

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30.9.2024 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2023 RM'000
ASSETS		
Non-Current Assets		
Investment properties	4,584,279	4,444,120
Equipment	1,194	1,391
Total Non-Current Assets	4,585,473	4,445,511
Current Assets		
Receivables, deposits and prepayments	73,963	25,666
Islamic deposits placed with licensed banks	37,356	43,924
Cash and bank balances	12,794	7,792
	124,113	77,382
Asset classified as held for sale	159,000	-
Total Current Assets	283,113	77,382
TOTAL ASSETS	4,868,586	4,522,893
LIABILITIES		
Non-Current Liabilities		
Tenants' deposits	58,684	60,862
Deferred tax liability	18,304	18,304
Financing	800,805	740,454
Total Non-Current Liabilities	877,793	819,620
Current Liabilities		
Payables and accruals	92,748	62,751
Financing	1,074,500	814,520
Total Current Liabilities	1,167,248	877,271
TOTAL LIABILITIES	2,045,041	1,696,891
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUNDS</u>		
Unitholders' capital	2,129,340	2,129,340
Distributable income	30,203	31,290
Non-distributable reserves	664,002	665,372
	2,823,545	2,826,002
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	4,868,586	4,522,893
NET ASSET VALUE	2,823,545	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	1.6158	1.6172
- After income distribution	1.5923 (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 third interim income distribution of 2.35 sen per unit payable on 29 November 2024.

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2024 RM'000	Preceding Year Corresponding Quarter 30.9.2023 RM'000	Current Year To date 30.9.2024 RM'000	Preceding Year To date 30.9.2023 RM'000
TOTAL TRUST INCOME *	80,270	71,810	232,340	210,437
Property income	80,365	72,057	231,607	209,654
Lease incentive adjustment (non-distributable) **	(348)	(572)	(52)	(353)
Unbilled lease income receivable ***	734	1,154	2,492	2,525
Less : Assessment	80,751	72,639	234,047	211,826
Quit rent	(1,922)	(1,758)	(5,761)	(5,159)
Other property operating expenditure	(477)	(479)	(1,432)	(1,402)
	(8,999)	(8,499)	(26,583)	(25,995)
Net property income	69,353	61,903	200,271	179,270
Profit income	253	325	785	1,136
Unbilled lease income ***	(734)	(1,154)	(2,492)	(2,525)
Fair value change on derivatives	(4,734)	4,888	(4,654)	4,551
Net gain / (loss) on financial liabilities measured at amortised cost	1,692	312	3,284	(611)
NET PROPERTY AND INVESTMENT INCOME	65,830	66,274	197,194	181,821
Manager's fees	7,061	6,840	21,178	20,489
Trustee's fees	227	220	681	656
Depreciation	89	118	277	396
Auditors' fees	42	40	120	120
Tax agent's fee	4	5	13	14
Provision of doubtful/bad debts	14	134	14	5,313
Administrative expenses	1,099	795	2,978	2,690
Islamic financing cost #	19,524	15,623	52,940	44,618
NON-PROPERTY EXPENSES	28,060	23,775	78,201	74,296
NET TRUST INCOME	37,770	42,499	118,993	107,525
NET INCOME FOR THE QUARTER /PERIOD	37,770	42,499	118,993	107,525

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 30.9.2024 RM'000	Preceding Year Corresponding Quarter 30.9.2023 RM'000	Current Year To date 30.9.2024 RM'000	Preceding Year To date 30.9.2023 RM'000
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	37,770	42,499	118,993	107,525
EARNINGS PER UNIT (EPU) (sen) ##	2.16	2.44	6.81	6.17
NET INCOME FOR THE QUARTER /PERIOD IS MADE UP AS FOLLOWS:				
Realised				
- property income	41,160	37,871	120,415	103,938
- lease incentive adjustment (non-distributable) **	(348)	(572)	(52)	(353)
Unrealised - Net gain / (loss) on financial liabilities measured at amortised cost	1,692	312	3,284	(611)
Unrealised - Fair value change on derivatives	(4,734)	4,888	(4,654)	4,551
	37,770	42,499	118,993	107,525

(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 is based on units in issue of 1,741,054,038 units and EPU for the preceding period is based on the weighted average number of units of 1,739,955,137 units.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FROM 1 JANUARY 2023 TO 30 SEPTEMBER 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	-	103,585	3,940	107,525
<i>Total comprehensive income for the period</i>	-	103,585	3,940	107,525
Contributions by and distributions to unitholders				
Issuance and placement of units	175,000	-	-	175,000
Issuing expenses	(2,052)	-	-	(2,052)
Distribution to Unitholders	-	(109,861)	-	(109,861)
<i>Total transactions with unitholders</i>	172,948	(109,861)	-	63,087
At 30 September 2023	2,118,603	26,933	596,915	2,742,451

AXIS REAL ESTATE INVESTMENT TRUST

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

FROM 1 JANUARY 2024 TO 30 SEPTEMBER 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	-	120,363	(1,370)	118,993
<i>Total comprehensive income for the period</i>	-	120,363	(1,370)	118,993
Contributions by and distributions to unitholders				
Distribution to Unitholders #	-	(121,450)	-	(121,450)
<i>Total transactions with unitholders</i>	-	(121,450)	-	(121,450)
At 30 September 2024	2,129,340	30,203	664,002	2,823,545

(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 and the first and second interim income distributions for financial year 2024 of 2.30 sen per unit and 2.25 sen per unit, which were paid on 29 February 2024, 31 May 2024 and 30 August 2024 respectively.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED)

	Current Year To Date 30.9.2024 RM'000	Preceding Year To Date 30.9.2023 RM'000
Cash flows from operating activities		
Net income before taxation	118,993	107,525
Adjustments for :-		
Islamic financing cost	52,940	44,618
Profit income	(785)	(1,136)
Depreciation of equipment	277	396
(Gain) / loss on financial liabilities measured at amortised cost	(3,284)	611
Impairment losses on trade receivables	14	5,313
Fair value change on Islamic derivatives	4,654	(4,551)
Operating income before changes in working capital	172,809	152,776
Changes in working capital		
Receivables, deposits and prepayments	(48,427)	(6,809)
Payables and accruals	16,899	23,522
Tenants' deposits	9,666	(5,819)
Net cash from operating activities	<u>150,947</u>	<u>163,670</u>
Cash flows from investing activities		
Profit income received	785	1,136
Enhancement of investment properties	(47,142)	(169,541)
Acquisition of investment property	(252,017)	(4,040)
Acquisition of equipment	(80)	(26)
Pledged deposits	-	(28)
Net cash used in investing activities	<u>(298,454)</u>	<u>(172,499)</u>
Cash flows from financing activities		
Islamic financing cost paid	(52,133)	(43,771)
Proceeds from financing, net	319,524	(11,020)
Income distribution paid to unitholders	(121,450)	(109,861)
Proceeds from issuance of units	-	175,000
Issuing expenses	-	(2,052)
Net cash from financing activities	<u>145,941</u>	<u>8,296</u>

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (UNAUDITED) (CONT'D)

	Current Year	Preceding Year
	To Date	To Date
	30.9.2024	30.9.2023
	RM'000	RM'000
Net decrease in cash and cash equivalents	(1,566)	(533)
Cash and cash equivalents at beginning of period	32,232	24,031
Cash and cash equivalents at end of period	<u>30,666</u>	<u>23,498</u>
Cash and cash equivalents		
Cash and bank balances	12,794	11,313
Islamic deposits placed with licensed banks	37,356	31,697
	<u>50,150</u>	<u>43,010</u>
Less: Islamic deposits placed with licensed banks - pledged	(19,484)	(19,512)
	<u>30,666</u>	<u>23,498</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 2024 second interim income distribution of 2.25 sen per unit, totaling RM39,319,000 in respect of the period from 1 April 2024 to 30 June 2024 was paid on 30 August 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 July 2024 to 30 September 2024 as the 2024 third interim income distribution of 2.35 sen per unit, which includes a non-taxable portion of approximately 0.01 sen per unit derived from tax-exempt profit income which is not subject to tax.

The 2024 third interim income distribution will be payable on 29 November 2024 and the book closure date is 12 November 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) had been completed and the certificate of completion and compliance 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. The proposed acquisition was completed on 23 July 2024 and the property is now known as Axis Industrial Facility @ Sendayan.
- 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 had 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. The proposed acquisition was completed on 31 May 2024 and the property is now known as Axis Facility 1 @ Bukit Raja.
- e) A SPA had 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. The proposed acquisition was completed on 8 October 2024 and the property is now known as Axis Facility 3 @ Bukit Raja.
- f) A SPA had 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. This proposed acquisition is still pending completion.
- g) A SPA has been executed on 24 April 2024 for the proposed disposal by Axis-REIT of Axis Steel Centre @ SiLC in Kawasan Perindustrian SiLC, Johor for a proposed disposal consideration of RM162,000,000. This proposed disposal is still pending completion.
- h) A SPA has been executed on 23 May 2024 for the proposed acquisition by Axis-REIT of a service centre in Petaling Jaya, Selangor for a proposed purchase consideration of RM69,000,000. The proposed acquisition was completed on 15 July 2024 and the property is now known as Axis Vista 2.
- i) A SPA has been executed on 23 May 2024 for the proposed acquisition by Axis-REIT of a service centre in Batu Caves, Selangor for a proposed purchase consideration of RM56,000,000. The proposed acquisition was completed on 15 July 2024 and the property is now known as Axis Industrial Facility @ Batu Caves.

- j) A SPA has been executed on 28 August 2024 for the proposed acquisition by Axis-REIT of a warehouse in Taman Perindustrian Pulau Indah, Pelabuhan Klang, Selangor for a proposed purchase consideration of RM110,075,000. The proposed acquisition was completed on 11 October 2024 and the property is now known as Axis Facility 1 @ Pulau Indah.
- k) A SPA has been executed on 28 August 2024 for the proposed acquisition by Axis-REIT of a warehouse in Taman Perindustrian Pulau Indah, Pelabuhan Klang, Selangor for a proposed purchase consideration of RM48,569,000.

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 30 September 2024 (“3Q2024”), Axis-REIT registered a total trust income of RM80,270,000. The realised net income from operations was RM40,812,000 after deducting total expenditure of RM39,458,000, of which RM11,398,000 were attributable to property expenses and RM28,060,000 to non-property expenses.

The Manager has proposed to distribute 99% from realised income available for distribution generated from operations for the third quarter of 2024.

The total net asset value stood at RM2,823,545,000 and the net asset value per unit (before 2024 third interim income distribution) was RM1.6158.

Nine Months Results

For the nine months ended 30 September 2024, Axis-REIT recorded a total revenue of RM232,340,000. The realised net income generated from operations was RM120,363,000 after deducting total expenditure of RM111,977,000, of which RM33,776,000 were attributable to property expenses and RM78,201,000 to non-property expenses.

A total of RM79,511,000 was declared as the 2024 first and second interim income distributions which translated to 4.55 sen per unit, which were paid on 31 May 2024 and 30 August 2024 respectively.

Axis-REIT has further set aside RM41,066,000 (approximately 99% of total income available for distribution in respect of the period from 1 July 2024 to 30 September 2024) as the 2024 third interim income distribution which translates to 2.35 sen per unit payable on 29 November 2024.

Maintenance costs & major capital expenditure

During the financial period ended 30 September 2024, a total of RM47,142,000 has been incurred for major capital expenditure, ie RM11,267,000 for enhancement of properties of Axis-REIT and RM35,875,000 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 30.9.2024 RM'000	Immediate Preceding Quarter 30.6.2024 RM'000	%
Property income	80,365	76,064	+5.7%
Less : Property expenses	(11,398)	(11,288)	+1.0%
Net property income	68,967	64,776	+6.5%
Profit income	253	269	-5.9%
Less: Non-property expenses (including financing cost)	(28,060)	(25,686)	+9.2%
Net income before lease incentive adjustment (non-distributable)	41,160	39,359	+4.6%
Lease incentive adjustment, net (Note 1)	(348)	197	
Net income before tax (Realised)	40,812	39,556	+3.2%

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 3Q2024, Axis-REIT's property income was RM80,365,000, 5.7% higher compared to the immediate preceding quarter ("2Q2024") of RM76,064,000, mainly due to contribution from newly acquired properties, new tenancies from AMDC (Phase 2) and positive rental reversion from the existing portfolio.

Property expenses was RM11,398,000, 1.0% higher compared to 2Q2024 of RM11,288,000, mainly due to higher maintenance cost.

Non-property expenses was RM28,060,000, 9.2% higher compared to 2Q2024 of RM25,686,000, mainly due to financing costs incurred for newly acquired properties.

During the quarter under review, net income before lease incentive adjustment was RM41,160,000, 4.6% higher compared to 2Q2024 of RM39,359,000, mainly due to higher property income.

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 Vista 2 and Axis Industrial Facility @ Batu Caves on 15 July 2024 and Axis Industrial Facility @ Sendayan on 23 July 2024. The property portfolio size of Axis-REIT increased from 64 to 67 as at 30 September 2024. Subsequent thereto, the portfolio size has further increased to 69 properties following the completion of the acquisitions of Axis Facility 3 @ Bukit Raja and Axis Facility 1 @ Pulau Indah on 8 October 2024 and 11 October 2024 respectively.

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 30.9.2024 RM'000	Preceding Year Corresponding Quarter 30.9.2023 RM'000	Current Year To date 30.9.2024 RM'000	Preceding Year To date 30.9.2023 RM'000
Gross rental income	80,017	71,485	231,555	209,301
Profit income	253	325	785	1,136
	80,270	71,810	232,340	210,437
Less: Expenses	(39,458)	(34,511)	(111,977)	(106,852)
Realised income for the period	40,812	37,299	120,363	103,585
Add: Non-cash items	451	824	343	6,062
Total realised income available for the period	41,263	38,123	120,706	109,647
Add: Brought forward undistributed realised income available for distribution	304	293	372	153
Total realised income available for distribution	41,567	38,416	121,078	109,800
Less: Income to be distributed for the quarter/period	(41,066)	(37,433)	(120,577)	(108,817)
Balance undistributed realised income available for distribution	501	983	501	983
Distribution per unit (sen)	2.35	2.15	6.90	6.25

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 nine-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 had obtained 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 12th annual general meeting of Axis-REIT convened and held on 25 April 2024 ("General Mandate").

On 30 August 2024, Axis-REIT announced the proposed placement of up to 263,000,000 new units representing up to approximately 15.05% of the total issued units in Axis-REIT to be undertaken in accordance with the General Mandate ("Proposed Placement"). Please refer to the separate announcement made in this regard for the details of the Proposed Placement.

B11. FINANCING

	Current Financial Period Ended 30.9.2024 (RM'000)	Preceding Financial Period Ended 31.12.2023 (RM'000)
Short term financing		
- Secured Islamic revolving credit/hire purchase denominated in MYR	1,074,500	814,520
Long term financing		
- Secured Islamic Medium Term Notes/ Islamic Term Financings denominated in MYR	800,805	740,454

B12. DERIVATIVES

As at 30 September 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 loss of the derivatives had been recognised in the profit or loss:

	<u>Notional Value</u> <u>RM'000</u>	<u>Fair Value</u> <u>RM'000</u>	<u>Maturity</u>
IPRS – derivative liabilities	310,000	(5,197)	Less than 10 years
IPRS – derivative liability	110,000	(278)	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 had 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. The case is pending next creditors meeting.

On 23 August 2024, liquidators were appointed for YHL by way of an order made by the High Court of Singapore, and the creditors’ meeting has been fixed on 11 November 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 30.9.2024 RM'000	Preceding Year Corresponding Quarter 30.9.2023 RM'000	Current Year To date 30.9.2024 RM'000	Preceding Year To date 30.9.2023 RM'000
Profit for the quarter/period is arrived at after crediting / (charging):				
Profit income	253	325	785	1,136
Islamic financing costs	(19,524)	(15,623)	(52,940)	(44,618)
Depreciation of equipment	(89)	(118)	(277)	(396)
Provision for doubtful/bad debts	(14)	(134)	(14)	(5,313)
Fair value change on derivatives	(4,734)	4,888	(4,654)	4,551

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 30.9.2024	Immediate Preceding Quarter Ended 30.6.2024
Number of units in issue (units)	1,747,492,159	1,747,492,159
EPU (realised) (sen)	2.34	2.26
EPU (include unrealised income) (sen)	2.16	2.23
Net realised income for the period (RM'000)	40,812	39,556
Distribution per unit (DPU) (sen)	2.35	2.25
Net Asset Value (NAV) (RM'000)	2,823,545	2,825,094
NAV Per Unit (RM)	1.6158	1.6167
Market Value Per Unit (RM)	1.83	1.83

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 30 September 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 28 October 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
28 October 2024