

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31.3.2023 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2022 RM'000
ASSETS		
Non-Current Assets		
Investment properties	4,237,788	4,186,020
Equipment	1,714	1,859
Total Non-Current Assets	4,239,502	4,187,879
Current Assets		
Receivables, deposits and prepayments	24,749	24,279
Islamic deposits placed with licensed banks	47,139	21,064
Cash and bank balances	4,619	22,451
Total Current Assets	76,507	67,794
TOTAL ASSETS	4,316,009	4,255,673
LIABILITIES		
Non-Current Liabilities		
Tenants' deposits	64,399	68,664
Deferred tax liability	14,480	14,480
Financing	733,576	733,480
Total Non-Current Liabilities	812,455	816,624
Current Liabilities		
Payables and accruals	56,401	54,670
Financing	710,540	812,540
Total Current Liabilities	766,941	867,210
TOTAL LIABILITIES	1,579,396	1,683,834
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUNDS</u>		
Unitholders' capital	2,118,603	1,945,655
Distributable income	27,278	33,209
Non-distributable reserves	590,732	592,975
	2,736,613	2,571,839
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	4,316,009	4,255,673
NET ASSET VALUE	2,736,613	2,571,839
NUMBER OF UNITS IN CIRCULATION	1,741,054,038	1,641,054,038
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	1.5718	1.5672
- After income distribution	1.5513 (Note 1)	1.5439

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the financial statements.)

Note 1 – Being Net Asset Value Per Unit after reflecting the realised income to be distributed as 2023 first interim income distribution of 2.05 sen per unit payable on 31 May 2023.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2023 RM'000	Preceding Year Corresponding Quarter 31.3.2022 RM'000	Current Year To date 31.3.2023 RM'000	Preceding Year To date 31.3.2022 RM'000
TOTAL TRUST INCOME *	70,173	66,690	70,173	66,690
Property income	69,654	66,159	69,654	66,159
Lease incentive adjustment (non-distributable) **	97	321	97	321
Unbilled lease income receivable ***	716	672	716	672
Less : Assessment	70,467	67,152	70,467	67,152
Quit rent	(1,700)	(1,449)	(1,700)	(1,449)
Other property operating expenditure	(462)	(282)	(462)	(282)
	(9,376)	(7,029)	(9,376)	(7,029)
Net property income	58,929	58,392	58,929	58,392
Profit income	422	210	422	210
Unbilled lease income ***	(716)	(672)	(716)	(672)
Fair value change on derivatives	(567)	191	(567)	191
Net (loss)/ gain on financial liabilities measured at amortised cost	(1,676)	546	(1,676)	546
NET PROPERTY AND INVESTMENT INCOME	56,392	58,667	56,392	58,667
Manager's fees	6,813	6,285	6,813	6,285
Trustee's fees	216	329	216	329
Depreciation	145	147	145	147
Auditors' fees	37	36	37	36
Tax agent's fee	5	4	5	4
Provision of doubtful/bad debts	3,518	593	3,518	593
Administrative expenses	968	877	968	877
Islamic financing cost #	14,387	10,559	14,387	10,559
NON-PROPERTY EXPENSES	26,089	18,830	26,089	18,830
NET TRUST INCOME	30,303	39,837	30,303	39,837
NET INCOME FOR THE QUARTER /PERIOD	30,303	39,837	30,303	39,837

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED) CONT'D

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2023 RM'000	Preceding Year Corresponding Quarter 31.3.2022 RM'000	Current Year To date 31.3.2023 RM'000	Preceding Year To date 31.3.2022 RM'000
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	30,303	39,837	30,303	39,837
EARNINGS PER UNIT (EPU) (sen) ##	1.74	2.44	1.74	2.44
NET INCOME FOR THE PERIOD/ YEAR IS MADE UP AS FOLLOWS:				
Realised				
- property income	32,449	38,779	32,449	38,779
- lease incentive adjustment (non-distributable) **	97	321	97	321
Unrealised - Net (loss)/ gain on financial liabilities measured at amortised cost	(1,676)	546	(1,676)	546
Unrealised - Fair value change on derivatives	(567)	191	(567)	191
	30,303	39,837	30,303	39,837

(The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the financial statements)

* The total trust income is for performance review purposes, it comprises property income (including lease incentive adjustment) and profit income. The unbilled lease income receivable is not included in this line as it is not distributable.

** Lease incentive adjustment which is non-distributable, had been recognised pursuant to the requirements of MFRS 16 where revenue is recognised on a straight-line basis and subsequently amortised to P&L throughout the tenancy period.

*** Recognition of unbilled lease income receivable pursuant to requirements of MFRS 16, to recognise income from operating lease on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the lease.

Islamic financing cost is the profit charged by the financier on the Islamic financing facilities taken by Axis-REIT.

EPU for the current quarter/period is computed based on net income for the quarter/period divided by weighted average number of units in issue of 1,737,720,705 units. EPU for preceding quarter/period corresponding quarter is based on units in issue of 1,634,524,115 units.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FROM 1 JANUARY 2022 TO 31 MARCH 2022 (UNAUDITED)

	Total Unitholders' Capital RM'000	<i>Distributable</i> Realised Income RM'000	<i>Non-Distributable</i> Unrealised Income RM'000	Total Unitholders' Funds RM'000
At 1 January 2022	1,934,322	32,841	560,158	2,527,321
Net income for the year	-	39,100	737	39,837
<i>Total comprehensive income for the year</i>	-	39,100	737	39,837
Contributions by and distributions to unitholders				
Distribution to Unitholders	-	(35,574)	-	(35,574)
<i>Total transactions with unitholders</i>	-	(35,574)	-	(35,574)
At 31 March 2022	1,934,322	36,367	560,895	2,531,584

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (CONT'D)

FROM 1 JANUARY 2023 TO 31 MARCH 2023 (UNAUDITED)

	Total Unitholders' Capital RM'000	<i>Distributable</i> Realised Income RM'000	<i>Non-Distributable</i> Unrealised Income RM'000	Total Unitholders' Funds RM'000
At 1 January 2023	1,945,655	33,209	592,975	2,571,839
Net income for the year	-	32,546	(2,243)	30,303
<i>Total comprehensive income for the year</i>	-	32,546	(2,243)	30,303
Contributions by and distributions to unitholders				
Issuance and placement of units	175,000	-	-	175,000
Issuing expenses	(2,052)	-	-	(2,052)
Distribution to Unitholders #	-	(38,477)	-	(38,477)
<i>Total transactions with unitholders</i>	172,948	(38,477)	-	134,471
At 31 March 2023	2,118,603	27,278	590,732	2,736,613

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the financial statements.)

Includes the payment of fourth interim and final income distribution amounting to a total of 2.33 sen per unit for the financial year 2022, which were paid on 20 January 2023 and 28 February 2023 respectively.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	Current Year To Date 31.3.2023 RM'000	Preceding Year To Date 31.3.2022 RM'000
Cash flows from operating activities		
Net income before taxation	30,303	39,837
Adjustments for :-		
Islamic financing cost	14,387	10,559
Profit income	(422)	(210)
Depreciation of equipment	145	147
Loss / (gain) on financial liabilities measured at amortised cost	1,676	(546)
Impairment losses on trade receivables	3,518	593
Fair value change on Islamic derivatives	567	(191)
Operating income before changes in working capital	50,174	50,189
Changes in working capital		
Receivables, deposits and prepayments	(3,994)	(15,394)
Payables and accruals	2,731	(4,005)
Tenants' deposits	(7,502)	830
Net cash from operating activities	41,409	31,620
Cash flows from investing activities		
Profit income received	422	210
Enhancement of investment properties	(47,728)	(5,351)
Acquisition of investment property #	(4,040)	(49,366)
Net cash used in investing activities	(51,346)	(54,507)
Cash flows from financing activities		
Islamic financing cost paid	(14,015)	(10,186)
Proceeds from financing, net	(102,276)	(77,235)
Income distribution paid to unitholders	(38,477)	(35,574)
Proceeds from issuance of units	175,000	-
Issuing expenses	(2,052)	-
Net cash from / (used in) financing activities	18,180	(122,995)

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2023 (UNAUDITED) (CONT'D)

	Current Year	Preceding Year
	To Date	To Date
	31.3.2023	31.3.2022
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	8,243	(145,882)
Cash and cash equivalents at beginning of period	24,031	170,610
Cash and cash equivalents at end of period	<u>32,274</u>	<u>24,728</u>
Cash and cash equivalents		
Cash and bank balances	4,619	17,550
Islamic deposits placed with licensed banks	47,139	32,522
	51,758	50,072
Less: Islamic deposits placed with licensed banks - pledged	(19,484)	(25,344)
	<u>32,274</u>	<u>24,728</u>

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the financial statements.)

- # Being acquisition cost which includes an amount withheld from the purchase price of RM87 million for the acquisition of Axis Shah Alam Distribution Centre 4. The amount withheld was paid in March 2023 to the vendor for the fulfillment of the subsequent term pursuant to the sale and purchase agreement dated 23 April 2018.

NOTES TO THE QUARTERLY REPORT

A. DISCLOSURE REQUIREMENTS AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial statements of Axis Real Estate Investment Trust (“Axis-REIT” or “Trust” or “Fund”) for year ended 31 December 2022.

A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2021

The audit report of the financial statements of Axis-REIT for the preceding financial year ended 31 December 2022 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of Axis-REIT are not affected by material seasonal or cyclical factors.

A4. UNUSUAL ITEMS

There were no unusual items to be disclosed for the quarter under review.

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. DEBT AND SHARIAH-COMPLIANT EQUITY SECURITIES

Save as disclosed in Note A11 below, there were no issuances, cancellation, repurchase, resale and payment of debt and Shariah-compliant equity securities for the current quarter.

A7. INCOME DISTRIBUTION

During the quarter under review, the 2022 fourth interim income distribution and final income distribution of 2.09 sen per unit and 0.24 sen per unit, totaling RM38,477,000 in respect of the period from 1 October 2022 to 31 December 2022 were paid on 20 January 2023 and 28 February 2023 respectively.

Axis REIT Managers Berhad, the management company of Axis-REIT (“Manager”) has proposed to distribute 99% from realised income available for distribution generated from operations for the period from 1 January 2023 to 31 March 2023 as the 2023 first interim income distribution of 2.05 sen per unit, which includes a non-taxable portion of approximately 0.57 sen per unit derived from capital allowances, industrial building allowances and tax-exempt profit income which is not subject to tax.

The 2023 first interim income distribution will be payable on 31 May 2023 and the book closure date is 8 May 2023.

A8. SEGMENTAL REPORTING

No segment information is prepared as Axis-REIT's activities are in one industry segment in Malaysia.

A9. VALUATIONS OF INVESTMENT PROPERTIES

The investment properties are valued based on valuations performed by independent registered valuers.

A10. MATERIAL EVENTS

There was no material event as at the latest practicable date from the date of the last annual reporting period except for the following:

- a) Axis-REIT, vide an announcement dated 20 January 2022, announced that Axis-REIT is embarking on a proposed development of Bukit Raja Distribution Centre 2 ("BRDC2") ("Proposed Development"). The Proposed Development entails the construction of one single storey warehouse and ancillary buildings, enhancement of an existing 3-storey office block with a total gross built-up area of approximately 620,096 square feet.

On the same date, RHB Trustees Berhad, on behalf of Axis-REIT, has entered into a 15-year lease agreement ("Lease Agreement") with Shopee Express Malaysia Sdn Bhd ("Shopee"). Shopee has agreed to lease the entire BRDC 2 upon completion of the Proposed Development in accordance with the terms and conditions as stipulated in the Lease Agreement.

The Proposed Development had commenced in the first quarter of 2022 and to be completed for handover to Shopee no later than 31 August 2023.

The main contractor was appointed on 13 July 2022 and the construction works commenced in the third quarter of 2022.

- b) Axis-REIT had undertaken a proposed development of a logistics warehouse with a built-up area of approximately 584,112 sq. ft. known as Axis Mega Distribution Centre (Phase 2) ("AMDC (Phase 2)"), to be constructed on the existing remaining vacant land forming part of a parcel of leasehold industrial land held under PN No. 122072, Lot 7316, Town of Sijangkang, District of Kuala Langat, Selangor, on which an existing property of Axis-REIT, Axis Mega Distribution Centre is erected upon.

The main contractor was appointed on 9 November 2022 and the construction works commenced in January 2023.

- c) A letter of offer has been duly accepted for the proposed acquisition by Axis-REIT of a logistics warehouse in Kawasan Perusahaan Kulim, Kedah for a proposed purchase consideration of RM92,000,000.

A11. EFFECT OF CHANGES IN THE FUND SIZE OF AXIS-REIT

Axis-REIT's fund size was increased from 1,641,054,038 units to 1,741,054,038 units during the quarter under review with the successful issuance and listing of 100,000,000 new placement units issued pursuant to the placement exercise of Axis-REIT completed on 4 January 2023.

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Manager is pleased to report the following financial results:

Quarter Results

For the quarter ended 31 March 2023 (“1Q2023”), Axis-REIT registered a total trust income of RM70,173,000. The realised net income from operations was RM32,546,000 after deducting total expenditure of RM37,627,000, of which RM11,538,000 were attributable to property expenses and RM26,089,000 to non-property expenses.

The Manager has proposed to distribute 99% from realised income available for distribution generated from operations for the first quarter of 2023 and has set aside RM35,692,000 as the 2023 first interim income distribution which translates to 2.05 sen per unit payable on 31 May 2023.

The total net asset value stood at RM2,736,613,000 and the net asset value per unit (before 2023 first interim income distribution) was RM1.5718.

Maintenance costs & major capital expenditure

During the financial period ended 31 March 2023, a total of RM47,728,000 has been incurred for major capital expenditure, ie RM3,644,000 for enhancement of properties of Axis-REIT and RM32,261,000 incurred for the ongoing Proposed Development of BRDC2 and RM11,823,000 incurred for the ongoing proposed development of AMDC (Phase 2) respectively.

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

	Current Year Quarter 31.3.2023 RM'000	Immediate Preceding Quarter 31.12.2022 RM'000	%
Property income	69,654	71,449	-2.5%
Less : Property expenses	(11,538)	(9,967)	+15.8%
Net property income	58,116	61,482	-5.5%
Profit income	422	179	+135.8%
Less: Non-property expenses	(26,089)	(24,582)	+6.1%
Net income before lease incentive adjustment (non-distributable)	32,449	37,079	-12.5%
Lease incentive adjustment, net (Note 1)	97	(653)	
Net income before tax (Realised)	32,546	36,426	-10.7%

Note 1 - Lease incentive adjustment which is non-distributable, had been recognised pursuant to the requirements of MFRS 16 where revenue is recognised on a straight-line basis and subsequently amortised to P&L throughout the tenancy period.

For 1Q2023, Axis-REIT’s property income was RM69,654,000, 2.5% lower compared to the immediate preceding quarter (“4Q2022”) of RM71,449,000, mainly due to lower occupancy. In addition, one of the tenancies for Axis Shah Alam Distribution Centre 3 expired in December 2022 and is currently in the process of securing a new tenant.

Property expenses was RM11,538,000, 15.8% higher compared to 4Q2022 of RM9,967,000, mainly due to higher maintenance cost.

Non-property expenses was RM26,089,000, 6.1% higher compared to 4Q2022 of RM24,582,000, mainly due to a provision for doubtful debts of approximately RM3.5 million has been made for Yongnam Engineering Sdn Bhd, the lessee of Axis Steel Centre @ SiLC in Johor in 1Q2023.

During the quarter under review, net income before lease incentive adjustment was RM32,546,000, 10.7% lower compared to 4Q2022 of RM36,426,000, mainly due to lower property income and higher expenses.

B3. PROSPECTS

The Manager is optimistic that in view of the satisfactory performance of Axis-REIT's existing property portfolio and its growth strategy to actively pursue quality investments, it will be able to maintain its current performance for the financial year ending 31 December 2023.

B4. INVESTMENT OBJECTIVES

The Manager is pleased to report that since the listing of Axis-REIT, the Trust has been successful in achieving the investment objectives where the Trust has set out to provide the unitholders with a stable income distribution and to achieve growth in net asset value per unit of the Trust by acquiring high quality accretive properties with strong recurring rental income. There was no change in the investment objectives of Axis-REIT as at the date of this report.

B5. STRATEGIES AND POLICIES

There was no change in the strategies and policies employed since the issuance of the 2022 Integrated Annual Report of Axis-REIT.

B6. PORTFOLIO COMPOSITION

During the quarter under review, the property portfolio size of Axis-REIT remains at 62 properties as at 31 March 2023.

B7. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS

A total net proceeds of RM172.9 million had been raised from the issuance of 100,000,000 new placement units pursuant to the placement exercise of Axis-REIT completed in January 2023. The proceeds were used to pare down the short-term financing of Axis-REIT which were drawn down earlier to finance acquisition and to provide headroom for future acquisitions.

B8. INCOME DISTRIBUTION

Distribution to unitholders is from the following sources:

	Current Year Quarter 31.3.2023 RM'000	Preceding Year Corresponding Quarter 31.3.2022 RM'000	Current Year To date 31.3.2023 RM'000	Preceding Year To date 31.3.2022 RM'000
Gross rental income	69,751	66,480	69,751	66,480
Profit income	422	210	422	210
	70,173	66,690	70,173	66,690
Less: Expenses	(37,627)	(27,590)	(37,627)	(27,590)
Realised income for the period	32,546	39,100	32,546	39,100
Add: Non-cash items	3,566	419	3,566	419
Total realised income available for the period	36,112	39,519	36,112	39,519
Add: Brought forward undistributed realised income available for distribution	153	239	153	239
Total realised income available for distribution	36,265	39,758	36,265	39,758
Less: Income to be distributed for the quarter/period	(35,692)	(39,555)	(35,692)	(39,555)
Balance undistributed realised income available for distribution	573	203	573	203
Distribution per unit (sen)	2.05	2.42	2.05	2.42

B9. TAXATION

Trust Level

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967 under the Finance Act 2006 which was gazetted on 31 December 2006, where in the basis period for a year of assessment, 90% or more of the total income of the trust is distributed to unitholders, the total income of the trust for that year of assessment shall be exempted from tax.

Thus, based on the income distribution for the three-month period to date of approximately 99% of the realised income before tax, Axis-REIT should not incur any tax expense for the financial year.

Unitholders' Level

Pursuant to the amended Section 109D(2) of the Income Tax Act, 1967 under the Finance Act 2009 which was gazetted on 8 January 2009, the following withholding tax rates would be applicable on distribution of income which is tax exempt at Axis-REIT's level:

Resident unitholder:

- | | |
|--|---|
| a) Resident company: | Tax flow through; thus no withholding tax |
| b) Unitholder other than a resident company: | Withholding tax at 10% |

Non-resident unitholder:

- | | |
|---|------------------------|
| a) Non-resident company: | Withholding tax at 24% |
| b) Non-resident institutional investor: | Withholding tax at 10% |
| c) Non-resident other than company and institutional investors: | Withholding tax at 10% |

B10. STATUS OF CORPORATE PROPOSALS

- a) The unitholders of Axis-REIT had at the Unitholders' Meeting convened and held on 30 April 2013, approved the authority to allot and issue up to 2,000,000 new units for the purpose of the payment of management fee to the Manager in the form of new units ("Payment of Management Fee Authority") and its corresponding increase in fund size of Axis-REIT pursuant to the Payment of Management Fee Authority.

Following the completion of the unit split exercise of Axis-REIT and the partial implementation of the Payment of Management Fee Authority, the number of new units permitted to be issued pursuant to the Payment of Management Fee Authority is up to a maximum of 3,044,000 new units.

Axis-REIT had obtained approval from Bursa Securities on 1 October 2015 for an extension of time to complete the Payment of Management Fee Authority from 4 October 2015 until full issuance of the new units permitted to be issued pursuant to the Payment of Management Fee Authority. There is no issuance pursuant to the Payment of Management Fee Authority during the quarter under review.

- b) Axis-REIT will be seeking the approval for the proposed renewal of the authority to allot and issue new units in Axis-REIT of up to 20% of the issued fund size of Axis-REIT to facilitate a placement exercise from the unitholders at the forthcoming 11th annual general meeting of Axis-REIT to be convened and held on 20 April 2023.

B11. FINANCING

	Current Financial Period Ended 31.3.2023 (RM'000)	Preceding Financial Period Ended 31.12.2022 (RM'000)
Short term financing		
- Secured Islamic revolving credit/hire purchase denominated in MYR	710,540	812,540
Long term financing		
- Secured Islamic Medium Term Notes/ Islamic Term Financings/hire purchase denominated in MYR	733,576	733,480

B12. DERIVATIVES

As at 31 March 2023, the Trust has the following Islamic Profit Rate Swap ("IPRS") to hedge against the fluctuation of future movement in profit rate on its short term financing. Axis-REIT is currently using the said IPRS to hedge against its financings and the unrealised gain/(loss) of the derivatives had been recognised in the profit or loss:

	Notional Value RM'000	Fair Value RM'000	Maturity
IPRS – derivative assets	310,000	1,774	Less than 10 years
IPRS – derivative liability	110,000	(699)	Less than 3 years

B13. MATERIAL LITIGATION

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

B14. SOFT COMMISSION RECEIVED

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

B15. PROFIT FOR THE QUARTER/PERIOD

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2023 RM'000	Preceding Year Corresponding Quarter 31.3.2022 RM'000	Current Year To date 31.3.2023 RM'000	Preceding Year To date 31.3.2022 RM'000
Profit for the quarter/period is arrived at after crediting / (charging):				
Profit income	422	210	422	210
Islamic financing costs	(14,387)	(10,559)	(14,387)	(10,559)
Depreciation of equipment	(145)	(147)	(145)	(147)
Provision of doubtful/bad debts	(3,518)	(593)	(3,518)	(593)
Fair value change on derivatives	(567)	191	(567)	191

Save for the above, the other items listed under Appendix 9B (Note 16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

B16. SUMMARY OF DPU, EPU, NAV AND MARKET PRICE

	Current Quarter Ended 31.3.2023	Immediate Preceding Quarter Ended 31.12.2022
Number of units in issue (units)	1,741,054,038	1,641,054,038
EPU (realised) (sen)	1.87 ⁽¹⁾	2.22 ⁽²⁾
EPU (include unrealised income) (sen)	1.74 ⁽¹⁾	3.65 ⁽²⁾⁽³⁾
Net realised income for the period (RM'000)	32,546	36,426
Distribution per unit (DPU) (sen)	2.05	2.33
Net Asset Value (NAV) (RM'000)	2,736,613	2,571,839
NAV Per Unit (RM)	1.5718	1.5672
Market Value Per Unit (RM)	1.88	1.79

⁽¹⁾ Based on average number of units in issue. The total number of units issued was increased from 1,641,054,038 units to 1,741,054,038 units with the successful issuance and listing of 100,000,000 new placement units pursuant to the placement exercise of Axis-REIT completed on 4 January 2023.

⁽²⁾ Based on total units in issue of 1,641,054,038 units.

⁽³⁾ Include the change in fair value of investment property of RM27,819,000 which had been recognised in the financial year ended 2022.

B17. RESPONSIBILITY STATEMENT

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Securities so as to give a true and fair view of the financial position of Axis-REIT as at 31 March 2023 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of the Manager on 18 April 2023.

BY ORDER OF THE BOARD

REBECCA LEONG SIEW KWAN

Chartered Secretary

AXIS REIT MANAGERS BERHAD

(200401010947 (649450-W))

(As the Manager of AXIS REAL ESTATE INVESTMENT TRUST)

Petaling Jaya

18 April 2023