

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31.3.2024 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2023 RM'000
ASSETS		
Non-Current Assets		
Investment properties	4,508,792	4,444,120
Equipment	1,296	1,391
Total Non-Current Assets	4,510,088	4,445,511
Current Assets		
Receivables, deposits and prepayments	41,377	25,666
Islamic deposits placed with licensed banks	32,972	43,924
Cash and bank balances	7,349	7,792
Total Current Assets	81,698	77,382
TOTAL ASSETS	4,591,786	4,522,893
LIABILITIES		
Non-Current Liabilities		
Tenants' deposits	57,063	60,862
Deferred tax liability	18,304	18,304
Financing	674,116	740,454
Total Non-Current Liabilities	749,483	819,620
Current Liabilities		
Payables and accruals	79,987	62,751
Financing	935,985	814,520
Total Current Liabilities	1,015,972	877,271
TOTAL LIABILITIES	1,765,455	1,696,891
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUNDS</u>		
Unitholders' capital	2,129,340	2,129,340
Distributable income	29,346	31,290
Non-distributable reserves	667,645	665,372
	2,826,331	2,826,002
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	4,591,786	4,522,893
NET ASSET VALUE	2,826,331	2,826,002
NUMBER OF UNITS IN CIRCULATION	1,747,492,159	1,747,492,159
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	1.6174	1.6172
- After income distribution	1.5944 (Note 1)	1.5932

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 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 2024 first interim income distribution of 2.30 sen per unit payable on 31 May 2024.

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2024 RM'000	Preceding Year Corresponding Quarter 31.3.2023 RM'000	Current Year To date 31.3.2024 RM'000	Preceding Year To date 31.3.2023 RM'000
TOTAL TRUST INCOME *	75,540	70,173	75,540	70,173
Property income	75,178	69,654	75,178	69,654
Lease incentive adjustment (non-distributable) **	99	97	99	97
Unbilled lease income receivable ***	779	716	779	716
Less : Assessment	76,056	70,467	76,056	70,467
Quit rent	(1,856)	(1,700)	(1,856)	(1,700)
Other property operating expenditure	(477)	(462)	(477)	(462)
	(8,757)	(9,376)	(8,757)	(9,376)
Net property income	64,966	58,929	64,966	58,929
Profit income	263	422	263	422
Unbilled lease income ***	(779)	(716)	(779)	(716)
Fair value change on derivatives	1,333	(567)	1,333	(567)
Net gain / (loss) on financial liabilities measured at amortised cost	940	(1,676)	940	(1,676)
NET PROPERTY AND INVESTMENT INCOME	66,723	56,392	66,723	56,392
Manager's fees	7,050	6,813	7,050	6,813
Trustee's fees	227	216	227	216
Depreciation	95	145	95	145
Auditors' fees	40	37	40	37
Tax agent's fee	4	5	4	5
Provision of doubtful/bad debts	79	3,518	79	3,518
Administrative expenses	991	968	991	968
Islamic financing cost #	15,969	14,387	15,969	14,387
NON-PROPERTY EXPENSES	24,455	26,089	24,455	26,089
NET TRUST INCOME	42,268	30,303	42,268	30,303
NET INCOME FOR THE QUARTER /PERIOD	42,268	30,303	42,268	30,303

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 31.3.2024 RM'000	Preceding Year Corresponding Quarter 31.3.2023 RM'000	Current Year To date 31.3.2024 RM'000	Preceding Year To date 31.3.2023 RM'000
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	42,268	30,303	42,268	30,303
EARNINGS PER UNIT (EPU) (sen) ##	2.42	1.74	2.42	1.74
NET INCOME FOR THE QUARTER /PERIOD IS MADE UP AS FOLLOWS:				
Realised				
- property income	39,896	32,449	39,896	32,449
- lease incentive adjustment (non-distributable) **	99	97	99	97
Unrealised - Net gain / (loss) on financial liabilities measured at amortised cost	940	(1,676)	940	(1,676)
Unrealised - Fair value change on derivatives	1,333	(567)	1,333	(567)
	42,268	30,303	42,268	30,303

(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 2023 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 divided by units in issue of 1,747,492,159 units. EPU for preceding year corresponding quarter/period is based on the weighted average number of units of 1,737,720,705 units.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

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 period	-	32,546	(2,243)	30,303
<i>Total comprehensive income for the period</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

AXIS REAL ESTATE INVESTMENT TRUST

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

FROM 1 JANUARY 2024 TO 31 MARCH 2024 (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 2024	2,129,340	31,290	665,372	2,826,002
Net income for the period	-	39,995	2,273	42,268
<i>Total comprehensive income for the period</i>	-	39,995	2,273	42,268
Contributions by and distributions to unitholders				
Distribution to Unitholders #	-	(41,939)	-	(41,939)
<i>Total transactions with unitholders</i>	-	(41,939)	-	(41,939)
At 31 March 2024	2,129,340	29,346	667,645	2,826,331

(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 2023 and the accompanying explanatory notes attached to the financial statements.)

Includes the payment of final income distribution amounting to 2.40 sen per unit for the financial year 2023, which was paid on 29 February 2024.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024 (UNAUDITED)

	Current Year To Date 31.3.2024 RM'000	Preceding Year To Date 31.3.2023 RM'000
Cash flows from operating activities		
Net income before taxation	42,268	30,303
Adjustments for :-		
Islamic financing cost	15,969	14,387
Profit income	(263)	(422)
Depreciation of equipment	95	145
(Gain) / loss on financial liabilities measured at amortised cost	(940)	1,676
Impairment losses on trade receivables	79	3,518
Fair value change on Islamic derivatives	(1,333)	567
Operating income before changes in working capital	55,875	50,174
Changes in working capital		
Receivables, deposits and prepayments	(15,004)	(3,994)
Payables and accruals	12,427	2,731
Tenants' deposits	2,497	(7,502)
Net cash from operating activities	55,795	41,409
Cash flows from investing activities		
Profit income received	263	422
Enhancement of investment properties	(38,391)	(47,728)
Acquisition of investment property	(26,281)	(4,040)
Net cash used in investing activities	(64,409)	(51,346)
Cash flows from financing activities		
Islamic financing cost paid	(15,736)	(14,015)
Proceeds from financing, net	54,894	(102,276)
Income distribution paid to unitholders	(41,939)	(38,477)
Proceeds from issuance of units	-	175,000
Issuing expenses	-	(2,052)
Net cash (used in)/from financing activities	(2,781)	18,180

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024 (UNAUDITED) (CONT'D)

	Current Year	Preceding Year
	To Date	To Date
	31.3.2024	31.3.2023
	RM'000	RM'000
Net (decrease) / increase in cash and cash equivalents	(11,395)	8,243
Cash and cash equivalents at beginning of period	32,232	24,031
Cash and cash equivalents at end of period	<u>20,837</u>	<u>32,274</u>
Cash and cash equivalents		
Cash and bank balances	7,349	4,619
Islamic deposits placed with licensed banks	32,972	47,139
	40,321	51,758
Less: Islamic deposits placed with licensed banks - pledged	<u>(19,484)</u>	<u>(19,484)</u>
	<u>20,837</u>	<u>32,274</u>

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.)

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 2023.

A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2023

The audit report of the financial statements of Axis-REIT for the preceding financial year ended 31 December 2023 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

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 2023 final income distribution of 2.40 sen per unit, totaling RM41,939,000 in respect of the period from 1 October 2023 to 31 December 2023 was paid on 29 February 2024.

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 2024 to 31 March 2024 as the 2024 first interim income distribution of 2.30 sen per unit, which includes a non-taxable portion of approximately 0.47 sen per unit derived from capital allowances, industrial building allowances and tax-exempt profit income which is not subject to tax.

The 2024 first interim income distribution will be payable on 31 May 2024 and the book closure date is 8 May 2024.

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 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 development of AMDC (Phase 2) has been completed and the certificate of compliance and completion obtained on 27 March 2024.

- b) A sale and purchase agreement ("SPA") had been executed on 25 October 2023 for the proposed acquisition by Axis-REIT of a manufacturing facility in Sendayan, Negeri Sembilan for a proposed purchase consideration of RM48,000,000. This proposed acquisition is still pending completion.
- c) A SPA had been duly executed on 8 December 2023 for the proposed acquisition by Axis-REIT of a hypermarket in Temerloh, Pahang for a proposed purchase consideration of RM25,750,000. The proposed acquisition was completed on 16 January 2024 and the property is now known as Axis Hypermarket @ Temerloh.
- d) A SPA has been executed on 23 February 2024 for the proposed acquisition by Axis-REIT of a manufacturing facility in Kawasan Industri Bukit Raja, Selangor for a proposed purchase consideration of RM49,000,000.
- e) A SPA has been executed on 22 April 2024 for the proposed acquisition by Axis-REIT of a manufacturing facility in Kawasan Perindustrian Bukit Raja, Selangor for a proposed purchase consideration of RM313,000,000.
- f) A SPA has been executed on 22 April 2024 for the proposed acquisition by Axis-REIT of a storage yard in Kawasan Perindustrian Bukit Raja, Selangor for a proposed purchase consideration of RM38,800,000.

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

There was no change in the composition of the fund size of Axis-REIT for the current quarter under review and the fund size stands at 1,747,492,159 units.

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 2024 (“1Q2024”), Axis-REIT registered a total trust income of RM75,540,000. The realised net income from operations was RM39,995,000 after deducting total expenditure of RM35,545,000, of which RM11,090,000 were attributable to property expenses and RM24,455,000 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 2024.

The total net asset value stood at RM2,826,331,000 and the net asset value per unit (before 2024 first interim income distribution) was RM1.6174.

Axis-REIT has further set aside RM40,192,000 (approximately 99% of total income available for distribution in respect of the period from 1 January 2024 to 31 March 2024) as the 2024 first interim income distribution which translates to 2.30 sen per unit payable on 31 May 2024.

Maintenance costs & major capital expenditure

During the financial period ended 31 March 2024, a total of RM38,391,000 has been incurred for major capital expenditure, ie RM2,766,000 for enhancement of properties of Axis-REIT and RM35,625,000 incurred for the development of AMDC (Phase 2).

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

	Current Year Quarter 31.3.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000	%
Property income	75,178	75,747	-0.8%
Less : Property expenses	(11,090)	(10,421)	+6.4%
Net property income	64,088	65,326	-1.9%
Profit income	263	358	-26.5%
Less: Non-property expenses (including financing cost)	(24,455)	(23,344)	+4.8%
Net income before lease incentive adjustment (non-distributable)	39,896	42,340	-5.8%
Lease incentive adjustment, net (Note 1)	99	(550)	
Net income before tax (Realised)	39,995	41,790	-4.3%

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 1Q2024, Axis-REIT's property income was RM75,178,000, 0.8% marginally lower compared to the immediate preceding quarter ("4Q2023") of RM75,747,000, mainly due to lower occupancy of the existing portfolio.

Property expenses was RM11,090,000, 6.4% higher compared to 4Q2023 of RM10,421,000, mainly due to higher maintenance cost.

Non-property expenses was RM24,455,000, 4.8% higher compared to 4Q2023 of RM23,344,000, mainly due to the reversal of provision for doubtful debts of RM1,111,000 which was made in 4Q2023.

During the quarter under review, net income before lease incentive adjustment was RM39,896,000, 5.8% lower compared to 4Q2023 of RM42,340,000, 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 2024.

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 2023 Integrated Annual Report of Axis-REIT.

B6. PORTFOLIO COMPOSITION

During the quarter under review, Axis-REIT completed the acquisition of Axis Hypermarket @ Temerloh on 16 January 2024. The property portfolio size of Axis-REIT increased from 62 to 63 as at 31 March 2024.

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

This is not applicable as there was no issuance of new units by Axis-REIT during the current financial quarter.

B8. INCOME DISTRIBUTION

Distribution to unitholders is from the following sources:

	Current Year Quarter 31.3.2024 RM'000	Preceding Year Corresponding Quarter 31.3.2023 RM'000	Current Year To date 31.3.2024 RM'000	Preceding Year To date 31.3.2023 RM'000
Gross rental income	75,277	69,751	75,277	69,751
Profit income	263	422	263	422
	75,540	70,173	75,540	70,173
Less: Expenses	(35,545)	(37,627)	(35,545)	(37,627)
Realised income for the period	39,995	32,546	39,995	32,546
Add: Non-cash items	75	3,566	75	3,566
Total realised income available for the period	40,070	36,112	40,070	36,112
Add: Brought forward undistributed realised income available for distribution	372	153	372	153
Total realised income available for distribution	40,442	36,265	40,442	36,265
Less: Income to be distributed for the quarter/period	(40,192)	(35,692)	(40,192)	(35,692)
Balance undistributed realised income available for distribution	250	573	250	573
Distribution per unit (sen)	2.30	2.05	2.30	2.05

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 12th annual general meeting of Axis-REIT to be convened and held on 25 April 2024.

B11. FINANCING

	Current Financial Period Ended 31.3.2024 (RM'000)	Preceding Financial Period Ended 31.12.2023 (RM'000)
Short term financing		
- Secured Islamic revolving credit/hire purchase/Islamic Term Financing denominated in MYR	935,985	814,520
Long term financing		
- Secured Islamic Medium Term Notes/ Islamic Term Financings denominated in MYR	674,116	740,454

B12. DERIVATIVES

As at 31 March 2024, the Trust has the following Islamic Profit Rate Swap ("IPRS") to hedge against the fluctuation of future movement in profit rate on its financings. 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 <u>RM'000</u>	Fair Value <u>RM'000</u>	<u>Maturity</u>
IPRS – derivative assets	310,000	902	Less than 10 years
IPRS – derivative liability	110,000	(390)	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, except for the following:

Axis-REIT, vide an announcement dated 5 September 2023, announced that the Trustee of Axis-REIT, RHB Trustees Berhad as plaintiff, has on 5 September 2023 served on Yongnam Engineering Sdn Bhd (a former tenant of Axis-REIT at Axis Steel Centre @ SiLC) (“YESB”) and Yongnam Holdings Limited (corporate guarantor or YHL) (“the Defendants”) a Writ of Summons and Statement of Claim both dated 25 August 2023 regarding a legal proceeding claiming for:

- a) unpaid rental due and owing under the lease agreement for the period of March 2023 to 7 June 2023 of RM3,792,276.43;
- b) compensation charges of RM703,966.14 as at 7 June 2023 and continuing on the sum of RM3,792,276.43 at the rate of 1.5% per month on daily basis from 8 June 2023 until the date of full and final realisation;
- c) amount equivalent to the rental for the whole unexpired period of the lease term from 8 June 2023 until 29 December 2029 as agreed liquidated damages of RM105,396,516.60 and its related compensation charges at the rate of 1.5% per month on daily basis from 8 June 2023 until the date of full and final realisation;
- d) legal charges and reimbursements as at the date of filing of the writ in the sum of RM236,954.77;
- e) costs on a solicitor-client basis; and
- f) such further and/or other relief which the Court deems fit and proper.

Subsequently, Axis-REIT has vide an announcement dated 20 October 2023, announced that the Trustee has on 19 October 2023 and 20 October 2023, served on the Defendants a Judgement in Default dated 3 October 2023 (“Judgment”). Pursuant to the Judgment, the Defendants are required to pay to the Trustee, the claimed sum listed as items (a) to (d) above.

The Trustee has on 20 December 2023 filed a proof of debts to the judicial managers of YHL for the total outstanding sum (including the compensation charges and the claimed sum as listed as items (a) to (d) above).

A joint and several liquidators for the creditors’ voluntary winding-up had been appointed at the creditors meeting of YESB held on 21 February 2024.

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	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year To date
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM’000	RM’000	RM’000	RM’000
Profit for the quarter/period is arrived at after crediting / (charging):				
Profit income	263	422	263	422
Islamic financing costs	(15,969)	(14,387)	(15,969)	(14,387)
Depreciation of equipment	(95)	(145)	(95)	(145)
Provision of doubtful/bad debts	(79)	(3,518)	(79)	(3,518)
Fair value change on derivatives	1,333	(567)	1,333	(567)

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 31.3.2024	Immediate Preceding Quarter Ended 31.12.2023
Number of units in issue (units)	1,747,492,159	1,747,492,159
EPU (realised) (sen)	2.29 ⁽¹⁾	2.40 ⁽²⁾
EPU (include unrealised income) (sen)	2.42 ⁽¹⁾	6.33 ⁽²⁾⁽³⁾
Net realised income for the period (RM'000)	39,995	41,790
Distribution per unit (DPU) (sen)	2.30	2.40
Net Asset Value (NAV) (RM'000)	2,826,331	2,826,002
NAV Per Unit (RM)	1.6174	1.6172
Market Value Per Unit (RM)	1.81	1.79

(1) Based on total units in issue of 1,747,492,159 units.

(2) Based on average number of units in issue. The total number of units issued is increased from 1,741,054,038 units to 1,747,492,159 units with the successful issuance and listing of 6,438,121 new units arising from income distribution reinvestment plan applicable to the 2023 third interim income distribution completed on 18 December 2023.

(3) Include the change in fair value of investment property of RM81,311,000 which has been recognised in the financial year ended 2023.

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 2024 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 23 April 2024.

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

23 April 2024