623,988)**	**(474,000)**	**(27,726,574)**
Net property income/ (loss)	**30,912,938**	**1,878,427**	**17,412,739**	**11,368,282**	**(474,000)**	**61,098,386**
Fair value (loss)/ gain on investment properties	**(3,382,768)**	**(135,450)**	**(1,560,000)**	**2,000,000**	**-**	**(3,078,218)**
Gain on disposal	**-**	**-**	**100,000**	**-**	**-**	**100,000**
Investment income	**-**	**-**	**-**	**-**	**1,131,910**	**1,131,910**
Total income	**27,530,170**	**1,742,977**	**15,952,739**	**13,368,282**	**657,910**	**59,252,078**
Total fund expenditure	**-**	**-**	**-**	**-**	**(8,815,787)**	**(8,815,787)**
Operating profit/(loss)	**27,530,170**	**1,742,977**	**15,952,739**	**13,368,282**	**(8,157,877)**	**50,436,291**
Islamic financing costs	**-**	**-**	**-**	**-**	**(36,923,418)**	**(36,923,418)**
Income tax expense	**-**	**-**	**-**	**-**	**(215,012)**	**(215,012)**
Profit/(loss) for the year	**27,530,170**	**1,742,977**	**15,952,739**	**13,368,282**	**(45,296,307)**	**13,297,861**
Total assets	**696,085,699**	**71,069,516**	**298,964,725**	**196,759,020**	**48,513,339**	**1,311,392,299**
Total liabilities	**19,144,885**	**4,873,158**	**-**	**941,426**	**636,486,916**	**661,446,385**

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

23. Segment reporting (Cont'd)

The accounting policies of the reportable segments below are the same as the Group's and the Fund's accounting policies described in Note 2.

	Retail outlets RM	Office buildings RM	F&B restaurants RM	Industrial & Others RM	Other - Fund level operations RM	Total RM
Group						
For the year ended 31 December 2024						
Total revenue	43,414,988	6,874,669	17,166,974	10,996,617	-	78,453,248
Total property expenses	(21,232,928)	(4,885,169)	(31,701)	(415,464)	(473,100)	(27,038,362)
Net property income/ (loss)	22,182,060	1,989,500	17,135,273	10,581,153	(473,100)	51,414,886
Fair value (loss)/ income on investment properties	(3,517,386)	(329,206)	300,000	1,600,000	-	(1,946,592)
Investment income	-	-	-	-	897,996	897,996
Total income	18,664,674	1,660,294	17,435,273	12,181,153	424,896	50,366,290
Total fund expenditure	-	-	-	-	(6,427,206)	(6,427,206)
Operating profit/(loss)	18,664,674	1,660,294	17,435,273	12,181,153	(6,002,310)	43,939,084
Islamic financing costs	-	-	-	-	(38,407,075)	(38,407,075)
Income tax expense	-	-	-	-	(247,559)	(247,559)
Profit/(Loss) for the year	18,664,674	1,660,294	17,435,273	12,181,153	(44,656,944)	5,284,450
Total assets	693,374,604	71,177,316	314,630,000	195,510,707	42,572,481	1,317,265,108
Total liabilities	16,619,302	3,912,754	-	697,434	647,648,474	668,877,964

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23. Segment reporting (Cont'd)

	Retail outlets RM	Office buildings RM	F&B restaurants RM	Industrial & Others RM	Other - Fund level operations RM	Total RM
Fund						
For the year ended 31 December 2024						
Total revenue	43,414,988	6,874,669	17,166,974	10,996,617	-	78,453,248
Total property expenses	(21,232,928)	(4,885,169)	(31,701)	(415,464)	(473,100)	(27,038,362)
Net property income/ (loss)	22,182,060	1,989,500	17,135,273	10,581,153	(473,100)	51,414,886
Fair value (loss)/ gain on investment properties	(3,517,386)	(329,206)	300,000	1,600,000	-	(1,946,592)
Investment income	-	-	-	-	897,996	897,996
Total income	18,664,674	1,660,294	17,435,273	12,181,153	424,896	50,366,290
Total fund expenditure	-	-	-	-	(6,700,322)	(6,700,322)
Operating profit/(loss)	18,664,674	1,660,294	17,435,273	12,181,153	(6,275,426)	43,665,968
Islamic financing costs	-	-	-	-	(38,407,075)	(38,407,075)
Income tax expense	-	-	-	-	(247,559)	(247,559)
Profit/(loss) for the year	18,664,674	1,660,294	17,435,273	12,181,153	(44,930,060)	5,011,334
Total assets	691,345,471	71,177,316	314,630,000	195,510,707	38,413,928	1,311,077,422
Total liabilities	14,906,325	3,912,754	-	697,434	644,879,373	664,395,886

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24. Capital management

The Group and the Fund manage their capital to ensure that the Group and the Fund will be able to continue as going concern while maximising the return to unitholders through the optimisation of the debt and equity balance. The Group's and the Fund's overall strategy remain unchanged from 2018.

The capital structure of the Group and the Fund consist of net debt (Islamic financing as detailed in Note 17) offset by cash and bank balances in Note 14 and unitholders' capital of the Fund (Note 18) (comprising unitholders' capital and undistributed income).

The Group and the Fund are not subject to any externally imposed capital requirements. However, the Group and the Fund are required to comply with the SC Guidelines on borrowings.

The SC Guidelines requires that the total borrowings of the Group and the Fund (including Islamic financing through issuance of debt securities) should not exceed 50% of the total asset value of the Group and the Fund at the time the borrowings are incurred. Notwithstanding, the Group's and the Fund's total borrowings may exceed this limit with the sanction of the unitholders by way of an ordinary resolution.

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 ratios

The Group's and the Fund's gearing ratios are calculated based on the proportion of total Islamic financing to the total asset value. The gearing ratios at the end of the reporting period is as follows:

	Group		Fund	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Islamic financing (Note 17)	**630,698,014**	639,778,034	**177,757,426**	187,526,884
Amount due to a subsidiary	**-**	-	**452,837,741**	450,604,258
	630,698,014	639,778,034	**630,595,167**	638,131,142
Total assets value as per statements of financial position	**1,315,346,990**	1,317,265,108	**1,311,392,299**	1,311,077,422
Total Islamic financing total assets value ratio	**47.9%**	48.6%	**48.1%**	48.7%

NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2025

25. Commitments

The Group and the Fund lease out their investment properties under operating leases. The future minimum lease payments to be received under non-cancellable leases are as follows:

	Group		Fund	
	2025 RM	2024 RM	2025 RM	2024 RM
Less than one year	**38,143,203**	37,988,692	**38,143,203**	37,988,692
Between one and five years	**166,828,766**	184,885,050	**166,828,766**	184,885,050
More than five years	**285,903,898**	305,990,817	**285,903,898**	305,990,817
	490,875,867	528,864,559	**490,875,867**	528,864,559

26. Significant events

(i) Proposed disposal of property located at Jalan Kuchai Lama

On 3 December 2024, Al-Salām Group entered into SPA with Winfar Builders Sdn Bhd ("WBSB") to dispose QSR Property - Kuchai Lama for a cash consideration of RM14,700,000. The disposal of Kuchai Lama to WBSB was completed on 4 June 2025 with a gain on disposal of RM100,000.

(ii) Proposed disposal of property located at Bandar Sunway

On 6 March 2025, Al-Salām Group entered into SPA with Lagi Tegas Sdn Bhd ("LTSB") to dispose QSR Property – Bandar Sunway for a cash consideration of RM10,000,000. The proposed disposal is expected to be completed by quarter 2 of FY2026.

(ii) Proposed disposal of property located at Taman Perling

As at 31 December 2025, the property has no potential buyer. Accordingly, the asset is reclassified back to investment property.

27. Assets classified as held for sale

Details on the proposed disposal of properties of the Group are disclosed in Note 26.

The assets to be disposed are as follows:

	Jalan Kuchai Lama Note 26(i) RM	Bandar Sunway Note 26(ii) RM	Taman Perling Note 26(iii) RM	Total RM
2025				
Group and Fund				
Assets classified as held for sale				
Investment properties	**-**	**9,500,000**	**-**	**9,500,000**

al-salām
REAL ESTATE INVESTMENT TRUST

Section 10

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ANALYSIS OF UNITHOLDING

Unitholdings Analysis as of 31 December 2025

AS PER RECORD OF DEPOSITOR
Unit Issued: 580,000,000

BREAKDOWN OF UNITHOLDINGS

Size of Unitholdings	Unitholders	%	Unit Holdings	%
Less than 100	338	4.50	13,687	0.00
100 - 1000	3,559	47.37	1,915,770	0.33
1,001 - 10,000	3,077	40.96	9,434,671	1.63
10,001 - 100,000	470	6.26	12,477,054	2.15
100,001 to less than 5% of issued capital	66	0.88	178,796,100	30.83
5% and above of issued capital	3	0.04	377,362,718	65.06
Total	**7,513**	**100.00**	**580,000,000**	**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.	DAMANSARA ASSETS SDN. BHD.	223,679,417	38.57
2.	TABUNG AMANAH WARISAN NEGERI JOHOR	96,153,900	16.58
3.	WAQAF AN-NUR CORPORATION BERHAD	57,529,401	9.92
4.	RHB INVESTMENT BANK BERHAD - A/C IVT (SHQ-SW BOOK 1) EQD TEAM	28,420,000	4.90
5.	KULIM (MALAYSIA) BERHAD	27,060,600	4.67
6.	MAYBANK INVESTMENT BANK BERHAD - A/C IVT (13) ECD OTCSP-H	26,440,000	4.56
7.	JOHOR CORPORATION	24,436,600	4.21
8.	PELABURAN HARTANAH BERHAD	20,000,000	3.45
9.	LEMBAGA TABUNG HAJI	16,859,100	2.91
10.	CARTABAN NOMINEES (TEMPATAN) SDN BHD - A/C STANDARD CHARTERED SAADIQ BHD SCBMB TRUSTEE FOR MUAMALAT 1	13,293,400	2.29
11.	KPJ HEALTHCARE BERHAD	2,000,000	0.34
12.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - A/C KONG YEE WONG	1,914,000	0.33
13.	JLG LAND BERHAD	1,499,500	0.26
14.	PHILLIP NOMINEES (ASING) SDN BHD - A/C EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	1,300,000	0.22
15.	CHU LEONG LAM	1,000,000	0.17
16.	ABDUL RAHIM BIN BIDIN	895,900	0.15
17.	KENANGA NOMINEES (TEMPATAN) SDN BHD - A/C RAKUTEN TRADE SDN BHD FOR OOI BENG HOOI	775,900	0.13
18.	CHONG TECK SENG	657,400	0.11

ANALYSIS OF UNITHOLDING

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	%
19.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD - A/C EXEMPT AN FOR CIMB BANK BHD (DANA JOHOR)	604,311	0.10
20.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - A/C PLEDGED SECURITIES ACCOUNT FOR TAY CHUN GEE (E-KLC)	600,000	0.10
21.	TENH HONG WAY	600,000	0.10
22.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD - A/C MALAYAN BANKING BERHAD FOR PELABURAN JOHOR BERHAD (MBB DANA JOHOR)	520,501	0.09
23.	TAN GENG	485,800	0.08
24.	YONG CHEANG YEE	480,000	0.08
25.	LIM YAW YEU	455,800	0.08
26.	WENG HUA MACHINERY HARDWARE SDN. BHD.	430,000	0.07
27.	ONG AH HOW @ ONG BENG HWA	416,000	0.07
28.	OOI YEW CHYE	413,400	0.07
29.	NG KIM YUEN	408,100	0.07
30.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD - A/C MAYBANK SECURITIES PTE LTD FOR R RAHUL RAJ	345,900	0.06

SUBSTANTIAL UNITHOLDERS

		DIRECT		INDIRECT	
No.		Unit Holdings	%	Unit Holdings	%
1.	JOHOR CORPORATION	24,436,600	4.21	312,072,606	53.81
2.	DAMANSARA ASSETS SDN. BHD.	223,679,417	38.57	-	-
3.	TABUNG AMANAH WARISAN NEGERI JOHOR	96,153,900	16.58	-	-
4.	WAQAF AN-NUR CORPORATION BERHAD	57,529,401	9.92	-	-

ANALYSIS OF UNITHOLDING

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	120,590,500	2	120,590,500	-	-	-	-
FINANCE	3	71,719,100	3	71,719,100	-	-	-	-
INVESTMENT TRUST	2	8,140	1	740	1	7,400	-	-
NOMINEES	603	23,814,596	210	15,553,243	375	6,172,753	18	2,088,600
PRIVATE LIMITED COMPANY								
- RETAIL BODY CORPORATES	12	224,263,872	4	223,727,352	8	536,520	-	-
- INSTI-BODY CORPORATE	-	-	-	-	-	-	-	-
LIMITED COMPANY								
- RETAIL BODY CORPORATES	8	108,524,251	7	108,403,751	1	120,500	-	-
- INSTI-BODY CORPORATE	-	-	-	-	-	-	-	-
CLUBS / ASSOCIATION	3	23,686	2	20,726	1	2,960	-	-
CO-OPERATIVES	13	312,169	11	302,275	2	9,894	-	-
OTHERS	1	9	-	-	1	9	-	-
INDIVIDUAL	6,866	30,743,677	1,501	5,988,264	5,333	24,337,839	32	417,574
TOTAL	**7,513**	**580,000,000**	**1,741**	**546,305,951**	**5,722**	**31,187,875**	**50**	**2,506,174**
%	**100**	**100**	**23.17**	**94.19**	**76.16**	**5.38**	**0.67**	**0.43**

CORPORATE INFORMATION

MANAGER

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Stock Code: 5269

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