

**AXIS REAL ESTATE INVESTMENT TRUST**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31.12.2024 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2023 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	5,090,820	4,444,120
Equipment	1,112	1,391
<b>Total Non-Current Assets</b>	<b>5,091,932</b>	<b>4,445,511</b>
<b>Current Assets</b>		
Receivables, deposits and prepayments	22,937	25,666
Islamic deposits placed with licensed banks	106,552	43,924
Cash and bank balances	14,137	7,792
	143,626	77,382
Asset classified as held for sale	23,000	-
<b>Total Current Assets</b>	<b>166,626</b>	<b>77,382</b>
<b>TOTAL ASSETS</b>	<b>5,258,558</b>	<b>4,522,893</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Tenants' deposits	71,870	60,862
Deferred tax liability	20,283	18,304
Financing	934,944	740,454
<b>Total Non-Current Liabilities</b>	<b>1,027,097</b>	<b>819,620</b>
<b>Current Liabilities</b>		
Payables and accruals	116,865	62,751
Financing	815,500	814,520
<b>Total Current Liabilities</b>	<b>932,365</b>	<b>877,271</b>
<b>TOTAL LIABILITIES</b>	<b>1,959,462</b>	<b>1,696,891</b>
<b><u>FINANCED BY:</u></b>		
<b><u>UNITHOLDERS' FUNDS</u></b>		
Unitholders' capital	2,574,166	2,129,340
Distributable income	14,269	31,290
Non-distributable reserves	710,661	665,372
	<b>3,299,096</b>	<b>2,826,002</b>
<b>TOTAL UNITHOLDERS' FUNDS AND LIABILITIES</b>	<b>5,258,558</b>	<b>4,522,893</b>
<b>NET ASSET VALUE</b>	<b>3,299,096</b>	<b>2,826,002</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	<b>2,010,492,159</b>	<b>1,747,492,159</b>
<b>NET ASSET VALUE PER UNIT (RM)</b>		
- Before income distribution	<b>1.6409</b>	<b>1.6172</b>
- After income distribution	<b>1.6282</b> (Note 1)	<b>1.5932</b>

(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 final income distribution of 1.27 sen per unit.

**AXIS REAL ESTATE INVESTMENT TRUST**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2024 RM'000	Preceding Year Corresponding Quarter 31.12.2023 RM'000	Current Year To date 31.12.2024 RM'000	Preceding Year To date 31.12.2023 RM'000
<b>TOTAL TRUST INCOME *</b>	87,764	75,555	320,104	285,992
Property income	87,427	75,747	319,034	285,401
Lease incentive adjustment (non-distributable) **	(502)	(550)	(554)	(903)
Unbilled lease income receivable ***	1,182	1,387	3,674	3,912
Less : Assessment	88,107	76,584	322,154	288,410
Quit rent	(1,909)	(1,747)	(7,670)	(6,906)
Other property operating expenditure	(476)	(462)	(1,908)	(1,864)
	(9,376)	(8,212)	(35,959)	(34,207)
Net property income	76,346	66,163	276,617	245,433
Profit income	839	358	1,624	1,494
Net loss on disposal of investment property #	(2,428)	-	(2,428)	-
Change in fair value of investment properties	49,412	81,311	49,412	81,311
Unbilled lease income ***	(1,182)	(1,387)	(3,674)	(3,912)
Fair value change on derivatives	1,985	(7,014)	(2,669)	(2,463)
Net gain / (loss) on financial liabilities measured at amortised cost	292	(2,016)	3,576	(2,627)
<b>NET PROPERTY AND INVESTMENT INCOME</b>	<b>125,264</b>	<b>137,415</b>	<b>322,458</b>	<b>319,236</b>
Manager's fees	7,821	6,976	28,999	27,465
Trustee's fees	237	222	918	878
Depreciation	82	99	359	495
Auditors' fees	40	40	160	160
Tax agent's fee	5	5	18	19
Provision of doubtful/bad debts	522	(1,111)	536	4,202
Administrative expenses	1,515	1,190	4,493	3,880
Islamic financing cost ##	21,493	15,923	74,433	60,541
<b>NON-PROPERTY EXPENSES</b>	<b>31,715</b>	<b>23,344</b>	<b>109,916</b>	<b>97,640</b>
<b>NET TRUST INCOME</b>	<b>93,549</b>	<b>114,071</b>	<b>212,542</b>	<b>221,596</b>
<b>INCOME TAX EXPENSES</b>				
- RPGT on disposal of investment property (realised) #	(557)	-	(557)	-
- Provision for deferred tax ###	(1,979)	(3,824)	(1,979)	(3,824)
<b>NET INCOME FOR THE QUARTER /YEAR</b>	<b>91,013</b>	<b>110,247</b>	<b>210,006</b>	<b>217,772</b>

**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 31.12.2024 RM'000	Preceding Year Corresponding Quarter 31.12.2023 RM'000	Current Year To date 31.12.2024 RM'000	Preceding Year To date 31.12.2023 RM'000
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/YEAR</b>	<b>91,013</b>	<b>110,247</b>	<b>210,006</b>	<b>217,772</b>
EARNINGS PER UNIT (EPU) (sen) @	4.99	6.33	11.80	12.50
<b>NET INCOME FOR THE QUARTER /PERIOD IS MADE UP AS FOLLOWS:</b>				
Realised				
- property income	42,362	42,340	162,777	146,278
- lease incentive adjustment (non-distributable) **	(502)	(550)	(554)	(903)
- RPGT on disposal of investment properties #	(557)	-	(557)	-
Unrealised - change in fair value of investment properties	49,412	81,311	49,412	81,311
Unrealised - Net gain / (loss) on financial liabilities measured at amortised cost	292	(2,016)	3,576	(2,627)
Unrealised - Fair value change on derivatives	1,985	(7,014)	(2,669)	(2,463)
Unrealised – provision of deferred tax on change in fair value of investment property ###	(1,979)	(3,824)	(1,979)	(3,824)
	91,013	110,247	210,006	217,772

(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.

# The disposal of Axis Steel Centre @ SiLC completed on 12 December 2024 resulted in a total realised net gain on disposal of RM66,000 that is available for distribution to the unitholders (comprising the realisation of prior years' unrealised fair value gain of RM3,051,000 less the loss on disposal of RM2,428,000 and the tax effect of Real Property Gains Tax ("RPGT") of RM557,000).

- ## Islamic financing cost is the profit charged by the financier on the Islamic financing facilities taken by Axis-REIT.
- ### Provision of deferred tax (unrealised) on Real Property Gains Tax (“RPGT”) exposure on the fair value gain on investment properties.
- @ EPU for the current quarter and current year is computed based on net income for the quarter/year divided by weighted average number of units of 1,873,274,768 units and 1,779,109,645 units, respectively. EPU for preceding year corresponding quarter and corresponding year is based on weighted average number of units of 1,742,033,752 units and 1,740,479,062 units, respectively.

**AXIS REAL ESTATE INVESTMENT TRUST**

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE**

FROM 1 JANUARY 2023 TO 31 DECEMBER 2023 (AUDITED)

	<b>Total</b>	<i>Distributable</i>	<i>Non-Distributable</i>	<b>Total</b>
	<b>Unitholders’ Capital RM’000</b>	<b>Realised Income RM’000</b>	<b>Unrealised Income RM’000</b>	<b>Unitholders’ Funds RM’000</b>
<b>At 1 January 2023</b>	1,945,655	33,209	592,975	2,571,839
Net Income for the year	-	145,375	72,397	217,772
<i>Total comprehensive income for the year</i>	-	145,375	72,397	217,772
<b>Contributions by and distributions to unitholders</b>				
Issuance and placement of units	185,945	-	-	185,945
Issuing expenses	(2,260)	-	-	(2,260)
Distribution to unitholders	-	(147,294)	-	(147,294)
<i>Total transactions with unitholders</i>	183,685	(147,294)	-	36,391
<b>At 31 December 2023</b>	<b>2,129,340</b>	<b>31,290</b>	<b>665,372</b>	<b>2,826,002</b>

**AXIS REAL ESTATE INVESTMENT TRUST**

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

FROM 1 JANUARY 2024 TO 31 DECEMBER 2024 (UNAUDITED)

	<b>Total</b>	<i>Distributable</i>		<i>Non-Distributable</i>	
	<b>Unitholders' Capital</b>	<b>Realised Income</b>	<b>Unrealised Income</b>	<b>Unrealised Income</b>	<b>Total Unitholders' Funds</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2024</b>	2,129,340	31,290	665,372	-	2,826,002
Net Income for the year	-	161,666	48,340	-	210,006
Realisation of unrealised income	-	3,051	(3,051)	-	-
<i>Total comprehensive income for the year</i>	-	164,717	45,289	-	210,006
<b>Contributions by and distributions to unitholders</b>					
Issuance and placement of units	449,730	-	-	-	449,730
Issuing expenses	(4,904)	-	-	-	(4,904)
Distribution to unitholders #	-	(181,738)	-	-	(181,738)
<i>Total transactions with unitholders</i>	444,826	(181,738)	-	-	263,088
<b>At 31 December 2024</b>	<b>2,574,166</b>	<b>14,269</b>	<b>710,661</b>	<b>-</b>	<b>3,299,096</b>

(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, second, third and fourth interim income distributions for financial year 2024 of 2.30 sen per unit, 2.25 sen per unit, 2.35 sen per unit and 1.10 sen per unit which were paid on 29 February 2024, 31 May 2024 and 30 August 2024 and 29 November 2024 (in respect of third and fourth interim income distributions) respectively.

**AXIS REAL ESTATE INVESTMENT TRUST**

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

	<b>Current Year To Date 31.12.2024 RM'000</b>	<b>Preceding Year To Date 31.12.2023 RM'000</b>
<b>Cash flows from operating activities</b>		
Net income before taxation	212,542	221,596
Adjustments for :-		
Islamic financing cost	74,433	60,541
Profit income	(1,624)	(1,494)
Loss on disposal of investment property	2,428	-
Change in fair value of investment properties	(49,412)	(81,311)
Depreciation of equipment	359	495
(Gain) / loss on financial liabilities measured at amortised cost	(3,576)	2,627
Impairment losses on trade receivables/bad debts written off	536	4,202
Fair value change on Islamic derivatives	2,669	2,463
Operating income before changes in working capital	238,355	209,119
<b>Changes in working capital</b>		
Receivables, deposits and prepayments	2,077	(7,253)
Payables and accruals	42,005	1,202
Tenants' deposits	24,140	(4,349)
<b>Cash generated from operations</b>	306,577	198,719
RPGT on the gain on disposal of investment property	(557)	-
<b>Net cash from operating activities</b>	306,020	198,719
<b>Cash flows from investing activities</b>		
Profit income received	1,624	1,494
Enhancement of investment properties	(49,136)	(172,749)
Acquisition of investment property	(730,152)	(4,040)
Acquisition of equipment	(80)	(27)
Net proceeds from disposal of investment property	156,572	-
<b>Net cash used in investing activities</b>	(621,172)	(175,322)
<b>Cash flows from financing activities</b>		
Islamic financing cost paid	(73,166)	(59,485)
Proceeds from financing, net	194,203	7,898
Income distribution paid to unitholders	(181,738)	(147,294)
Proceeds from issuance of units	449,730	185,945
Issuing expenses	(4,904)	(2,260)
<b>Net cash from/(used in) financing activities</b>	384,125	(15,196)

**AXIS REAL ESTATE INVESTMENT TRUST**

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

	<b>Current Year</b>	<b>Preceding Year</b>
	<b>To Date</b>	<b>To Date</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Net increase in cash and cash equivalents	68,973	8,201
Cash and cash equivalents at beginning of year	32,232	24,031
Cash and cash equivalents at end of year	<u>101,205</u>	<u>32,232</u>
<b>Cash and cash equivalents</b>		
Cash and bank balances	14,137	7,792
Islamic deposits placed with licensed banks	106,552	43,924
	<u>120,689</u>	<u>51,716</u>
Less: Islamic deposits placed with licensed banks - pledged	(19,484)	(19,484)
	<u>101,205</u>	<u>32,232</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**

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 2024 third interim income distribution of 2.35 sen per unit, totaling RM41,066,000 in respect of the period from 1 July 2024 to 30 September 2024 was paid on 29 November 2024. In addition, the 2024 fourth interim income distribution of 1.10 sen per unit, totaling RM19,222,000 in respect of the period from 1 October 2024 to 12 November 2024, was also paid on 29 November 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 13 November 2024 to 31 December 2024 of 1.27 sen per unit, which includes a non-taxable portion of approximately 0.74 sen per unit derived from capital allowances, industrial building allowances and tax-exempt profit income which is not subject to tax, as the 2024 final income distribution.

The Board has determined that the recurrent and optional income distribution reinvestment plan (“IDRP”) that allows the unitholders of Axis-REIT to reinvest their income distribution into new units in Axis-REIT, shall apply to the payment of the 2024 final income distribution. The book closure date and the payment date of income distribution will only be announced upon approval by Bursa Securities in relation to the application for the listing and quotation of the new units to be issued pursuant to the IDRP applicable to the 2024 final income distribution.

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. The disposal was completed on 12 December 2024.
- 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. The proposed acquisition was completed on 26 November 2024 and the property is now known as Axis Facility 2 @ Pulau Indah.
- l) Axis-REIT has accepted the conditional letter of offer for the proposed disposal of The Annex, Selangor for a proposed disposal price of RM24,200,000.

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

Axis-REIT's fund size was increased from 1,747,492,159 units to 2,010,492,159 units during the quarter under review with the successful issuance and listing of 263,000,000 new placement units issued pursuant to the placement exercise of Axis-REIT completed on 18 November 2024.

**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 December 2024 ("4Q2024"), Axis-REIT registered a total trust income of RM87,764,000. The realised net income from operations was RM41,303,000 after deducting total expenditure of RM43,476,000, of which RM11,761,000 were attributable to property expenses and RM31,715,000 to non-property expenses.

The disposal of Axis Steel Centre @ SiLC completed on 12 December 2024 had resulted in a total net gain on disposal of RM66,000 which comprised the realisation previous years' fair value gains.

The Manager has proposed to distribute 99% from realised income available for distribution generated from operations for the period from 13 November 2024 to 31 December 2024.

The total net asset value stood at RM3,299,096,000 and the net asset value per unit (before 2024 final income distribution) was RM1.6409.

Full year Results

For financial year ended 31 December 2024, Axis-REIT recorded a total revenue of RM320,104,000. The realised net income generated from operations was RM161,666,000 after deducting total expenditure of RM155,453,000, of which RM45,537,000 were attributable to property expenses and RM109,916,000 to non-property expenses.

A total of RM139,799,000 was declared as the 2024 first and second, third and fourth interim income distributions which translated to 8.00 sen per unit, which were paid on 31 May 2024, 30 August 2024 and 29 November 2024 (in respect of third and fourth interim income distributions) respectively.

B1. REVIEW OF PERFORMANCE (continued)

Axis-REIT has further set aside RM25,534,000 (approximately 99% of total income available for distribution in respect of the period from 13 November 2024 to 31 December 2024) as the 2024 final income distribution which translates to 1.27 sen per unit.

Maintenance costs & major capital expenditure

During the financial year ended 31 December 2024, a total of RM49,136,000 has been incurred for major capital expenditure, ie RM18,251,000 for enhancement of properties of Axis-REIT and RM30,885,000 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 31.12.2024 RM'000	Immediate Preceding Quarter 30.9.2024 RM'000	%
Property income	87,427	80,365	+8.8%
Less : Property expenses	(11,761)	(11,398)	+3.2%
Net property income	75,666	68,967	+9.7%
Profit income	839	253	+231.6%
Loss on disposal of investment property	(2,428)	-	
Less: Non-property expenses (including financing cost)	(31,715)	(28,060)	+13%
Net income before lease incentive adjustment (non-distributable)	42,362	41,160	+2.9%
Lease incentive adjustment, net (Note 1)	(502)	(348)	
Net income before tax (Realised)	41,860	40,812	+2.6%

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 4Q2024, Axis-REIT's property income was RM87,427,000, 8.8% higher compared to the immediate preceding quarter ("3Q2024") of RM80,365,000, 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 RM11,761,000, 3.2% higher compared to 3Q2024 of RM11,398,000, mainly due to higher maintenance cost.

The disposal of Axis Steel Centre @ SiLC completed on 12 December 2024 resulted in a total realised net gain on disposal of RM66,000 (comprising the realisation of prior years' unrealised fair value gain upon disposal of RM3,051,000 less the loss on disposal of RM2,428,000 and RPGT of RM557,000).

Non-property expenses was RM31,715,000, 13% higher compared to 3Q2024 of RM28,060,000, mainly due to additional financing costs incurred for newly acquired properties and higher manager and trustee's fees resulted from the increase in net asset value due to completion of 263,000,000 new units equity placement in November 2024 and the increase in fair value of investment properties.

During the quarter under review, net income before lease incentive adjustment was RM42,362,000, 2.9% higher compared to 3Q2024 of RM41,160,000, 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 coming financial year ending 31 December 2025.

**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 Facility 3 @ Bukit Raja, Axis Facility 1 @ Pulau Indah and Axis Facility 2 @ Pulau Indah on 8 October 2024, 11 October 2024 and 26 November 2024 respectively and also completed the disposal of Axis Steel Centre @ SiLC on 12 December 2024. The property portfolio size of Axis-REIT increased from 67 to 69 as at 31 December 2024.

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

A total net proceeds of RM444.8 million had been raised from the issuance of 263,000,000 new placement units pursuant to the placement exercise of Axis-REIT completed in November 2024. The proceeds were used to pare down the short-term financing of Axis-REIT which were drawn down earlier to finance acquisitions and to provide headroom for future acquisitions.

## B8. INCOME DISTRIBUTION

Distribution to unitholders is from the following sources:

	Current Year Quarter 31.12.2024 RM'000	Preceding Year Corresponding Quarter 31.12.2023 RM'000	Current Year To date 31.12.2024 RM'000	Preceding Year To date 31.12.2023 RM'000
Gross rental income	86,925	75,197	318,480	284,498
Profit income	839	358	1,624	1,494
	87,764	75,555	320,104	285,992
Less: Expenses	(43,476)	(33,765)	(155,453)	(140,617)
Less: Loss on disposal of investment property RPGT on disposal	(2,428) (557)	- -	(2,428) (557)	- -
Realised income for the year	41,303	41,790	161,666	145,375
Add: Realisation of unrealised income (upon disposal of investment property)	3,051	-	3,051	-
Add: Non-cash items	523	(462)	866	5,600
Total realised income available for the year	44,877	41,328	165,583	150,975
Add: Brought forward undistributed realised income available for distribution	501	983	372	153
Total realised income available for distribution	45,378	42,311	165,955	151,128
Less: Income to be distributed for the quarter/year	(44,756)	(41,939)	(165,333)	(150,756)
Balance undistributed realised income available for distribution	622	372	622	372
Distribution per unit (sen)	2.37	2.40	9.27	8.65

## 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 twelve-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"). The Proposed Placement has been completed on 18 November 2024. Please refer to the separate announcements made in this regard for the details of the Proposed Placement.

B11. FINANCING

	Current Financial Period Ended 31.12.2024 <u>(RM'000)</u>	Preceding Financial Period Ended 31.12.2023 <u>(RM'000)</u>
Short term financing		
- Secured Islamic revolving credit/hire purchase denominated in MYR	815,500	814,520
Long term financing		
- Secured Islamic Medium Term Notes/ Islamic Term Financings denominated in MYR	934,944	740,454

B12. DERIVATIVES

As at 31 December 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:

	Notional Value <u>RM'000</u>	Fair Value <u>RM'000</u>	<u>Maturity</u>
IPRS – derivative liabilities	310,000	(3,354)	Less than 10 years
IPRS – derivative liability	110,000	(136)	Less than 1 year

### 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. On 11 November 2024, a creditors’ meeting was held and a committee of inspection was appointed.

### 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/YEAR

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2024 RM'000	Preceding Year Corresponding Quarter 31.12.2023 RM'000	Current Year To date 31.12.2024 RM'000	Preceding Year To date 31.12.2023 RM'000
Profit for the quarter/period is arrived at after crediting / (charging):				
Profit income	839	358	1,624	1,494
Islamic financing costs	(21,493)	(15,923)	(74,433)	(60,541)
Depreciation of equipment	(82)	(99)	(359)	(495)
Provision for/(reversal of) doubtful/bad debts	(522)	1,111	(536)	(4,202)
Loss on disposal of investment property	(2,428)	-	(2,428)	-
Fair value change on derivatives	1,985	(7,014)	(2,669)	(2,463)
Change in fair value of investment properties	49,412	81,311	49,412	81,311

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 31.12.2024	Immediate Preceding Quarter Ended 30.9.2024
Number of units in issue (units)	2,010,492,159	1,747,492,159
EPU (realised) (sen)	2.20 <sup>(1)</sup>	2.34 <sup>(3)</sup>
EPU (include unrealised income) (sen)	4.99 <sup>(1)(2)</sup>	2.16 <sup>(3)</sup>
Net realised income for the period (RM'000)	41,303	40,812
Distribution per unit (DPU) (sen)	2.37	2.35
Net Asset Value (NAV) (RM'000)	3,299,096	2,823,545
NAV Per Unit (RM)	1.6409	1.6158
Market Value Per Unit (RM)	1.73	1.83

(1) Based on average number of units in issue. The total number of units issued was increased from 1,747,492,159 units to 2,010,492,159 units with the successful issuance and listing of 263,000,000 new placement units pursuant to the placement exercise of Axis-REIT completed on 18 November 2024.

(2) Include the change in fair value of investment property of RM49,412,000 which had been recognised in the financial year ended 2024.

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

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 December 2024 and of its financial performance and cash flows for the quarter/year ended on that date and duly authorised for release by the Board of the Manager on 23 January 2025.

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 January 2025