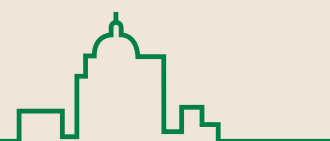




REAL ESTATE INVESTMENT TRUST

EXTENDING OUR FOOTPRINT

INTEGRATED
ANNUAL REPORT
2024



OUR PORTFOLIO

AS AT 31 DECEMBER 2024





CENTRAL REGION



Office

Crystal Plaza
Menara Axis
Quattro West



Office/Industrial

Axis Business Campus
Axis Business Park
Axis Industrial Facility @ Batu Caves
Axis Industrial Facility 1 @ Shah Alam
Axis Technology Centre
Axis Vista
Axis Vista 2
Fonterra HQ
Infinite Center
Strateq Data Centre
The Annex
Wisma Academy Parcel
Wisma Kemajuan



Manufacturing Facility

Axis Aerotech Centre @ Subang
Axis Facility 1 @ Bukit Raja
Axis Facility 2 @ Nilai
Axis Facility 3 @ Bukit Raja
Axis Industrial Facility @ Rawang
Axis Industrial Facility @ Sendayan
Axis Industrial Facility 1 @ Meru
Axis Industrial Facility 2 @ Shah Alam
Axis Shah Alam Distribution Centre 1
Emerson Industrial Facility Nilai



Logistics Warehouse

Axis Facility 2 @ Bukit Raja
Axis Facility 1 @ Pulau Indah
Axis Facility 2 @ Pulau Indah
Axis Mega Distribution Centre
Axis Northport Distribution Centre 1
Axis Shah Alam Distribution Centre 2
Axis Shah Alam Distribution Centre 3
Axis Shah Alam Distribution Centre 4
Axis Shah Alam Distribution Centre 5
Bukit Raja Distribution Centre
Bukit Raja Distribution Centre 2
Senawang Industrial Facility

NORTHERN REGION



Logistics Warehouse

Axis Facility @ Batu Kawan
Bayan Lepas Distribution Centre
Seberang Prai Logistics Warehouse 1
Seberang Prai Logistics Warehouse 2
Seberang Prai Logistics Warehouse 3



Hypermarket

Axis Hypermarket @ Sungai Petani

EAST COAST REGION



Manufacturing Facility

Wasco Facility @ Kuantan



Hypermarket

Axis Hypermarket @ Temerloh

SOUTHERN REGION



Office/Industrial

Indahpura Facility 3



Manufacturing Facility

Beyonics i-Park Campus – Block A
Beyonics i-Park Campus – Block B
Beyonics i-Park Campus – Block C
Beyonics i-Park Campus – Block D
Beyonics i-Park Campus – Block E
Beyonics i-Park Campus – Block F
D21 Industrial Facility
(formerly known as D21 Logistics Warehouse)
FCI Senai
Indahpura Facility 1
Indahpura Facility 2
Indahpura Facility 4
Nusajaya Tech Park Facility 1
Nusajaya Tech Park Facility 2



Logistics Warehouse

D8 Logistics Warehouse
D37c Logistics Warehouse
DW1 Logistics Warehouse
Kerry Warehouse
Niro Warehouse
Pasir Gudang Logistics Warehouse 1
Pasir Gudang Logistics Warehouse 2
Xin Hwa Warehouse @ Pasir Gudang



Hypermarket

Axis Hypermarket @ Johor

CENTRAL REGION



CRYSTAL PLAZA

No. 4, Jalan 51A/223, Section 51A, 46100 Petaling Jaya, Selangor

CARRYING VALUE

RM113.0 million

NET LETTABLE AREA

205,176 sq. ft.

PURCHASE PRICE

RM56.4 million

OCCUPANCY RATE

86.49%

PORTFOLIO DETAILS:

Acquisition Date

3 August 2005

Total Investment Outlay

RM74.7 million

Number of Car Park (bays)

250

Major Tenants

- Asiaworks Malaysia Sdn Bhd
- DHL Asia Pacific Shared Services Sdn Bhd
- Price Solutions Sdn Bhd
- RHB Bank Berhad



MENARA AXIS

No. 2, Jalan 51A/223, Section 51A,
46100 Petaling Jaya, Selangor

CARRYING VALUE

RM112.5 million

NET LETTABLE AREA

178,471 sq. ft.

PURCHASE PRICE

RM71.4 million

OCCUPANCY RATE

54.14%

PORTFOLIO DETAILS:

Acquisition Date

3 August 2005

Total Investment Outlay

RM91.7 million

Number of Car Park (bays)

250

Major Tenants

- DHL Asia Pacific Shared Services Sdn Bhd
- Malvern Pathology Labs Sdn Bhd
- [Orient Overseas Container Line \(Malaysia\) Sdn Bhd](#)
- The University of Nottingham in Malaysia Sdn Bhd



QUATTRO WEST

No. 4, Lorong Persiaran Barat,
46100 Petaling Jaya, Selangor

CARRYING VALUE

RM61.8 million

NET LETTABLE AREA

104,196 sq. ft.

PURCHASE PRICE

RM39.8 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

30 November 2007

Total Investment Outlay

RM52.2 million

Number of Car Park (bays)

130

Major Tenants

- [Etika Sdn Bhd](#)
- Kenanga Investment Bank Bhd
- Media Mulia Sdn Bhd
- MIMS Medica Sdn Bhd
- [Roca Malaysia Sdn Bhd](#)



AXIS BUSINESS CAMPUS

Lot 13A & 13B, Jalan 225, Section 51A
46100 Petaling Jaya, Selangor

CARRYING VALUE

RM81.4 million

NET LETTABLE AREA

155,113 sq. ft.

PURCHASE PRICE

RM32.5 million

OCCUPANCY RATE

74.82%

PORTFOLIO DETAILS:

Acquisition Date

30 June 2006

Total Investment Outlay

RM63.5 million

Number of Car Park (bays)

441

Major Tenants

- Carl Zeiss Sdn Bhd
- FJ Benjamin (M) Sdn Bhd
- Grabcar Sdn Bhd
- Krohne (M) Sdn Bhd



AXIS BUSINESS PARK

No. 10, Jalan Bersatu 13/4, Section 13
46200 Petaling Jaya, Selangor

CARRYING VALUE

RM123.0 million

NET LETTABLE AREA

329,767 sq. ft.

PURCHASE PRICE

RM84.6 million

OCCUPANCY RATE

90.72%

PORTFOLIO DETAILS:

Acquisition Date

3 August 2005

Total Investment Outlay

RM102.4 million

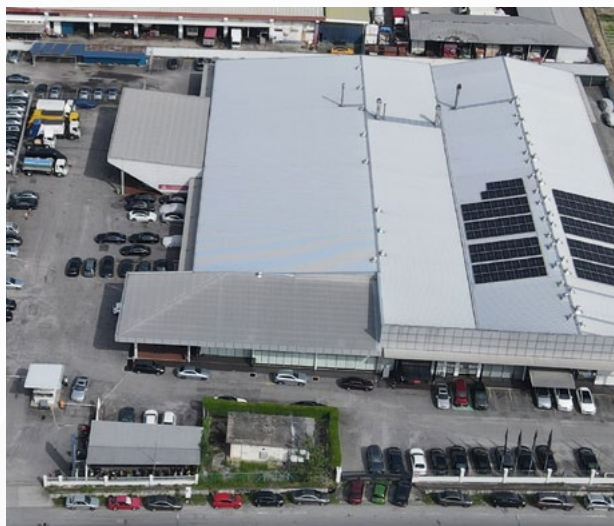
Number of Car Park (bays)

432

Major Tenants

- ClickAsia Sdn Bhd
- FUJIFILM Business Innovation Asia Pacific Pte Ltd
- Hitachi eBworx Sdn Bhd
- Zitron Enterprise (M) Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



AXIS INDUSTRIAL FACILITY @ BATU CAVES

Lot 5, Jalan Perusahaan 1, Kawasan Perindustrian PKNS, 68100 Batu Caves, Selangor

CARRYING VALUE

RM56.1 million

**NET LETTABLE
AREA**

71,000 sq. ft.

**PURCHASE
PRICE**

RM56.0 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

15 July 2024

Total Investment Outlay

RM56.8 million

Number of Car Park (bays)

*

Major Tenants

- Cycle & Carriage Bintang Berhad



AXIS INDUSTRIAL FACILITY 1 @ SHAH ALAM

No. 3, Jalan Keluli 15/16, Section 15
40200 Shah Alam, Selangor

CARRYING VALUE

RM51.0 million

**NET LETTABLE
AREA**

159,939 sq. ft.

**PURCHASE
PRICE**

RM52.5 million

**OCCUPANCY
RATE**

76.23%

PORTFOLIO DETAILS:

Acquisition Date

18 December 2014

Total Investment Outlay

RM54.0 million

Number of Car Park (bays)

88

Major Tenants

- Asia Pacific Aircraft Component Services Sdn Bhd
- Posim Petroleum Marketing Sdn Bhd
- Eaton Industries Sdn Bhd



AXIS TECHNOLOGY CENTRE

No. 13, Jalan 225, Section 51A
46100 Petaling Jaya, Selangor

CARRYING VALUE

RM67.3 million

NET LETTABLE AREA

170,730 sq. ft.

PURCHASE PRICE

RM49.0 million

OCCUPANCY RATE

95.24%

PORTFOLIO DETAILS:

Acquisition Date

15 November 2010

Total Investment Outlay

RM55.4 million

Number of Car Park (bays)

318

Major Tenants

- Fresenius Kabi Malaysia Sdn Bhd
- Hitachi Energy Malaysia Sdn Bhd
- Ingress Motors Centre Sdn Bhd
- NZ New Image Sdn Bhd
- Otis Elevator Company (M) Sdn Bhd



AXIS VISTA

No. 11, Jalan 219, Section 51A
46100 Petaling Jaya, Selangor

CARRYING VALUE

RM62.0 million

NET LETTABLE AREA

118,557 sq. ft.

PURCHASE PRICE

RM32.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

9 December 2008

Total Investment Outlay

RM37.8 million

Number of Car Park (bays)

**

Major Tenants

- DirectD Retail & Wholesale Sdn Bhd
- Mitsubishi Electric Sales Malaysia Sdn Bhd
- Sports Direct Malaysia Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant

**This is a multi-tenanted property whereby the carpark is managed by the tenants



AXIS VISTA 2

Lot 19, Jalan 51A/219, Off Federal Highway,
46100 Petaling Jaya, Selangor

CARRYING VALUE
RM69.0 million

NET LETTABLE
AREA

156,000 sq. ft.

PURCHASE
PRICE

RM69.0 million

OCCUPANCY
RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

15 July 2024

Total Investment Outlay

RM70.0 million

Number of Car Park (bays)

*

Major Tenants

- Cycle & Carriage Bintang Berhad



FONTERRA HQ

No. 23, Jalan Delima 1/1, Subang Hi-Tech Industrial
Park, Batu Tiga, 40000 Shah Alam, Selangor

CARRYING VALUE
RM25.2 million

NET LETTABLE
AREA

35,710 sq. ft.

PURCHASE
PRICE

RM7.2 million

OCCUPANCY
RATE

84.71%

PORTFOLIO DETAILS:

Acquisition Date

16 November 2007

Total Investment Outlay

RM11.3 million

Number of Car Park (bays)

*

Major Tenants

- Fonterra Brands (Malaysia) Sdn Bhd



INFINITE CENTER

Lot 1, Jalan 13/6, Section 13,
46200 Petaling Jaya, Selangor

CARRYING VALUE

RM46.5 million

NET LETTABLE AREA

140,417 sq. ft.

PURCHASE PRICE

RM25.5 million

OCCUPANCY RATE

94.97%

PORTFOLIO DETAILS:

Acquisition Date

3 August 2005

Total Investment Outlay

RM37.4 million

Number of Car Park (bays)

182

Major Tenants

- Konica Minolta Business Solutions (M) Sdn Bhd
- Procurri Malaysia Sdn Bhd



STRATEQ DATA CENTRE

No.12 Jalan Bersatu 13/4, Section 13
46200 Petaling Jaya, Selangor

CARRYING VALUE

RM70.0 million

NET LETTABLE AREA

104,903 sq. ft.

PURCHASE PRICE

RM37.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

25 January 2008

Total Investment Outlay

RM42.9 million

Number of Car Park (bays)

*

Major Tenants

- Strateq Data Centre Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



THE ANNEX

No. 4, Jalan 19/1, Section 19
46300 Petaling Jaya, Selangor

CARRYING VALUE

RM23.0 million

**NET LETTABLE
AREA**

45,400 sq. ft.

**PURCHASE
PRICE**

RM12.0 million

**OCCUPANCY
RATE**

60.35%

PORTFOLIO DETAILS:

Acquisition Date

1 October 2012

Total Investment Outlay

RM13.8 million

Number of Car Park (bays)

31

Major Tenants

- Sports Garage Sdn Bhd



WISMA ACADEMY PARCEL

No. 4A, Jalan 19/1, Section 19
46300 Petaling Jaya, Selangor

CARRYING VALUE

RM75.5 million

**NET LETTABLE
AREA**

235,040 sq. ft.

**PURCHASE
PRICE**

RM73.0 million

**OCCUPANCY
RATE**

76.13%

PORTFOLIO DETAILS:

Acquisition Date

1 October 2012

Total Investment Outlay

RM77.3 million

Number of Car Park (bays)

407

Major Tenants

- Achieva Technology Sdn Bhd
- Ban Leong Technologies Sdn Bhd
- Dataprep (Malaysia) Sdn Bhd
- Ingram Micro Malaysia Sdn Bhd



WISMA KEMAJUAN

No. 2, Jalan 19/1B, Section 19
46300 Petaling Jaya, Selangor

CARRYING VALUE

RM67.0 million

NET LETTABLE AREA

198,777 sq. ft.

PURCHASE PRICE

RM29.0 million

OCCUPANCY RATE

63.79%

PORTFOLIO DETAILS:

Acquisition Date

16 December 2005

Total Investment Outlay

RM38.0 million

Number of Car Park (bays)

254

Major Tenants

- Fossil Time Malaysia Sdn Bhd
- Hawley & Hazel Marketing (Malaysia) Sdn Bhd
- Konica Minolta Business Solutions (M) Sdn Bhd
- Swap Logistics Distribution Sdn Bhd



AXIS AEROTECH CENTRE @ SUBANG

Jalan Aeroangkasa 4,
Seksyen U3, 40150 Shah Alam, Selangor

CARRYING VALUE

RM93.7 million

NET LETTABLE AREA

178,979 sq. ft.

TOTAL INVESTMENT OUTLAY

RM72.9 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

7 February 2018

Number of Car Park (bays)

*

Major Tenants

- Upeca Aerotech Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



AXIS FACILITY 1 @ BUKIT RAJA

Lot 1, Solok Waja 2, Kawasan Industri Bukit Raja,
41050 Klang, Selangor

CARRYING VALUE

RM51.0 million

NET LETTABLE AREA

199,500 sq. ft.

PURCHASE PRICE

RM49.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

31 May 2024

Total Investment Outlay

RM49.9 million

Number of Car Park (bays)

*

Major Tenants

- Amsteel Mills Sdn Bhd



AXIS FACILITY 2 @ NILAI

Lot No. 749, Kawasan Perindustrian Nilai II,
71800 Nilai, Negeri Sembilan Darul Khusus

CARRYING VALUE

RM53.0 million

NET LETTABLE AREA

246,500 sq. ft.

PURCHASE PRICE

RM50.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

28 February 2020

Total Investment Outlay

RM51.1 million

Number of Car Park (bays)

*

Major Tenants

- K-Plastics Industries Sdn Bhd



AXIS FACILITY 3 @ BUKIT RAJA

Lot 6, Solok Waja 2, Kawasan Perusahaan Bukit Raja, 41050 Klang, Selangor

CARRYING VALUE

RM314.0 million

NET LETTABLE AREA

924,000 sq. ft.

PURCHASE PRICE

RM313.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

8 October 2024

Total Investment Outlay

RM317.3 million

Number of Car Park (bays)

*

Major Tenants

- Amsteel Mills Sdn Bhd



AXIS INDUSTRIAL FACILITY @ RAWANG

Lot 795 & 796 Jalan Monorail, Kawasan Industri Sungai Choh, 48000 Sungai Choh Rawang, Selangor

CARRYING VALUE

RM63.2 million

NET LETTABLE AREA

282,152 sq. ft.

PURCHASE PRICE

RM42.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

15 November 2016

Total Investment Outlay

RM52.2 million

Number of Car Park (bays)

*

Major Tenants

- Shuangfei Wire Harness Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



**AXIS INDUSTRIAL FACILITY
@ SENDAYAN**

PT11653, Jalan Techvalley 1/2, Kawasan
Perindustrian Sendayan Techvalley, 71950
Seremban, Negeri Sembilan

CARRYING VALUE
RM49.0 million

NET LETTABLE AREA	PURCHASE PRICE	OCCUPANCY RATE
105,311 sq. ft	RM48.0 million	100%

PORTFOLIO DETAILS:

Acquisition Date
23 July 2024
Total Investment Outlay
RM49.0 million
Number of Car Park (bays)
*

Major Tenants
• Sandvik Equipment Sdn Bhd



**AXIS INDUSTRIAL
FACILITY 1 @ MERU**

Lot 6119, Jalan Haji Salleh/KU8,
Batu 5 1/2, Pekan Meru, 41050 Klang, Selangor

CARRYING VALUE
RM41.0 million

NET LETTABLE AREA	PURCHASE PRICE	OCCUPANCY RATE
193,015 sq. ft.	RM41.0 million	100%

PORTFOLIO DETAILS:

Acquisition Date
2 December 2022
Total Investment Outlay
RM41.7 million
Number of Car Park (bays)
*

Major Tenants
• Jemaramas Jaya Sdn Bhd



AXIS INDUSTRIAL FACILITY 2 @ SHAH ALAM

Lot 16, Jalan Pengapit 15/19, Seksyen 15, 40200 Shah Alam, Selangor

CARRYING VALUE

RM17.0 million

NET LETTABLE AREA

41,061 sq. ft.

PURCHASE PRICE

RM11.9 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

3 December 2020

Total Investment Outlay

RM12.3 million

Number of Car Park (bays)

*

Major Tenants

- GT-Max Construction Sdn Bhd



AXIS SHAH ALAM DISTRIBUTION CENTRE 1

Lots 2-22,2-24,2-26,2-28, Jalan SU 6A, Taman Perindustrian Subang (Lion Industrial Park), Section 22, 40300 Shah Alam, Selangor

CARRYING VALUE

RM43.0 million

NET LETTABLE AREA

110,406 sq. ft.

PURCHASE PRICE

RM18.5 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

31 July 2007

Total Investment Outlay

RM23.4 million

Number of Car Park (bays)

*

Major Tenants

- Upeca Aerotech Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



EMERSON INDUSTRIAL FACILITY NILAI

Lot 13111 & Lot 13112, Mukim Labu, Kawasan Perindustrian Nilai 1, 71800 Nilai, Negeri Sembilan

CARRYING VALUE

RM47.9 million

NET LETTABLE AREA

291,642 sq. ft.

PURCHASE PRICE

RM26.5 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

30 August 2012

Total Investment Outlay

RM27.5 million

Number of Car Park (bays)

*

Major Tenants

- Emerson Process Management Manufacturing (M) Sdn Bhd



AXIS FACILITY 2 @ BUKIT RAJA

No 4, Solok Waja 3, Kawasan Perindustrian Bukit Raja, 41050 Klang, Selangor

CARRYING VALUE

RM53.5 million

NET LETTABLE AREA

150,692 sq. ft.

PURCHASE PRICE

RM37.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

17 March 2020

Total Investment Outlay

RM47.7 million

Number of Car Park (bays)

*

Major Tenants

- Atlas Lines Services (M) Sdn Bhd



**AXIS FACILITY 1 @
PULAU INDAH**

**AXIS FACILITY 2 @
PULAU INDAH**



AXIS FACILITY 1 @ PULAU INDAH

PT 64238, Jalan Perigi Nenas 7/2 KS11,
Taman Perindustrian Pulau Indah,
42920 Pelabuhan Klang, Selangor

CARRYING VALUE

RM110.4 million

NET LETTABLE AREA	PURCHASE PRICE	OCCUPANCY RATE
301,228.40 sq. ft.	RM110.075 million	100%

PORTFOLIO DETAILS:

Acquisition Date

11 October 2024

Total Investment Outlay

RM111.6 million

Number of Car Park (bays)

*

Major Tenants

- Malconrep Depot (M) Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant

**This is a multi-tenanted property whereby the carpark is managed by the tenants



AXIS FACILITY 2 @ PULAU INDAH

PT 64237, Jalan Perigi Nenas 7/2 KS11,
Taman Perindustrian Pulau Indah,
42920 Pelabuhan Klang, Selangor

CARRYING VALUE

RM48.8 million

NET LETTABLE AREA	PURCHASE PRICE	OCCUPANCY RATE
132,214.48 sq. ft.	RM48.569 million	100%

PORTFOLIO DETAILS:

Acquisition Date

26 November 2024

Total Investment Outlay

RM49.2 million

Number of Car Park (bays)

*

Major Tenants

- Malconrep Depot (M) Sdn Bhd



AXIS MEGA DISTRIBUTION CENTRE

Lot 7316 (PT 3609), Persiaran Sijangkang Utama,
42500 Telok Panglima Garang, Selangor

CARRYING VALUE

RM444.0 million

PORTFOLIO DETAILS:

Acquisition Date	Total Investment Outlay	Purchase Price (before development)
15 October 2010	RM378.2 million	RM85.0 million

	NET LETTABLE AREA	NO. OF CARPARK (BAYS)	OCCUPANCY RATE	MAJOR TENANTS
Phase 1	515,000 sq. ft.	*	68.93%	• Nestlé Products Sdn Bhd
Phase 2	509,040 sq. ft.	**		• Mixue Malaysia Sdn Bhd



AXIS NORTHPORT DISTRIBUTION CENTRE 1

Lot 19, Lebuhraya Hishamuddin 1, Selat Klang Utara
42000 Pelabuhan Klang, Selangor

CARRYING VALUE

RM97.9 million

NET LETTABLE AREA

339,194 sq. ft.

PURCHASE PRICE

RM65.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

20 October 2009

Total Investment Outlay

RM68.1 million

Number of Car Park (bays)

*

Major Tenants

- [Northport \(Malaysia\) Bhd](#)



AXIS SHAH ALAM DISTRIBUTION CENTRE 2

Lot No. 10 & 12, Jalan Pahat 16/8A,
Lot No. 11 & 13, Jalan Gudang 16/9,
Section 16, 40200 Shah Alam, Selangor

CARRYING VALUE

RM53.0 million

NET LETTABLE AREA

164,400 sq. ft.

PURCHASE PRICE

RM45.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

31 March 2015

Total Investment Outlay

RM47.7 million

Number of Car Park (bays)

**

Major Tenants

- [Tele-Paper \(M\) Sdn Bhd](#)
- [Total Logistics Services \(M\) Sdn Bhd](#)

*This is a single-tenanted property whereby the carpark is managed by the tenant

**This is a multi-tenanted property whereby the carpark is managed by the tenants



AXIS SHAH ALAM DISTRIBUTION CENTRE 3

Lot No. 22202, Jalan Gambus 33/4, Off Jalan Bukit
Kemuning, Batu 8.5, 40400 Shah Alam, Selangor

CARRYING VALUE

RM208.4 million

NET LETTABLE AREA

689,219 sq. ft.

PURCHASE PRICE

RM183.0 million

OCCUPANCY RATE

96.20%

PORTFOLIO DETAILS:

Acquisition Date

18 December 2014

Total Investment Outlay

RM201.7 million

Number of Car Park (bays)

**

Major Tenants

- Furi Global Sdn Bhd
- J&T Distribution Solution Sdn Bhd
- LF Logistics Services (M) Sdn Bhd



AXIS SHAH ALAM DISTRIBUTION CENTRE 4

Lot PT 5038-5041, Jalan Teluk Datuk 28/40
Off Persiaran Sepang, Seksyen 28
40400 Shah Alam, Selangor

CARRYING VALUE

RM97.6 million

NET LETTABLE AREA

262,000 sq. ft.

PURCHASE PRICE

RM87.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

4 June 2018

Total Investment Outlay

RM88.7 million

Number of Car Park (bays)

*

Major Tenants

- J&T Express (Malaysia) Sdn Bhd



AXIS SHAH ALAM DISTRIBUTION CENTRE 5

Lot 45 (177) Jalan Utas 15/7, Seksyen 15,
40200 Shah Alam, Selangor

CARRYING VALUE

RM100.0 million

NET LETTABLE AREA

285,249 sq. ft.

PURCHASE PRICE

RM95.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

10 November 2020

Total Investment Outlay

RM96.3 million

Number of Car Park (bays)

*

Major Tenants

- [One Total Logistics \(M\) Sdn Bhd](#)



BUKIT RAJA DISTRIBUTION CENTRE

No. 43 & 44, Lengkok Keluli 1,
Kawasan Perindustrian Bukit Raja Selatan,
Seksyen 7, 40000 Shah Alam, Selangor

CARRYING VALUE

RM118.0 million

NET LETTABLE AREA

456,435 sq. ft.

PURCHASE PRICE

RM71.8 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

14 December 2009

Total Investment Outlay

RM81.0 million

Number of Car Park (bays)

*

Major Tenants

- [LF Logistics Services \(M\) Sdn Bhd](#)

*This is a single-tenanted property whereby the carpark is managed by the tenant



BUKIT RAJA DISTRIBUTION CENTRE 2

No 3, Jalan Keluli Satu, Kawasan Perindustrian
Bukit Raja Selatan, 40000 Shah Alam, Selangor

CARRYING VALUE

RM268.0 million

NET LETTABLE AREA	TOTAL INVESTMENT OUTLAY	OCCUPANCY RATE
620,096 sq. ft.	RM236.4 million	100%

PORTFOLIO DETAILS:

Acquisition Date

31 March 2021

Purchase Price

(before development)

RM120.0 million

Number of Car Park (bays)

*

Major Tenants

- SPX Xpress (Malaysia)
Sdn Bhd



SENAWANG INDUSTRIAL FACILITY

Lot 73 & 74, Persiaran Bunga Tanjung 1
Senawang Industrial Park, 70400 Seremban
Negeri Sembilan

CARRYING VALUE

RM26.2 million

NET LETTABLE AREA	PURCHASE PRICE	OCCUPANCY RATE
148,011 sq. ft.	RM18.5 million	100%

PORTFOLIO DETAILS:

Acquisition Date

5 December 2018

Total Investment Outlay

RM19.1 million

Number of Car Park (bays)

*

Major Tenants

- Denso Wiper Systems
(Malaysia) Sdn Bhd

NORTHERN REGION



AXIS FACILITY @ BATU KAWAN

PMT 770, Jalan Cassia Selatan 6/4, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Penang

CARRYING VALUE

RM19.8 million

TOTAL INVESTMENT OUTLAY

RM15.0 million

NET LETTABLE AREA

44,000 sq. ft.

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date
19 December 2019

Number of Car Park (bays)
*

Major Tenants

- Federal Express Services (M) Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



BAYAN LEPAS DISTRIBUTION CENTRE

88A, Lintang Bayan 9, Lintang Bayan Lepas Industrial Park,
Phase IV 11900 Bayan Lepas, Penang

CARRYING VALUE

RM70.0 million

NET LETTABLE AREA

205,151 sq. ft.

PURCHASE PRICE

RM48.5 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

17 January 2012

Total Investment Outlay

RM51.1 million

Number of Car Park (bays)

*

Major Tenants

- DHL Properties (Malaysia) Sdn Bhd



SEBERANG PRAI LOGISTICS WAREHOUSE 1

Plot 24, Tingkat Perusahaan 6, Kawasan Perusahaan Prai Phase 4, 13600 Seberang Prai Tengah, Penang

CARRYING VALUE

RM25.3 million

NET LETTABLE AREA

106,092 sq. ft.

PURCHASE PRICE

RM17.4 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

5 March 2010

Total Investment Outlay

RM17.8 million

Number of Car Park (bays)

*

Major Tenants

- [LF Logistics Services \(M\) Sdn Bhd](#)



SEBERANG PRAI LOGISTICS WAREHOUSE 2

Plot 23, Tingkat Perusahaan 6, Kawasan Perusahaan Prai Phase 4, Seberang Prai Tengah, Penang

CARRYING VALUE

RM10.0 million

NET LETTABLE AREA

41,893 sq. ft.

PURCHASE PRICE

RM6.9 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

5 March 2010

Total Investment Outlay

RM7.4 million

Number of Car Park (bays)

*

Major Tenants

- [LF Logistics Services \(M\) Sdn Bhd](#)

*This is a single-tenanted property whereby the carpark is managed by the tenant



SEBERANG PRAI LOGISTICS WAREHOUSE 3

No. 74, Lorong Perusahaan Utama 4, Bukit Tengah
Industrial Park, 14000 Bukit Mertajam, Penang

CARRYING VALUE

RM85.0 million

NET LETTABLE AREA	PURCHASE PRICE	OCCUPANCY RATE
395,225 sq. ft.	RM59.0 million	100%

PORTFOLIO DETAILS:

Acquisition Date

15 February 2012

Total Investment Outlay

RM65.0 million

Number of Car Park (bays)

*

Major Tenants

- [Schenker Logistics](#)
(Malaysia) Sdn Bhd



AXIS HYPERMARKET @ SUNGAI PETANI

Jalan Lencongan Barat
08000 Sungai Petani, Kedah

CARRYING VALUE

RM52.0 million

NET LETTABLE AREA	PURCHASE PRICE	OCCUPANCY RATE
138,000 sq. ft.	RM38.0 million	100%

PORTFOLIO DETAILS:

Acquisition Date

7 September 2007

Total Investment Outlay

RM39.2 million

Number of Car Park (bays)

*

Major Tenants

- [TF Value-Mart Sdn Bhd](#)

EAST COAST REGION



WASCO FACILITY @ KUANTAN

Sub Lot 2, Kawasan Perindustrian MIEL Gebeng, KM25, Jalan Kuantan-Kemaman P.O. Box 240, 25720 Kuantan, Pahang

CARRYING VALUE

RM165.0 million

NET LETTABLE AREA

Buildings
506,753 sq. ft.

PURCHASE PRICE

RM155.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date
5 December 2017

Total Investment Outlay
RM157.6 million

Number of Car Park (bays)

*

Major Tenants

- Wasco Coatings Malaysia Sdn Bhd

**This is a single-tenanted property whereby the carpark is managed by the tenant*



AXIS HYPERMARKET @ TEMERLOH

Temerloh Mall, Jalan Jaya, 28000 Temerloh, Pahang

CARRYING VALUE

RM27.5 million

NET LETTABLE AREA

93,854 sq. ft.

PURCHASE PRICE

RM25.8 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

16 January 2024

Total Investment Outlay

RM26.3 million

Number of Car Park (bays)

*

Major Tenants

- **TF Value-Mart Sdn Bhd**

SOUTHERN REGION



INDAHPURA FACILITY 3

75 (Plot 111), Jalan i-Park 1/8, Kawasan Perindustrian i-Park,
Bandar Indahpura, 81000 Kulai, Johor

CARRYING VALUE

RM7.8 million

NET LETTABLE AREA

24,950 sq. ft.

PURCHASE PRICE

RM6.7 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

26 February 2021

Total Investment Outlay

RM6.8 million

Number of Car Park (bays)

*

Major Tenants

- Perodua Sales Sdn Bhd

**This is a single-tenanted property whereby the carpark is managed by the tenant*



BEYONICS I-PARK CAMPUS - BLOCK A

No. 95, Jalan i-Park 1/10, Kawasan Perindustrian
i-Park, 81000 Bandar Indahpura, Kulaijaya, Johor

CARRYING VALUE

RM20.5 million

**NET LETTABLE
AREA**

67,260 sq. ft.

**PURCHASE
PRICE**

RM14.2 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

28 January 2016

Total Investment Outlay

RM14.5 million

Number of Car Park (bays)

*

Major Tenants

- **Beyonics Precision**
(Malaysia) Sdn Bhd



BEYONICS I-PARK CAMPUS - BLOCK B

No. 96, Jalan i-Park 1/10, Kawasan Perindustrian
i-Park, 81000 Bandar Indahpura, Kulaijaya, Johor

CARRYING VALUE

RM18.5 million

**NET LETTABLE
AREA**

60,967 sq. ft.

**PURCHASE
PRICE**

RM12.9 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

28 January 2016

Total Investment Outlay

RM13.1 million

Number of Car Park (bays)

*

Major Tenants

- **Beyonics Precision**
(Malaysia) Sdn Bhd



BEYONICS I-PARK CAMPUS - BLOCK C

No. 97, Jalan i-Park 1/10, Kawasan Perindustrian i-Park, 81000 Bandar Indahpura, Kulajaya, Johor

CARRYING VALUE

RM17.0 million

NET LETTABLE AREA

55,476 sq. ft.

PURCHASE PRICE

RM11.7 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

28 January 2016

Total Investment Outlay

RM12.1 million

Number of Car Park (bays)

*

Major Tenants

- Beyonics Precision (Malaysia) Sdn Bhd



BEYONICS I-PARK CAMPUS - BLOCK D

No. 98, Jalan i-Park 1/10, Kawasan Perindustrian i-Park, 81000 Bandar Indahpura, Kulajaya, Johor

CARRYING VALUE

RM31.0 million

NET LETTABLE AREA

104,606 sq. ft.

PURCHASE PRICE

RM22.1 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

28 January 2016

Total Investment Outlay

RM22.5 million

Number of Car Park (bays)

*

Major Tenants

- Beyonics Precision (Malaysia) Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



BEYONICS I-PARK CAMPUS - BLOCK E

No. 93, Jalan i-Park 1/10, Kawasan Perindustrian i-Park, 81000 Bandar Indahpura, Kulaijaya, Johor

CARRYING VALUE

RM39.0 million

**NET LETTABLE
AREA**

132,706 sq. ft.

**PURCHASE
PRICE**

RM31.5 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

9 August 2018

Total Investment Outlay

RM32.1 million

Number of Car Park (bays)

*

Major Tenants

- Beyonics Precision (Malaysia) Sdn Bhd



BEYONICS I-PARK CAMPUS - BLOCK F

92 (Plot 132), Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor

CARRYING VALUE

RM17.2 million

**NET LETTABLE
AREA**

57,545 sq. ft.

**PURCHASE
PRICE**

RM12.98 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

3 March 2021

Total Investment Outlay

RM13.3 million

Number of Car Park (bays)

*

Major Tenants

- Beyonics Precision (Malaysia) Sdn Bhd



D21 INDUSTRIAL FACILITY

(formerly known as D21 Logistics Warehouse)
Lot D21, Jalan Tanjung A/3, Distripark A, Port of
Tanjung Pelepas, Gelang Patah, 81560 Johor

CARRYING VALUE

RM52.0 million

NET LETTABLE AREA

174,920 sq. ft.

PURCHASE PRICE

RM27.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

30 April 2008

Total Investment Outlay

RM50.9 million

Number of Car Park (bays)

*

Major Tenants

- PerkinElmer Manufacturing
Sdn Bhd



FCI SENAI

PLO 205, Jalan Cyber 14,
Kawasan Perindustrian Senai IV, 81400 Johor

CARRYING VALUE

RM26.7 million

NET LETTABLE AREA

136,619 sq. ft.

PURCHASE PRICE

RM12.3 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

15 November 2007

Total Investment Outlay

RM12.7 million

Number of Car Park (bays)

*

Major Tenants

- FCI Connectors Malaysia
Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



INDAHPURA FACILITY 1

No.69, Jalan i-Park 1/7, Kawasan Perindustrian i-Park, 81000 Bandar Indahpura, Kulaijaya, Johor

CARRYING VALUE

RM9.5 million

**NET LETTABLE
AREA**

33,448 sq. ft.

**PURCHASE
PRICE**

RM7.2 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

9 August 2018

Total Investment Outlay

RM7.3 million

Number of Car Park (bays)

*

Major Tenants

- Oerlikon Balzers Coating Malaysia Sdn Bhd



INDAHPURA FACILITY 2

74 (Plot 112), Jalan i-Park 1/8, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor.

CARRYING VALUE

RM9.7 million

**NET LETTABLE
AREA**

35,339 sq. ft.

**PURCHASE
PRICE**

RM8.5 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

12 January 2021

Total Investment Outlay

RM8.7 million

Number of Car Park (bays)

*

Major Tenants

- KES International Sdn Bhd



INDAHPURA FACILITY 4

No. 89A, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai Johor.

CARRYING VALUE

RM18.6 million

NET LETTABLE AREA

59,955.91 sq. ft.

PURCHASE PRICE

RM16.3 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

8 March 2022

Total Investment Outlay

RM16.7 million

Number of Car Park (bays)

*

Major Tenants

- HQPack Sdn Bhd



NUSAJAYA TECH PARK FACILITY 1

Nos. 1, 3 & 5, Jalan Teknologi Perintis 1, Taman Teknologi Nusajaya, 79200 Iskandar Puteri, Johor

CARRYING VALUE

RM42.5 million

NET LETTABLE AREA

104,694 sq. ft.

PURCHASE PRICE

RM42.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

30 September 2019

Total Investment Outlay

RM42.8 million

Number of Car Park (bays)

*

Major Tenants

- GKN Engine Systems
Component Repair
Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



NUSAJAYA TECH PARK FACILITY 2

No. 14, Jalan Teknologi Perintis 1/3,
Taman Teknologi Nusajaya,
79200 Iskandar Puteri, Johor

CARRYING VALUE

RM16.0 million

NET LETTABLE AREA	PURCHASE PRICE	OCCUPANCY RATE
42,068 sq. ft.	RM13.8 million	100%

PORTFOLIO DETAILS:

Acquisition Date

30 September 2019

Total Investment Outlay

RM14.1 million

Number of Car Park (bays)

*

Major Tenants

- [SternMaid Asia Pacific Sdn Bhd](#)



D8 LOGISTICS WAREHOUSE

Lot D8, Jalan Tanjung A/4, Distripark A, Port of
Tanjung Pelepas, Gelang Patah, 81560 Johor.

CARRYING VALUE

RM40.5 million

NET LETTABLE AREA	PURCHASE PRICE	OCCUPANCY RATE
171,000 sq. ft.	RM30.0 million	100%

PORTFOLIO DETAILS:

Acquisition Date

1 March 2011

Total Investment Outlay

RM31.8 million

Number of Car Park (bays)

*

Major Tenants

- [Schenker Logistics \(Malaysia\) Sdn Bhd](#)



D37C LOGISTICS WAREHOUSE

Plot D37c, Jalan DPB 3, Distripark B, Pelabuhan Tanjung Pelepas, 81560 Gelang Patah, Johor

CARRYING VALUE

RM68.0 million

**NET LETTABLE
AREA**

222,723 sq. ft.

**PURCHASE
PRICE**

RM65.0 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

9 June 2020

Total Investment Outlay

RM66.1 million

Number of Car Park (bays)

*

Major Tenants

- Schenker Logistics (Malaysia) Sdn Bhd



DW1 LOGISTICS WAREHOUSE

Plots DW1 and DW2, Jalan Tanjung A/2, Distripark A, Pelabuhan Tanjung Pelepas, 81560 Gelang Patah, Johor.

CARRYING VALUE

RM391.8 million

**NET LETTABLE
AREA**

1,150,391 sq. ft.

**PURCHASE
PRICE**

RM390.0 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

25 April 2022

Total Investment Outlay

RM395.6 million

Number of Car Park (bays)

*

Major Tenants

- Equalbase PTP Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



KERRY WAREHOUSE

PLO 731, Jalan Nikel 2, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor

CARRYING VALUE

RM40.5 million

**NET LETTABLE
AREA**

163,000 sq. ft.

**PURCHASE
PRICE**

RM33.0 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

24 July 2017

Total Investment Outlay

RM36.4 million

Number of Car Park (bays)

*

Major Tenants

- Kerry Ingredients (M) Sdn Bhd



NIRO WAREHOUSE

PLO 419-421, Jalan Emas 2, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor.

CARRYING VALUE

RM29.2 million

**NET LETTABLE
AREA**

167,193 sq. ft.

**PURCHASE
PRICE**

RM14.5 million

**OCCUPANCY
RATE**

100%

PORTFOLIO DETAILS:

Acquisition Date

30 April 2008

Total Investment Outlay

RM17.1 million

Number of Car Park (bays)

*

Major Tenants

- Niro Ceramic (M) Sdn Bhd



PASIR GUDANG LOGISTICS WAREHOUSE 1

PLO 563, Jalan Keluli 8, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor.

CARRYING VALUE

RM23.7 million

**NET LETTABLE
AREA**
130,743 sq. ft.

**PURCHASE
PRICE**
RM12.5 million

**OCCUPANCY
RATE**
100%

PORTFOLIO DETAILS:

Acquisition Date

4 August 2008

Total Investment Outlay

RM14.0 million

Number of Car Park (bays)

*

Major Tenants

- Guan Chong Cocoa Manufacturer Sdn Bhd



PASIR GUDANG LOGISTICS WAREHOUSE 2

Plot 78, Jalan Keluli, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor Bahru.

CARRYING VALUE

RM41.0 million

**NET LETTABLE
AREA**
276,000 sq. ft.

**PURCHASE
PRICE**
RM32.0 million

**OCCUPANCY
RATE**
100%

PORTFOLIO DETAILS:

Acquisition Date

7 March 2022

Total Investment Outlay

RM32.7 million

Number of Car Park (bays)

*

Major Tenants

- Venice Tulip Sdn Bhd

*This is a single-tenanted property whereby the carpark is managed by the tenant



XIN HWA WAREHOUSE @ PASIR GUDANG

Plot 823 & Plot 828, Jalan Nikel 2, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor.

CARRYING VALUE

RM82.9 million

NET LETTABLE AREA

464,613 sq. ft.

PURCHASE PRICE

RM75.0 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date
21 October 2021

Total Investment Outlay
RM76.4 million

Number of Car Park (bays)
*

Major Tenants

- Xin Hwa Trading & Transport Sdn Bhd



AXIS HYPERMARKET @ JOHOR

No. 1, Jalan Bukit Indah 15, 81200 Johor

CARRYING VALUE

RM112.8 million

NET LETTABLE AREA

233,579 sq. ft.

PURCHASE PRICE

RM75.6 million

OCCUPANCY RATE

100%

PORTFOLIO DETAILS:

Acquisition Date

1 October 2010

Total Investment Outlay

RM77.0 million

Number of Car Park (bays)

*

Major Tenants

- Lotuss Stores (Malaysia) Sdn Bhd

**This is a single-tenanted property whereby the carpark is managed by the tenant*



REAL ESTATE INVESTMENT TRUST

Prepared by:

Axis REIT Managers Berhad (200401010947 (649450-W))

As the Manager of Axis-REIT

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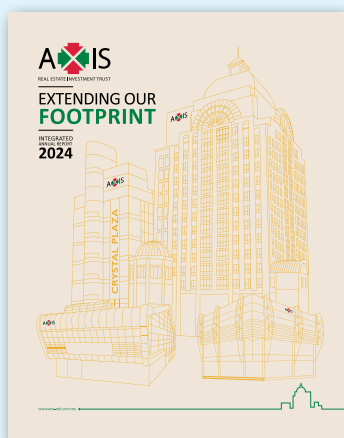
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13th ANNUAL GENERAL MEETING



VENUE

Ground Floor, Lobby 1 Crystal Plaza
No. 4, Jalan 51A/223, 46100 Petaling Jaya
Selangor Darul Ehsan



DATE & TIME

Thursday | 24 April 2025
10.00 a.m.



RATIONALE

The cover of our Integrated Annual Report 2024 is designed to visually communicate growth, innovation, and strategic expansion. The outlines of our properties symbolise our blueprints in planning, precision, and vision that drive our progress. This minimalist design, with its clean lines, is meant to convey a sense of purpose and intentionality in our strategy.

The title, "Extending our Footprint," also reflects our portfolio expansion. It invites stakeholders to explore how we are shaping the future, while staying true to our core values and mission. Together, the imagery and title create a powerful narrative of progress, ambition, and responsibility, setting the tone for the stories and achievements shared within the Report.

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

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INSTRUMENT OF PROXY

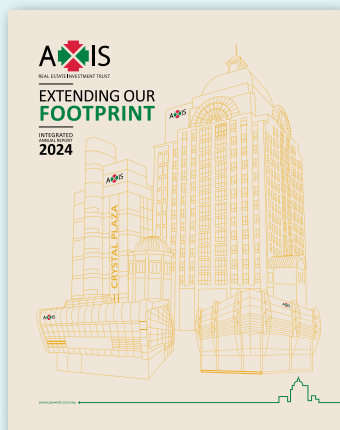


Scan code
to access Axis-REIT's website
[www.axis-reit.com.my/
investor/agm.php](http://www.axis-reit.com.my/investor/agm.php)



Axis Mega Distribution Centre (Phase 1) and (Phase 2)

ABOUT OUR REPORT



This is our sixth Integrated Annual Report since we embarked on our integrated reporting journey back in 2019. We continue to grow and enhance the resilience of our portfolio by integrating sustainability considerations into Axis-REIT's strategy and business model. In doing so, we create shared value for all our stakeholders over the short, medium, and long-term and extend our position as Malaysia's leading industrial real estate investment trust.

In line with Axis-REIT's commitment to sustainability and the environment, a digital version of our IAR2024 is available at <https://www.axis-reit.com.my/annualreport2024>



Scan the QR code or click on the link for a digital experience of this Report

REPORTING PHILOSOPHY & FRAMEWORK

This Integrated Annual Report 2024 (IAR2024 or Report) has been prepared by Axis REIT Managers Berhad (ARMB or the Manager) on behalf of Axis Real Estate Investment Trust (Axis-REIT or the Fund), per the Integrated Reporting Framework (<IR> Framework). Through the adoption of the <IR> Framework, we aim to deliver a transparent, concise, and balanced overview of the Fund's financial and non-financial performances.

Other references used in the development of the IAR2024 include:

- Bursa Malaysia Securities Berhad's (Bursa Securities) Main Market Listing Requirements (MMLR)
- Bursa Securities' Sustainability Reporting Guide (3rd edition)
- National Sustainability Reporting Framework (NSRF)
- FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance (ESG) indicators
- GRESB
- Securities Commission Malaysia's (SC) Guidelines on Listed Real Estate Investment Trusts (REIT)
- SC's Guidelines on Islamic Capital Market Products and Services (ICMPS Guidelines)
- Malaysian Code on Corporate Governance (MCCG)
- Malaysian Financial Reporting Standards (MFRS) and IFRS Accounting Standards (IFRS)
- Global Reporting Initiative (GRI) Standards

SCOPE AND BOUNDARY

Reporting Period

Our reports are produced and published annually. The IAR2024 covers both financial and non-financial information during the financial year commencing 1 January 2024 to 31 December 2024 (FYE2024), unless otherwise stated.

Reporting Boundary

The Report covers the primary activities of the Fund and the Manager's operations in managing Axis-REIT. Where indicated, some data is limited to that of common areas of multi-tenanted properties under the Manager's direct operational control.

Target Readers

This Report is primarily intended to address the information requirements of Axis-REIT's Unitholders and investors. Information relevant to the way we create value for other key stakeholders is also present.

Financial & Non-Financial Reporting

The IAR2024 extends beyond financial reporting and includes non-financial performance indicators, risks, opportunities, and outcomes that are attributable to our stakeholders, which have a significant influence on Axis-REIT's ability to create value. This includes ESG disclosures for all properties belonging to Axis-REIT and managed by the Manager.

Materiality, Risk & Strategy

In 2024, we reviewed the material sustainability matters that are significant and relevant to both Axis-REIT and our stakeholders. Our materiality assessment exercise is conducted biennially and reviewed annually to ensure the identification of sustainability matters reflects our current operating environment. Based on the sustainability matters identified from the materiality matrix, we have reviewed and updated our Risk Register and business strategy to ensure the non-financial risks and opportunities are incorporated into the Manager's risk management approaches and Corporate Strategy 2025-2026. Details of our review of the materiality assessment exercise conducted in 2023 and ESG disclosures are available in the Driving Value Creation section of this Report.

ABOUT OUR REPORT

EXCLUSIONS OR CHANGES IN REPORTING

There have been no major exclusions or changes in reporting since the 2023 Integrated Annual Report. There have been restatements of data and figures due to the changes in the calculation methodologies in the Management of Material Sustainability Matters section. The restatements have been highlighted in the respective sections.

BOARD RESPONSIBILITY STATEMENT

ARMB's Board of Directors (the Board) acknowledges its responsibilities in ensuring the integrity of this Report, which in the Board's opinion, addresses issues that are material to the Fund's ability to create value and fairly presents its integrated performance. This Report was approved by the Board on 28 February 2025.

ASSURANCE STATEMENT

Since FYE2023, we have obtained independent limited assurance to enhance the credibility of selected non-financial indicators and disclosures. For FYE2024, we re-engaged Baker Tilly Monteiro Heng PLT to conduct the sustainability assurance engagement (Sustainability Assurance). Their Independent Limited Assurance Report can be found on page 165. We will continue to undertake independent limited assurance on other non-financial indicators and disclosures.

FORWARD-LOOKING STATEMENTS



This Report contains forward-looking statements concerning the Fund's financial position, results, operations, and businesses. These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. As our business operates in a perpetually shifting and ever-changing

environment, actual results or developments could differ from those expressed or implied in these forward-looking statements. Consequently, all forward-looking statements have not been reviewed or reported on by Axis-REIT's external auditors.



FEEDBACK & CONTACT POINT


Your feedback is important to us and we welcome any queries you may have. Please visit www.axis-reit.com.my for more information or contact us via email at info@axis-reit.com.my.

ICON NAVIGATION



Six Business Capitals		
 Financial Capital	 Social & Relationship Capital	 Intellectual Capital
 Manufactured Capital	 Human Capital	 Natural Capital

Strategic Pillars		
 Real Estate	 Capital Management	 Facilities Management
 Investment	 Development	 Governance

Material Sustainability Matters		
 Economic Performance	 Business Ethics	 Occupational Health & Safety
 Tenant Satisfaction	 Cybersecurity & Data Protection	 Talent Development
 Quality Assets & Services - New Acquisitions	 Energy & Carbon Footprint	 Diversity & Inclusion
 Quality Assets & Services - Existing Assets	 Water Management	 Human Rights & Labour Practices
 Responsible Supply Chain Management	 Waste Management	 Community Activity & Partnership

Risks		
 Global	 Financial	 Real Estate Management
 Investment	 Human Resource	 Development
 Environmental	 Information Technology	

Further information is available where you see these icons:

 More information is available online	 Additional information can be found within the Report
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ABOUT AXIS-REIT

**AXIS-REIT IS MALAYSIA'S FIRST REIT,
LISTED ON BURSA SECURITIES ON
3 AUGUST 2005, TO OWN AND
INVEST PRIMARILY IN INDUSTRIAL
AND OFFICE REAL ESTATE.**



OUR VISION

To successfully benchmark Axis-REIT against the world's most successful REITs in terms of total returns to Unitholders and be the REIT of choice for Shariah and non-Shariah investors.

OUR MISSION

To provide consistent distributions to Unitholders through growing the property portfolio, upholding the highest level of corporate governance, excellent capital and risk management, and preserving capital values.

The Fund was constituted by a Deed and is principally regulated by applicable securities laws, the SC's Guidelines on Listed REITs, ICMPS Guidelines, the MMLR of Bursa Securities, the rules of the depository and relevant taxation laws and rulings. On 15 June 2005, the Deed constituting Axis-REIT was executed between ARMB and RHB Trustees Berhad. The Deed was registered with the SC on 16 June 2005, which marked the establishment of Axis-REIT in Malaysia. Axis-REIT was thereafter reclassified as an Islamic REIT on 11 December 2008. The duration of Axis-REIT shall be the earlier of the occurrence of any circumstance as stated in the Deed, or 999 years from the establishment of Axis-REIT.

TOTAL PROPERTIES

69

Office

3



CENTRAL REGION

38

Office/Industrial

14



NORTHERN REGION

6

Manufacturing Facility

24



EAST COAST REGION

2

Logistics Warehouse

25



SOUTHERN REGION

23

Hypermarket

3



ABOUT AXIS-REIT

The primary objectives of the Fund are:



To provide Unitholders with a stable and growing distribution of income.



To achieve long-term growth in the net asset value per Unit.

SIX PRINCIPLES OF MANAGEMENT

The Manager is committed to deliver long-term sustainable distributions and capital stability through its 6 principles of management:

Yield-accretive
asset purchases



Prudent
capital and risk
management



Excellent
investor
relations



Proactive asset
and tenant
management



Upholding the
highest levels
of corporate
governance



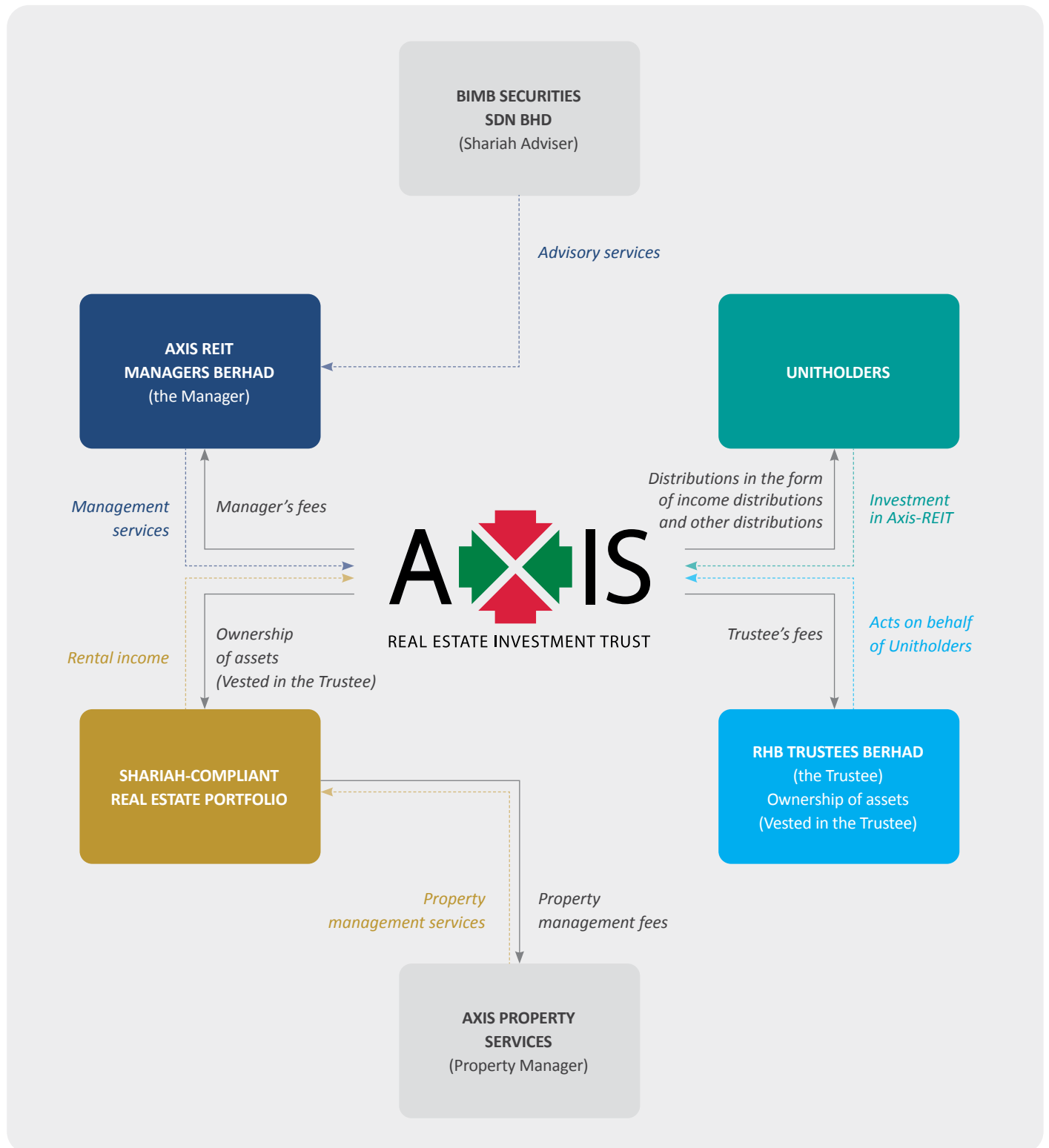
Development
of human
capital



SALIENT FEATURES OF AXIS-REIT

Fund Category	Real Estate Investment Trust
Fund Type	Income and Growth
Vision of the Fund	To successfully benchmark Axis-REIT against the world's most successful REITs in terms of total returns to Unitholders and be the REIT of choice for Shariah and non-Shariah investors
Mission of the Fund	To provide consistent distributions to Unitholders through growing the property portfolio, upholding the highest level of corporate governance, excellent capital and risk management, and preserving capital values
Number of Units in Issue	2,010,492,159 Units
Market Capitalisation	RM3,478,151,000
Assets Under Management	RM5,258,558,000
Net Asset Value	RM3,299,096,000
Permissible Investments	At least 75% of the Fund's total asset value must be invested in real estate that generates recurrent rental income at all times
Initial Public Offering Retail Price	RM0.625 per Unit (equivalent to RM1.25 per Unit prior to the Unit Split)
Financial Year End	31 December
Distribution Policy	<p>Quarterly income distribution:</p> <div> <div>1Q to 3Q</div> <div>at least 95% of the current financial year-to-date distributable income</div> </div> <div> <div>4Q</div> <div>at least 99% of the current financial year-to-date distributable income</div> </div>
Financing Limitations	Not exceeding 50% of the total asset value of the Fund
Revaluation Policy	The investment properties shall be revalued at least once a financial year by independent registered valuers
Quotation	Main Market of Bursa Securities
Bursa Securities Stock Number	AXREIT 5106

AXIS-REIT STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS OF THE MANAGER

Dato' Carl Gunnar Myhre
@ Dato' Abas Carl Gunnar Bin Abdullah
Executive Chairman

Stephen Tew Peng Hwee
@ Teoh Peng Hwee
*Non-Independent Non-Executive Deputy
Chairman*

Leong Kit May
*Chief Executive Officer/
Executive Director*

Alvin Dim Lao
*Non-Independent Non-Executive
Director*

Lim Keng Hwee
*Senior Independent Non-Executive
Director*

Devika A/P K Sothinathan
Independent Non-Executive Director

Jancis Anne Que Lao
Alternate Director to Alvin Dim Lao

Maxine Teoh Sui Vern
*Alternate Director to Stephen Tew Peng
Hwee @ Teoh Peng Hwee*

Takim Khan Myhre
*Alternate Director to Dato' Carl Gunnar
Myhre @ Dato' Abas Carl Gunnar Bin
Abdullah*



Axis Mega Distribution Centre (Phase 2)

MANAGER'S PRINCIPAL PLACE OF BUSINESS (HEADQUARTERS)

Penthouse, Menara Axis
No. 2, Jalan 51A/223
46100 Petaling Jaya
Selangor Darul Ehsan
Tel No : 603-7958 4882
Fax No : 603-7957 6881

MANAGER'S REGISTERED OFFICE

802, 8th Floor
Block C, Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No : 603-7803 1126
Fax No : 603-7806 1387
Email : eadvisory@epsilonas.com

COMPANY SECRETARY OF THE MANAGER

Rebecca Leong Siew Kwan
(SSM PC No. 202008000587)
(MAICSA 7045547)

TRUSTEE OF AXIS-REIT

RHB Trustees Berhad
Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel No : 603-9280 5933
Fax No : 603-9280 5934
Website : www.rhbgroup.com
Email : rhbt.reits@rhbgroupp.com

MANAGER OF AXIS-REIT

Axis REIT Managers Berhad

EXECUTIVE COMMITTEE OF THE MANAGER

Dato' Carl Gunnar Myhre
@ Dato' Abas Carl Gunnar Bin Abdullah
Chairman

Stephen Tew Peng Hwee
@ Teoh Peng Hwee
Leong Kit May

AUDIT COMMITTEE OF THE MANAGER

Lim Keng Hwee
Chairperson
Alvin Dim Lao
Devika A/P K Sothinathan

NOMINATION COMMITTEE OF THE MANAGER

Lim Keng Hwee
Chairperson
Stephen Tew Peng Hwee
@ Teoh Peng Hwee
Devika A/P K Sothinathan

REMUNERATION COMMITTEE OF THE MANAGER

Devika A/P K Sothinathan
Chairperson
Dato' Carl Gunnar Myhre
@ Dato' Abas Carl Gunnar Bin Abdullah
Stephen Tew Peng Hwee
@ Teoh Peng Hwee

CORPORATE INFORMATION



SHARIAH ADVISER OF AXIS-REIT

BIMB Securities Sdn Bhd

Level 32, Menara Bank Islam
No. 22 Jalan Perak, 50450 Kuala Lumpur
Tel No : 603-2726 7814
Fax No : 603-2088 8033
Website : www.bimbsec.com.my
Email : shariah@bimbsec.com.my

REGISTRARS OF AXIS-REIT

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel No : 603-7890 4700
Fax No : 603-7890 4670
Website : www.boardroomlimited.com
Email : bsr.helpdesk@boardroomlimited.com

PROPERTY MANAGER OF AXIS-REIT

Axis Property Services

Penthouse, Menara Axis
No. 2, Jalan 51A/223
46100 Petaling Jaya
Selangor Darul Ehsan

AUDITORS OF AXIS-REIT

KPMG PLT

Level 10, KPMG Tower
No. 8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

INTERNAL AUDITORS OF AXIS-REIT

Baker Tilly Monteiro

Heng Governance Sdn Bhd

Baker Tilly Tower, Level 10
Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

TAX AGENTS OF AXIS-REIT

PricewaterhouseCoopers Taxation Services Sdn Bhd

Level 10, Menara TH 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur

PRINCIPAL BANKERS OF AXIS-REIT

Maybank Islamic Berhad
CIMB Islamic Bank Berhad
HSBC Amanah Bank Malaysia Berhad
Public Islamic Bank Berhad
OCBC Al-Amin Bank Berhad
Alliance Islamic Bank Berhad
RHB Islamic Bank Berhad
Sumitomo Mitsui Banking Corporation
Malaysia Berhad

STOCK NAME AND STOCK CODE

AXREIT 5106

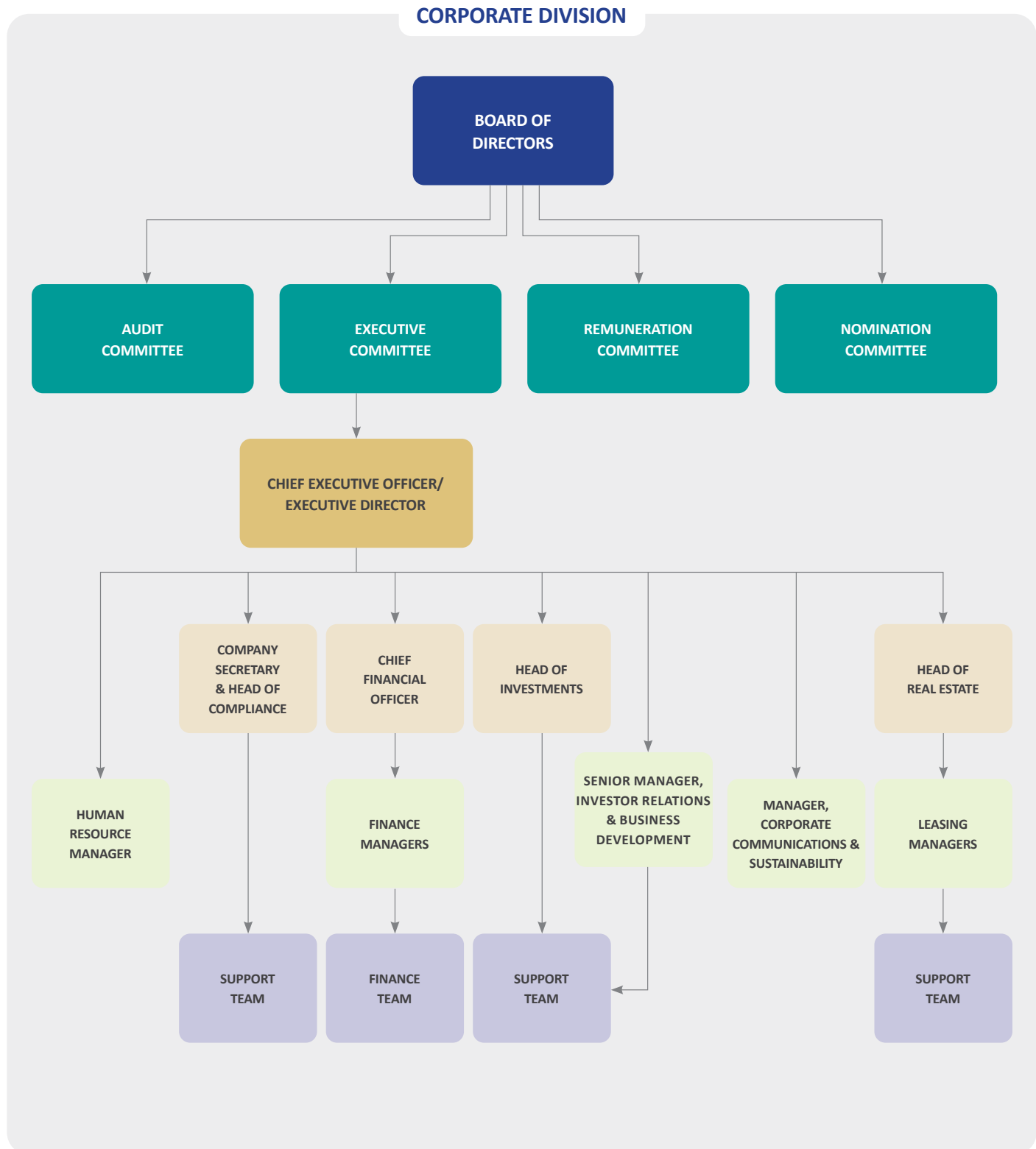
CONTACT DETAILS

Penthouse, Menara Axis
No. 2, Jalan 51A/223
46100 Petaling Jaya
Selangor Darul Ehsan
Tel No : 603-7958 4882
Fax No : 603-7957 6881
Email : info@axis-reit.com.my

WEBSITE

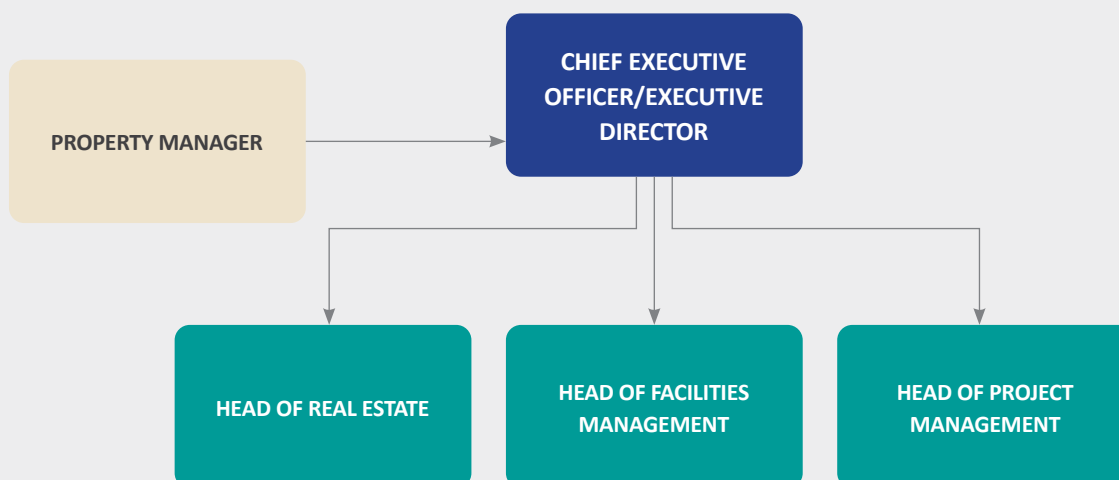
www.axis-reit.com.my

AXIS TEAM ORGANISATIONAL STRUCTURE

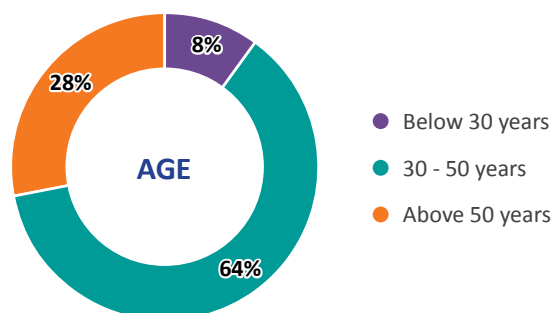
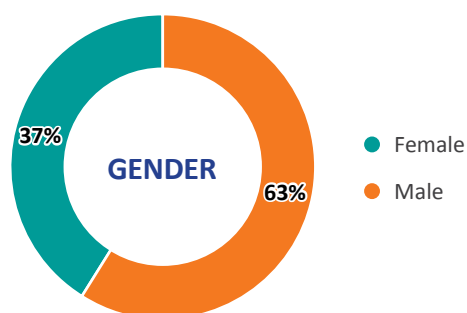
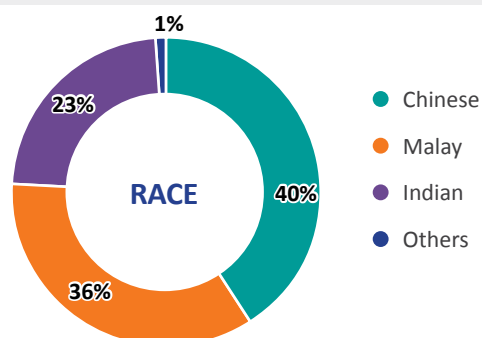
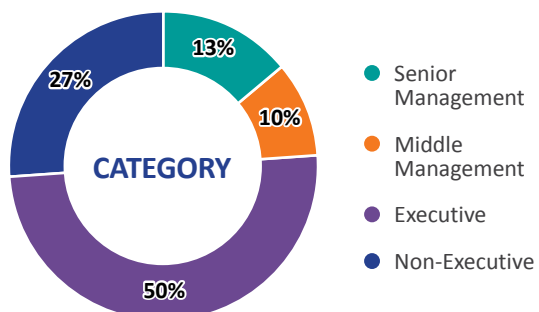


AXIS TEAM ORGANISATIONAL STRUCTURE

PROPERTY MANAGEMENT DIVISION



AXIS TEAM PROFILE



BOARD OF DIRECTORS



Dato' Carl Gunnar Myhre @ Dato' Abas Carl Gunnar Bin Abdullah
Executive Chairman



Stephen Tew Peng Hwee @ Teoh Peng Hwee
Non-Independent Non-Executive Deputy Chairman



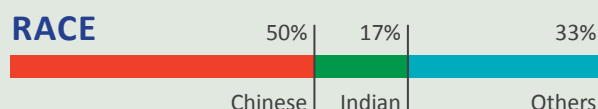
Leong Kit May
Chief Executive Officer/Executive Director



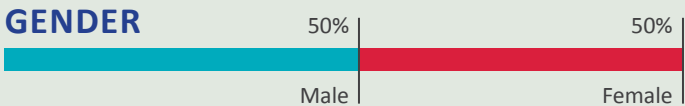
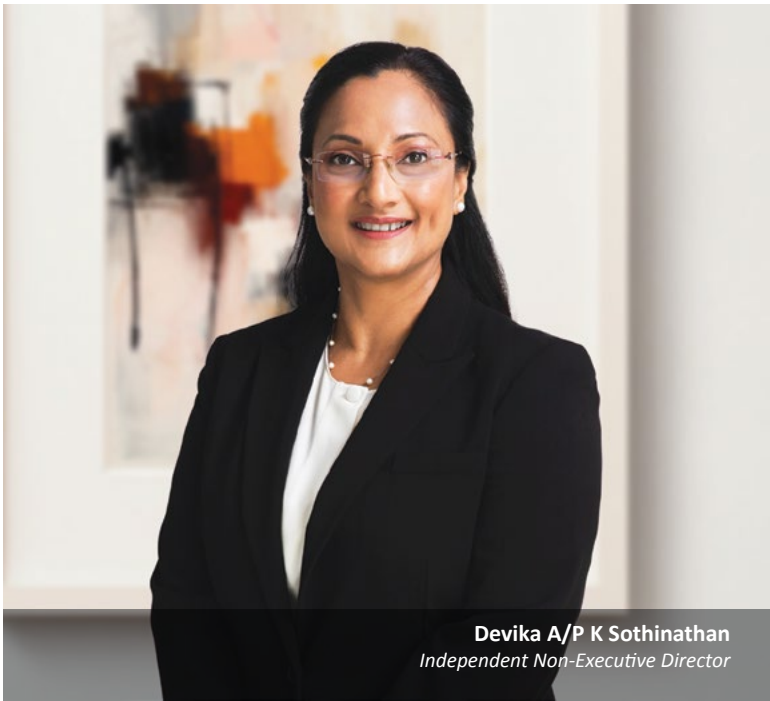
Alvin Dim Lao
Non-Independent Non-Executive Director

BOARD PROFILE

Note: The Board Profile does not include the 3 Alternate Directors



BOARD OF
DIRECTORS



BOARD OF DIRECTORS' PROFILE

DATO' CARL GUNNAR MYHRE @ DATO' ABAS CARL GUNNAR BIN ABDULLAH

Executive Chairman

Date First Appointed to the Board:

15 March 2005

Board Committee Memberships:

- Chairman of the Executive Committee
- Member of the Remuneration Committee

Age | Gender | Nationality:

65 | Male | Norwegian (Permanent Resident of Malaysia)



Academic/Professional Qualifications

- Diploma in Chemistry, University of Gothenburg, Sweden
- Diploma in Marketing, University of Oslo, Norway

Working Experience/Occupation

Dato' Abas Carl Gunnar is the Executive Chairman of ARMB. He was the Managing Director of Jotun Powder Coatings (M) Sdn Bhd from 1985 to 1993.

Dato' Abas Carl Gunnar made his initial foray into property development in Malaysia in 1989, through his involvement in the development of a build-and-lease project with the multinational APV Hills & Mills. Thereafter, in 1992, he teamed up with Mr. Stephen Tew Peng Hwee and other investors to develop Crystal Plaza. This was followed by the development of Axis Business Park, Axis Plaza, and Menara Axis, which collectively formed the core property portfolio of Axis-REIT during its initial public offering.

As Executive Chairman, Dato' Abas Carl Gunnar leads the Board on strategic matters and oversees the implementation of the business strategies as well as operational objectives of Axis-REIT. He previously served as the Executive Deputy Chairman of the Board from 20 November 2006 until assuming the role of Executive Chairman on 30 May 2023.

Dato' Abas Carl Gunnar has interests in other business entities. He is a director and shareholder of several private companies that are involved in property development, property investment and agarwood (gaharu) plantations. He also has interests in a fund management company based in New York, United States of America, that specialises in global equities.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

BOARD OF DIRECTORS' PROFILE

STEPHEN TEW PENG HWEE @ TEOH PENG HWEE

Non-Independent Non-Executive Deputy Chairman

Date First Appointed to the Board:

25 October 2004

Board Committee Memberships:

- Member of the Executive Committee
- Member of the Remuneration Committee
- Member of the Nomination Committee

Age | Gender | Nationality:

63 | Male | Malaysian



Academic/Professional Qualifications

- Diploma from the Institute of Marketing, United Kingdom
- Registered Estate Agent and Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience/Occupation

Stephen began his career as a real estate agent in 1982, and over the years, built his practice as a specialist in the office and industrial property segments. In 1992, he established Hectares & Stratas Sdn Bhd, a real estate agency that is focused on the commercial and industrial real estate market.

Stephen has been instrumental in the development of many purpose-built buildings that have attracted numerous multinational companies as tenants. He has also curated quality property portfolios for investment income.

In 1992, he teamed up with Dato' Abas Carl Gunnar and other investors to develop Crystal Plaza. This was followed by the development of Axis Business Park, Axis Plaza, and Menara Axis, which collectively formed the core property portfolio of Axis-REIT during its initial public offering.

Stephen had previously served as a Non-Independent Non-Executive Director on the Board of ARMB until his redesignation as Non-Independent Non-Executive Deputy Chairman on 30 May 2023. He is also a director and shareholder of several private companies that are principally involved in real estate investments, including retail malls, hotels, and property development projects. He also has interests in solar energy generation companies and owns two well-known trading companies, Seng Hup Lightings and Victron Outdoor Furniture.

Present Directorships in Public Companies and/or Listed Issuers

- Axis REIT Sukuk Berhad
- Axis REIT Sukuk Two Berhad

Other Memberships/Appointments/Involvements

- Past President of the Malaysian Institute of Estate Agents (MIEA)
- Former Board Member of the Board of Valuers, Appraisers and Estate Agents (1998-2004)

Awards Received

- Lifetime Achievement Award 2015, MIEA

BOARD OF DIRECTORS' PROFILE

LEONG KIT MAY

Chief Executive Officer/Executive Director

Date First Appointed to the Board:

15 November 2011

Board Committee Memberships:

- Member of the Executive Committee

Age | Gender | Nationality:

48 | Female | Malaysian



Academic/Professional Qualifications

- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology University, Australia
- Certified Practising Accountant, Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience/Occupation

Kit May is the Chief Executive Officer (CEO) and Executive Director of ARMB. With over 2 decades of industry experience, she is well-regarded in the Malaysian REIT industry and is the current Chairman of the Malaysian REIT Managers Association (MRMA).

Kit May began her career at Ernst & Young, where she gained a strong foundation in auditing and accounting. In 2001, she transitioned to the REIT industry, taking on roles in property development, construction, and investments within the UOA group of companies. She was also actively involved in the successful listing of UOA REIT in 2005.

In 2006, Kit May joined ARMB and was promoted to Chief Financial Officer in 2008. In the same year, she successfully spearheaded the conversion of Axis-REIT into Malaysia's first Islamic Office/Industrial REIT. She continued to assume greater management responsibilities within ARMB, and in November 2011, was appointed to the Board as an Executive Director.

She was identified as a key talent in the Board's succession plans, and was promoted to Chief Operating Officer in 2015, in preparation to take on the role of CEO, which she assumed on 1 January 2016.

Kit May continues to lead Axis-REIT to new heights as the Fund extends its leadership as an owner, manager, and developer of industrial properties in Malaysia. The Fund has recorded continued growth and operational resilience under her guidance. She has also been instrumental in driving the Fund's portfolio expansion, particularly in property development, where she has actively overseen the sourcing, implementation, and completion of 5 development projects to date.

Present Directorships in Public Companies and/or Listed Issuers

- Axis REIT Sukuk Berhad
- Axis REIT Sukuk Two Berhad

Other Memberships/Appointments/Involvements

- Current Chairman of the MRMA
- Past Industry Adviser for University of Reading Malaysia's BSc Real Estate Programme

Awards Received

- Best of the Breeds REITs Awards 2024: Best CEO (Malaysia) – Platinum
- KSI Malaysian Property Icon Leadership Award 2023
- Best of the Breeds REITs Awards 2023: Best CEO (Asia Pacific) – Platinum
- Best of the Breeds REITs Awards 2020: Best CEO (Malaysia)
- MIRA Investor Relations Awards 2020: Best CEO for IR

BOARD OF DIRECTORS' PROFILE

ALVIN DIM LAO

Non-Independent Non-Executive Director

Date First Appointed to the Board:

30 December 2011

Board Committee Memberships:

- Member of the Audit Committee

Age | Gender | Nationality:

53 | Male | Filipino



Academic/Professional Qualifications

- Bachelor of Science in Information Technology and Statistics, University of Western Australia
- Master of Business Administration, Sloan School of Management at the Massachusetts Institute of Technology

Working Experience/Occupation

Alvin is the President and Chief Executive Officer of D&L Industries Inc. (D&L), a Philippine Stock Exchange-listed company involved in product customisation, development, and specialisation for the food, plastics, chemicals, and aerosol industries. He previously served as D&L's Chief Financial Officer and Executive Vice-President, before assuming his current roles in August 2016.

In 2021, Alvin was appointed as Executive Vice President and Treasurer of LBL Prime Properties Incorporated (LBL), a multi-faceted property development company with industrial, hospitality, and commercial projects in the Philippines. LBL also specialises in leasing and managing commercial and industrial properties. Alvin had previously served as LBL's Chief Financial Officer.

Before joining D&L and its group of companies, Alvin worked for the Singapore National Computer Board, where he was seconded to the

Computer Information Services Department of the Supreme Court of Singapore. He was part of the team that managed the computer networking requirements of the High Court and was involved in initiating the implementation of the Technology Court of Singapore.

Present Directorships in Public Companies and/or Listed Issuers

- D&L Industries Inc.

Other Memberships/Appointments/Involvements

- Former President and Member of the Entrepreneurs' Organization (Philippine Chapter)
- Member of the Wallace Business Forum
- President of the Technology Club of the Philippines (Massachusetts Institute of Technology Alumni in the Philippines)
- Member of the Management Association of the Philippines (MAP)
- Member of the Financial Executives Institute of the Philippines (FINEX)
- Member of Akademyang Filipino

Awards Received

- None

BOARD OF DIRECTORS' PROFILE

LIM KENG HWEE

Senior Independent Non-Executive Director

Date First Appointed to the Board:

1 June 2022

Board Committee Memberships:

- Chairperson of the Audit Committee
- Chairperson of the Nomination Committee

Age | Gender | Nationality:

60 | Female | Malaysian



Academic/Professional Qualifications

- Member of the Malaysian Association of Certified Public Accountants
- Chartered Accountant, Malaysian Institute of Accountants

Working Experience/Occupation

Keng Hwee is the founder and Executive Director of IFS Advisory Services Sdn Bhd (IFS), a firm providing tax compliance, advisory, and consultancy services, which include accounting, payroll, and other outsourced services. She also manages the internal administrative and human resource departments at IFS.

Keng Hwee started her career at Kassim Chan & Co (now known as Deloitte Malaysia) in 1988. She gained 5 years of audit experience before making a switch to academia with a lecturing position at Systematic Business Training Centre (now known as SEGi College Kuala Lumpur) in 1993.

She returned to corporate services in 2000, joining PFA Corporate Services Sdn Bhd (PFA) as an Assistant Manager in charge of accounting and payroll services. She progressed in her role and was appointed as a Director of PFA in 2005, overseeing the Accounting and Payroll Outsourced Operations Unit.

In 2006, Keng Hwee moved to Symphony House Berhad (Symphony Group), heading the Accounting and Payroll Departments at its subsidiary, Symphony Incorporations Sdn Bhd. She was appointed as a Director at Symphony Share Registrars Sdn Bhd in the following year, taking charge of client management, operations, compliance, information systems, as well as human resource and administration, before helming the company as its Chief Executive Officer in 2009.

In 2011, she took on the role of Head of Compliance at Symphony HRS Sdn Bhd, Symphony Group's international payroll outsourcing arm, before venturing out to establish her own practice, IFS, in 2012.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

BOARD OF DIRECTORS' PROFILE

DEVIKA A/P K SOTHINATHAN

Independent Non-Executive Director

Date First Appointed to the Board:

1 June 2022

Board Committee Memberships:

- Chairperson of the Remuneration Committee
- Member of the Audit Committee
- Member of the Nomination Committee

Age | Gender | Nationality:

57 | Female | Malaysian



Academic/Professional Qualifications

- Bachelor of Laws (LL.B Honours), University of Reading, United Kingdom
- Barrister-At-Law, The Honourable Society of Lincoln's Inn, United Kingdom
- Advocate & Solicitor of the High Court of Malaya

Working Experience/Occupation

Devika is a Partner at the law firm of Sothi & Ang, a position she has held since 2006. Her practice focuses on conveyancing, family law, corporate law, and matters related to probate and administration.

Devika started her pupillage at Shearn Delamore & Co in 1991 and thereafter, commenced law practice as a Legal Assistant at Sothi & Ang on 12 June 1992. As a Legal Assistant, she mainly practiced civil litigation and conveyancing. She also handled family law and criminal cases, steadily taking on greater responsibilities in the firm. Her dedication and expertise culminated in her appointment as a Partner of the firm in 2006.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

BOARD OF DIRECTORS' PROFILE

JANCIS ANNE QUE LAO

Alternate Director to Alvin Dim Lao

Date First Appointed to the Board:

20 October 2014

Board Committee Memberships:

- Not applicable

Age | Gender | Nationality:

48 | Female | Filipino



Academic/Professional Qualifications

- Bachelor of Commerce, Curtin University of Technology, Western Australia
- Bachelor of Fine Arts (*Magna cum Laude*), Fashion Institute of Technology, New York, United States of America
- Finance for Executives Programme, INSEAD, Singapore

Working Experience/Occupation

Jancis is the Project Development Director of LBL Prime Properties Incorporated (LBL), a real estate development company that specialises in the development, leasing, and management of built-to-suit industrial, commercial, and hospitality properties in the Philippines.

As Project Development Director, she oversees the development of LBL's projects from conception to completion and handover. She drives the company's partnerships, facilitating collaborations and communication between all stakeholders to ensure efficiency and productivity across all functions.

Additionally, Jancis also oversees LBL's hospitality portfolio, as well as its leasing and facilities management functions. She has been instrumental in developing and implementing LBL's sustainability culture and strategy, managing sustainability certifications and enhancing the resilience of its assets.

Prior to joining LBL, Jancis was based in New York, working with Davis Brody Bond, an architectural firm with a diverse portfolio of cultural, academic, research, civic, corporate, industrial, healthcare, and residential projects. She subsequently moved to Saks Fifth Avenue, taking on leasing and project management for luxury retail brands.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- Current Member of the Entrepreneurs' Organization (Philippine Chapter)

Awards Received

- None

BOARD OF DIRECTORS' PROFILE

MAXINE TEOH SUI VERN

Alternate Director to Stephen Tew Peng Hwee @ Teoh Peng Hwee

Date First Appointed to the Board:

1 July 2020

Board Committee Memberships:

- Not applicable

Age | Gender | Nationality:

31 | Female | Malaysian



Academic/Professional Qualifications

- Bachelor of Law (LL.B Honours), University of Bristol, United Kingdom
- Bar Professional Training Course, BPP University, United Kingdom
- Barrister-at-Law (Middle Temple), United Kingdom
- Advocate & Solicitor of the High Court of Malaya
- Company Secretary/Practicing Certificate Holder registered under the Companies Commission of Malaysia (SSM)

Working Experience/Occupation

Maxine is a lawyer and the founder of Maxine & Co, a law firm specialising in property conveyancing, insurance disputes, fraud and asset recovery, and other legal matters.

As a conveyancing lawyer, she guides and advises property owners and buyers through the entire conveyancing process and beyond. She also advises clients on insurance-related matters and assists with property repossession cases.

Maxine is a Practicing Certificate holder under the Companies Commission of Malaysia, which enables her to act as a Company Secretary under the Companies Act 2016. In this capacity, she administers the statutory and regulatory requirements of several companies.

Prior to establishing her own firm, Maxine undertook her conveyancing pupillage at Naqiz & Partners Advocates & Solicitors from 2017 to 2018. Thereafter, she was a legal officer at Hectares & Stratas Sdn Bhd, a real estate agency that is focused on commercial and industrial real estate, before venturing out to set up Maxine & Co in 2020.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

BOARD OF DIRECTORS' PROFILE

TAKIM KHAN MYHRE

Alternate Director to Dato' Carl Gunnar Myhre @ Dato' Abas Carl Gunnar Bin Abdullah

Date First Appointed to the Board:

27 October 2023

Board Committee Memberships:

- Not applicable

Age | Gender | Nationality:

24 | Male | Malaysian



Academic/Professional Qualifications

- Bachelor of Arts in Politics, Occidental College, United States of America

Working Experience/Occupation

Takim began his career at ARMB in July 2023, gaining valuable hands-on experience in the leasing operations of Axis-REIT's property portfolio as a Leasing Executive. In July 2024, he progressed to the Investment/Business Development department as an Investment Executive, where he supports the team's investment activities.

Prior to joining ARMB, Takim studied politics, graduating with a Bachelor of Arts in Politics from Occidental College, United States of America, in 2023.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

Other Disclosures

1. Alvin Dim Lao is the representative of Alex Lee Lao, who is an ultimate major shareholder of ARMB, on the Board of ARMB. He is a nephew of Alex Lee Lao. Alvin's alternate director is Jancis Anne Que Lao, who is a daughter of Alex Lee Lao.
 2. Maxine Teoh Sui Vern is the daughter of Stephen Tew Peng Hwee @ Teoh Peng Hwee.
 3. Takim Khan Myhre is the son of Dato' Abas Carl Gunnar.
- Except as disclosed above, none of the Directors of ARMB has any family relationship with any Director of ARMB and/or major shareholder of ARMB, and/or major Unitholder of Axis-REIT.
2. Other than related party transactions which have been disclosed and reviewed by the Audit Committee, none of the Directors of ARMB has any conflict of interest with ARMB and/or Axis-REIT.
 3. None of the Directors of ARMB has been convicted of any offence (other than traffic offences) within the past 5 years.
 4. None of the Directors of ARMB has had any public sanction or penalty imposed on them by the relevant regulatory bodies during 2024.
 5. Details of the attendance of each Director of ARMB at Board meetings held during 2024 are contained in the Corporate Governance Overview Statement of this Report.
 6. Details of the unitholdings held by each Director of ARMB in Axis-REIT are contained in the Unitholders' Statistics section of this Report.

KEY MANAGEMENT PROFILE



LEONG KIT MAY

Chief Executive Officer | Executive Director

48 | Female | Malaysian

Date First Appointed to the Board:

15 November 2011

Academic/Professional Qualifications

- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology University, Australia
- Certified Practising Accountant, Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience

Kit May is the CEO and Executive Director of ARMB.

Details of her work experience are available in the Board of Directors' Profile section of this Report.

Present Directorships in Public Companies and/or Listed Issuers

- Axis REIT Sukuk Berhad
- Axis REIT Sukuk Two Berhad

Other Memberships/Appointments/Involvements

- Current Chairman of the MRMA
- Past Industry Adviser for University of Reading Malaysia's BSc Real Estate Programme

Awards Received

- Best of the Breeds REITs Awards 2024: Best CEO (Malaysia) – Platinum
- KSI Malaysian Property Icon Leadership Award 2023
- Best of the Breeds REITs Awards 2023: Best CEO (Asia Pacific) – Platinum
- Best of the Breeds REITs Awards 2020: Best CEO (Malaysia)
- MIRA Investor Relations Awards 2020: Best CEO for IR



NIKKI NG

Chief Financial Officer

47 | Female | Malaysian

Date First Appointed as Key Senior Management Personnel:

1 June 2012

Academic/Professional Qualifications

- Bachelor of Accountancy (Hons), Oxford Brookes University, United Kingdom
- MIA Qualifying Examination
- Chartered Accountant, Malaysian Institute of Accountants
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute

Working Experience

Nikki has 25 years of experience in the property, real estate and corporate sectors, specialising in financial accounting and reporting, as well as strategic planning.

As the Chief Financial Officer (CFO) of ARMB, she leads the Finance Team, overseeing its treasury and capital management, financial reporting, credit control, and budgetary control functions. She also works closely with the CEO on matters related to corporate finance and regulatory compliance.

Nikki joined ARMB as an Accountant in 2008 and was re-designated as the Head of Credit Control in 2012. She demonstrated continued professional growth and leadership, and was promoted to become ARMB's Financial Controller in 2016 and subsequently to her current position as CFO in 2017.

Before joining ARMB, Nikki was the Finance Manager at Paxelent Corporation Berhad, where she gained experience in financial management and corporate planning. Prior to that, she was attached to IGB Corporation Berhad.

Present Directorships in Public Companies and/or Listed Issuers

- None

Awards Received

- Best of the Breeds REITs Awards 2024: Best CFO (Malaysia) – Platinum
- Best of the Breeds REITs Awards 2023: Best CFO (Asia Pacific) – Platinum
- Best of the Breeds REITs Awards 2020: Best CFO (Malaysia)

KEY MANAGEMENT PROFILE



JACKIE LAW

Head of Real Estate

60 | Female | Malaysian

Date First Appointed as Key Senior Management Personnel:

1 December 2012

Academic/Professional Qualifications

- Master of Science in Facilities Management, Heriot-Watt University, United Kingdom
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience

Jackie heads up ARMB's real estate operations. She is responsible for the Fund's portfolio strategy, overseeing its management and leasing functions, which include tenant care, retention, loyalty, and satisfaction. She also supports the CEO in evaluating potential property acquisitions and divestments, asset enhancement initiatives, and development projects.

Jackie works closely with the Property Manager of Axis-REIT to ensure the Fund's property portfolio is optimally maintained and competitively positioned in the property market.

She has extensive experience in real estate management and operations, including marketing, lease management, project management, and facilities management. She has served in several administrative roles within the Axis group of companies since 1994, in the areas of property development and management.

Present Directorships in Public Companies and/or Listed Issuers

- None



REBECCA LEONG

Company Secretary & Head of Compliance

46 | Female | Malaysian

Date First Appointed as Key Senior Management Personnel:

1 November 2016

Academic/Professional Qualifications

- Associate of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries & Administrators (ICSA))
- Chartered Secretary, The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Practising Certificate Holder of the Companies Commission of Malaysia (SSM)
- Chartered Governance Professional (CGP)

Working Experience

Rebecca joined ARMB in 2016 as the Company Secretary and Head of Compliance. She is responsible for all corporate compliance matters of ARMB and Axis-REIT. She also assists the CEO in corporate legal matters, internal audit, and risk management, working closely with the appointed legal solicitors and internal auditors.

Prior to this, Rebecca had already served as ARMB's external Company Secretary since 20 April 2006, in her capacity as Vice-President at corporate secretarial firm, Archer Corporate Services Sdn Bhd (Archer). During her 12-year tenure with Archer, she handled the corporate secretarial matters for a portfolio of public and private companies where her scope of work ranged from corporate advisory, corporate governance and administration, to corporate compliance with statutory and regulatory requirements, as well as listing obligations. She also acted as the Chartered Secretary of companies under her care during her tenure with Archer.

Before joining Archer, Rebecca was attached to Signet & Co Sdn Bhd, another corporate secretarial firm, where she gained her initial exposure and experience in corporate secretarial practice.

Present Directorships in Public Companies and/or Listed Issuers

- None

KEY MANAGEMENT PROFILE



TAN KEE HONG

Head of Investments

38 | Male | Malaysian

Date First Appointed as Key Senior Management Personnel:

17 July 2019

Academic/Professional Qualifications

- Bachelor of Commerce (Accounting & Finance), University of Melbourne, Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Certified Practising Accountant, Australia

Working Experience

Kee Hong leads the Investments Team, where he is responsible for the execution of the Fund's portfolio strategy. Focusing on industrial properties, he proactively sources, evaluates, and secures new investment opportunities to build a robust pipeline of suitable acquisition and development targets for the Fund. He also assesses divestment possibilities in anticipation of changing market priorities.

Kee Hong began his career as an auditor with Ernst & Young. He entered the REIT sector with his initial stint at ARMB as an Accountant in 2011 and was promoted to Finance Manager in 2013. Thereafter, he broadened his experience, joining S P Setia Berhad as its Corporate Affairs and Investor Relations Manager, before moving on to a business development role as a Corporate Strategy Senior Manager at Agile Motion Sdn Bhd in 2015.

Kee Hong returned to ARMB as Head of Investments in July 2019.

Present Directorships in Public Companies and/or Listed Issuers

- None



CHAN TZE WEE

Senior Manager, Investor Relations and Business Development

45 | Female | Malaysian

Date First Appointed as Key Senior Management Personnel:

1 January 2016

Academic/Professional Qualifications

- Bachelor of Laws (LLB), University of Manchester, United Kingdom
- MSc in Marketing, University of Manchester, United Kingdom
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute

Working Experience

Tze Wee leads ARMB's business development ventures, where she is responsible for identifying and leveraging on strategic opportunities in untapped segments within the business space market to drive the Fund's growth.

Her key responsibilities include the identification, evaluation and completion of asset acquisitions with a focus on non-industrial properties, seeking prospects through engagements with real estate consultants, property developers, business councils, as well as industry associations.

She also heads the Investor Relations department of ARMB, where she is responsible for the investor relations activities of Axis-REIT.

Prior to joining ARMB in July 2014, Tze Wee worked in the advertising industry, at Saatchi & Saatchi and the Ogilvy Group. Subsequently, she joined Malaysia Property Incorporated as Vice President of Investment Promotions, where she established the company's market intelligence division and headed the business development agenda for China and new markets. Before joining ARMB, she spent two years setting up and running the Shanghai office of Workflow International Limited – a cloud computing software start-up.

Present Directorships in Public Companies and/or Listed Issuers

- None

Awards Received

- MIRA Investor Relations Awards 2021: Best IR Professional (Mid-Cap)

KEY MANAGEMENT PROFILE



LOW AY KEAN

Human Resource Manager

50 | Female | Malaysian

Date First Appointed as Key Senior Management Personnel:

1 December 2015

Academic/Professional Qualifications

- Bachelor's Degree in Economics, Universiti Putra Malaysia
- Professional Diploma in Human Resource Management, Malaysian Institute of Human Resource Management

Working Experience

As Human Resource Manager, Ay Kean is responsible for the full spectrum of ARMB's human resource, office administration, and information technology (IT) functions. These encompass manpower, recruitment and selection, compensation and benefits, training, employee welfare, industrial relations matters, and general office administration. She also oversees ARMB's IT systems, working closely with the outsourced IT service provider to put in place a robust and resilient IT infrastructure, effective preventive maintenance and security systems, as well as timely technical support services.

Prior to joining ARMB, Ay Kean had served in the human resource departments of several public and private organisations, including Malaysian Bulk Carriers Berhad, Zelan Berhad, Kurihara and Cybervision Sdn Bhd.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Disclosures

None of the key management personnel of the Manager has:

1. any family relationship with any Director of the Manager and/or major shareholder of the Manager, and/or major Unitholder of Axis-REIT.
2. any conflict of interest with the Manager and/or Axis-REIT.
3. been convicted of any offence (other than traffic offences) within the past 5 years.
4. any public sanction or penalty imposed on them by the relevant regulatory bodies during 2024.



JESSICA WONG

Manager, Corporate Communications & Sustainability

39 | Female | Malaysian

Date First Appointed as Key Senior Management Personnel:

1 January 2025

Academic/Professional Qualifications

- Bachelor of Arts (Hons), Politics, Philosophy and Economics, University of Manchester, United Kingdom
- GRI Certified Sustainability Professional

Working Experience

Jessica oversees the implementation of Axis-REIT's sustainability strategies. Working with members of the Sustainability Team, she plans, coordinates, and monitors the implementation of Board-approved ESG initiatives and related programmes.

She is responsible for the Fund's ESG benchmarking and ratings processes, ensuring accuracy and transparency in sustainability reporting, including climate-related disclosures. This includes undertaking data analysis, managing surveys, preparing reports, and facilitating the sustainability assurance process.

Jessica also manages the Fund's corporate communications functions, which includes overseeing its official website and other digital assets. Additionally, she oversees the production of marketing and corporate collaterals, organises corporate events, and manages media engagements.

Jessica began her career as a marketing professional in the banking sector at Alliance Bank. She then transitioned to working with international non-profit organisations in disaster relief and resource mobilisation, where she managed projects across six countries in Asia. Prior to joining ARMB, Jessica gained valuable exposure to the property sector at See Hoy Chan Sdn Berhad, where she specialised in branding, communications, and customer experience.

Present Directorships in Public Companies and/or Listed Issuers

- None

PROPERTY MANAGEMENT TEAM



SELINA KHOR

Axis Property Services
Property Manager of Axis-REIT

66 | Female | Malaysian

Academic/Professional Qualifications

- Associate Diploma in Valuation, Royal Melbourne Institute of Technology, Australia
- Registered Valuer, Estate Agent and Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience

Selina is the registered owner of Axis Property Services (APS), which has been the appointed Property Manager of Axis-REIT since 1 January 2007. She oversees the management of all properties in the Fund's portfolio, working closely with ARMB and Axis Facilities Management Sdn Bhd (AFM) in providing property management services to Axis-REIT. These services range from property maintenance and management, to fit-out projects and asset enhancement initiatives.

Selina has over 40 years of experience in the property industry. Before establishing APS, she worked at Rahim & Co Chartered Surveyors Sdn Bhd, where she held various roles including registered valuer, estate agent, and property manager.

Present Directorships in Public Companies and/or Listed Issuers

- None



SIVA SHANKAR PALANY

Head of Facilities Management
Axis Facilities Management Sdn Bhd

52 | Male | Malaysian

Academic/Professional Qualifications

- Bachelor of Real Estate Management, Kuala Lumpur Infrastructure University College
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia
- Graduate Member, Royal Institution of Surveyors Malaysia
- Member, Malaysian Institute of Property & Facility Managers
- Affiliate Member, Institute of Workplace & Facilities Management, United Kingdom
- Certified International Project Manager, International Academy of Project Management

Working Experience

Siva oversees the facilities management and operations of all properties in Axis-REIT's portfolio. He works closely with ARMB and APS to ensure that the Fund's portfolio is managed efficiently and effectively to provide a safe, conducive, and sustainable built environment for all stakeholders.

Siva has over 25 years of experience in real estate professional services in Malaysia and Brunei, specialising in property management, project management, property due diligence, and building code compliance.

Prior to joining AFM in 2011, he was attached to Jones Lang Wootton Malaysia as a Senior Property Manager, and Jerudong Park Medical Centre, Brunei, as a Real Estate Manager.

Present Directorships in Public Companies and/or Listed Issuers

- None



LOH YEN FERN

Head of Project Management
Axis Facilities Management Sdn Bhd

53 | Female | Malaysian

Academic/Professional Qualifications

- Bachelor of Construction Economics, Royal Melbourne Institute of Technology University, Australia
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience

Yen Fern is responsible for project management and asset enhancement initiatives within Axis-REIT's property portfolio. She works closely with ARMB and APS in planning, executing and monitoring the Fund's asset enhancement initiatives, and assists in due diligence exercises for potential asset acquisitions.

She also collaborates with ARMB in planning, costing, and assessing the viability of new development projects, and works with the appointed contractors to monitor the implementation of approved projects.

Yen Fern has over 25 years of experience in the construction and building industry in Malaysia, where she has specialised in project planning, management, and facilities management.

Prior to joining AFM in 2011, she was attached to Syarikat Pembinaan Woh Heng Sdn Bhd as a Quantity Surveyor, and FSBM Holdings Berhad, where she progressed from being a Business Analyst to become the Head of Business Unit (Properties).

Present Directorships in Public Companies and/or Listed Issuers

- None

OUR CLIMATE JOURNEY

In 2024, the effects of climate change continued to wreak havoc, with severe flash floods, violent storms, and devastating wildfires seen across the globe. Data indicates that 2024 is “virtually certain” to become the warmest year on record, with global temperatures surpassing the 1.5°C above pre-industrial levels mark – a critical threshold established by the Paris Agreement. This alarming development underscores the urgent need for robust climate action. Axis-REIT remains resolutely committed to combating climate change through the implementation of ongoing sustainability measures across all aspects of our operations, from our daily business activities, to the practices of our valued tenants.

Elevating our climate risk governance and accountability

ARMB has always been committed to upholding the highest standards of governance throughout our operations. This is demonstrated in our organisational structure, which is aligned with the best practice recommendations of the MCCG. This year, we further strengthened the Board’s leadership and accountability over climate-related considerations by formally naming our Executive Chairman as the person responsible for climate change risk oversight at the Board level, effective January 2025.

This governance structure facilitates effective oversight in steering the Fund towards our climate objectives. The Board proactively monitors and evaluates sustainability and climate-related matters, ensuring that the potential risks are effectively mitigated, emerging opportunities are optimised, and climate considerations are integrated into all aspects of our operations.

The Board also works closely with Senior Management to execute and assess the effectiveness of sustainability initiatives. To reflect these responsibilities, we have embedded the progress and results of our sustainability efforts into the performance evaluations of the Board, Senior Management, and the Manager, Corporate Communications & Sustainability,

with both financial and non-financial consequences. This holistic approach drives accountability for sustainability and climate change management, and ensures that our operations are firmly aligned with the Fund’s long-term sustainability goals. It also reflects our commitment to achieving meaningful progress in the fight against climate change while delivering long-term value to our stakeholders.



For more information related to our Sustainability Governance Structure, please refer to page 172 of this Report.

Maturing regulatory framework supports cohesive and standardised reporting

In 2023, the Task Force on Climate-Related Financial Disclosures (TCFD), which was widely considered to be the benchmark for climate risk reporting, was formally disbanded and subsumed into the IFRS S2 Climate-related Disclosures. Thereafter, in September 2024, the SC introduced the NSRF, which addresses the use of the IFRS disclosure standards as the baseline for sustainability reporting in Malaysia. In December 2024, Bursa Securities then aligned its MMLR on sustainability disclosures with the NSRF. Collectively, these standards, frameworks, and disclosure requirements underscore the importance of cohesive and standardised reporting towards enhancing transparency and accountability in sustainability practices.

Meanwhile, the Energy Efficiency and Conservation Act (EECA) – a new legislation to advance Malaysia’s environmental objectives, including achieving carbon neutrality by 2050 – will come into effect in 2025. The EECA sets guidelines, standards, and regulations to ensure sustainable energy use. These are aimed at regulating energy consumption and promoting energy conservation across various sectors in Malaysia.

Amid the evolving regulatory environment, we reaffirm our readiness and unwavering commitment to adhere to these frameworks and regulations. We will ensure that our sustainability initiatives and reporting practices meet the expectations set by these global and national standards.

Strategy: Prioritising our next steps in climate risk management

In 2024, we undertook an assessment to identify and assess our climate-related risks and opportunities in the short, medium and long-term. The assessment, which is aligned with TCFD Recommendations that have been subsumed into IFRS S2, assessed 2 primary risk categories – Physical Risks and Transition Risks:

OUR CLIMATE JOURNEY

Risk Categories	Risk Impact Level	Time Horizon	Risks		Opportunities
Physical Risks	Extremely High	Medium to long-term	Chronic weather events	Long-term shifts in climate conditions, such as rising temperatures and sea levels, could reduce the value of properties located in flood-prone areas.	<ul style="list-style-type: none"> - Acquiring properties with low climate risks - Mitigating climate risks for the existing property portfolio
	High	Short to medium-term	Acute weather events	Extreme weather events, such as floods and typhoons, may cause significant property damage, leading to substantial financial implications to repair and maintain the resilience of our properties.	
Transition Risks	High	Short to medium-term	Carbon pricing	A policy mechanism that could potentially put a price on greenhouse gas (GHG) emissions, leading to higher operational expenses for Axis-REIT and tenants.	<ul style="list-style-type: none"> - Achieving long-term operating cost savings from investments in energy efficient infrastructure and renewable energy technologies
	Moderate	Short to medium-term	Regulatory requirements	Changes in laws and regulations governing sustainable practices and environmental protection could result in increased compliance risks and costs for both Axis-REIT and tenants.	<ul style="list-style-type: none"> - Leveraging strong sustainability compliance and disclosures to access capital markets and tap into sustainable investment funds and to broaden our investor base
	Moderate	Medium to long-term	Innovation and technological advancements	Adoption of evolving technologies to remain competitive in the industry; failure in doing so could potentially result in obsolescence and operational vulnerabilities.	<ul style="list-style-type: none"> - Using climate intelligence tools to support climate-related risk mitigation - Leveraging on renewable energy and new low carbon technologies
	Moderate	Short to medium-term	Change in tenant behaviour	Changes in tenant behaviour driven by increased sustainability and climate awareness could adversely impact occupancy rates if their values no longer align with those of the portfolio.	<ul style="list-style-type: none"> - Capitalising on tenant demand for sustainable/ green-certified properties

Time Horizon

Short-term Up to Year 2030

Medium-term Year 2030 – 2040

Long-term Year 2040 – 2050

OUR CLIMATE JOURNEY

Risk Categories	Risk Impact Level	Time Horizon	Risks		Opportunities
Transition Risks	Moderate	Short to medium-term	Behavioural trends and social changes	A shift in stakeholders' perceptions towards prioritising sustainability in business practices could impact Axis-REIT's fundraising efforts if sufficient sustainability initiatives are not implemented.	- Positioning as the industry/ market leader in sustainability and climate-related disclosures differentiates Axis-REIT from its peers
	Low	Medium to long-term	Talent attraction and retention	A shift in the talent pool's emphasis towards sustainability issues may impede Axis-REIT's ability to attract and retain critical talent, potentially resulting in higher recruitment costs, a weak talent pipeline, and leadership succession risks, thereby impacting the Fund's position as an industry leader.	- Attracting and retaining talent by demonstrating a strong commitment to sustainability

Time Horizon

Short-term

Up to Year 2030

Medium-term

Year 2030 – 2040

Long-term

Year 2040 – 2050

Our Senior Management reviewed the identified climate-related risks and ranked them based on their potential impact to the Fund. These risks have been integrated into our Enterprise Risk Management (ERM) framework to ensure they remain a central focus in our strategic planning and day-to-day operations.

To further enhance our management of climate-related risks, we conducted a flood risk assessment on each of our existing properties. We also expanded our scope of assessment to identify water stress risk across our existing portfolio through the Aqueduct Water Risk Atlas tool. These additional insights give us a better understanding of the impact and implications of flooding and water-stress risk on each property. This holistic and systematic approach enables us to develop a more comprehensive and structured approach in managing and mitigating climate-related risks. It also reflects our commitment to robust climate risk management and the integration of sustainable business practices throughout our operations.

Moving forward, the Manager will perform a scenario analysis in 2025 to further assess the impact of the identified climate-related risks and opportunities in varying climate scenarios. This will help us refine our priorities and resource allocation in addressing climate-related risks and strengthen the resilience of our business strategies. We will also incorporate a water stress vulnerability assessment into the Initial Due Diligence Assessments for new acquisitions and developments.

In preparing to expand our Scope 3 GHG emissions disclosures, the Senior Management reviewed 15 categories of Scope 3 GHG emissions in 2024, and identified 8 as being the most material to our business operations. This materiality exercise will help us prioritise our Scope 3 data collection efforts in the coming years and focus our resources on the areas that have the greatest impact on our overall carbon footprint.

With the EECA coming into effect from 2025, the Manager is also committed to ensuring

full compliance with the new energy-related regulations. We will achieve this through regular audits, upgrading properties with energy-efficient technologies, adhering to stringent energy performance standards, and embedding comprehensive monitoring, reporting, and disclosure frameworks in our operations.

Building on our commitment to address climate change in collaboration with our tenants, we have successfully secured green leases for 4 tenants to date and are actively exploring the possibility of securing additional green leases during upcoming lease renewal negotiations. We are also looking to work with tenants to incorporate renewable energy solutions at our properties to enhance energy efficiency across our portfolio.

Mid-term review of sustainability targets: Achievements and future actions

As we cross the mid-point of the 5-year term of our environmental targets, we are pleased

OUR CLIMATE JOURNEY

to report that our sustainability initiatives that are embedded in our internal business practices and asset enhancement initiatives (AEIs) have continued to yield positive results. Most notably, we achieved a 14.56% reduction in total energy consumption and a 13.96% reduction in Scope 1 and 2 GHG emissions in 2024, from their respective 2019 baselines. This compares against our targets for a 1% reduction in both measures by 2026. Meanwhile, we recorded a 9.78% increase in water consumption and a 16.8% increase in general waste disposed, against their respective baseline years. Although our water and waste management key performance indicators (KPIs) appear to be lagging behind our targets, this has been attributed to an increase in our property occupancy rates and

the inclusion of additional multi-tenanted properties in our portfolio.

We remain committed to reducing our environmental footprint further and strengthening the resilience of our business strategies. We will continue to implement energy efficiency and carbon reduction initiatives, and will redouble our efforts in water and waste management. This includes securing additional green leases and applying the latest available sustainability-related technologies, where practicable. Pursuing sustainability and climate-related certifications remains a key priority to position the Fund as a leader in sustainability, while upholding our responsibilities to tenants, stakeholders, and the environment.

As part of our 2025 climate plan, we aim to work closely with our stakeholders in gathering the necessary data internally and externally to perform financial impact analyses, enabling us to measure and disclose the financial implications of climate-related risks in our upcoming integrated annual reports. We will also expand our Scope 3 GHG emissions disclosures that are deemed material to drive continued progress in our environmental and sustainability initiatives. Concurrently, we will also ensure compliance with the NSRF, the latest amendments to Bursa Securities' MMLR on sustainability disclosures, and other regulatory requirements.

Our Climate Change initiatives through the years

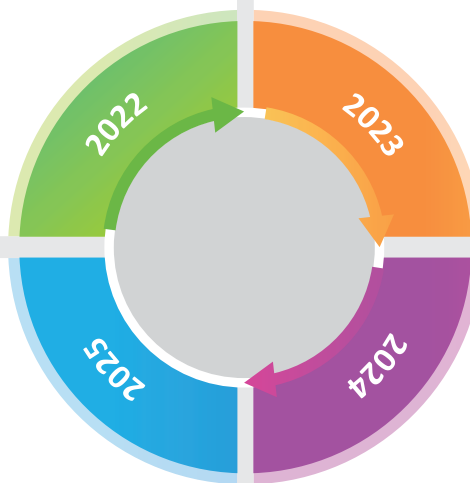
- Established our Environmental Policy
- Set targets for energy, carbon footprint, and water management
- Added first green-certified property to the portfolio
- Obtained first sustainability-linked financing facility

- To perform climate scenario analysis on risks identified
- To assess and monitor climate-related financial data
- To expand reporting on more Scope 3 categories that are deemed material
- To include water stress vulnerability assessments in due diligence for all new acquisitions and developments

- Committed to look into efforts to reduce GHG emissions to as close to zero (carbon neutrality) or to achieve net zero by 2050 or earlier
- Conducted a TCFD-readiness assessment and gap analysis
- Set green building certification targets

- Obtained 2 final green building certifications
- Introduced ESG elements in the renovation manual provided to tenants
- Started reporting on Scope 3 data: employee commute & business travel
- Included vulnerability assessments for flood risks in due diligence for all new acquisitions and developments

- Identified and prioritised climate risks and opportunities in the short, medium and long-term
- Initiated flood risk profiling on existing property portfolio
- Completed water stress vulnerability assessment on existing property portfolio
- Completed materiality assessment on Scope 3 categories
- Secured 6 green building certifications to date



LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

DEAR UNITHOLDERS,

2024 was an excellent year for Axis-REIT on all fronts. We delivered record investments and strong operating results, surpassing our targets. Backed by prudent capital management strategies, these achievements translated into one of our strongest financial results to date.



Dato' Carl Gunnar Myhre
@ Dato' Abas Carl Gunnar
Bin Abdullah
Executive Chairman

Leong Kit May
Chief Executive Officer/
Executive Director

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

Extending Our Footprint

A year ago, we announced an ambitious target to grow Axis-REIT's Assets Under Management (AUM) to RM5 billion by the end of 2024. We are pleased to report that we exceeded this target, completing a record 8 acquisitions during the year, raising our portfolio count to 69 properties with 15.15 million sq. ft. of space under management. Our robust investments lifted our AUM to RM5.26 billion as at 31 December 2024, surpassing the RM5 billion mark and extending our position as the leading industrial REIT in Malaysia.

These achievements are the culmination of having accurate insights into market trends and preferences, as well as the execution of prudent and successful operating, portfolio, and capital management strategies. We have been able to position the Fund to capitalise on growth in demand for strategically located, modern industrial properties. This is the result of our progressive investments in developing and retrofitting properties in accordance with the stringent specifications of green building certifications and sustainability requirements.

Portfolio Highlights

In 2024, we successfully completed 8 property acquisitions for a total consideration of RM719.4 million – a record in terms of the number of properties acquired and the amount invested in a year. These acquisitions extended our position as a leading industrial REIT in Malaysia, entrenched our presence in key industrial areas of the country, and added to our hypermarket, logistics, and manufacturing portfolios.

Concurrently, we completed the development of Axis Mega Distribution Centre (Phase 2) – a 509,040 sq. ft. Grade A logistics warehouse that has unlocked the value of the property, creating a cluster of industrial properties for tenants to leverage on scale and a potential collaborative logistics ecosystem. Meanwhile, we also disposed of Axis Steel Centre @ SiLC for a cash consideration of RM162.0 million. Collectively, our portfolio growth and rejuvenation initiatives added 13.5% or around 1.8 million sq. ft. to the portfolio.

2024 Highlights



Completed **8 acquisitions**
for a total consideration of **RM719.4 million** –
a record in terms of volume and total
amount invested in a year



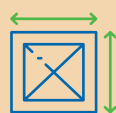
Completed the
development of Axis
Mega Distribution
Centre (Phase 2),
**creating a cluster of
industrial properties
that facilitates scale
and a potential
collaborative
logistics ecosystem**



Portfolio
Occupancy Rate:
95%
as at 31 December 2024



6 green
building certifications
on **5 properties**
as at 31 December 2024



Space Under Management:
15.15 million sq. ft.
as at 31 December 2024



Revenue of
RM322.15 million
in 2024 – the highest to date



Distribution Per Unit (DPU):
9.27 sen
for the financial year 2024



Total Assets Under Management:
RM5.26 billion
as at 31 December 2024

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

Operational Highlights

We delivered strong operating results in 2024, leveraging resilient demand conditions and delivering superior business space solutions. The Fund's property portfolio continued to enjoy strong take up rates, with portfolio occupancy holding up at 95% as at 31 December 2024 as we secured robust lease renewals and new tenancies, along with a 5.3% positive rental reversion across the portfolio.

We continued to invest in building enduring tenant relationships, regularly engaging our tenants to understand their operational and strategic plans, and applying the insights from these engagements, along with market intelligence gleaned from our network of agents, industry captains, and research, to deliver exceptional real estate solutions to our tenants. These efforts won high approval rates, with tenant satisfaction scores exceeding our targets in both our Annual Tenant Satisfaction Survey and our *Hello Axis* Service Request Satisfaction Ratings.

Financial Highlights

Our strong investments, development, and operational performance in 2024 drove growth in the Fund's financial results.

Revenue, at RM322.15 million in 2024, rose 11.7% over that of 2023, lifted by additional revenue from new acquisitions and the completed development, full year rental income from Bukit Raja Distribution Centre 2, as well as healthy rental reversions across the portfolio during the year. Revenue growth outpaced incremental property operating expenses, which rose 5.9% following the increased portfolio size. This led to a 12.7% increase in net property income, which rose to RM276.62 million (2023: RM245.43 million).

The Fund declared a DPU of 9.27 sen for the financial year 2024 (2023: 8.65 sen) with total income distribution amounting to RM165.33 million (2023: RM150.76 million).

This translates to a payout ratio of 99.6% for the full year and implies an annual distribution yield of 5.4% based on Axis-REIT's closing Unit price of RM1.73 on 31 December 2024.

During 2024, we successfully completed the Fund's tenth private placement, issuing 263 million new Units to various institutional investors, and raising gross proceeds of RM449.73 million. The placement, which was used to pare down existing financing, reduced the financing ratio to 33.3%, giving the Fund ample headroom to take on future acquisitions and development projects.

Sustainability

As we progress in our climate journey, our sustainability efforts have become an increasingly central focus. We have embedded sustainability considerations in our investment and operating strategies through ESG initiatives and targets, and adherence to green building certification guidelines, as well as in our financial strategies through green financing options.

As a consequence of these initiatives, we are pleased to note that we have continued to make positive strides towards our sustainability goals, and that our portfolio now boasts 6 green building certifications on 5 properties.

ESG BENCHMARKS AND INDEXES

FTSE Russell ESG:

4-star rating

Constituent of:

- i) FTSE4Good Bursa Malaysia Index; and
- ii) FTSE4Good Bursa Malaysia Shariah Index

GRESB Real Estate Benchmark

Peer group ranking:

2nd out of 6 peers

GRESB Public

Disclosure Report:

A

Morningstar Sustainalytics:

Low ESG Risk

MSCI ESG Ratings:

BB



LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

Risk Management

With increased emphasis on sustainability, climate-related risks continue to be the focus of our risk management efforts. In 2024, we undertook several climate-related risk assessments, including a climate-related risk and opportunities assessment and a water stress risk evaluation across our property portfolio.

These assessments provided insights to ascertain the most urgent climate-related risks and opportunities for the Fund in the short, medium and long-term, and allow us to allocate resources accordingly. The findings of the climate risk identification and assessment, in particular, will be the basis of our climate risk scenario analysis that we will undertake in 2025. These are critical steps towards evaluating the resilience of the Fund's operations and is a key requirement to enhance our climate risk assessment capabilities as required by the IFRS S2.

During 2024, we also stepped up our initiatives in managing cybersecurity risks with the introduction of our Technology Risk Management Framework. This newly formulated framework is in compliance with the SC's Guidelines on Technology Risk Management, and guides the Fund's management of technology risks, technology operations, technology service providers, and cybersecurity.

We continued to engage our outsourced IT service provider to enhance the resilience of our IT infrastructure against cybersecurity risks, and continued our cybersecurity awareness training for employees.

Community Partnerships

In managing Axis-REIT, we recognise the importance of community partnerships, in terms of the local communities around our properties and operations, as well as our industry peers.

Our corporate social responsibility (CSR) initiatives endeavour to build trust and mutual respect with local communities. These include investments in health care and education initiatives to address the needs and create a positive impact to these communities.

Concurrently, we also recognise the critical role of our industry peers in advancing the Malaysian REITs (M-REITs) sector. Through our association with the MRMA, we are committed to contributing to the development of the sector as a whole by fostering collaboration, advocating for industry interests to regulators and policymakers, and providing critical resources and support for professional development.

We are proud of our work with the MRMA, having hosted events that have highlighted opportunities and challenges faced by the industry, and fostered greater collaboration between members, regulators, and other industry stakeholders. In particular, we have advocated efforts to raise awareness of ESG-related issues, including climate change risks, faced by the REIT industry through the MRMA. These include ESG compliance, the impact of green building certification and green financing on REIT assets, as well as advocating solutions among members such as Bursa Securities' Centralised Sustainability Intelligence (CSI) Solution.

2025 Outlook and Strategy

Over the years, we have curated a strategic portfolio of prime industrial properties in thriving industrial hubs. These properties feature modern, sustainable amenities and infrastructure that meet the needs and expectations of our tenants and the broader market. Our investment and development strategies, paired with disciplined capital management, have underpinned strong appreciation in the value of our portfolio.

Concurrently, our Property Management Team has continuously invested in tenant engagement and operating initiatives that have consistently delivered superior real estate solutions and services. These efforts have enabled us to build a coveted tenant base of multi-national companies (MNCs) and industrial leaders.

Heading into 2025, Malaysia's macroeconomic fundamentals are expected to remain supportive of demand for industrial properties. Continued investments into the manufacturing and logistics sectors, along with accelerated growth of new sectors such as data centre properties, are expected to sustain demand for strategically-located, modern industrial properties in the years ahead.

We believe that Axis-REIT is well-positioned to capitalise on these buoyant conditions and have set an ambitious target of growing the Fund's AUM to RM10 billion by the end of 2030.

Towards this end, we will continue to uphold our investment and capital management discipline. We will consider diversifying our capital sources and explore opportunities for capital recycling through divestments and by reallocating funds to higher-performing properties.

We will continue to invest in sustainability initiatives, aiming to obtain at least 1 additional green building certification every year. We will also continue working towards our energy, carbon, water, and waste management targets. Meanwhile, we have initiated plans to extend our Scope 3 GHG emissions disclosures and ensure our reporting complies with the NSRF and Bursa Securities' updated MMLR.

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

Awards & Appreciation

As always, we are grateful to the industry associations and media partners who acknowledge the efforts and achievements of the industry as a whole. We are deeply honoured to be the recipient of the following awards in 2024:

KSI MALAYSIAN PROPERTY EXCELLENCE & SUSTAINABILITY AWARD 2024

Axis-REIT

THE EDGE BEST MANAGED & SUSTAINABLE PROPERTY AWARDS 2024

Crystal Plaza – **Bronze**

THE ASSET ESG CORPORATE AWARDS 2024

Gold

THE EDGE ESG AWARDS 2024

Silver

THE BEST OF THE BREEDS REIT AWARDS 2024

Best CEO – **Platinum**
 Best CFO – **Platinum**
 Best Industrial REIT – **Platinum**
 Best Islamic REIT – **Platinum**

NACRA EXCELLENCE AWARDS 2024

Silver
 (RM2 billion to RM10 billion in market capitalisation)

ALPHA SOUTHEAST ASIA

Best REIT Deal of the Year in Asia on Axis REIT's
RM175 million primary placement



We would like to take this opportunity to extend our gratitude to our valued stakeholders – our Unitholders, tenants, contractors, suppliers and service providers, real estate agents, surrounding communities and business partners – for the continued trust in the Fund. We also wish to thank our fellow Board members for their insights, guidance, and contributions, as well as the dedicated employees of the Manager, for their unwavering commitment, loyalty, and excellence in the past year. Your collective efforts have been the backbone of Axis-REIT's achievements, and we look forward to achieving even greater milestones together in the years ahead.

Dato' Carl Gunnar Myhre @ Dato' Abas Carl Gunnar Bin Abdullah
 Executive Chairman

Leong Kit May
 Chief Executive Officer/Executive Director

MANAGER'S DISCUSSION AND ANALYSIS

CEO's Review

2024 was a sweet spot for Axis-REIT – amid a convergence of economic tailwinds and strategic opportunities, we achieved record property acquisitions, successfully completed our fifth development project, and delivered solid operating results, which lifted the Fund's revenue and operating income.

Our achievements of 2024 were the culmination of years of consistent planning, prudent capital management, disciplined investments, and strategic positioning of the Fund.

Our Investments Team was able to secure and complete a record 8 acquisitions for a total consideration of RM719.4 million, growing our hypermarket, logistics, and manufacturing segments, and strengthening our presence in key industrial hubs around the Klang Valley. Meanwhile, we completed the development of the 509,040 sq. ft. Axis Mega Distribution Centre (Phase 2), a green building-certified, multi-tenanted logistics warehouse that had achieved 37.5% occupancy as at 31 December 2024, and full occupancy in January 2025. The completion of Axis Mega Distribution Centre (Phase 2) concluded the development of the property parcel, creating an industrial cluster that facilitates scale and a potential collaborative logistics ecosystem.

Netting off the sale of Axis Steel Centre @ SiLC, the Fund's portfolio count grew to 69 properties with 15.15 million sq. ft. of space under management as at 31 December 2024 – up 13.5% from 13.35 million sq. ft. across 62 properties a year earlier.

Amid buoyant operating conditions, the Real Estate Team locked in tenancy renewals for 82.8% of space that had come up for renewal during the year, as well as new tenancies for 9.3% of the space. These efforts kept the portfolio occupancy rate at 95% as at 31 December 2024 – in line with our target

of keeping it above 90%. We also achieved a 5.3% positive rental reversion across the portfolio during the year, with portfolio WALE holding steady, at 4.9 years (by rental).

We continued to forge ahead in our sustainability journey in 2024, implementing sustainability initiatives in our day-to-day operations, and including ESG considerations in assessing acquisition targets, development projects, and AELs. These efforts have contributed to the resilience of our portfolio and underpinned our progress towards our sustainability targets, including securing our sixth green building certification during the year.

We also continued to place priority in obtaining sustainability-linked financing, progressively converting our existing financing to sustainability-linked facilities through the year. As a result of these efforts, approximately 90% of our committed financing (excluding Sukuk) as at 31 December 2024 incorporated sustainability-linked mechanisms. We met the pre-agreed sustainability performance targets (SPTs) embedded in our financing and were consequently granted rebates on the facilities' profit rates in accordance with the financing terms.

2024 SUSTAINABILITY ACHIEVEMENTS

- 1 Secured **final GreenRE Bronze certification** for Axis Aerotech Centre @ Subang
- 2 Secured **final GreenRE Gold and Silver certifications** for Axis Mega Distribution Centre (Phase 2) and Axis Mega Distribution Centre (Phase 1) respectively
- 3 Secured **final GreenRE Gold certification** for Bukit Raja Distribution Centre 2
- 4 **Surpassed energy consumption and GHG emissions reduction targets** for our multi-tenanted properties
- 5 Incorporated sustainability considerations in **8 out of the 8 key AELs** undertaken in 2024
- 6 **Secured 3 additional green leases** during the year, namely for Axis Mega Distribution Centre (Phase 2), bringing our total green leases to 4

MANAGER'S DISCUSSION AND ANALYSIS

Our ESG initiatives, along with continued adherence to reporting and disclosure guidelines have been acknowledged by sustainability benchmarks and leading index providers. This has maintained the Fund's inclusion in various sustainability indices, including the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index, and secured respectable sustainability ratings by GRESB, Morningstar and MSCI.

In addition to the operational and financing sustainability initiatives, we also conducted a climate-related risks and opportunities assessment during the year to identify and prioritise our climate-related matters. This assessment forms the basis for our climate scenario analysis in 2025, which is an essential step towards meeting the IFRS S2.

Our robust investments, operational, and development achievements lifted the Fund's 2024 revenue to RM322.15 million – an 11.7% increase over that of 2023 and the highest on record to date. The strong topline growth lifted net property income by 12.7% to RM276.6 million. Concurrently, the Fund declared a DPU of 9.27 sen for the financial year 2024, which translated to a 99.6% payout ratio for the year and a yield of 5.4% based on the Fund's closing Unit price as at 31 December 2024.

The Fund concluded its tenth private placement exercise during the year, which was its largest to date. The exercise saw the issuance and placement of 263 million new Units to various institutional investors, raising RM449.73 million in gross proceeds that were used to pare down existing financing. The private placement exercise and the expansion in AUM kept the Fund's financing rate at 33.3% (2023: 34.4%), giving the Fund headroom to take on a further RM878 million in financing for future acquisitions and development opportunities.



Bukit Raja Distribution Centre and Bukit Raja Distribution Centre 2

MANAGER'S DISCUSSION AND ANALYSIS

2024 FINANCIAL PERFORMANCE HIGHLIGHTS

Axis-REIT's KPIs reflect the Fund's remarkable performance in 2024, with solid results across its operational, portfolio management, and financial metrics.



REVENUE

RM322.1 million

FYE2023: RM288.4 million



NET ASSET VALUE

RM3.30 billion

FYE2023: RM2.83 billion



NET PROPERTY INCOME

RM276.6 million

FYE2023: RM245.4 million



RENTAL REVERSION

+ 5.3%

FYE2023: + 5.8%



NET INCOME BEFORE TAX

RM212.5 million

FYE2023: RM221.6 million



REVALUATION GAIN ON PORTFOLIO

RM49.4 million

FYE2023: RM81.3 million



NET INCOME AFTER TAX

RM210.0 million

FYE2023: RM217.8 million



ASSETS UNDER MANAGEMENT (AUM)

RM5.26 billion

FYE2023: RM4.52 billion



PORTFOLIO OCCUPANCY RATE

95%

FYE2023: 97%



SPACE UNDER MANAGEMENT

15.2 million sq. ft.

FYE2023: 13.4 million sq. ft.



DPU

9.27 sen

FYE2023: 8.65 sen



AVERAGE RENTAL COLLECTION PERIOD

1 Day

FYE2023: 1 Day

MANAGER'S DISCUSSION AND ANALYSIS

Financial Review

2024 was an exceptional year for Axis-REIT. Despite concerns over slower manufacturing growth and a weak external sector at the start of the year, the Fund delivered strong operational, portfolio management, and financial results.

Throughout the year, we actively sought suitable investment opportunities for the Fund, and our efforts resulted in the successful completion of 8 property acquisitions during 2024.

We also completed the disposal of Axis Steel Centre @ SiLC, which resulted in a net gain of RM66,000. Net of this disposal, the Fund's property portfolio rose from 62 properties at the end of 2023, to 69 properties as at 31 December 2024.

In 2024, Axis-REIT recorded its highest revenue to date, at RM322.15 million, reflecting an increase of RM33.74 million or 11.7% over that of 2023. The increase was attributable to additional revenue from new acquisitions, full year rental income from the development project that was completed in the prior financial year, as well as healthy rental reversions across the portfolio during the year.

Property expenses inched higher, to RM45.54 million in 2024, from RM42.98 million in the preceding year, with the RM2.56 million or 6% increment reflective of the Fund's enlarged property portfolio. That said, the Fund's cost to revenue ratio, at 14.1% in 2024, was down 5.4% from 2023. During the year under review, net property income increased by 12.7% year-on-year (yoy) to RM276.62 million (2023: RM245.43 million).

The Fund declared a DPU of 9.27 sen for the financial year 2024 (2023: 8.65 sen) with total income distribution amounting to RM165.33 million (2023: RM150.76 million), translating to a payout ratio of 99.6% for the full year. The total DPU represents an annual distribution yield of 5.4% based on Axis-REIT's closing Unit price of RM1.73 on 31 December 2024.

We continue to be disciplined in our selection of acquisitions and development projects, seeking properties that fit our investment strategy, offer yield accretion to lift earnings, and have potential for future development and significant capital appreciation.

The success of this strategy is reflected in the continued appreciation in the appraised value of the Fund's investment properties, which increased by RM49.4 million in 2024. This demonstrates the quality of the portfolio and the strength of its underlying performance, as well as the solid fundamentals of strategically-located, modern industrial properties, which continue to see resilient demand and limited supply.

In supporting our growth ambitions, we proactively manage our balance sheet to ensure we have sufficient liquidity to meet our operational and investment needs. During 2024, we continued to incorporate sustainability as a priority in our capital management strategy and successfully secured RM110.0 million in additional sustainability-linked financing facilities during the year. Following our efforts to convert our existing financing facilities to sustainability-linked financing through the year, approximately 90% of our committed financing (excluding Sukuk) as at 31 December 2024 was structured with sustainability-linked features.

KEY HIGHLIGHTS

Financial Year Ended 31 December	2024	2023
Revenue (RM'000)	322,154	288,410
Net property income (RM'000)	276,617	245,433
Net realised income (RM'000)	161,666	145,375
Income distribution (RM'000)	165,333	150,756
DPU (sen)	9.27	8.65

MANAGER'S DISCUSSION AND ANALYSIS

A snapshot of the Fund's key financial results is presented in the table below:

Summary of Results

	2024	2023	2022	2021	2020
Total Revenue (RM'000)	322,154	288,410	284,471	246,195	232,234
Property Operating Expenses (RM'000)	(45,537)	(42,977)	(39,128)	(33,314)	(33,716)
Net Property Income (RM'000)	276,617	245,433	245,343	212,881	198,518
Profit and Other Income (RM'000)	1,624	1,494	797	804	875
Changes in Fair Value of Investment Properties (RM'000)*	45,738	77,399	24,438	63,197	10,796
Net Gain/(Loss) on Financial Liabilities measured at amortised cost** (RM'000)	3,576	(2,627)	4,654	(1,705)	(428)
Net Loss on Disposal of Investment Properties (RM'000)	(2,428)	-	-	-	-
Fair Value Change on Derivatives (RM'000)	(2,669)	(2,463)	2,027	1,746	(905)
Net Property and Investment Income (RM'000)	322,458	319,236	277,259	276,923	208,856
Non-Property Expenses (RM'000)	109,916	97,640	85,209	72,884	66,285
Net Income before Taxation (RM'000)	212,542	221,596	192,050	204,039	142,571
Breakdown of Net Income after Taxation:					
- Realised Income after Taxation (RM'000)	161,666	145,375	157,550	136,211	124,938
- Unrealised Income after Taxation (RM'000)	48,340	72,397	32,817	64,153	17,126
Income Available for Distribution (RM'000)	165,955	151,128	160,238	138,224	126,390
Earnings per Unit (Realised + Unrealised) (EPU) (sen)	11.80	12.50	11.62	13.80	9.86
Income Distribution (RM'000)	165,333	150,756	160,085	137,985	126,203
Distribution Per Unit (DPU) (sen)	9.27	8.65	9.75	9.49	8.75
Distribution Yield (based on closing market price on 31 December) (%)	5.36	4.83	5.45	4.89	4.31
EPU Yield (based on closing market price on 31 December) (%)	6.82	6.98	6.49	7.11	4.86
Management Expense Ratio (MER) (%)	1.25	1.20	1.22	1.25	1.27
Annual Total Return (%)***	1.83	4.83	(2.71)	0.24	19.63
Average Total Return (3 years) (%)	1.32	0.79	5.72	13.09	16.29
Average Total Return (5 years) (%)	4.76	8.28	9.28	9.48	10.07

* After offsetting unbilled lease income receivable.

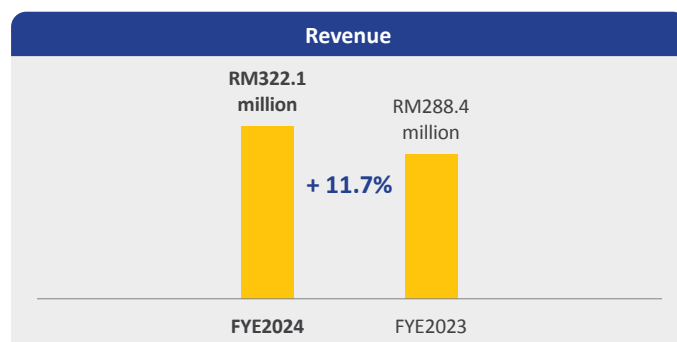
** Unrealised gain/(loss) on discounted tenants' deposits received in compliance with MFRS 139.

*** Based on movements in the Unit price and DPU yield.

Revenue: Up 11.7% to RM322.1 million

Axis-REIT posted a revenue of RM322.1 million in 2024, up 11.7% from RM288.4 million in 2023. Growth was mainly driven by incremental revenue from the properties acquired and developed during the year, as well as full year rental contributions from Bukit Raja Distribution Centre 2, our development project that was completed in 2023.

The combined effect of these factors, together with the 5.3% positive rental reversion across the portfolio, offset the impact of a dip in occupancy rates.



MANAGER'S DISCUSSION AND ANALYSIS

Revenue composition: Rental income accounted for 95.8% of total revenue

Rental income accounted for RM308.5 million or 95.8% of total revenue, while the balance was derived from car park income and other income.

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Rental income*	308,485	276,073	265,016	237,669	224,001
Car park income	5,951	5,754	5,079	4,075	4,615
Other income	7,718	6,583	14,376	4,451	3,618
Total	322,154	288,410	284,471	246,195	232,234

* Includes the recognition of rental income on a straight-line basis, including rent-free periods, pursuant to the requirements of MFRS 16.

Property Operating Expenses: RM2.6 million higher, in line with enlarged space under management and persistent wage inflation

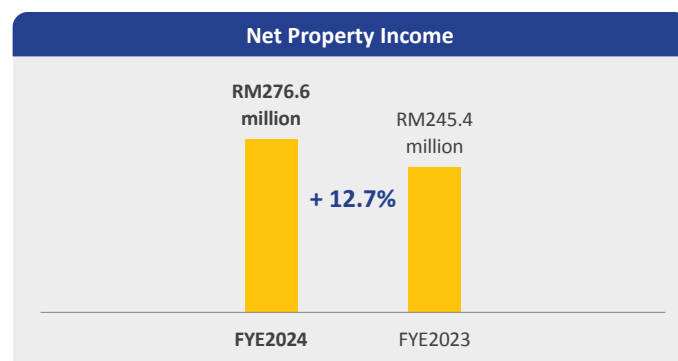
The Fund's property operating expenses increased by 6% yoy to RM45.5 million in 2024, in line with the growth of its property portfolio during the year. Property management expenses, along with assessment and quit rent payments, were the largest expenses, accounting for 23.2% and 21.0% respectively of total property operating expenses. Security and cleaning expenses increased by 12.4% yoy, as we continued with stringent safety and cleaning protocols to ensure the well-being of our tenants at multi-tenanted properties. This, along with wage inflation, were seen as key factors driving up operating expenses.

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Assessment and quit rent	9,578	8,770	8,056	7,039	6,203
Property Manager's fee and on-site personnel costs	10,583	9,569	9,512	8,467	8,221
Security and cleaning expenses	6,632	5,899	4,980	4,026	4,348
Takaful contributions	1,737	1,585	1,498	1,447	1,451
Maintenance and others	17,007	17,154	15,082	12,335	13,493
Total	45,537	42,977	39,128	33,314	33,716

Net Property Income: Up 12.7% to RM276.6 million

Net property income for 2024 rose 12.7% from a year earlier, to RM276.6 million in 2024, vs. RM245.4 million in 2023.

The increase reflected the higher revenue achieved during the year.



MANAGER'S DISCUSSION AND ANALYSIS

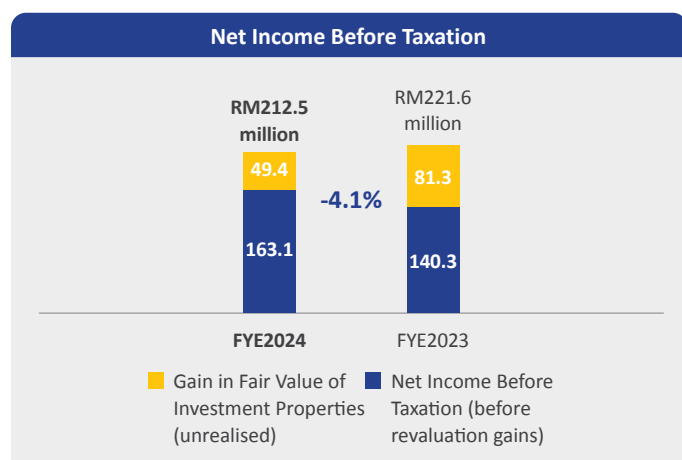
Net Income Before Taxation: Down 4.1% due to lower revaluation gains recognised in 2024

Axis-REIT recorded a net income before taxation of RM212.5 million for 2024, a 4.1% decrease from the previous financial year.

This reflected smaller unrealised gains in the fair value of investment properties, which amounted to RM49.4 million in 2024, against RM81.3 million in the preceding year.

The Fund's DPU was not affected by the smaller revaluation gains which are unrealised and non-cash in nature.

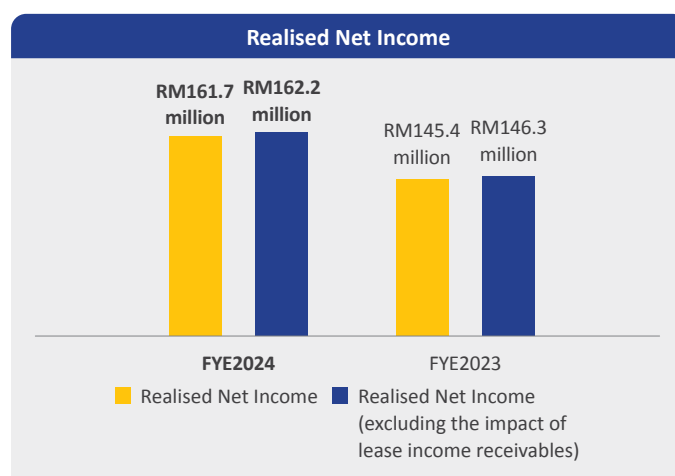
Excluding the revaluation gains, Axis-REIT's adjusted net income before taxation in 2024 would have been RM163.1 million, up 16.3% from RM140.3 million in 2023.



Realised Net Income excluding lease incentive adjustments: Up 10.9% at RM162.2 million

Axis-REIT's realised net income after taxation, including the impact of lease incentive adjustments pursuant to MFRS 16, increased by 11.2% to RM161.7 million in 2024.

Excluding the impact of lease incentive adjustments, net income for 2024 would have amounted to RM162.2 million against RM146.3 million in 2023 – a healthy 10.9% increase from the previous year, in line with the Fund's top line growth.



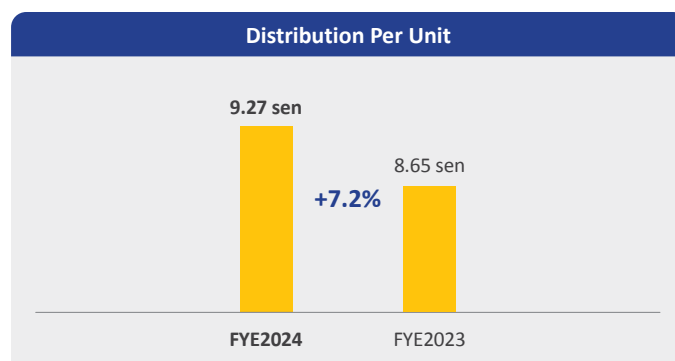
DPU: 9.27 sen, translating to an attractive distribution yield of 5.4%

The Fund's distributable income for the financial year 2024 amounted to RM166.0 million. The Fund undertook to distribute RM165.3 million, translating to a payout ratio of 99.6%.

The Fund declared a total DPU of 9.27 sen for the financial year 2024, up 7.2% from 8.65 sen declared in the preceding year.

2024's DPU translated to a commendable distribution yield of 5.4% based on Axis-REIT's closing Unit price of RM1.73 on 31 December 2024.

Considering the Fund's total distributions paid out since its IPO and its Unit price appreciation from RM0.625 (equivalent to RM1.25 per Unit prior to the Unit Split) at its IPO to RM1.73 as at 31 December 2024, Axis-REIT's cumulative returns to Unitholders since its listing have exceeded 400%.



MANAGER'S DISCUSSION AND ANALYSIS

The Fund offered an IDRPs for FYE2024, applicable to its final DPU of 1.27 sen, of which 0.53 sen was taxable and 0.74 sen was non-taxable in the hands of Unitholders. The 2024 IDRPs gave Unitholders the option to either :

- reinvest the electable portion of 1.27 sen in new Units of the Fund, or
- reinvest a partial electable portion of 0.64 sen in new Units of the Fund and receive the balance portion of 0.63 sen in cash, or
- choose not to participate in the IDRPs option and receive the entire final DPU of 1.27 sen in cash.

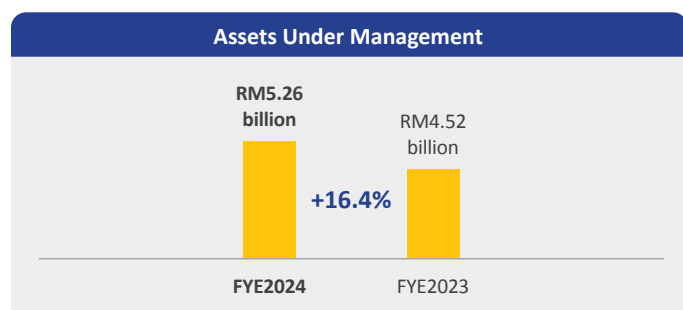
The 2024 IDRPs was offered to Unitholders at an attractive price of RM1.70 per Unit, pricing it at a 4.2% discount to the 5-day volume weighted average market price of the Fund's Units. The entitlement date for the 2024 IDRPs was set for 19 February 2025, with allotment of IDRPs Units and payout scheduled for 25 March 2025. The 2024 IDRPs exercise is expected to be completed with the listing of IDRPs Units on Bursa Securities on 26 March 2025.

Total Assets: Up 16.4% to RM5.26 billion

Axis-REIT maintained a strong financial position in 2024 that positions it for growth in the years to come.

Disciplined investments over the past 19 years have driven continued growth in the Fund's real estate AUM, which rose by a record 16.4% during the year to RM5.26 billion as at 31 December 2024, breaching the RM5 billion mark for the first time since its listing.

Investment properties made up RM5.11 billion or 97% of the Fund's AUM, which comprised 63 industrial properties, 3 hypermarkets, and 3 office buildings that are strategically located in key industrial hubs and thriving satellite commercial centres around Peninsular Malaysia.



Portfolio Yield: Average net yield stable at 7.7%

Rental yields for the Fund's portfolio remained stable in 2024, with average gross and net yields of 8.9% and 7.7% respectively, largely unchanged from 2023.

Hypermarkets and manufacturing facilities garnered the highest net yields at 8.2%, followed by logistics warehouse and office industrial properties, at 7.8% and 6.9% respectively.

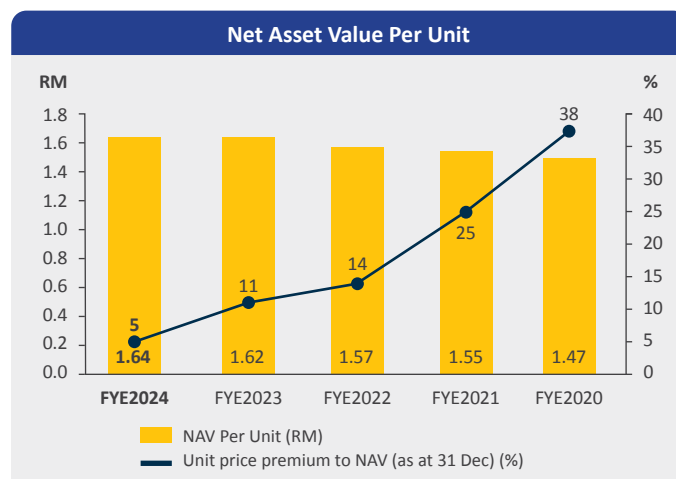
Despite concerns about the oversupply of office space in the Greater Kuala Lumpur area, net yields for our office properties held steady, at close to 7% in 2024.

Portfolio Yield (%)		
	GROSS	NET
OFFICE	9.6	6.7
OFFICE/INDUSTRIAL	9.2	6.9
MANUFACTURING FACILITY	9.0	8.2
LOGISTICS WAREHOUSE	8.6	7.8
HYPERMARKET	8.9	8.2
AVERAGE	8.9	7.7

NAV Per Unit: RM1.64 as at 31 December 2024

The Fund recorded an NAV of RM3.3 billion as at 31 December 2024, up 16.7% from a year earlier, translating to an NAV per Unit of RM1.64.

Based on Axis-REIT's closing Unit price of RM1.73 as at 31 December 2024, the Fund traded at a 5.5% premium to its NAV at the close of the year.



MANAGER'S DISCUSSION AND ANALYSIS

Summary of Performance

	2024	2023	2022	2021	2020
AUM (RM'000)	5,258,558	4,522,893	4,255,673	3,838,760	3,364,083
NAV before income distribution (RM'000)	3,299,096 [#]	2,826,002 [#]	2,571,839 [*]	2,527,321 [*]	2,123,004 [#]
NAV per Unit before income distribution					
- As at 31 December (RM)	1.64 [#]	1.62 [#]	1.57 [*]	1.55 [*]	1.47 [#]
NAV after income distribution (RM'000)	3,273,562	2,784,063	2,533,362	2,491,747	2,090,552
NAV per Unit after income distribution					
- As at 31 December (RM)	1.63	1.59	1.54	1.52	1.45
Units in circulation ('000 units)	2,010,492	1,747,492	1,641,054	1,634,524	1,442,331
- Lowest NAV per Unit during the year (RM)	1.61	1.56	1.53	1.46	1.46
- Highest NAV per Unit during the year (RM)	1.64	1.62	1.57	1.55	1.48
Market value per Unit					
- As at 31 December (RM)	1.73	1.79	1.79	1.94	2.03
Highest traded price for the year (RM)	1.94	1.94	2.00	2.11	2.25
Lowest traded price for the year (RM)	1.71	1.77	1.78	1.81	1.66

* Before the fourth and final income distributions for the respective financial years.

Before the final income distributions for the respective financial years.

Portfolio Valuation: 69 Properties valued at RM5.1 billion

The Fund's property portfolio is revalued annually in compliance with the SC's Guidelines on Listed REITs and MFRS 140. Changes in the portfolio's fair value are charged to the Fund's Statement of Profit or Loss as a net appreciation or depreciation on the revaluation of investment properties. In 2024, the independent valuation conducted on our investment properties valued the portfolio at RM5.1 billion, which included a revaluation gain of RM49.4 million for the year. This was a 15.1% increase in the value of the portfolio, from RM4.4 billion a year earlier.

	2024	2023	2022	2021	2020
No. of properties	69	62	62	58	53
NLA (million sq. ft.)	15.2	13.4	12.7	11.4	10.5
Portfolio carrying value before revaluation (RM million)	5,064.4	4,362.8	4,158.2	3,546.4	3,261.2
Portfolio carrying value after revaluation (RM million)	5,113.8	4,444.1	4,186.0	3,614.2	3,280.2
Unrealised gain/(loss) (RM'000)	49,412	81,311	27,819	67,787	18,966
Portfolio total investment outlay (including enhancements) (RM million)	4,396.3	3,773.0	3,596.2	3,052.2	2,786.0
Accumulated revaluation gain/(loss) (RM million)	717.5	671.1	589.8	562.0	494.2



A breakdown of the Fund's portfolio valuation by property is provided on pages 261 to 264 of this Report.

MANAGER'S DISCUSSION AND ANALYSIS

Financing Profile

	2024	2023	2022	2021	2020
Total financing (RM'000)	1,750,444	1,554,974	1,546,020	1,184,593	1,112,183
AUM (RM'000)	5,258,558	4,522,893	4,255,673	3,838,760	3,364,083
Financing ratio	33.3%	34.4%	36.3%	30.9%	33.1%
Cost of financing (p.a.)*	4.3%	4.2%	3.9%	3.6%	3.9%
Percentage of short-term financing	47%	52%	53%	47%	55%
Percentage of medium and long-term financing	53%	48%	47%	53%	45%
Total unencumbered properties	23	22	23	19	25
Value of unencumbered properties over AUM	38%	36%	42%	29%	44%

* For comparison purposes, the cost of financing rate includes incidental costs of financing.

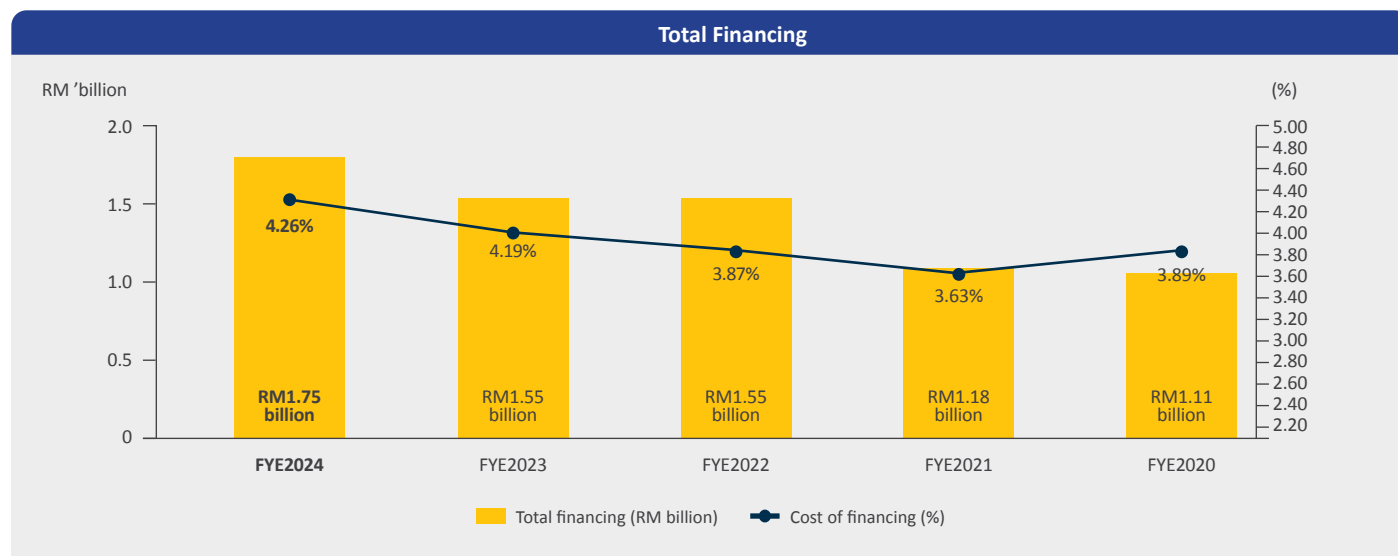
Total Financing: RM1.75 billion

We continuously manage the Fund's financial position to ensure we have sufficient liquidity to meet our working capital and financing commitments, as well as enough headroom to meet the needs of our acquisition and development strategies.

As at 31 December 2024, Axis-REIT had committed financing facilities amounting to RM1.75 billion (2023: RM1.55 billion), with a financing ratio of 33.3% (2023: 34.4%). The Fund also had outstanding Sukuk issuances amounting to RM450.0 million as at 31 December 2024.

The 8 property acquisitions concluded in 2024 were fully financed using existing financing facilities.

During the year, we sought to increase the Fund's exposure to long-term financing, which resulted in a shift in the Fund's ratio of short-term to medium/long-term financing from 52:48 as at end of 2023, to 47:53 as at 31 December 2024.



MANAGER'S DISCUSSION AND ANALYSIS

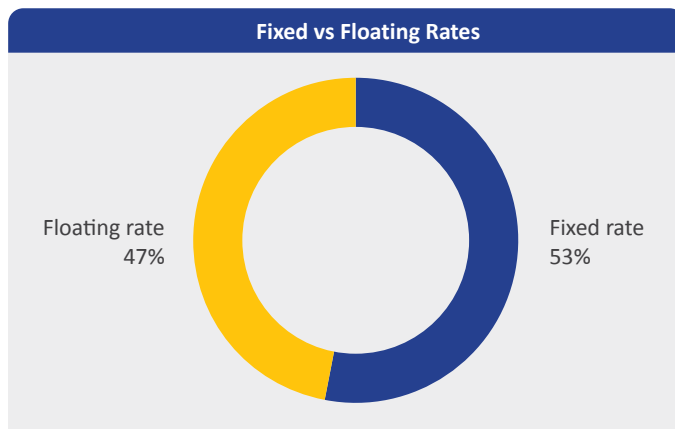
In managing the Fund's financing, we strive to spread the financing maturity profile to reduce refinancing risks and to align our financing obligations with our cash plans. As at 31 December 2024, the average maturity of the Fund's existing financing facilities stood at 3.22 years (2023: 2.45 years).

As part of its ESG initiatives, Axis-REIT has increasingly incorporated sustainability considerations throughout its business operations where possible, including in its capital management strategy.

Towards this end, we obtained additional sustainability-linked financing amounting to RM110.0 million during the year. Combined with the conversion of existing financing to sustainability-linked financing, approximately 90% of the Fund's committed financing (excluding Sukuk) as at end of 2024 were structured with sustainability-linked features.

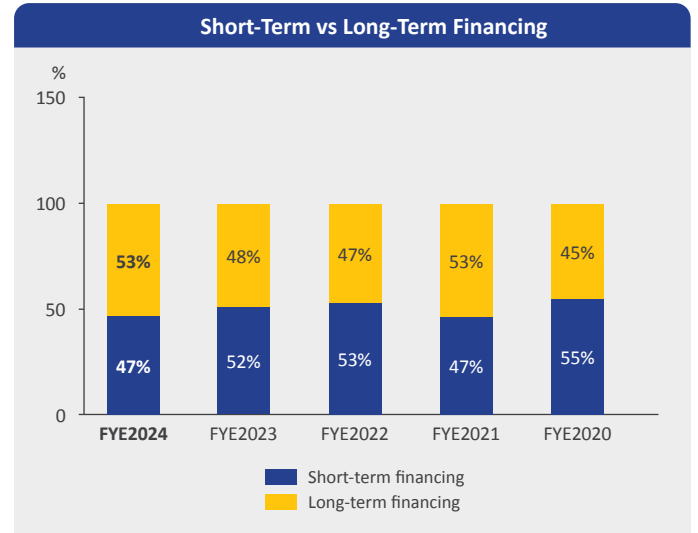
These sustainability-linked facilities have pre-agreed SPTs embedded in their terms, and we are pleased to report that we had successfully met the SPTs for all our sustainability-linked facilities during the financial year under review. Consequently, we were granted rebates on the facilities' profit rates in accordance with the SPT terms, thereby realising cost savings for the Fund.

In managing the Fund's financing costs, we maintain a prudent mix of fixed and floating rate financing to mitigate the risk of unfavourable movements in the benchmark interest rate.



As at 31 December 2024, 53% of the Fund's total financing had been locked into fixed profit rates.

In 2024, the effective profit rate of the Fund's financing portfolio stood at 4.26% p.a., up 0.07 percentage points from 4.19% in 2023. The marginal increase reflected the 25-basis point increase in the



Overnight Policy Rate (OPR) since May 2023, which affected the financing costs of the Fund's floating rate facilities.

In line with our prudent capital management strategy, we undertook our tenth private placement exercise during 2024. The placement exercise saw the issuance of 263 million new Units at an issue price of RM1.71 per Unit to various institutional investors. The placement exercise was completed in November 2024 raising gross proceeds of RM449.73 million, which were utilised to pare down the Fund's existing financing and to provide headroom for future acquisitions and development projects.

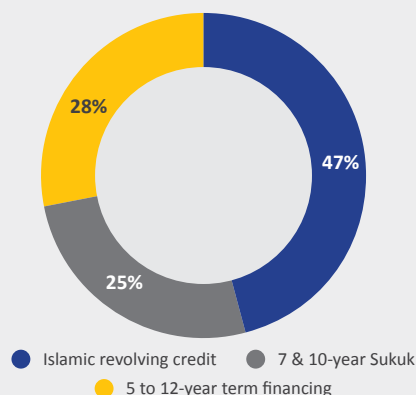
Our prudent and disciplined approach towards capital management ensures that the Fund has sufficient financial flexibility in its funding structure and mitigates concentration risk. The Fund's balance sheet is robust and well-prepared for any unexpected challenges and opportunities.

We maintain active relationships with a wide network of financial institutions, and tap their respective strengths and competencies according to the needs of Axis-REIT's business strategy and growth.

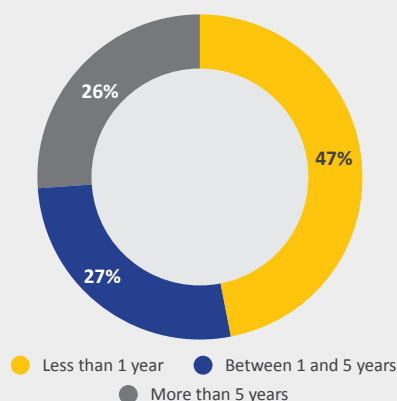
As at 31 December 2024, our financing portfolio (before incidental costs of financing) consisted of RM450.0 million in Sukuk issuances (with 7-year and 10-year tenures), RM487.75 million in term financing facilities, and RM815.5 million in revolving credit facilities. The net proceeds from our tenth private placement that was completed on 18 November 2024 were used to redeem existing short-term revolving credit facilities in December 2024 and January 2025.

MANAGER'S DISCUSSION AND ANALYSIS

Financing Profile as at 31 December 2024



Financing Maturity Profile as at 31 December 2024



Financing Ratio: Lower at 33.3% as at 31 December 2024

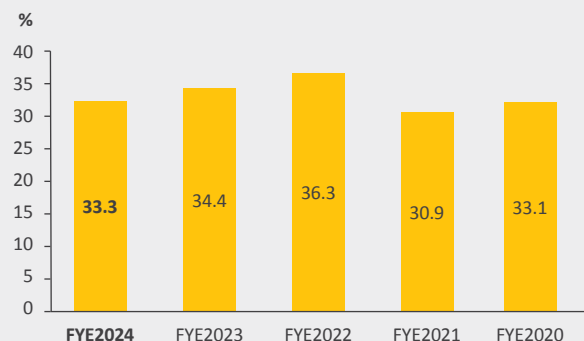
Axis-REIT maintains a prudent financing strategy, keeping its financing ratio at between 30% and 40%, which is well below the 50% limit prescribed by the SC's Guidelines on Listed REITs.

As at 31 December 2024, the Fund's financing ratio stood at 33.3%, well below the SC's allowable limit. The financing ratio had declined following the 10th equity placement that was completed in November 2024, as well as on the higher AUM as at 31 December 2024.

The Fund's relatively low financing ratio provides sufficient financing headroom for potential acquisitions and development opportunities, as it gives the Fund headroom to take on a further RM878 million in financing facilities before breaching the 50% financing ratio limit set by the SC.

For FYE2024, all financing facilities were secured by investment properties.

Financing Ratio



Liquidity and Credit Position

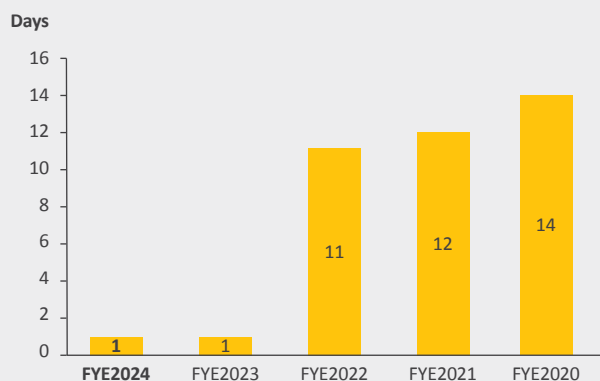
As at 31 December 2024, the Fund's cash balances and short-term Islamic deposits amounted to RM120.7 million. Along with committed but undrawn financing facilities amounting to RM566.0 million, the Fund had sufficient liquidity to satisfy its working capital and operating requirements, and to support portfolio growth.

We continuously monitor the Fund's liquidity against our strategic plans to ensure that we have sufficient financial resources and credit facilities to meet our funding and working capital commitments.

The Fund's financing features well-staggered maturities over the next 10 years with an average maturity of 3.22 years as at 31 December 2024.

Apart from our cash balances and credit facilities, we also monitor our rental income collection and manage the Fund's tenant and credit risks.

Average Rental Collection Period



MANAGER'S DISCUSSION AND ANALYSIS

The Fund's receivables collection saw further improvements in 2024 as total trade receivables dropped by 19.2%, from RM1.0 million as at 31 December 2023, to under RM0.8 million as at 31 December 2024, with an average rental collection period of 1 day in December 2024.

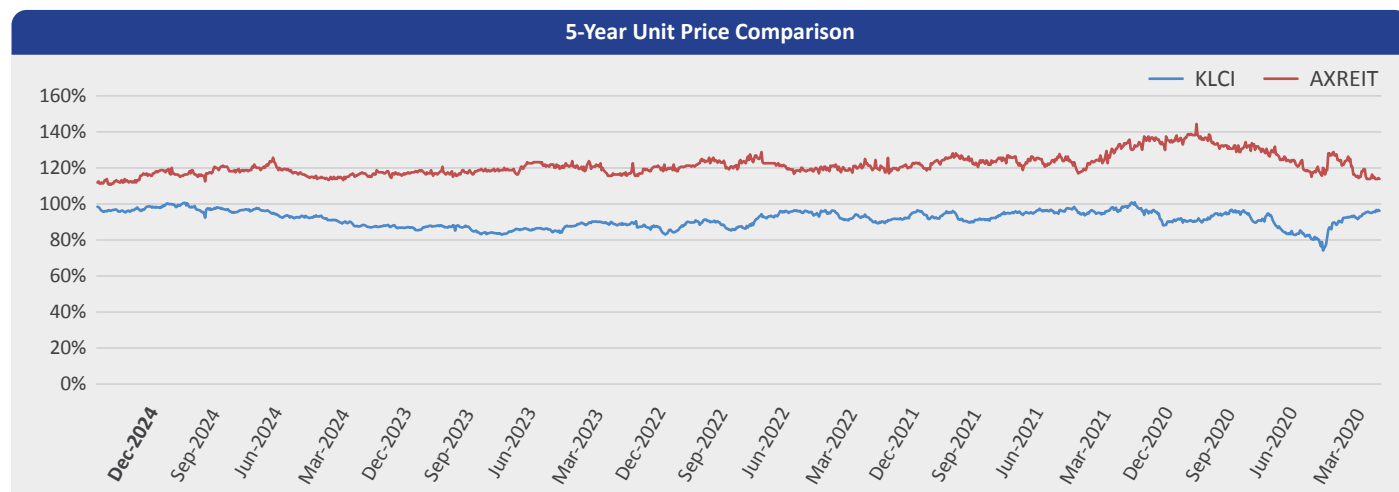
Our consistent engagement with tenants and active asset management are an essential component of our tenant management strategy, which has improved tenant retention and maintained the overall rental collection rate at a strong 99.8%.

Concurrently, our stringent approach to credit risk management and well-established internal credit control processes maintains a keen focus on receivables and keeps impairments on trade receivables to a minimum. In 2024, the Fund recorded an impairment loss on trade receivables of RM0.5 million, which was equivalent to less than 0.2% of the Fund's gross revenue.

Impairment Losses on Trade Receivables	2024	2023	2022	2021	2020
Impairment losses on trade receivables/bad debts written off/(written back) (RM'000)	536	4,202	1,225	44	70
Trade receivables (RM'000)	773	957	6,479	8,107	8,379
Gross revenue before lease incentives and unbilled lease income receivable adjustments (RM'000)	319,034	285,401	281,723	242,747	224,712
Impairment losses on trade receivables/bad debts written off/(written back) as a % of gross revenue	0.17	1.47	0.43	0.02	0.03
Average rental collection period (in days)	1	1	11	12	14

Unit Price Performance & Annual Return Highlights

In 2024, Axis-REIT's Unit price traded between its lowest closing price of RM1.71 and its highest of RM1.94. The broader range vis-à-vis 2023 mirrored the FBM KLCI's closing price range of between 1,479 and 1,678. Market sentiment among both local players and foreign counterparts was noticeably bullish on the various forward-looking initiatives announced by the Malaysian Government. These included socio-economic measures such as an increase in the minimum wage and nation-building steps such as the removal of fuel subsidies. Additionally, major steps were taken at both local and national levels towards a push for new economic drivers such as digital economy investments and renewable energy developments.



MANAGER'S DISCUSSION AND ANALYSIS

Unit Price Highlights

Opening Unit Price

RM1.78
2 January 2024

Lowest Traded Price

RM1.71
11 December 2024

Closing Unit Price

RM1.73
31 December 2024

Number of Unitholders

12,460
as at 31 December 2024

Highest Traded Price

RM1.94
30 April 2024

Number of Units in Issue

2,010,492,159
as at 31 December 2024

Transaction Volume Highlights

Total Trading Volume

439,994,900

Highest Monthly Volume

56,982,000
January 2024

Average Monthly Volume

36,666,242

Lowest Monthly Volume

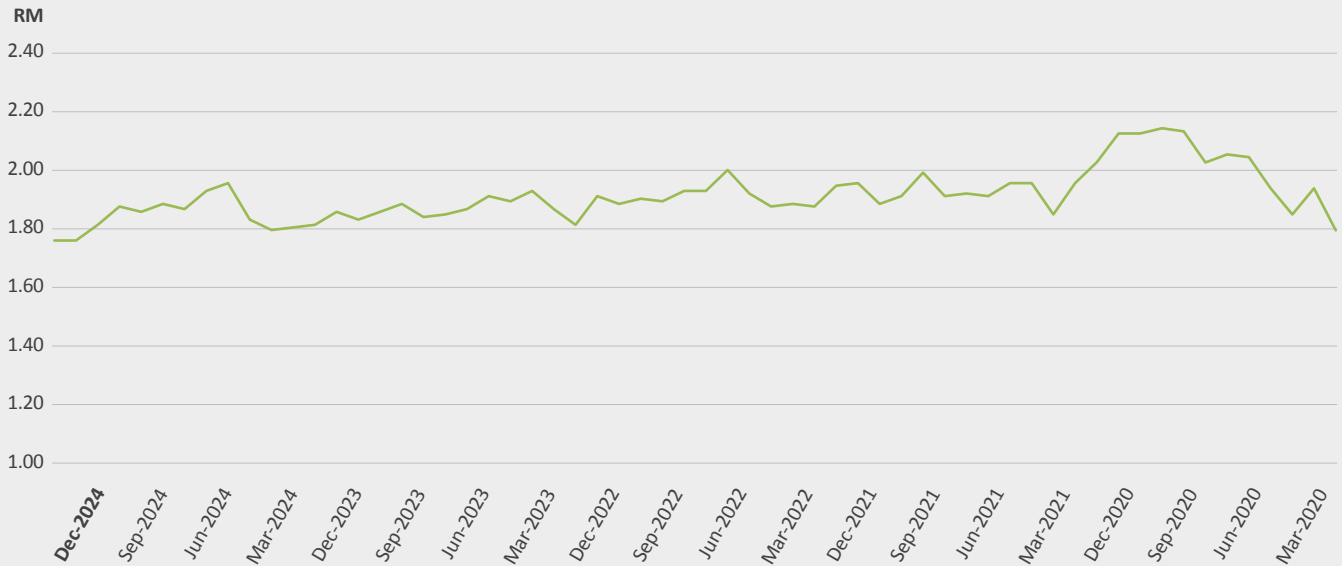
17,877,000
October 2024

5-Year Unit Price Performance Highlights

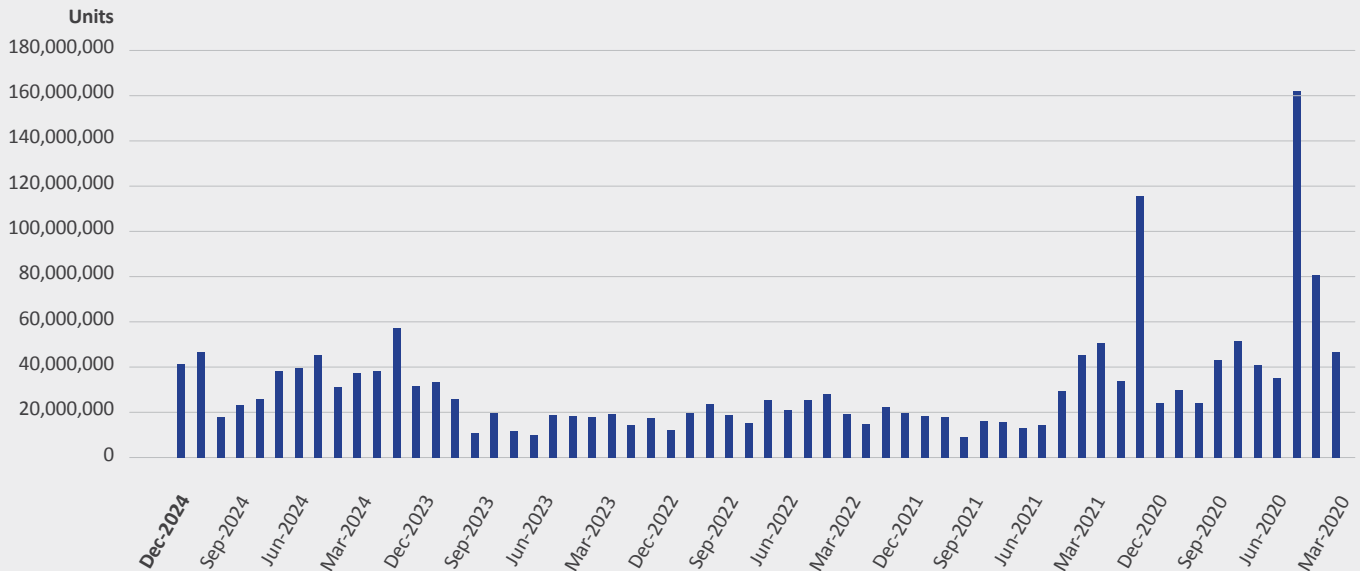
	2024	2023	2022	2021	2020
Closing Unit price as at 31 December (RM)	1.73	1.79	1.79	1.94	2.03
Highest traded price (RM)	1.94	1.94	2.00	2.11	2.25
Lowest traded price (RM)	1.71	1.77	1.78	1.81	1.66
NAV per Unit (RM)	1.64	1.62	1.57	1.55	1.47
Market capitalisation (RM'000)	3,478,151	3,128,011	2,937,487	3,170,977	2,927,933

MANAGER’S DISCUSSION AND ANALYSIS

5-Year Unit Price Movement



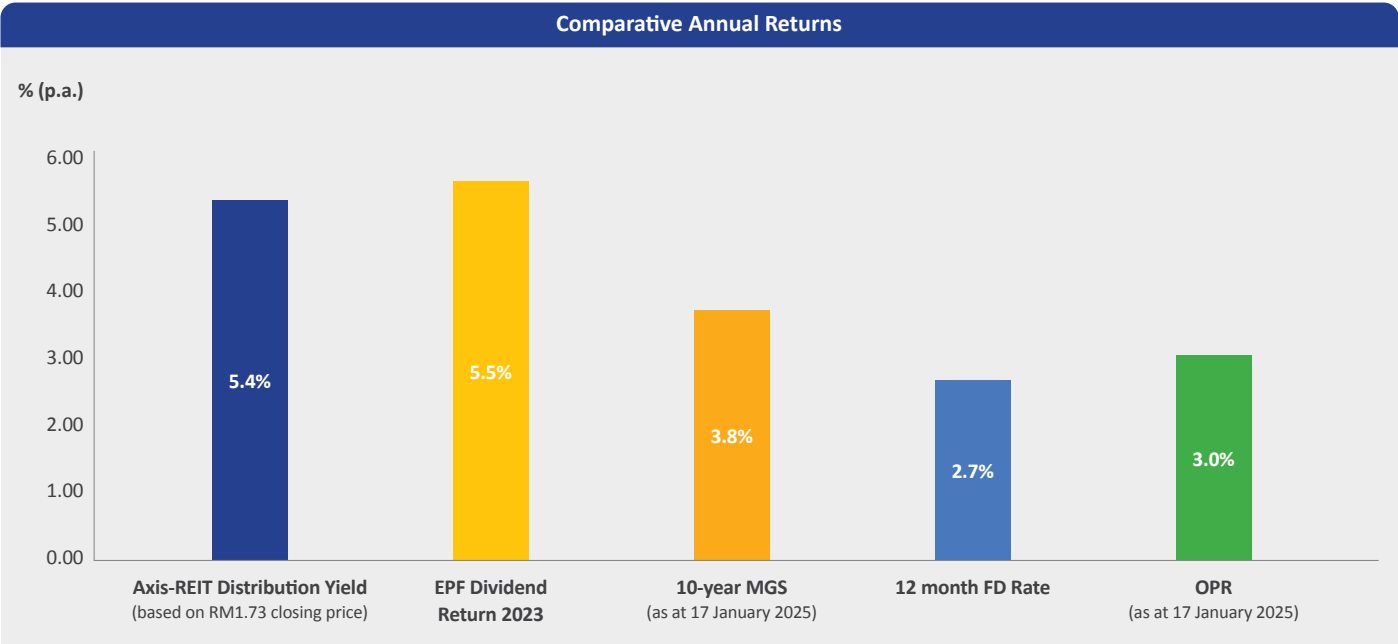
5-Year Monthly Trading Volume



MANAGER’S DISCUSSION AND ANALYSIS

Comparative Annual Returns

Axis-REIT’s DPU for FYE2024 translated to a yield of 5.4%, which was competitive against comparable investments such as the EPF Dividend Rate and the 12-month Fixed Deposit (FD) Rate. The Fund’s DPU yield is calculated based on its closing Unit price of RM1.73 as at 31 December 2024.



MANAGER'S DISCUSSION AND ANALYSIS

Operations Review

PROPERTY PORTFOLIO OVERVIEW

Portfolio Size
69
properties
2023: 62 properties

Number of Tenants
177
2023: 173 tenants

Occupancy
95%
2023: 97%

Total Space Under Management
15,155,305 sq. ft.
2023: 13,351,168 sq. ft.

Axis-REIT continued to deliver strong results in 2024, meeting operating targets and making steady progress towards our longer term goals. We extended our leadership as an industrial REIT via our portfolio growth and rejuvenation initiatives, completing a record 8 acquisitions and concluding the disposal of 1 property during the year.

Following these transactions, Axis-REIT closed 2024 with 69 industrial properties in its portfolio. These comprise manufacturing facilities and logistics warehouses that are geographically spread out in key industrial hubs across Peninsular Malaysia, as well as office, office/industrial properties and hypermarkets in thriving satellite commercial centres.

The 8 yield-accretive acquisitions added 1,983,108 sq. ft. of space under management to the Fund's property portfolio, with a further 509,040 sq. ft. added following the completion of the Axis Mega Distribution Centre (Phase 2) development. Netting off the disposal of the 688,011 sq. ft. Axis Steel Centre @ SiLC, total space under management in the portfolio grew 13.5% to 15.15 million sq. ft. as at 31 December 2024.

Leveraging on the strength of Axis-REIT's property portfolio and our operational expertise, we have built and retained an impressive tenant listing that boasts MNCs and industrial leaders. As at 31 December 2024 our tenant base stood at 177 tenants, primarily involved in logistics, manufacturing, and consumer products.

We continued to focus on building robust tenant relationships, regularly engaging our tenants to understand their operational and strategic plans. We apply the insights from these engagements, along with market intelligence gleaned from our network of agents, industry captains, and research, to deliver exceptional real estate solutions to our tenants.

Our operational strategies, favourable business conditions, and resilient demand for industrial properties from continued investments into the logistics and manufacturing sectors, drove our operating performance. The Fund's property portfolio continued to enjoy strong occupancy rates, high tenant satisfaction scores, as well as robust lease renewal rates with positive rental reversions. Details of Axis-REIT's portfolio operating metrics are discussed on the following pages, the highlights of which include:

A high tenant retention rate, with the Real Estate Team successfully securing renewals for

82.8% of space

(by NLA) that had come up for renewal in 2024. In addition, **9.3% of space was re-tenanted**. Overall these efforts sustained our property **portfolio occupancy rate at 95%**, which was within our target of maintaining it above 90%.

Higher rents,

with a **5.3% positive** rental reversion across the portfolio.

High tenant satisfaction

scores that exceeded our targets. Our 2024 Annual Tenant Satisfaction Survey score of

7.62 out of 10

exceeded our targeted score of 7, while our *Hello Axis* tenant satisfaction score of 4.25 out of 5, also exceeded our targeted score of 4.

We have made the sustainability of our portfolio a strategic priority in our operations and development efforts. Accordingly, we have incorporated sustainability considerations in the conduct of our day-to-day operations, setting efficiency targets for

MANAGER'S DISCUSSION AND ANALYSIS

energy and water utilisation, along with GHG emissions and waste reduction targets. We have also enhanced our investment criteria to include sustainability considerations in the assessment of acquisition targets and development projects, as well as including sustainability features and elements in our development projects and AEIs.

As a results of these initiatives, we are pleased to note that we have continued to make positive strides towards our sustainability goals, and that our portfolio now boasts 6 green building certifications on 5 properties. Highlights of our sustainability achievements in 2024 include:



Obtaining final GreenRE Bronze certification for Axis Aerotech Centre @ Subang.



Obtaining final GreenRE Gold and Silver certifications for Axis Mega Distribution Centre (Phase 2) and Axis Mega Distribution Centre (Phase 1) respectively.



Obtaining final GreenRE Gold certification for Bukit Raja Distribution Centre 2.



Incorporating sustainability considerations in all 8 key AEIs undertaken in 2024.

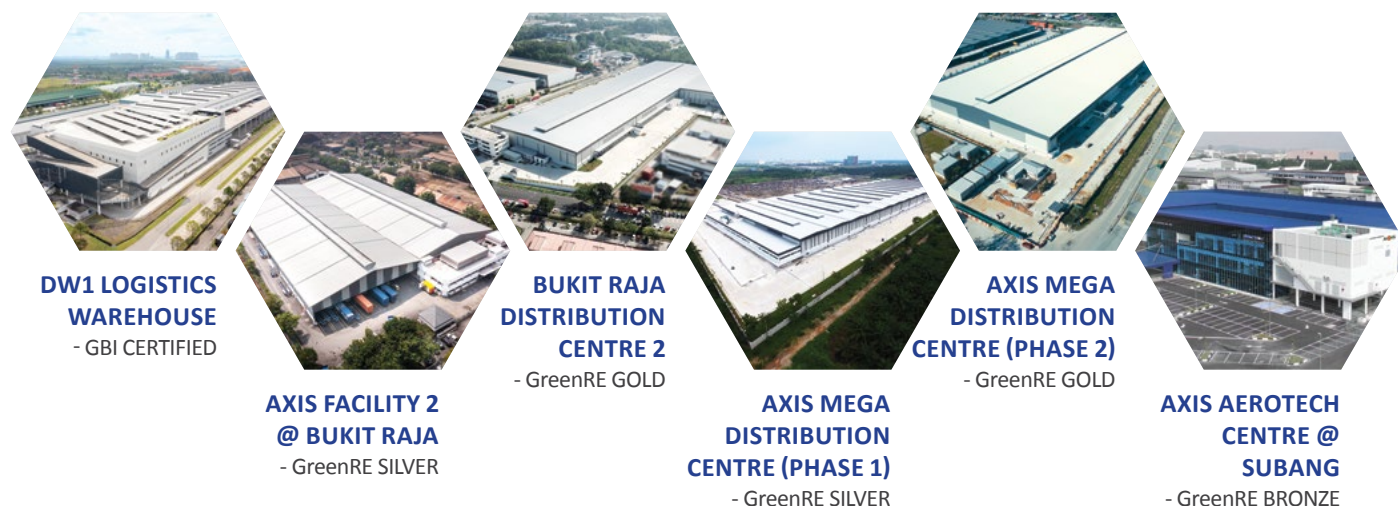


Surpassing our targets to reduce energy consumption and GHG emissions (Scope 1 and Scope 2) by 1% over a 5-year horizon, i.e., from 2022 to 2026. In 2024, we had exceeded these targets, having reduced our total energy consumption by 14.56%, achieved a 20% reduction in building energy intensity, and cut GHG emissions by 13.96% compared against baseline data set in 2019.



Successfully negotiating 3 new green leases (i.e., tenancy agreements that feature ESG considerations) during the year. These involved the 3 new tenancies contracted for Axis Mega Distribution Centre (Phase 2), bringing the Fund's number of green leases to 4.

Green Building-Certified Properties as at 31 December 2024



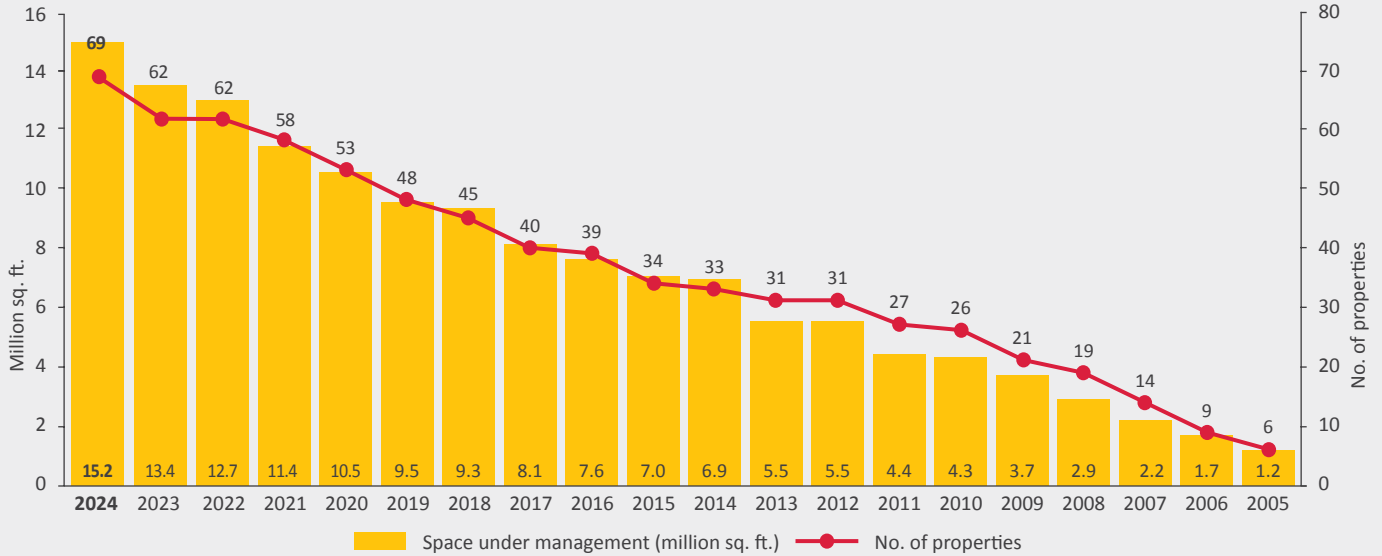
More details of our sustainability initiatives, targets, and outcomes are presented in the Management of Material Sustainability Matters section on pages 108 to 164 of this Report.

As we move forward, sustainability will continue to be a central focus of our operations and portfolio strategy. We will maintain our momentum in rolling out sustainability initiatives towards achieving our targets in energy and water conservation, GHG emissions, and waste management, as well as to obtain 1 additional green building certification a year for our property portfolio.

As part of these efforts, we will be initiating a climate scenario analysis in 2025 to ascertain the impact of climate change on our properties and to develop mitigation strategies that will improve the resilience of our portfolio. We will also work with our tenants towards complying with climate-related reporting disclosures to improve the resilience of our portfolio against the impact of climate change.

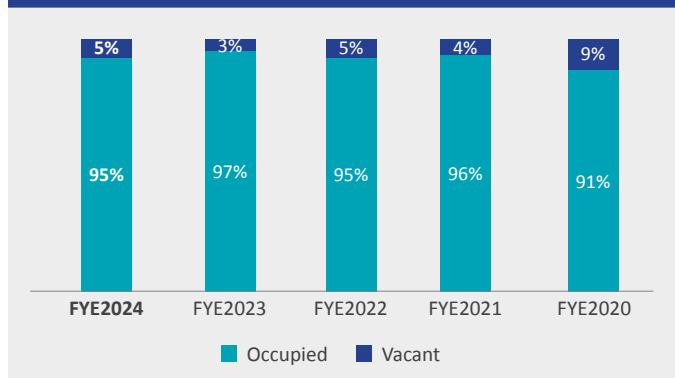
MANAGER'S DISCUSSION AND ANALYSIS

Space under management: Up 13.5% to 15.15 million sq. ft.



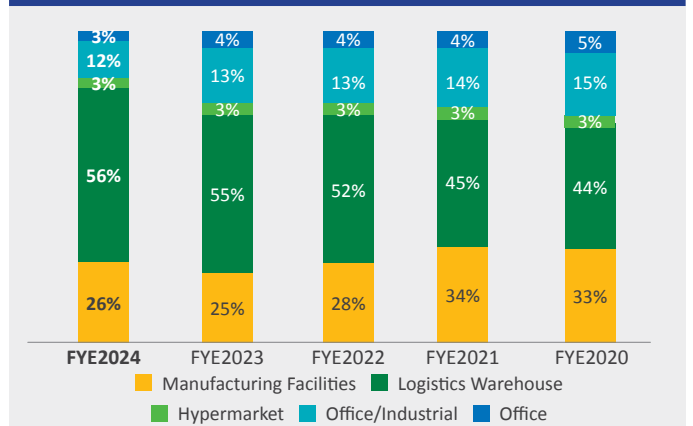
Axis-REIT's space under management surged 13.5% to 15.15 million sq. ft., driven by the completion of the Axis Mega Distribution Centre (Phase 2) development, as well as the completion of 8 acquisitions and 1 disposal during the year. Cumulatively, these efforts raised our portfolio count to 69 properties, and added 1.8 million sq. ft. of space under management to our property portfolio.

Portfolio occupancy: Slight decline to 95%



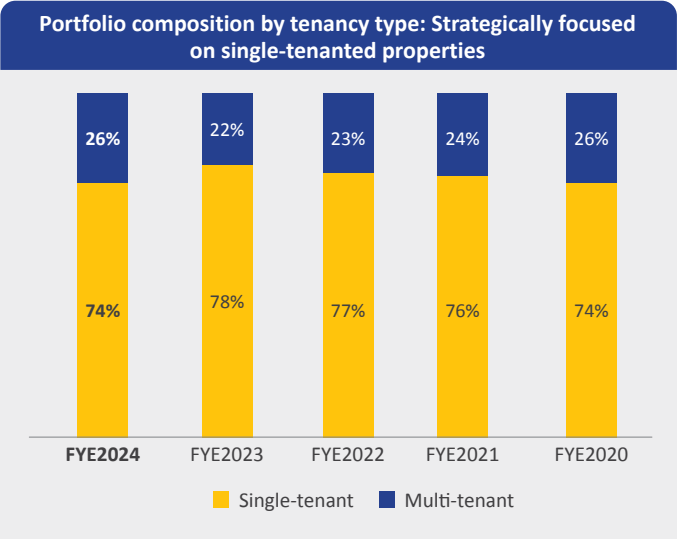
Occupancy across our property portfolio dipped slightly, by 2 percentage points to 95% as at 31 December 2024, from 97% a year earlier. This was still within our target of maintaining the portfolio occupancy rate at above 90%.

Portfolio composition by property type: Focused on logistics warehouses and manufacturing facilities



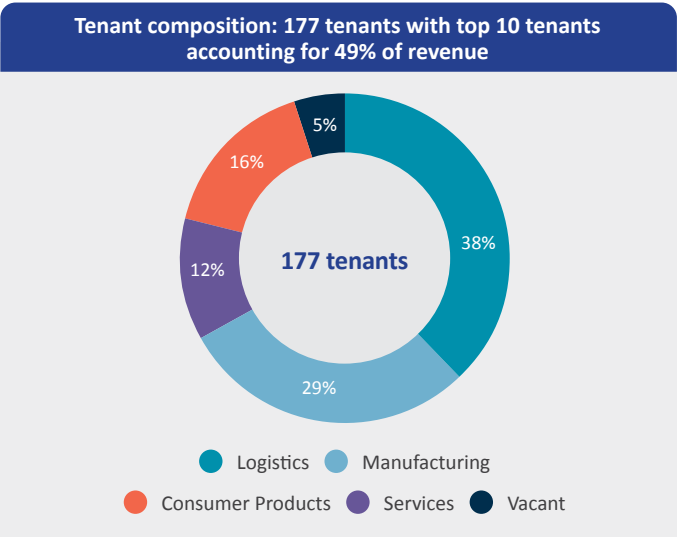
Logistics warehouses and manufacturing facilities make up the bulk of Axis-REIT's portfolio, accounting for 56% and 26% of NLA respectively. The incremental 1 percentage point uptick in the proportions of both logistics warehouses and manufacturing facilities reflects the new additions to the portfolio in 2024, the disposal of Axis Steel Centre @ SiLC which was a manufacturing facility, and the reclassification of D21 Industrial Facility (formerly known as D21 Logistics Warehouse) as a manufacturing facility following a change in its tenancy and usage.

MANAGER’S DISCUSSION AND ANALYSIS



As at 31 December 2024, single-tenanted properties accounted for 74% of the Fund’s portfolio, down slightly from 78% a year earlier as Axis Mega Distribution Centre (Phase 2) was developed for multi-tenant usage.

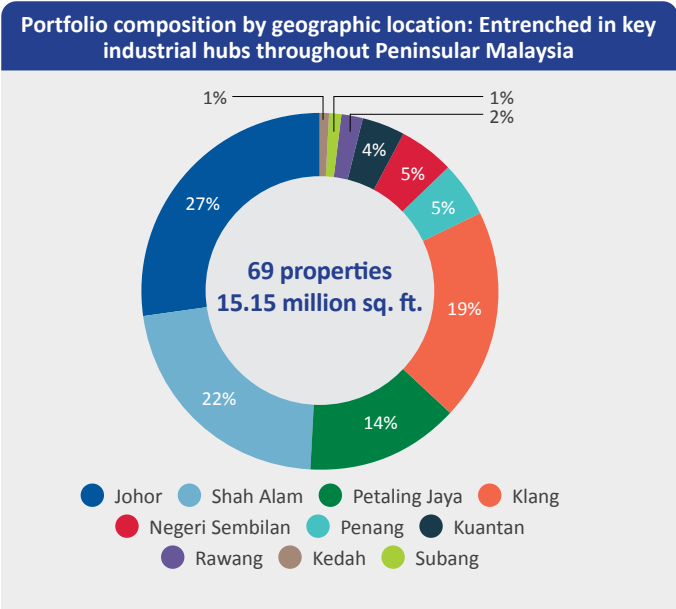
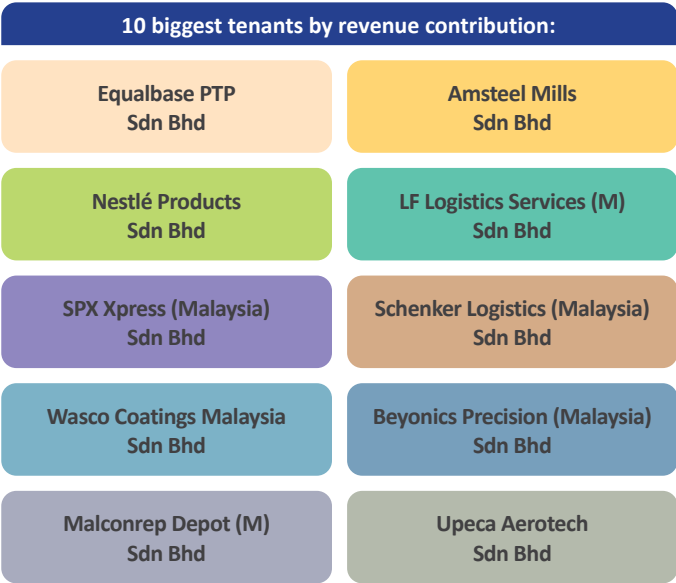
Tenancies for single-tenanted properties usually feature longer lease periods and are typically occupied by MNCs or industrial leaders, which present a lower risk of default. These tenancies usually lock in pre-agreed rental step ups and feature lower operating costs to the Fund as maintenance costs are borne by tenants. This also mitigates the risk of rising inflationary pressures on the Fund’s operating costs.



Our portfolio continues to attract and retain an impressive tenant listing. Our tenants are mainly involved in manufacturing and logistics, consumer products, as well as the service industry.

This tenant base has remained stable and well-diversified, with 177 tenants as at 31 December 2024.

The Fund’s 10 biggest tenants by revenue contribution accounted for 49% of total revenue. 2 new names, Amsteel Mills Sdn Bhd and Malconrep Depot (M) Sdn Bhd, joined the ranks of the top 10 tenants following the acquisitions completed in 2024.



MANAGER'S DISCUSSION AND ANALYSIS

Geographically, our portfolio footprint remains focused on the key industrial hubs throughout Peninsular Malaysia.

Our recent acquisitions and completed development raised our footprint in the Klang Valley, which now accounts for 58% of our portfolio (by NLA), from 48% a year ago. Concurrently, our footprint in Johor declined with the disposal of Axis Steel Centre @ SiLC during the year. Johor now accounts for 27% of our NLA, from 36% in 2023.

Our pipeline of upcoming acquisitions continues to focus on key industrial hubs in the Klang Valley, Johor, Penang, as well as other upcoming locations.

Tenancies Committed

During 2024, leases for 2.49 million sq. ft. of NLA in our portfolio came up for renewal. The Real Estate Team successfully contracted renewals for 2.06 million sq. ft., which translates to a retention rate of 82.8%. We also secured new tenants for 231,606 sq. ft. of vacated space. These efforts resulted in a positive rental reversion of 5.3% for the year, with portfolio occupancy holding up at 95% as at 31 December 2024.



More information on how we manage our tenants is available in the Management of Material Sustainability Matters section on pages 111 to 115 of this Report.

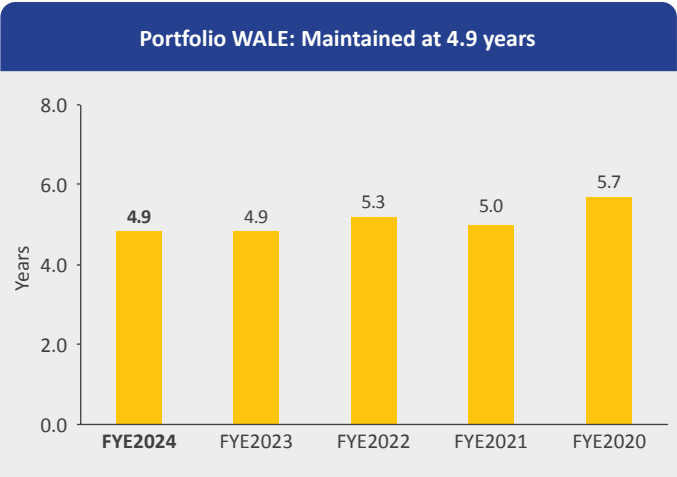
Portfolio Lease Expiry Profile by Location, 2024 – 2026

Property	Year 2024	% of Total NLA	% of Rental Income/ month	Year 2025	% of Total NLA	% of Rental Income/ month	Year 2026	% of Total NLA	% of Rental Income/ month
Petaling Jaya	588,693	3.88	6.09	740,078	4.88	7.89	411,878	2.72	4.15
Subang	-	-	-	30,250	0.20	0.44	-	-	-
Shah Alam	1,056,195	6.97	6.06	1,161,050	7.67	6.42	588,310	3.88	3.76
Klang	-	-	-	470,967	3.11	2.59	318,150	2.10	1.96
Johor	843,971	5.57	4.89	736,936	4.86	2.92	334,000	2.20	1.79
Negeri Sembilan	-	-	-	291,642	1.92	1.00	148,011	0.98	0.53
Penang	-	-	-	147,985	0.98	0.72	205,151	1.35	1.75
Kedah	-	-	-	138,000	0.91	1.05	-	-	-
TOTAL	2,488,859	16.42	17.04	3,716,908	24.53	23.02	2,005,500	13.23	13.94

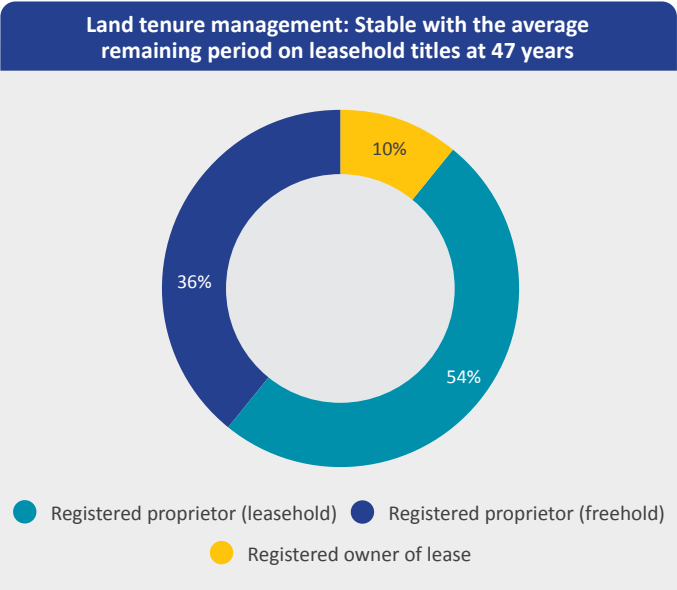
Portfolio Lease Expiry Profile by Type, 2024 – 2026

Property	Year 2024	% of Total NLA	% of Rental Income/ month	Year 2025	% of Total NLA	% of Rental Income/ month	Year 2026	% of Total NLA	% of Rental Income/ month
Office	213,059	1.41	3.06	132,517	0.87	1.83	55,654	0.37	0.81
Office/Industrial	517,244	3.41	4.10	736,074	4.86	7.25	356,224	2.35	3.34
Logistics Warehouse	1,448,455	9.56	7.91	2,225,660	14.69	11.11	1,552,561	10.24	9.52
Manufacturing Facilities	310,101	2.04	1.97	484,657	3.19	1.78	41,061	0.27	0.27
Hypermarket	-	-	-	138,000	0.91	1.05	-	-	-
TOTAL	2,488,859	16.42	17.04	3,716,908	24.53	23.02	2,005,500	13.23	13.94

MANAGER’S DISCUSSION AND ANALYSIS



Our portfolio Weighted Average Lease Expiry (WALE) held steady at 4.9 years (by rental) in 2024. This was, in part, due to the inclusion of new leases from the 8 properties acquired during the year.



Axis-REIT’s portfolio consists of freehold and leasehold properties, as well as land held under registered leases.

As at 31 December 2024, 54% of the portfolio was held via leasehold titles, while a further 10% were properties held under registered leases. The balance 36% were freehold properties.

The Manager actively monitors and manages the expiry profiles of leasehold properties. The leasehold properties in our portfolio had, on average, 47 years to expiry, with the shortest remaining lease period at a comfortable 25 years. Nevertheless, in 2023, we proactively submitted an application to the land office for the lease renewal of 1 property, which is currently still underway. We will continue to review our land tenure profiles to explore and determine further renewal applications in the coming years.



MANAGER'S DISCUSSION AND ANALYSIS

Investment Review

2024 was a bumper year for acquisitions at Axis-REIT. We completed 8 acquisitions for a total consideration of RM719.4 million during the year, setting a record in terms of the number of properties acquired and the amount invested. These acquisitions entrenched our presence in key industrial areas of Peninsular Malaysia, while adding to our hypermarket, logistics and manufacturing portfolios.

Our acquisitions in 2024 included Axis Facility 3 @ Bukit Raja, which, at RM313.0 million with 924,000 sq. ft. in NLA, is the Fund's second largest acquisition to date. The property is adjacent to Axis Facility 1 @ Bukit Raja (199,500 sq. ft. of NLA), which we also acquired in 2024 for RM49.0 million. These acquisitions, together with our existing properties in the area, have significantly enlarged our footprint in Bukit Raja.

Further west along the Klang Valley industrial corridor, we acquired 2 adjoining Logistics Warehouses within Taman Perindustrian Pulau Indah for a combined cash consideration of RM158.6 million. The warehouses added some 433,442 sq. ft. of NLA to Axis-REIT's portfolio.

We also added 2 automotive service centres to our portfolio, namely Axis Vista 2 and

Axis Industrial Facility @ Batu Caves. Both properties were acquired for a combined sum of RM125 million. Axis Vista 2 features 156,000 sq. ft. of NLA with prominent frontage along the Federal Highway, while Axis Industrial Facility @ Batu Caves is a 71,000 sq. ft. property with access to major highways such as the Duta-Ulu Kelang Expressway (DUKE) and North-South Expressway (PLUS).

During the year, we also concluded the acquisitions of Axis Hypermarket @ Temerloh – our third hypermarket in the portfolio, as well as Axis Industrial Facility @ Sendayan, our first property in the Sendayan Techvalley Industrial Park. As at 31 December 2024, we had one further transaction, for the acquisition of a storage yard in Bukit Raja for RM38.8 million that is pending completion.

Our acquisitions in 2024 have strengthened Axis-REIT's position as the leading industrial REIT in Malaysia. Collectively, the acquisitions added 1,983,108 sq. ft. to the portfolio, further advancing our strategy of growing and adding geographic, property type, and tenant diversity to the Fund's portfolio.

Aside from these acquisitions, Axis-REIT also disposed of Axis Steel Centre @ SiLC to a data centre operator for a cash consideration of RM162.0 million. We had acquired the property, which is located in Kawasan Perindustrian SiLC, Johor, for RM153.5 million in 2014, and view that we have maximised the property's income-generating potential as a manufacturing facility.

On the property development front, we successfully completed the development of Axis Mega Distribution Centre (Phase 2), a Grade A logistics warehouse with 509,040 sq. ft. of NLA. We will continue to seek out redevelopment opportunities within Axis-REIT's existing portfolio. The potential value enhancement from such redevelopments is especially promising for older properties in prime industrial areas that are in need of enhancement or have tenancies that are nearing expiration. We believe our development of Axis Mega Distribution Centre (Phase 1) and (Phase 2) is a prime example of this.



For more information on our Axis Mega Distribution Centre (Phase 2) development, please see our section on Completed Development on page 65 of this Report.

We continue to see similar redevelopment opportunities for several other properties in Axis-REIT's portfolio. These properties have garnered strong interest from prospective tenants, and we will continue to assess such opportunities for future development projects.

Beyond our acquisitions and development efforts, the Fund also continued to invest in strategic AEs to preserve the value of its portfolio, with RM18.3 million in AEs during the year to maintain and enhance its existing properties.

Details of 2024's property acquisitions, ongoing development projects and AEs are presented in the following pages.

MANAGER'S DISCUSSION AND ANALYSIS

SALIENT DETAILS OF ACQUISITIONS COMPLETED IN 2024



Axis Hypermarket @ Temerloh

Property Name	Axis Hypermarket @ Temerloh
Address	Temerloh Mall, Jalan Jaya, 28000 Temerloh, Pahang
Property Description	A two-storey shopping mall
Property Type/ Existing Use	Hypermarket
Property Age	12 years
Title Details	GM 47, Lot 12135 Section 5, Tempat Charok Langgong, Bandar Temerloh, Pahang Darul Makmur
Land Area	Approximately 1.85 acres
Land Tenure	Freehold
Net Lettable Area	93,854 sq. ft.
Occupancy Rate	100%
Major Tenant	TF Value-Mart Sdn Bhd
Tenancy/Lease Period	20 years
WALE at Acquisition	20 years
Date of Acquisition	16 January 2024
Purchase Price	RM25.8 million
Vendor	Amal Mewah Development Sdn Bhd



Axis Facility 1 @ Bukit Raja

Property Name	Axis Facility 1 @ Bukit Raja
Address	Lot 1, Solok Waja 2, Kawasan Industri Bukit Raja, 41050 Klang, Selangor
Property Description	An industrial complex
Property Type/ Existing Use	Manufacturing Facilities
Property Age	33 years
Title Details	H.S.(D) 24277, PT3501, Mukim Kapar, Daerah Klang, Negeri Selangor
Land Area	Approximately 7.98 acres
Land Tenure	99-year leasehold expiring on 22 October 2088
Net Lettable Area	199,500 sq. ft.
Occupancy Rate	100%
Major Tenant	Amsteel Mills Sdn Bhd
Tenancy/Lease Period	6 years
WALE at Acquisition	6 years
Date of Acquisition	31 May 2024
Purchase Price	RM49.0 million
Vendor	Amsteel Mills Sdn Bhd

MANAGER'S DISCUSSION AND ANALYSIS



Axis Vista 2

Property Name	Axis Vista 2
Address	Lot 19, Jalan 51A/219, off Federal Highway, 46100 Petaling Jaya, Selangor
Property Description	4½ storey detached building used as a 3S centre
Property Type/ Existing Use	Office/Industrial
Property Age	18 years
Title Details	H.S.(D) 171216, PT 19, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor
Land Area	Approximately 2.36 acres
Land Tenure	99-year leasehold expiring on 7 January 2067
Net Lettable Area	156,000 sq. ft.
Occupancy Rate	100%
Major Tenant	Cycle & Carriage Bintang Berhad
Tenancy/Lease Period	10 years
WALE at Acquisition	10 years
Date of Acquisition	15 July 2024
Purchase Price	RM69.0 million
Vendor	Cycle & Carriage Bintang Berhad



Axis Industrial Facility @ Batu Caves

Property Name	Axis Industrial Facility @ Batu Caves
Address	Lot 5, Jalan Perusahaan 1, Kawasan Perindustrian PKNS, 68100 Batu Caves, Selangor
Property Description	A single storey detached building used as a 2S centre
Property Type/ Existing Use	Office/Industrial
Property Age	9 years
Title Details	H.S.(M) 3755, PT 1, Locality of Jalan Perusahaan Satu, Batu Caves, Mukim Batu, Daerah Gombak, Negeri Selangor
Land Area	Approximately 4.09 acres
Land Tenure	99-year leasehold expiring on 5 September 2074
Net Lettable Area	71,000 sq. ft.
Occupancy Rate	100%
Major Tenant	Cycle & Carriage Bintang Berhad
Tenancy/Lease Period	10 years
WALE at Acquisition	10 years
Date of Acquisition	15 July 2024
Purchase Price	RM56.0 million
Vendor	Cycle & Carriage Bintang Berhad

MANAGER'S DISCUSSION AND ANALYSIS



Axis Industrial Facility @ Sendayan

Property Name	Axis Industrial Facility @ Sendayan
Address	PT11653, Jalan Techvalley 1/2, Kawasan Perindustrian Sendayan Techvalley, 71950 Seremban, Negeri Sembilan
Property Description	An industrial complex
Property Type/ Existing Use	Manufacturing Facilities
Property Age	5 years
Title Details	H.S.(D) 215217, PT 11653, Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan
Land Area	Approximately 14.63 acres
Land Tenure	Freehold
Net Lettable Area	105,311 sq. ft.
Occupancy Rate	100%
Major Tenant	Sandvik Equipment Sdn Bhd
Tenancy/Lease Period	6 years
WALE at Acquisition	4.6 years
Date of Acquisition	23 July 2024
Purchase Price	RM48.0 million
Vendor	BSS Development Sdn Bhd and Matrix IBS Sdn Bhd



Axis Facility 3 @ Bukit Raja

Property Name	Axis Facility 3 @ Bukit Raja
Address	Lot 6, Solok Waja 2, Kawasan Perusahaan Bukit Raja, 41050 Klang, Selangor
Property Description	An industrial complex
Property Type/ Existing Use	Manufacturing Facilities
Property Age	Approximately 33-40 years
Title Details	Land 1: H.S.(D) 17795, PT3494, Mukim Kapar, Daerah Klang, Negeri Selangor Land 2: H.S.(D) 31354, PT 17631, Mukim Kapar, Daerah Klang, Negeri Selangor
Land Area	Land 1: Approximately 59.28 acres Land 2: Approximately 0.68 acres Total Land Area: Approximately 59.96 acres
Land Tenure	Land 1: 99-year leasehold interest expiring on 9 November 2085 Land 2: 99-year leasehold expiring on 29 October 2091
Net Lettable Area	924,000 sq. ft.
Occupancy Rate	100%
Major Tenant	Amsteel Mills Sdn Bhd
Tenancy/Lease Period	6 years
WALE at Acquisition	6 years
Date of Acquisition	8 October 2024
Purchase Price	RM313.0 million
Vendor	Amsteel Mills Sdn Bhd

MANAGER'S DISCUSSION AND ANALYSIS



Axis Facility 1 @ Pulau Indah

Property Name	Axis Facility 1 @ Pulau Indah
Address	PT 64238, Jalan Perigi Nenas 7/2 KS11, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor
Property Description	2 blocks of single storey warehouse
Property Type/ Existing Use	Logistics Warehouse
Property Age	Approximately 8-11 years
Title Details	H.S.(D) 67518, PT 64238, Mukim Klang, Daerah Klang, Negeri Selangor
Land Area	Approximately 10.90 acres
Land Tenure	99-year leasehold expiring on 24 February 2097
Net Lettable Area	301,228.40 sq. ft.
Occupancy Rate	100%
Major Tenant	Malconrep Depot (M) Sdn Bhd
Tenancy/Lease Period	9 years
WALE at Acquisition	9 years
Date of Acquisition	11 October 2024
Purchase Price	RM110.075 million
Vendor	Malconrep Depot (M) Sdn Bhd

Axis Facility 2 @ Pulau Indah

Property Name	Axis Facility 2 @ Pulau Indah
Address	PT 64237, Jalan Perigi Nenas 7/2 KS11, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor
Property Description	A single storey warehouse
Property Type/ Existing Use	Logistics Warehouse
Property Age	7 years
Title Details	H.S.(D) 67517, PT 64237, Mukim Klang, Daerah Klang, Negeri Selangor
Land Area	Approximately 4.51 acres
Land Tenure	99-year leasehold expiring on 24 February 2097
Net Lettable Area	132,214.48 sq. ft.
Occupancy Rate	100%
Major Tenant	Malconrep Depot (M) Sdn Bhd
Tenancy/Lease Period	5 years
WALE at Acquisition	5 years
Date of Acquisition	26 November 2024
Purchase Price	RM48.569 million
Vendor	Dayang Mewah Sdn Bhd

MANAGER'S DISCUSSION AND ANALYSIS

SALIENT DETAILS OF DISPOSAL COMPLETED IN 2024



Axis Steel Centre @ SiLC

Property Name	Axis Steel Centre @ SiLC
Address	No. 27, Jalan SiLC 1/5, Kawasan Perindustrian SiLC, 79200 Nusajaya, Johor
Property Description	A plot of industrial land with 2 single-storey detached factories, a double-storey office building, a double-storey canteen and maintenance office, a single-storey training centre, a 3-storey worker hostel, and other ancillary buildings
Property Type	Manufacturing Facilities
Property Age	14 years
Title Details	H.S.(D) 458080, PTD 5755 Mukim Jelutong, Daerah Johor Bahru, Negeri Johor
Land Area	Approximately 26.96 acres
Land Tenure	Freehold

Net Lettable Area	688,011 sq. ft.
Date of Disposal	12 December 2024
Occupancy on date of disposal	0%
Original Purchase Price	RM153.5 million
Disposal Price	RM162.0 million
Purchaser	Data centre operator
Market Value	RM159.0 million
Date of Valuation	19 December 2023
Name of Valuer	Rahim & Co International Sdn Bhd
Rationale for disposal	Limited upside for future rental growth in the property's current condition and favourable disposal price presented capital redeployment opportunity

MANAGER'S DISCUSSION AND ANALYSIS

COMPLETED DEVELOPMENT: AXIS MEGA DISTRIBUTION CENTRE (PHASE 2)

In 2024, we completed the development of Axis Mega Distribution Centre (Phase 2), a Grade A logistics warehouse located on the outskirts of Klang, Selangor. The development project commenced construction in January 2023 and was completed on schedule in March 2024. The logistics warehouse features a built-up area of approximately 509,040 sq. ft. that can be sub-divided to 8 modules for maximum flexibility to cater to tenants' requirements. We had secured 37.5% occupancy as at 31 December 2024, and full occupancy in January 2025.

Axis Mega Distribution Centre (Phase 2) incorporates significant sustainability features and received its final GreenRE Gold certification in December 2024. Specifically, the development features:

- A Grade-A distribution centre
- A long-term sustainable building design with green mark qualification
- Flexible modular space configurations
- Good connectivity to major highways and a strategic location close to West Port and North Port

Axis Mega Distribution Centre (Phase 2) is adjacent to Axis Mega Distribution Centre (Phase 1) – a logistics warehouse that is locked into a long-term lease with Nestlé Products Sdn Bhd. Axis Mega Distribution Centre (Phase 1) was Axis-REIT's first development project, completed in January 2018. Both Axis Mega Distribution Centre (Phase 1) and (Phase 2) are located on approximately 50 acres of land that the Fund acquired in 2010. At the time of acquisition, the property was used as an automobile pre-delivery inspection centre.

The development of Axis Mega Distribution Centre (Phase 2) unlocked the value of the property and complements Axis Mega Distribution Centre (Phase 1) in creating a cluster of industrial properties, allowing tenants to create and leverage on scale and a potential collaborative logistics ecosystem. The entire Axis Mega Distribution Centre (Phase 1) and (Phase 2) development recorded a fair value of RM444.0 million in its latest valuation, conducted in 2024, against its investment outlay of RM378.2 million.



Original parcel of land pre-development



Completed development of Axis Mega Distribution Centre (Phase 1) and (Phase 2)

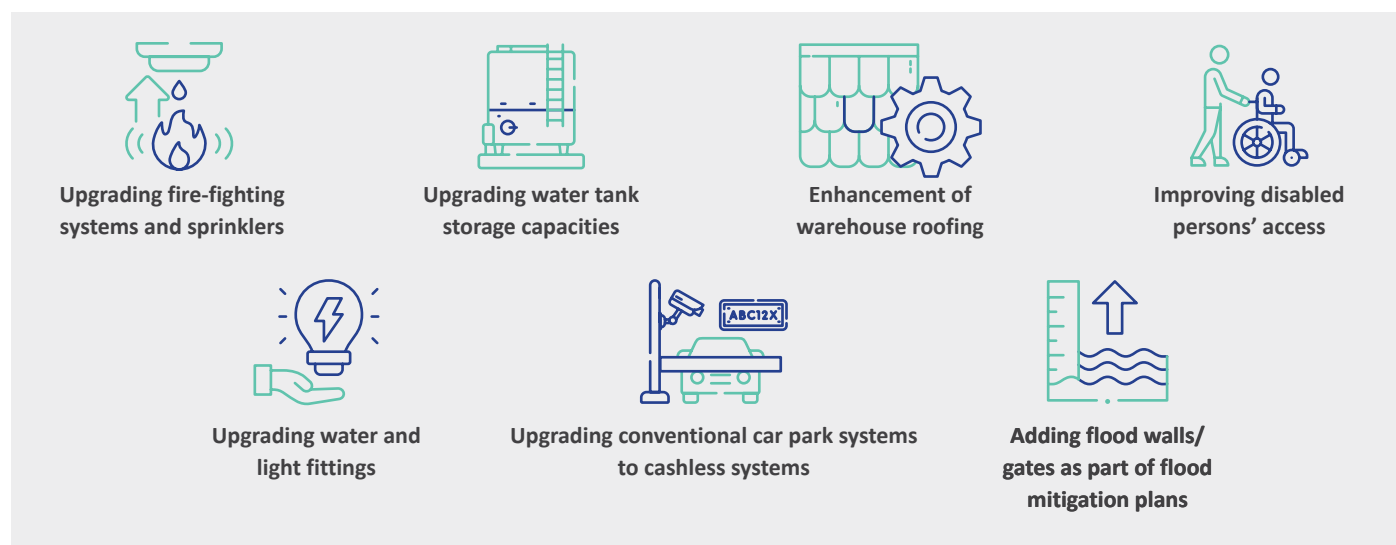
MANAGER'S DISCUSSION AND ANALYSIS

Asset Enhancement Initiatives (AEI)

We proactively undertake strategic AEIs to maintain, refurbish, and upgrade selected properties as a key strategy in preserving and enhancing the value of the Fund's portfolio. Our AEIs ensure our properties remain attractive, updated, and relevant to the needs of the market.

As a practice, our AEIs incorporate green features and involve retrofitting sustainability features, equipment and materials, where possible. This is aimed at enhancing the quality and sustainability of the properties and the overall portfolio, in line with the objectives of the Fund's Environmental Policy. In so doing, these AEIs support Axis-REIT's ESG goals as well as those of our stakeholders.

In 2024, the Fund invested RM18.3 million in total AEIs, involving 8 key projects at selected properties across the portfolio. These included:



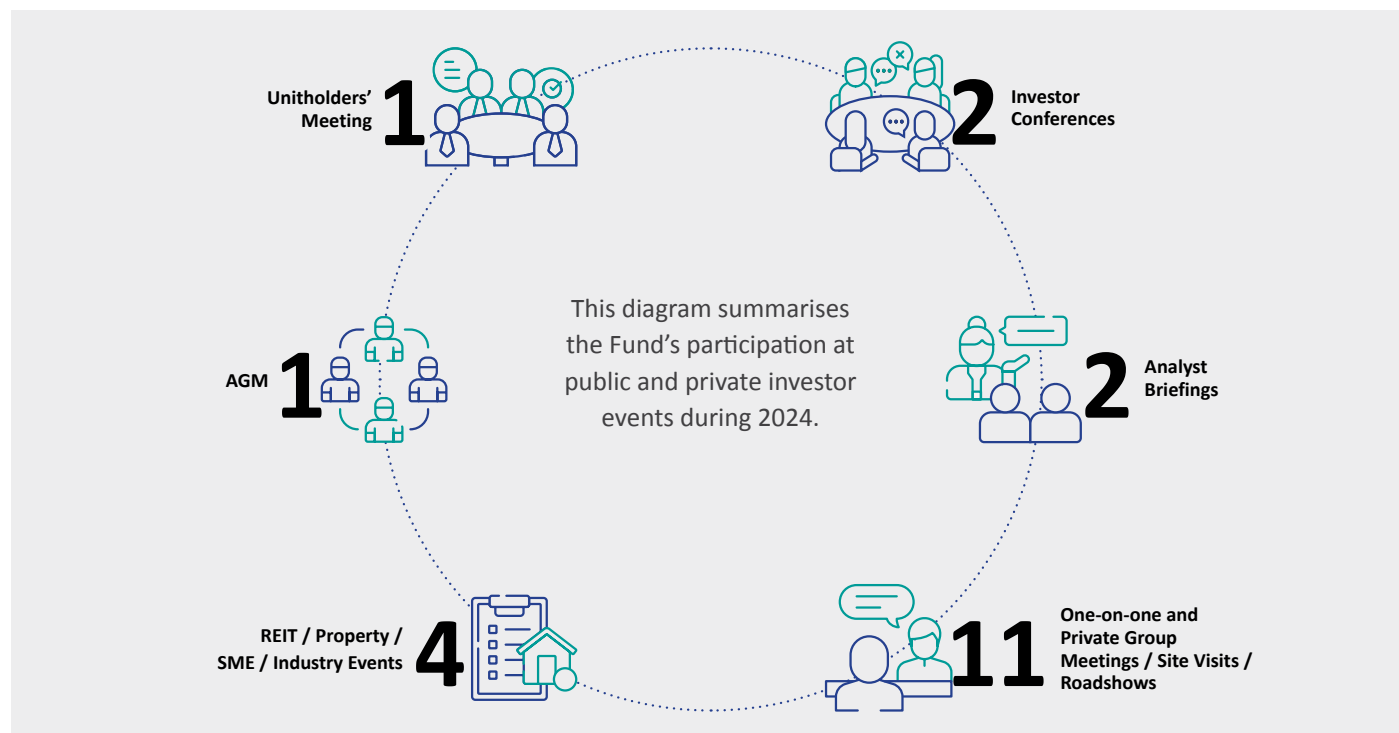
More information about our AEIs is presented in the Management of Material Sustainability Matters section on pages 119 to 121 of this Report.

Looking ahead, we will continue to invest in strategic AEIs that will drive the value, sustainability and profitability of the Fund.

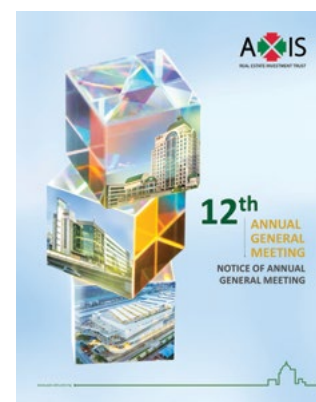
MANAGER'S DISCUSSION AND ANALYSIS

Investor Engagement, Research, and Media Coverage

During 2024, we continued to actively engage investors and stakeholders through various channels such as conferences, private meetings, industry events, and company briefings. These engagements gave the Fund's management team access to both local and international investment communities, and vice versa. They comprised a mix of virtual and physical meetings, with the Fund's 12th AGM and its 2024 Unitholders' Meeting conducted via virtual broadcast using remote participation and electronic voting facilities.

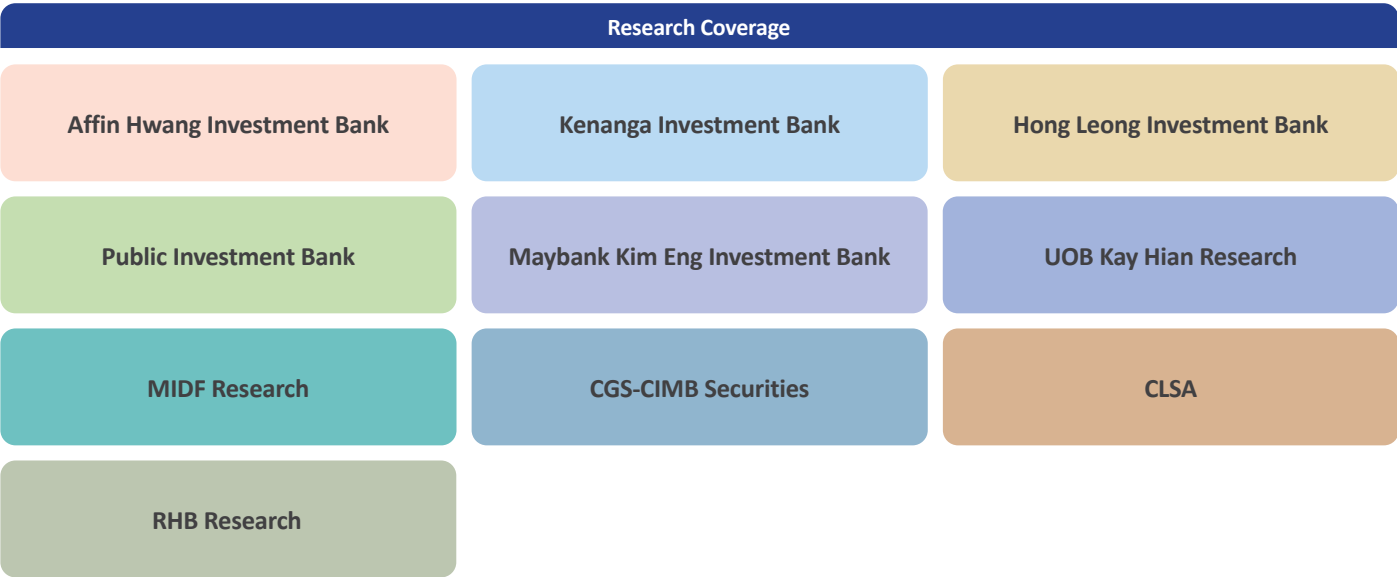


12th Virtual AGM

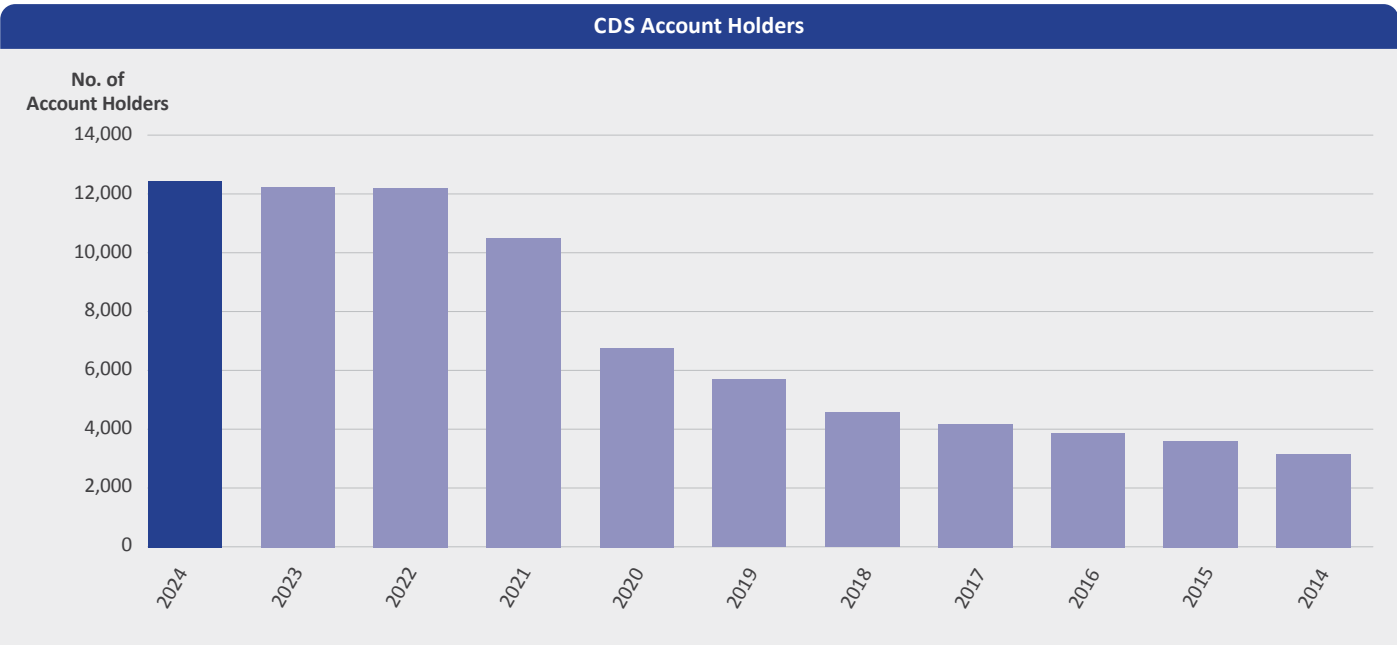


MANAGER’S DISCUSSION AND ANALYSIS

Axis-REIT is currently covered by 10 research houses. The Investor Relations Team continues to maintain clear and timely communications on the Fund’s results, strategy and outlook through the various investor engagements described above.



Axis-REIT’s number of CDS account holders has increased steadily over the years, with over 12,000 accounts in 2024.



Research
by kenanga
Results Note

Axis REIT

Brighter Industrial Rental Outlook in Johor

By Clement Chua | clement.chua@kenanga.com.my

AXREIT's H1FY24 results and distribution were within expectations. Its H1FY24 core net profit rose 20% FYTD over last year's contribution from Baki Ridge Distribution Centre 2 and positive rental expansion. On an improved industrial outlook in Johor, we raise our FY24F earnings forecast by 20% to R\$1.4 by 6% to RM1.82 (from RM1.72) but maintain our MARKET OVERWEIGHT rating.

AXREIT's H1FY24 core net profit of RM570.8m met expectations, coming in at 48% of both our full-year forecast and the full-year consensus estimates. It delivered an estimated net distribution of 2.03 new cent (YTD & 13.9mm), on track to meet our full-year net dividend forecast of 8.7 mm.

FYTD, its revenue rose 10% mainly attributed to new rental stream from Baki Ridge Distribution Centre 2 from Aug 2023, further fuelled by positive rental revision. Its core net profit rose by a sharper 20%, as it managed to contain its expenses.

GNOI, its GPOY24 lagged initial R\$1.2B, mainly contributed by the acquisition of Axis Facility 1 in Selangor in May 2024. However, its core net profit was 1% below non-operating income.

We have projected positive rental momentum of 10% c/yw, with the outlook very good for its industrial assets in Johor, owing to the strong rise in industrial property prices in Johor, driven by investments especially in the data centre space. 30% of AXREIT's assets are located in Johor. Moreover, AXREIT continues to be actively seeking for high-yield industrial assets. It recently bagged Amalek Mills industrial complex in Baki Ridge, Johor, for RM370M, which will add RM30M in annualised net FV25.

Forecasts: We raise our FY25F earnings forecast by 4% to reflect an overall robust outlook for industrial properties in Johor as mentioned.

Valuations: Correspondingly, we see the TP up 8% to RM1.82 (previously RM1.72) based on a "FY25F net distribution of 13.5mm against a target yield of 5.1% (lower than 15% yearly spread above its 10-year MDC assumption of 4.5%). There is no adjustment to our TP based on ESG given a 3-year return is expected by us for the next 4 years.

Investment case: We continue to like AXREIT as a proxy to industrial real estate and the growing S&P 500 index. Our investment case is driven mostly through its diversified portfolio of commercial and industrial asset management. **MATERIAL INVESTMENT OPPORTUNITIES:** (i) our coverage of industrial assets resulting in depressed valuations and occupancy rates, and (ii) offset on net payments by tenants.

MARKET PERFORMANCE →

Price: **RM1.82 ↑**
Target Price: **RM1.82 ↑**

Share Price Performance

Month	Share Price (RM)
Dec 2023	1.00
Jan 2024	1.00
Feb 2024	1.00
Mar 2024	1.00
Apr 2024	1.00
May 2024	1.00
Jun 2024	1.00
Jul 2024	1.00
Aug 2024	1.00
Sep 2024	1.00

KLCI	1,620.68
VICI KLDG chg	12.0%
VICI ATOL price shg	4.1%

Stock Information

Market Capital	Yes
Bloomberg Ticker	AXREIT.MK Equity
Market Cap (RM m)	3,267.8
Shares Outstanding	1,747.3
52-week range (RM)	1.74
20-week range (L)	1.74
3-mth avg. daily vol.	1,902,440
Free Float	90%
Major Shareholders	14%

Employees Product Fund	17.9%
Kumpulan Wang Perumahan	10.4%
Lembaga Tabung Haji	5.8%

Summary Financial Statement

FY End (RM m)	2023A	2024E	2025F
Revenue	221.6	258.4	265.3
Operating Profit	245.4	287.0	295.0
Net Profit	221.6	267.8	275.0
Net Profit Margin (%)	21.7	26.4	26.8
Cost of Sales	168.2	168.4	168.3
Gross Profit	-	169.4	169.4
Gross Profit Margin (%)	-	65.6	63.8
Operating Expense	0.0	0.0	0.0
Cost EPS (sen)	8.5	9.4	9.8
EPS (sen) or Growth (%)	7.2	10.1	10.0
DIVIDEND	8.7	8.7	9.0
NCD (sen)	0.0	0.0	0.0
Payout Ratio (%)	1.0	1.0	1.0
PER (x)	19.9	17.3	17.3
BPV (RM)	1.12	1.12	1.2
Dividend Yield (%)	0.34	0.37	0.39
Net Div. Yield (%)	4.3	4.7	5.4

kenanga

Page 1 of 4

  																																					
Axis REIT <small>(0016 : ASEK FMC) Page 1/27</small>	<small>SGX Market Hours: Monday to Friday, 9:30am to 4:00pm SGT</small> Maintain BUY																																				
Unchanged Target Price by Newly Acquired Assets	Unchanged Target Price: RM2.14																																				
KEY INVESTMENT HIGHLIGHTS	RETURN STATISTICS																																				
<ul style="list-style-type: none"> • 9WP2A earnings within expectations • Earnings growth driven by newly acquired assets • Earnings forecast maintained • Maintain BUY with an unchanged TP of RM2.14 	<p>Price @ 30 Oct 2024 (RM) 1.81</p> <p>Expected dividend price return (%) +1.2%</p> <p>Expected dividend yield (%) +4.3%</p> <p>Expected total return (%) +0.25%</p>																																				
9WP2A earnings within expectations. Axis REIT 9WP2A net income of RM120.2m came in within expectations, making up 78% and 79% of our consensus full year estimates respectively. Axis REIT announced their distribution per unit (DPU) of 2.355sen (ex-date 11 November 2024) for 3QFY24, bringing total DPU to 9.60sen in 9WP24.	SHARE PRICE CHART																																				
9WP2A earnings within expectations. Axis REIT 9WP2A net income of RM120.2m came in within expectations, making up 78% and 79% of our consensus full year estimates respectively. Axis REIT announced their distribution per unit (DPU) of 2.355sen (ex-date 11 November 2024) for 3QFY24, bringing total DPU to 9.60sen in 9WP24.	 <p>Price performance (%) Absolute Relative</p> <table border="1"> <tr> <td>1 month</td> <td>0.0</td> <td>2.0</td> </tr> <tr> <td>3 months</td> <td>-1.1</td> <td>0.1</td> </tr> <tr> <td>12 months</td> <td>0.6</td> <td>-0.5</td> </tr> </table>	1 month	0.0	2.0	3 months	-1.1	0.1	12 months	0.6	-0.5																											
1 month	0.0	2.0																																			
3 months	-1.1	0.1																																			
12 months	0.6	-0.5																																			
Earnings growth increased to RM45M (+1.85x) mainly due to contribution from newly acquired assets namely Axis Vista 2, Axis Industrial Facility @ Batu Caves and Axis Industrial Facility @ Serdang. On yearly basis, 2024's earnings were higher by (+1.15x)YTD, bringing 9WP24 cumulative core net income higher at RM120.2m (+1.42x)YTD. The higher earnings were mainly driven by lease commencement of Bulk Rail Distribution Centre 2, positive rental operation and contribution from five newly acquired assets. Meanwhile,利息 financing cost increased (+18.7%) in 9WP24 due to acquisition financing for the acquisition of assets and increase in OPR by 25bps in May 2023.	INVESTMENT STATISTICS																																				
Earnings forecast maintained. We maintain our earnings forecast for FY24/25/26. Earnings prospect for Axis REIT is expected to remain stable, going forward as earnings contribution from industrial assets are resilient. The healthy demand for industrial space underpins positive rental reversion and thus support earnings growth in the medium to long term. Besides, the active acquisition strategy of Axis REIT will also drive earnings and DPU growth. Note that Axis REIT has total estimated value of target acquisitions of RM200m.	<table border="1"> <thead> <tr> <th></th> <th>2024E</th> <th>2025F</th> <th>2026F</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>298</td> <td>364</td> <td>440</td> </tr> <tr> <td>Net Rental Income</td> <td>186</td> <td>232</td> <td>284</td> </tr> <tr> <td>Net Investment Income</td> <td>208</td> <td>254</td> <td>308</td> </tr> <tr> <td>Core Net Income</td> <td>198</td> <td>245</td> <td>298</td> </tr> <tr> <td>Core EPU (sen)</td> <td>188</td> <td>215</td> <td>262</td> </tr> <tr> <td>Core NPV (sen)</td> <td>8.91</td> <td>10.04</td> <td>10.45</td> </tr> <tr> <td>Net DPU (sen)</td> <td>7.83</td> <td>8.81</td> <td>9.17</td> </tr> <tr> <td>Dividend Yield</td> <td>4.3%</td> <td>4.9%</td> <td>5.1%</td> </tr> </tbody> </table>		2024E	2025F	2026F	Revenue	298	364	440	Net Rental Income	186	232	284	Net Investment Income	208	254	308	Core Net Income	198	245	298	Core EPU (sen)	188	215	262	Core NPV (sen)	8.91	10.04	10.45	Net DPU (sen)	7.83	8.81	9.17	Dividend Yield	4.3%	4.9%	5.1%
	2024E	2025F	2026F																																		
Revenue	298	364	440																																		
Net Rental Income	186	232	284																																		
Net Investment Income	208	254	308																																		
Core Net Income	198	245	298																																		
Core EPU (sen)	188	215	262																																		
Core NPV (sen)	8.91	10.04	10.45																																		
Net DPU (sen)	7.83	8.81	9.17																																		
Dividend Yield	4.3%	4.9%	5.1%																																		
Maintain BUY with an unchanged TP of RM2.12. We maintain our TP for Axis REIT at RM2.12, based on Dividend Discount Model (DDM). We remain positive on Axis REIT as we see stable prospect for Axis REIT which is driven by the active outlook for industrial assets in Malaysia. Hence, we maintain our BUY call on Axis REIT. Meanwhile, distribution yield is estimated at 4.3% .	KEY STATISTICS																																				
	<table border="1"> <tbody> <tr> <td>FBM CLIC</td> <td>1,813.47</td> </tr> <tr> <td>Issue shares (m)</td> <td>1,372.48</td> </tr> <tr> <td>Outstanding New Shares (m)</td> <td>66.48</td> </tr> <tr> <td>Market Capitalization (RMm)</td> <td>3,260.88</td> </tr> <tr> <td>30-day price range</td> <td>RM1.7-2.005188</td> </tr> <tr> <td>3-month average volume (m)</td> <td>1.21</td> </tr> <tr> <td>3-month average daily volume (RMm)</td> <td>2.25</td> </tr> <tr> <td>Top Shareholders (%)</td> <td>7.70</td> </tr> <tr> <td>Employees/Property Fund Board</td> <td>17.00</td> </tr> <tr> <td>Hongkong Listing</td> <td>10.00</td> </tr> <tr> <td>Financials Tracking Item</td> <td>5.00</td> </tr> </tbody> </table>	FBM CLIC	1,813.47	Issue shares (m)	1,372.48	Outstanding New Shares (m)	66.48	Market Capitalization (RMm)	3,260.88	30-day price range	RM1.7-2.005188	3-month average volume (m)	1.21	3-month average daily volume (RMm)	2.25	Top Shareholders (%)	7.70	Employees/Property Fund Board	17.00	Hongkong Listing	10.00	Financials Tracking Item	5.00														
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	Analyst Joella Loo Jey Ting <small>joella.loo@midstream.com.my</small>																																				

MANAGER'S DISCUSSION AND ANALYSIS

Selected Media Coverage

第三季净赚3777万 AXIS产托派息2.35仙

(吉隆坡 28 日讯) 营运维修费用走高, AXIS 产托 (AXREIT, 5106, 主板产托股) 2024 财年第三季, 净利润同比下跌 11.13%, 至 3777 万令吉, 不过仍宣布派息 2.35 仙。



梁洁美

该产托表示, 继续乐观看待现有产业投资组合, 并积极追求优质投资的增长策略, 相信现财年的业绩表现, 可在接下来继续维持。

展望未来, AXIS 产托执行董事兼总执行长梁洁美表示, 有信心产托旗下 69 个单位, 能继续推动增长。

至于每股派息 2.35 仙, 除权日落在 11 月 11 日, 派息日定在 29 日。AXIS 产托闭市收报 1.81 令吉, 起 1 仙或 0.6%, 成交量 25 万 3100 股。

Axis-REIT Jana RM449.73 Juta Menerusi Penempatan Persendirian Tertinggi

30/10/2024 11:14 AM



KUALA LUMPUR, 30 Okt (Bernama) -- Axis Real Estate Investment Trust (Axis-REIT) berjaya menjana sebanyak RM449.73 juta menerusi langkah penempatan persendirannya yang tertinggi setakat ini.

Hasil yang dijana itu akan dimanfaatkan bagi menyokong strategi untuk meneruskan pengambilalihan berkualiti tinggi dan meningkatkan portfolio sedia ada bagi meraih pulangan serta nilai mampan untuk faedah pemegang unit.

Ketua Pegawai Eksekutif merangkap Pengarah Eksekutif Axis-REIT Managers Bhd Leong Kit May berkata penempatan persendirian yang terbesar setakat ini, juga memaparkan keyakinan pasaran



【行家论股】AXIS产托 柔工业租金看涨



(取自AXIS产托官网)

行家建议:

AXIS产托2024上半年累积核心净利年增20%, 至7960万令吉, 符合预期, 符合2024全年预测的48%。

这主要归功于武吉拉惹地区 (Bukit Raja) 第二分销中心的首次贡献, 以及租金率回升。

随着数据中心投资推升柔佛工业地产的价格, 有35%资产坐落在柔佛的AXIS产托, 租金回报率将水涨船高。

我们预计, 该产托的工业资产租金回报率, 料将从此前的5%, 提高至15%。

基于柔佛工业资产的前景亮眼, 我们上调2025财年的盈利预测, 幅度为4%。

同时, 该产托也积极寻找高收益的工业资产, 4月份以3.13亿收购雪州巴生的Amsteel Mills 工业园区, 相信会在2025财年带来2300万令吉的租金收入。

整体而言, 我们继续看好AXIS产托, 维持“跟随大市”评级, 目标价从1.72令吉, 上修至1.82令吉。

Axis-Reit beli 2 kemudahan gudang berharga RM158.644 juta di Pelabuhan Klang



Kemudahan gudang di Pelabuhan Klang yang dibeli oleh Axis-Reit

KUALA LUMPUR 28 Ogos -- Pemegang amarah Axis Real Estate Investment Trust, RHB Trustees Berhad telah memeterai dua perjanjian jual beli untuk memperoleh dua kemudahan gudang, daripada Malcorrep Depot (M) Sdn. Bhd. dan Dayang Mewah Sdn. Bhd. berjumlah RM158.644 juta.

BUSINESS TIMES

Axis REIT takes over two Cycle & Carriage auto service centres for RM125.1m



Axis Real Estate Investment Trust (REIT) is taking over two auto service centres from Cycle & Carriage Bintang Bhd (CCB) in a deal worth RM125.1 million.

KUALA LUMPUR: Axis Real Estate Investment Trust (REIT) is taking over two auto service centres from Cycle & Carriage Bintang Bhd (CCB) in a deal worth RM125.1 million.

The Star

Axis-REIT to sustain earnings



HLIB Research has raised its earnings forecasts by 3.7% and 1.9% for the financial years of 2024 and 2025, respectively.

PETALING JAYA: Axis Real Estate Investment Trust (Axis-REIT) is expected to sustain earnings in subsequent quarters, driven by the demand for industrial

Its acquisitions, all completed this month, are seen to provide further Hong Leong Investment Bank (HLIB) Research to raise its earnings forecasts by 3.7% and 1.9% for the financial years of 2024 and 2025 (FY24 and FY25), respectively.

Axis-REIT, which owns 64 properties, is also expected to benefit from occupancy rates, said HLIB Research.

With 177 tenants, Axis-REIT's occupancy rate stood at 89%.

Meanwhile, out of the 17.6% of total net lettable area up for renewal tenancies have renewed while an additional 8.6% has been re-tenant.

MIDF Research expects stable earnings prospects for Axis-REIT in the term on the back of stable demand for local industrial space.

"Besides, Axis-REIT is expanding its assets under management via acquisitions, which should continue to underpin earnings and distribution per unit growth,"

Axis-REIT keeps up strong performance

PETALING JAYA: Axis Real Estate Investment Trust (Axis-REIT) remains optimistic that in view of the satisfactory performance of its existing property portfolio and its growth strategy to actively pursue quality investments, it will be able to maintain its positive performance for the coming financial year ending Dec 31, 2025.

The investment manager released its whole year results for 2024 yesterday, registering a total trust income for the fourth quarter of financial year 2024 (4Q24) of RM87.8mil, a 16.2% year-on-year (y-o-y) growth from a year earlier.

Net profit however, dipped 17.4% y-o-y to RM91mil.

For the whole of 2024, the investment manager saw total revenue increasing to RM320.1mil, representing an 11.9% y-o-y climb, although earnings saw a fractional 3.6% slide to RM210mil.

Axis-REIT declared a dividend of 2.37 sen per share for 4Q24, which brought its total dividends declared for 2024 to 9.27 sen per share, a 7.2% y-o-y improvement from 2023.

MANAGER'S DISCUSSION AND ANALYSIS

Awards and Recognition

KSI MALAYSIAN PROPERTY EXCELLENCE & SUSTAINABILITY AWARD 2024

Axis-REIT

THE EDGE BEST MANAGED & SUSTAINABLE PROPERTY AWARDS 2024

Crystal Plaza – **Bronze**

THE EDGE ESG AWARDS 2024

Silver

THE BEST OF THE BREEDS REIT AWARDS 2024

Best CEO – **Platinum**

Best CFO – **Platinum**

Best Industrial REIT – **Platinum**

Best Islamic REIT – **Platinum**

THE ASSET ESG CORPORATE AWARDS 2024

Gold

NACRA EXCELLENCE AWARDS 2024

Silver

(RM2 billion to RM10 billion in market capitalisation)

ALPHA SOUTHEAST ASIA

Best REIT Deal of the Year in Asia on Axis REIT's RM175 million primary placement



ESG Benchmarks and Indexes

FTSE RUSSELL ESG

4-star rating

Constituent of:

- i) FTSE4Good Bursa Malaysia Index; and
- ii) FTSE4Good Bursa Malaysia Shariah Index

GRESB REAL ESTATE BENCHMARK

Peer group ranking: 2nd out of 6 peers

GRESB PUBLIC DISCLOSURE REPORT

A

MORNINGSTAR SUSTAINALYTICS

Low ESG Risk

MSCI ESG RATINGS

BB



MANAGER'S DISCUSSION AND ANALYSIS

Market Outlook & Priority

Malaysia is expected to see continued economic expansion going into 2025, with GDP growth forecast at between 4.5% and 5.5%. This will be supported by resilient household spending as well as increased investment activity and strong exports amid the global tech upcycle and robust demand for non-Electrical and Electronic (non-E&E) goods, among others.

Demand for strategically-located, modern industrial properties is expected to be sustained by continued investments into the manufacturing and logistics sectors, along with accelerated growth of new sectors such as data centre properties.

Amid these favourable conditions, we target to increase the Fund's AUM to RM10 billion by the end of 2030, from RM5.26 billion as at 31 December 2024.

With this ambitious target in mind, we will continue to implement a disciplined investment strategy in pursuing potential acquisitions and development projects. We will seek properties that fit our investment focus, are yield accretive, and meet our sustainability requirements. These will include properties that offer potential for future development and capital appreciation, as well as single-tenanted properties and properties with triple net lease tenancies.

We will also ensure our financial position and capital management strategy are aligned with these expansion plans. Towards this end, we will consider diversifying our capital sources through new Sukuk issuances, unsecured financing, as well as capital recycling through divestments and the reallocation of funds to higher-performing properties.

Within our operations, we will continue our tenant management initiatives to maintain tenant satisfaction levels and sustain a high property portfolio occupancy rate. We will continue to invest in strategic AEs to ensure our properties remain updated and sought-after, and implement ESG initiatives to achieve our targets in energy and carbon reduction, as well as water and waste management.

A key sustainability initiative in 2025 will be to conduct a climate scenario analysis, which is the next essential step in meeting the disclosure requirements of the IFRS S2, having concluded the climate-related risks and opportunities assessment in 2024. The climate scenario analysis will also guide our development of a comprehensive sustainability roadmap that identifies specific actions, milestones, and timelines in our efforts to reduce GHG emissions to as close to zero (carbon neutrality) or to achieve net zero by 2050 or earlier.

We still target to obtain at least 1 additional green building certification every year. We have also initiated plans to extend our Scope 3 GHG emissions disclosures as we ramp up our reporting to enhance accountability and transparency in accordance with the NSRF and Bursa Securities' updated MMLR.

Details of our 2025-2026 plans and KPIs are presented in our Corporate Strategy 2025-2026, which is presented on pages 99 to 105 of this Report. The Corporate Strategy 2025-2026 brings together our strategic, financial, and sustainability priorities, and reinforces the Fund's growth and sustainability ambitions for the years ahead.

MANAGER'S DISCUSSION AND ANALYSIS

TARGETS & KPIs



Real Estate

- To maintain tenant satisfaction survey rating at above 70%
- To maintain *Hello Axis* Service Request Satisfaction Ratings at above 80%
- To maintain portfolio occupancy rate at above 90%
- To obtain at least 1 green building certification for our portfolio every year



Capital Management

- To grow Axis-REIT's AUM to RM10 billion by the end of 2030
- To issue at least RM100 million in rated/unrated corporate Sukuk



Facilities Management

- To obtain energy data from tenants
- To reduce water consumption by 1% over 5 years (2022–2026)
- To reduce energy use and GHG emissions by 1% over 5 years (2022–2026)
- To reduce waste disposed to landfills by 10% over 5 years (2023–2027)



Investment

- To embark on acquisitions to meet Axis-REIT's target of growing its AUM to RM10 billion by 2030
- To screen all potential investments for ESG compliance and assess for climate-related risks (flood and water stress) in accordance with the Initial Due Diligence Assessment Checklist



Development

- To focus on new development projects that positively impact the Fund



Governance

- Providing annual training on the Anti-Corruption & Fraud (ACF) Policy, Personal Data Protection Act 2010 (PDPA), and cybersecurity
- To maintain zero reported cases of discrimination in the workplace
- To conduct at least 2 employee health and well-being training sessions and at least 2 employee group activity sessions
- To maintain zero cybersecurity breaches
- To monitor and report PDPA compliance status

REPORT ON SHARIAH COMPLIANCE

On 11 December 2008, Axis-REIT became the first Malaysian REIT to be reclassified as an Islamic REIT. Since its successful reclassification, we have seen strong participation from investors who are seeking Shariah-compliant investment, from both the institutional and retail sectors.

BIMB Securities Sdn Bhd (BIMB Securities), which is a Registered Shariah Adviser with the SC, is the appointed Shariah Adviser of the Fund.

BIMB Securities' services include, among others:

- Providing expertise and guidance on Shariah matters related to Axis-REIT, including matters relating to documentation, structure and investment instruments in accordance with relevant securities laws and guidelines issued by the SC;
- Ensuring that Axis-REIT is managed and administered in accordance with Shariah principles and all other requirements, standards, rulings, resolutions and guidelines issued by the Shariah Advisory Council (SAC) of the SC;
- Assessing new tenants and/or new properties to be acquired by Axis-REIT to ensure that all the activities of the said tenants and/or composition/contribution of non-permissible activities stay within the tolerable benchmark set by the SAC of the SC;
- Providing a report or statement to be included in the annual report of Axis-REIT stating the Shariah Adviser's opinion as to whether Axis-REIT has been operated and managed in accordance with Shariah, including Shariah principles, concepts and rulings issued by the SC;
- Consulting with the SC on ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process; and
- Assisting and attending to any ad-hoc meeting called by the Manager, the SC and/or any other relevant authorities.

En. Muhammad Shahier bin Sa'min is the designated person responsible for the Shariah matters of Axis-REIT. He joined BIMB Securities as the Head of Shariah in October 2024 and is responsible for all Shariah-related matters at BIMB Securities. He serves as the Secretary of the Shariah Advisory Committee and has been appointed as the Designated Shariah Person. He holds a Bachelor of Shariah, majoring in Economics and Islamic Banking from Yarmouk University, Jordan, completed in 2014, and obtained a professional certificate, Associate Qualification in Islamic Finance from the Islamic Banking and Finance Institute Malaysia in 2019. In addition, he has recently earned the Certified Shari'a Adviser and Auditor certification from the Accounting and Auditing Organization for Islamic Financial Institutions. Prior to this, En. Shahier was the Head of Shariah at Yayasan Pembangunan Ekonomi Islam Malaysia (YAPEIM) from June 2021 to October 2024, where he oversaw Shariah governance and compliance across the YAPEIM group.

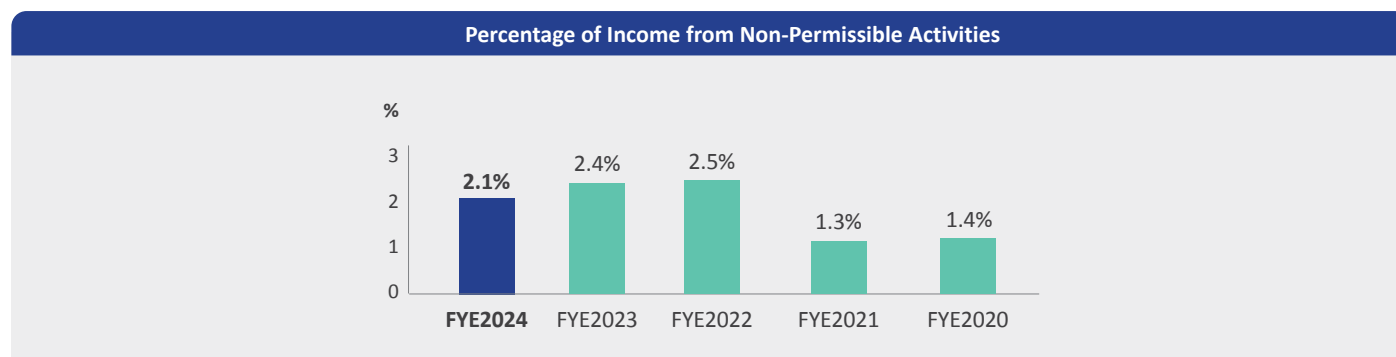
The Manager is pleased to report, based on the Shariah Adviser's Report, that:

- Under the guidance of BIMB Securities, the level of income from non-permissible activities of Axis-REIT's portfolio is 2.1% for FYE2024; and
- The Islamic fund management business of Axis-REIT in respect of FYE2024 has been carried out in accordance with Shariah principles, concepts and rulings issued by the SC.

Based on the confirmation obtained from the Shariah Adviser:

- BIMB Securities does not have any conflict of interest with Axis-REIT or its subsidiary, Axis REIT Sukuk Berhad; and
- BIMB Securities has not been convicted of any offence within the past 5 years, and does not have any public sanction or penalty imposed by the relevant regulatory bodies during FYE2024.

The diagram below shows the level of income from non-permissible activities for the past 5 years:



SHARIAH ADVISER'S REPORT

To the Unitholders of Axis Real Estate Investment Trust ("Axis-REIT")

We have acted as the Shariah Adviser of Axis-REIT managed by Axis REIT Managers Berhad ("the Manager") for the financial year ended 31 December 2024 ("FYE2024").

Our responsibility is to ensure that the procedures and processes employed by the Manager are in compliance with Shariah principles.

In our opinion, based on our monthly reviews in the FYE2024, the Manager has operated and managed Axis-REIT in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Shariah Advisory Council of the Securities Commission Malaysia pertaining to Shariah matters.

In addition, we wish to notify that, in respect of the FYE2024:

1. The investment portfolios of Axis-REIT do not include any non-real estate assets;
2. The percentage ratio of Shariah non-compliant rental is 2.14%, which is less than the permissible benchmark of 5%; and
3. There was no acquisition of Shariah non-compliant property.
4. There is no excess of Shariah non-compliant rental which to be channelled to *baitulmal* and/or charitable bodies as advised by us.

For and on behalf of the Shariah Adviser,

BIMB SECURITIES SDN BHD



MUHAMMAD SHAHIER SA'MIN

Designated Shariah Person

Kuala Lumpur

Date: 28 February 2025

OPERATING ENVIRONMENT

Axis-REIT is directly impacted by macroeconomic conditions, the physical environment, as well as the supply and demand dynamics of global and domestic real estate markets. We evaluate the Fund's operating environment to identify external factors that may impact our business performance, and develop strategic plans to mitigate unanticipated risks and capitalise on any opportunities that will strengthen our position as a leading industrial REIT in Malaysia.



Macroeconomic Landscape

Impact on Business/Industry

Malaysia's economy demonstrated robust growth in 2024, with GDP growth for the full year coming in at 5.1%, driven by increased investment activity, strong exports, and resilient household spending. Key contributors included enhanced exports from the global tech upcycle, robust demand for non-Electrical and Electronic (non-E&E) goods, as well as higher tourist spending¹. These factors, alongside stable employment, wage growth, and supportive policies, are expected to sustain economic growth momentum going forward.

Throughout 2024, Bank Negara Malaysia maintained the OPR at 3%². Inflation is anticipated to stay manageable at 2.6% in 2025, up slightly from 2% in 2024, reflecting policy changes such as the fuel subsidy rationalisation and tighter labour market conditions³. Upside risks to inflation are tied to spill over impacts from domestic policy changes, global commodity price trends, and financial market developments².

The Ringgit rebounded after depreciating in the first half of 2024, strengthening 14.9% against the US dollar and 9.9% against the Nominal Effective Exchange Rate (NEER)⁴, before easing slightly in the fourth quarter. For the full year, the Ringgit appreciated 2.7% against the US Dollar and 7.5% against the NEER¹. While external factors such as US politics or unexpected changes in the Federal Funds rate may cause near term volatility, the Ringgit is expected to benefit and grow under the Ekonomi MADANI framework and its policy initiatives⁵.

The M-REITs index appreciated by 7% year-to-date through 3Q 2024, which was in part attributed to proactive government policies and incentives aimed at attracting investments in high-growth sectors such as data centres, along with measures like visa exemptions for visitors from China and India⁶ to maintain growth momentum into 2025.

2025 Outlook

Malaysia is projected to experience sustained economic growth of between 4.5% and 5.5% in 2025⁵, along with a continued strengthening of the Ringgit. Against this backdrop, we are committed to strategically aligning our operations to capture opportunities in key growth areas. Government incentives and supportive policies, particularly in high-growth sectors like data centres, provide a robust platform for portfolio expansion and attracting ESG-aligned tenants and investors.

We will leverage supportive economic conditions to explore new investment opportunities, particularly in emerging industries, to enhance the diversity and resilience of our property portfolio. At the same time, we will seek to optimise operational efficiencies to mitigate potential cost pressures arising from inflationary trends and evolving market conditions.

This will include exploring advanced technological solutions and integrating them into our portfolio, where possible, and meeting the growing demand for sustainable, high-performance spaces.

These targeted strategies reflect our commitment to consistently create and deliver value to stakeholders while navigating economic shifts with agility. We remain focused on sustaining growth, fostering resilience, and maintaining our competitive edge as the largest industrial REIT in Malaysia.

- 1 Bank Negara Malaysia, "Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024," press release, February 14, 2025, https://www.bnm.gov.my/-/qb24q4_en_pr
- 2 Bank Negara Malaysia, "Monetary Policy Statement," press release, November 6, 2024, <https://www.bnm.gov.my/-/monetary-policy-statement-06112024>
- 3 International Monetary Fund, "IMF Staff Completes the 2025 Article IV Mission to Malaysia," press release, December 13, 2024, <https://www.imf.org/en/News/Articles/2024/12/13/pr-24468-malaysia-imf-staff-completes-the-2025-article-iv-mission>
- 4 Bank Negara Malaysia, "Economic and Financial Developments in Malaysia in the Third Quarter of 2024," press release, November 15, 2024, https://www.bnm.gov.my/-/qb24q3_en_pr
- 5 Ministry of Finance Malaysia, Economic Outlook 2025.
- 6 Wong, K.W., "Malaysian REITs achieve 7% increase year-to-date on Bursa's REIT index, says MRMA," The Edge Malaysia, September 20, 2024, <https://theedgemalaysia.com/node/727386>

Our Response

(Link to Sustainability Matters)



Economic Performance



Quality Assets & Services
- New Acquisitions



Quality Assets & Services
- Existing Assets

Link to Business Strategy



Real Estate



Capital Management



Facilities Management



Investment



Development

OPERATING ENVIRONMENT



Digitalisation/Technological Change

Impact on Business/Industry

Rapid technological advancements and digitalisation are revolutionising the way businesses operate, significantly impacting industries globally, including the REIT sector. These changes have streamlined operations and shifted the expectations of customers and investors, which in turn, pushes REITs to innovate and adapt to remain competitive.

One of the most significant advancements has been in the accelerated application and adoption of artificial intelligence (AI). One example in the context of the REIT sector is the use of AI-powered chatbots to improve and automate responses to common tenant queries, thereby increasing tenant satisfaction by reducing response times. When combined with data analytics and IoT technologies, AI applications can optimise energy usage by automatically adjusting lighting, heating, and cooling in real-time, in response to prevailing conditions, leading to significant cost savings, and improved sustainability.

Malaysia's digital economy is projected to be worth RM138.4 billion in 2024, a 16% increase from 2023⁷. The continued growth of e-commerce and the expanding use of cloud computing has driven demand in the real estate market for logistics and data centre properties.

Concurrently, the increased reliance on technology brings inherent risks, particularly in cybersecurity. In the first half of 2024, Malaysia recorded 19.62 million web-based attacks, ranking among the top countries in Southeast Asia for such incidents⁸. Additionally, the global average cost of a data breach reached USD4.88 million in 2024⁹. This underscores the critical need for companies to establish and regularly update responsible technology and data usage protocols. It also calls for investments in suitable digital infrastructure and security solutions, with effective emergency response plans in place to mitigate the risk and impact of potential cybersecurity attacks.

2025 Outlook

The Manager is committed to leveraging digitalisation to boost efficiency and capitalise on growth opportunities.

We continue to harness our tenant management application, *Hello Axis*, to drive efficiency and enhance customer satisfaction. We continually upgrade the application to improve the user experience. These enhancements are aimed at maintaining our tenant satisfaction score on *Hello Axis* at above 80%.

Concurrently, we continue to run digital marketing campaigns across social media and other relevant platforms to strengthen stakeholder engagements and enhance brand awareness among agents and potential tenants.

Malaysia's data centre market is poised for significant growth, with revenues projected to reach RM3.6 billion by 2025, up from RM2.09 billion in 2022¹⁰. Driven by favourable government policies, tax incentives and subsidies, the sector continues to attract investments from major tech players. Axis-REIT will continue to explore this segment to capitalise on opportunities that align with the Fund's investment and risk parameters.

The Manager remains committed to our target of zero cybersecurity breaches and full compliance with the PDPA. We will continue implementing measures based on the SC's Guidelines on Technology Risk Management such as annual disaster recovery exercises to ensure the timely recoverability of business-critical IT systems. We will also continue to regularly conduct IT audits and employee cybersecurity awareness programmes to ensure sufficient awareness and controls are in place.

⁷ Bernama, "Malaysia's digital economy to reach US\$31bil in 2024 – report," *Business Times*, November 26, 2024, <https://www.nst.com.my/business/corporate/2024/11/1139810/malysias-digital-economy-reach-us31bil-2024-report>

⁸ Bernama, "Malaysia records 19.62mil web-based attacks in 1H24 – Kaspersky," *Business Times*, December 4, 2024, <https://www.nst.com.my/business/corporate/2024/12/1143747/malaysia-records-1962mil-web-based-attacks-1h24-kaspersky>

⁹ "Cost of a Data Breach Report 2024," IBM, accessed February 18, 2025, <https://www.ibm.com/reports/data-breach>

¹⁰ Lee, B., "Malaysia's data centre industry poised for remarkable growth, says Teo Nie Ching," *The Star*, August 8, 2024, <https://www.thestar.com.my/news/nation/2024/08/08/malaysia039s-data-centre-industry-poised-for-remarkable-growth-says-teo-nie-ching>

Our Response (Link to Sustainability Matters)



Tenant Satisfaction



Cybersecurity & Data Protection

Link to Business Strategy



Real Estate



Facilities Management



Governance



Investment



Development

OPERATING ENVIRONMENT



Climate Change

Impact on Business/Industry

Climate change has triggered disruptive environmental shifts, marked by unpredictable and extreme weather patterns that range from severe droughts to devastating storms and floods. These events not only disrupt lives and livelihoods, but also pose significant challenges to the resilience of businesses and property owners.

On the global stage, the 29th Conference of the Parties of the UNFCCC (COP29) held in late-2024, highlighted that the world is lagging behind its goal of doubling the annual rate of energy efficiency improvements by 2030, with energy intensity improving by a mere 1% in 2024. The conference stressed the urgent need for countries and organisations to actively support initiatives that will accelerate progress towards this critical target¹³.

Over in Malaysia, under a business-as-usual scenario with minimal intervention, the country's average temperature is projected to rise by 3.11°C by the 2090s, compared to an estimated increase of 0.8°C in a strong mitigation scenario. With continued global warming, the country could face altered rainfall patterns, rising sea levels, reduced crop yields, along with increasingly frequent and severe floods and heatwaves¹¹.

As a result, there is growing pressure on the private sector from regulatory authorities and the general public to spearhead the pursuit of sustainability goals through ESG initiatives and climate commitments.

Malaysia has committed to achieve carbon-neutrality by 2050 and to reduce its GHG emissions intensity to GDP by 45% by 2035¹².

Malaysia enacted the EECA, with the aim of improving energy efficiency and reducing wastage across energy intensive sectors, and achieving the country's environmental targets.

In the face of the changing landscape, real estate players are progressively pushing for increased alignment with both national and global standards through the adoption of sustainability initiatives and reporting frameworks to address climate change.

2025 Outlook

The Manager remains committed to address the evolving challenges presented by climate change.

We will continue to monitor and evaluate climate risks at strategic business and operational levels, while rolling out initiatives that reflect a targeted approach that builds on our efforts in previous years.

In 2025, we will conduct a climate scenario analysis on the Fund's existing properties. We will also continue rolling out flood mitigation measures, monitoring flooding risks and planning for further flood mitigation initiatives at flood-prone properties.

We will ensure compliance with the EECA by exploring effective ways to implement energy efficiency improvement strategies at selected properties.

We will also adhere to other sustainability standards, including the NSRF, which we are committed to fully implement by the 2027 deadline.

With these commitments and targets on our agenda, we are planning to develop a comprehensive roadmap, outlining specific initiatives, projects, milestones, and timelines to implement measures that will reduce our GHG emissions to as close to zero (carbon neutrality) or to achieve net zero by 2050 or earlier.

¹¹ "Climate Risk Country Profile: Malaysia (2021)," The World Bank Group and the Asian Development Bank, https://climateknowledgeportal.worldbank.org/sites/default/files/2021-08/15868-WB_Malaysia%20Country%20Profile-WEB.pdf

¹² Yeong, A.Z., "Malaysia sets 2026 carbon tax, reaffirms decarbonization goals in Budget 2025," S&P Global, October 21, 2024, <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/energy-transition/102124-malaysia-sets-2026-carbon-tax-reaffirms-decarbonization-goals-in-budget-2025>

¹³ "Chairs' Summary and Call to Action: COP29-IEA High-Level Energy Transition Dialogues," International Energy Agency, November 11, 2024, <https://www.iea.org/news/chairs-summary-and-call-to-action-cop29-iea-high-level-energy-transition-dialogues>

Our Response

(Link to Sustainability Matters)



Energy & Carbon Footprint



Waste Management



Water Management

Link to Business Strategy



Real Estate



Facilities Management



Investment



Development

OPERATING ENVIRONMENT



Sustainable Design/Features

Impact on Business/Industry

The construction and operation of buildings are significant contributors to energy consumption and GHG emissions. With increasing climate change-related risks and the projected doubling of global building floor area by 2060¹⁴, the real estate sector faces mounting pressure to implement sustainable designs and features in their properties to minimise energy usage and curb emissions.

The adoption of sustainable design and features in buildings presents an opportunity to real estate players. In addition to delivering substantial environmental and social benefits, the green transformation of buildings has the potential to unlock USD1.8 trillion in global market opportunities¹⁵. From a financial standpoint, the incorporation of sustainable design and features, as well as energy-efficient upgrades and retrofits, can lower operating costs. Additionally, studies have shown that green certified buildings are able to command rental premiums ranging from 7.1% to 11.6%, thus helping to boost revenues¹⁶.

As the regulatory landscape in Malaysia evolves with frameworks like the National Energy Transition Roadmap (NETR) and EECA driving energy efficiency and the use of renewable energy, REITs are presented with a clear path to align their portfolios with national sustainability goals. On a global scale, commitments made at COP29 further underscore the need for the real estate sector to contribute to decarbonisation and energy efficiency efforts. By adopting green building practices, REITs can comply with emerging regulations and also benefit from increased demand, higher occupancy rates, and enhanced long-term profitability.

2025 Outlook

Environmental stewardship is a key consideration in our approach to building management. We actively pursue and implement strategies to improve energy and water efficiency, and facilitate responsible waste management practices across our portfolio.

We remain committed to invest in and develop sustainable properties, as well as to integrate and retrofit sustainable features into our existing properties through AEIs. This is in line with our goal of increasing the number of green certified buildings within our portfolio and our target of securing at least one additional green building certification for our portfolio every year.

We will place greater consideration on the adoption of renewable energy and continue gathering data on our tenants' energy, water, and waste management to identify opportunities to improve the sustainability of our portfolio.

In line with the NETR's aim of shifting Malaysia to a low-carbon transport system, we will continue to explore opportunities to install Electric Vehicle (EV) charging stations at selected properties, marking our contribution towards the green mobility transition.

Beyond this, the Manager continuously looks into the potential adoption of new technologies that are able to further reduce energy consumption and GHG emissions. One potential area of focus is on the exploration of power generation technologies that are designed to improve energy efficiency across our properties.

¹⁴ Hagenede, C., "Buildings and Construction: A sleeping giant for climate action," International Institute for Sustainable Development, January 28, 2020, <https://www.iisd.org/articles/buildings-construction-sleeping-giant-climate>

¹⁵ "The building sector is key in the fight against climate change," World Economic Forum, June 26, 2024, <https://www.weforum.org/stories/2024/06/building-sector-climate-change-construction-materials/>

¹⁶ "The next frontier for green building certifications," Jones Lang Wootton, accessed December 24, 2024, <https://www.jll.com.my/en/trends-and-insights/research/the-next-frontier-for-green-building-certifications>

Our Response

(Link to Sustainability Matters)



Energy & Carbon Footprint



Waste Management



Water Management



Quality Assets & Services - New Acquisitions



Quality Assets & Services - Existing Assets

Link to Business Strategy



Real Estate



Facilities Management



Investment



Development

OPERATING ENVIRONMENT



Social and Demographic Change

Impact on Business/Industry

Malaysia's office REITs have been significantly reshaped by several key market trends, reflecting broader shifts in the working environment and social dynamics. In particular, a growing focus on sustainability and green building practices is anticipated to drive up demand for eco-friendly office spaces. This is in line with global trends, as both tenants and investors increasingly prioritise environmentally responsible practices. Additionally, the influx of young people into the workforce is driving new demand for office space that blends work and lifestyle amenities. Young professionals are more likely to seek office locations that offer convenience, such as proximity to social, retail, and transport hubs, reflecting a preference for work environments that enhance their work-life balance.

Meanwhile, the ongoing shift towards flexible work arrangements under the revised Employment Act 1995 has continued to impact office REITs. This change has prompted REITs to reassess their leasing strategies and to consider repurposing existing office spaces to meet the evolving needs of tenants. Despite these challenges, office REITs in Malaysia have shown resilience, as evidenced by strong share price recovery, continued dividend payouts, and a positive outlook.

Separately, the Malaysian government's decision to raise the minimum wage from RM1,500 to RM1,700 per month with effect from 1 February 2025, along with the publication of sector specific salary guidelines, will also influence the country's labour market dynamics and operating costs for tenants. This, in turn, may potentially impact overall demand for office space.

2025 Outlook

The Manager will continue to focus on navigating the evolving social and demographic changes that influence the REIT sector. We are cognisant that sustainability remains a key priority for our tenants and investors, and we proactively incorporate sustainability features and energy-efficient technologies across our properties to meet the growing demand for eco-friendly business spaces. This aligns the Fund's portfolio with global ESG standards and reinforces our competitive edge in meeting tenants' and market expectations.

Our ongoing efforts to enhance our property portfolio also considers the preferences of young professionals, and incorporates accessibility, modern amenities, and sustainable practices that are valued by this demographic into the industrial real estate landscape.

Flexible work arrangements continue to transform business models, prompting tenants to reassess their space requirements. We will adapt to these shifts by considering and offering customisable spaces to accommodate evolving operational needs, thereby reinforcing Axis-REIT's position as the partner of choice for a diverse range of industries.

We expect the higher minimum wage to impact operational costs for both our tenants and the Fund. To mitigate inflationary pressures on the Fund's operating costs, we will favour single-tenanted properties and triple-net leases in managing the composition of our portfolio and tenancies. Concurrently, we will also work closely with our tenants to provide tailored solutions to support their cost management and growth ambitions.

Our Response

(Link to Sustainability Matters)



Tenant Satisfaction



Quality Assets & Services
- New Acquisitions



Quality Assets & Services
- Existing Assets

Link to Business Strategy



Real Estate



Facilities Management



Investment



Development

OPERATING ENVIRONMENT



Growth in Sustainable Investments

Impact on Business/Industry

The value of the global ESG investing market is projected to reach USD167.49 trillion by 2034, expanding at a robust compounded annual growth rate (CAGR) of 18.82% from 2024 to 2034¹⁷. This highlights a growing investor focus on sustainable and responsible investments, presenting both opportunities and challenges for REITs.

Bursa Securities' enhanced sustainability reporting requirements under the MMLR aligns with the NSRF and emphasises the importance of transparency. Under the enhanced reporting requirements, M-REITs must disclose their performance and progress on sustainability-related risks and opportunities (SROs), which can have direct financial implications on operations.

Complementing these regulatory measures, national initiatives such as the Green Technology Financing Scheme (GTFS) 4.0 offer critical support by providing a 60% to 80% government guarantee on green component costs financed by Participating Financial Institutions (PFIs) and a 1.5% annual rebate on interest/profit rates. This enables REITs to access funding for sustainability-related upgrades, attracting ESG-focused tenants and investors while promoting eco-friendly practices.

These global and domestic developments present opportunities for M-REITs to enhance their market position, attract ESG-aligned investments, and foster tenant demand to drive long-term growth. That said, a key challenge for M-REITs would be to exercise caution and avoid overpromising or engaging in greenwashing, as this could lead to significant financial and reputational repercussions.

2025 Outlook

The Manager is committed to aligning our strategies with the evolving ESG investment landscape to capitalise on significant opportunities for long-term growth.

We have prioritised actionable measures to integrate sustainability into our operations and portfolio. This includes exploring the adoption of new green technologies which can enhance energy efficiency, reduce our carbon footprint, and utilising environmentally friendly materials, ensuring our portfolio meets the demands of ESG-conscious stakeholders.

In compliance with Bursa Securities' updated sustainability reporting requirements, we will refine our disclosures to provide clear and measurable insights into SROs. This will ensure that we maintain transparency and foster trust among our investors while aligning with the NSRF.

By taking decisive steps to implement sustainable practices, we aim to elevate our market position and attract a diverse range of tenants and investors. We remain vigilant against greenwashing, focusing on credible actions that reflect our long-term commitment to sustainability. These actions will guide our efforts to build a resilient portfolio while contributing to a more sustainable real estate market.

¹⁷ "ESG Investing Market Size, Share and Trends 2024 to 2034," Precedence Research, accessed December 23, 2024 <https://www.precedenceresearch.com/esg-investing-market>

Our Response

(Link to Sustainability Matters)



Quality Assets & Services
- New Acquisitions



Quality Assets & Services
- Existing Assets



Business
Ethics



Energy & Carbon
Footprint



Waste
Management



Water
Management

Link to Business Strategy



Real Estate



Capital
Management



Facilities
Management



Governance



Investment



Development

STAKEHOLDER ENGAGEMENT



We take a stakeholder-inclusive approach in managing Axis-REIT, prioritising the importance of regular engagements with our various stakeholder groups to foster strong business relationships. This improves our insights into their needs and expectations, and enables us to identify risks and opportunities to maximise value creation in their best interests.

In 2023, we conducted our biennial Stakeholder Engagement and Materiality Assessment exercise to engage with both our internal and external stakeholder groups to evaluate their level of influence and dependence on Axis-REIT, as well as the relevance of our material matters to the various groups. We continue to engage our stakeholders regularly, taking into consideration our impact on their well-being and their influence on our operations.





For more information on the Materiality Assessment, please refer to pages 86 to 88 of this Report.




The various stakeholder groups, their concerns, and our responses are presented in the following table:

Stakeholder Group	Engagement Objectives	Engagement Method	Frequency	Key Stakeholder Concerns	Our Response
Board of Directors 	To tap the Board's vast experience and industry expertise for insights that can improve the Fund's strategy and growth prospects	Board meetings AGMs Unitholders' Meetings	Quarterly Annually As required	▶ Financial performance ▶ Business ethics, strategy, and growth ▶ Corporate governance practices ▶ Sustainability policies and initiatives ▶ Fair labour practices	▶ Providing regular communication of the Fund's financial performance and business strategies ▶ Keeping up-to-date with the latest corporate governance and compliance practices ▶ Creating a strong ESG proposition ▶ Overseeing and managing climate-related risks and opportunities
Senior Management 	To build a strong and competent leadership team to develop and execute business strategies	Management meetings	Weekly	▶ Financial performance ▶ Business strategy and growth ▶ Talent management and development ▶ Fair labour practices ▶ Employee satisfaction ▶ Health and safety ▶ Cybersecurity and data protection	▶ Maintaining active engagements with industry experts, professionals, consultants, and employees ▶ Monitoring business performance against KPIs and established targets ▶ Encouraging close collaboration between business functions to promote efficiency and productivity ▶ Enhancing cybersecurity measures to safeguard the integrity of the organisation's IT systems and data against potential cyber threats





STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Objectives	Engagement Method	Frequency	Key Stakeholder Concerns	Our Response
Employees 	To provide equal opportunities that recognise the talents of individuals, support professional growth, as well as foster commitment and loyalty	Company Website	Daily	<ul style="list-style-type: none"> ▶ Opportunities for career development and progression 	<ul style="list-style-type: none"> ▶ Keeping up-to-date with market remuneration rates ▶ Prioritising internal recruitment (filling job vacancies by considering current employees) and providing opportunities for employee advancement ▶ Providing sufficient training for all employees ▶ Conducting employee appraisals in a fair manner ▶ Actively upholding gender equality in our workforce ▶ Promoting diversity and inclusion at all levels of the Manager's organisation structure ▶ Implementing employee engagement activities ▶ Ensuring compliance with the Code of Conduct on human rights-related issues
		Employee appraisals	Annually	<ul style="list-style-type: none"> ▶ Opportunities for job-related training ▶ Competitive remuneration and benefits 	
		Employee Satisfaction Survey	Annually	<ul style="list-style-type: none"> ▶ Safe and productive work environment 	
		Departmental activities/training	Periodically	<ul style="list-style-type: none"> ▶ Fair labour practices ▶ Health and safety 	
Tenants 	To forge strong relationships and satisfy tenants' business space needs	Physical and virtual meetings	Ongoing	<ul style="list-style-type: none"> ▶ Maintenance of properties ▶ Quick responses to queries/complaints 	<ul style="list-style-type: none"> ▶ Enforcing regular maintenance schedules ▶ Notifying tenants of potential disruptions to tenant services and amenities ▶ Enabling and ensuring Facility Managers are contactable at all times ▶ Ensuring that audits are carried out fairly and ethically ▶ Engaging with tenants on ESG concerns, including social issues ▶ Offering green leases to new and existing tenants ▶ Enhancing the sustainability of the property portfolio through the addition of high-quality new builds and undertaking AEs on existing properties to incorporate features such as renewable energy and retrofitting existing properties with similar features, where applicable ▶ Safeguarding tenants' health and well-being
		Tenant Satisfaction Survey	Annually	<ul style="list-style-type: none"> ▶ Economic performance ▶ Sustainability policies and initiatives, including energy and GHG emissions management 	
		'Hello Axis' tenant management portal	As required	<ul style="list-style-type: none"> ▶ Certification/Audits on buildings/premises ▶ Health and safety 	
		Festive/corporate greetings	As required		

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Objectives	Engagement Method	Frequency	Key Stakeholder Concerns	Our Response
Investment Community 	To provide up-to-date and transparent information on a timely basis	AGMs	Annually	<ul style="list-style-type: none"> ▶ Transparency of dealings ▶ A fair view of the financial performance of the Fund ▶ Timely dissemination of information on material disclosures ▶ Incorporation of ESG risk considerations in business strategies 	<ul style="list-style-type: none"> ▶ Adhering to regulatory rules, corporate governance, and international reporting standards ▶ Disseminating up-to-date information via Bursa Securities' and Axis-REIT's corporate website ▶ Monitoring and reviewing investment decisions to ensure that ESG risks are duly considered
		Unitholders' Meetings	As required		
		Timely announcements on Bursa Securities' website and Axis-REIT's corporate website	Ongoing		
		Physical and virtual one-on-one meetings with local and foreign investors	Throughout the year		
		Physical and virtual local and overseas investor conferences	Throughout the year		
Local and Foreign Financiers (Banks) 	To obtain funding to support business activities	Physical meetings	When required	<ul style="list-style-type: none"> ▶ Overall performance of the Fund ▶ Achievement of SPTs for sustainability-linked financing 	<ul style="list-style-type: none"> ▶ Achieving overall business performance targets ▶ Achieving the SPTs set with financiers
		Physical and virtual briefings for analysts	Bi-annually		
Regulatory Bodies 	Ensuring awareness of and compliance with the latest rules and regulatory requirements	Physical and virtual meetings	When required	<ul style="list-style-type: none"> ▶ Regulatory compliance ▶ Business ethics ▶ Corporate governance practices 	<ul style="list-style-type: none"> ▶ Attending virtual and/or physical meetings and events to stay abreast with regulatory developments and to understand new regulations
		Attending virtual/physical talks and conferences organised by regulators	When required		

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Objectives	Engagement Method	Frequency	Key Stakeholder Concerns	Our Response
Suppliers and Service Providers (including Contractors) 	To engage credible and reliable suppliers, as well as competent service providers (including contractors) who deliver exceptional technical services	Tenders	When required	<ul style="list-style-type: none"> ▶ To have a clear understanding of the scope of work and deliverables expected ▶ Adherence to timelines ▶ Ensuring payments are made on time ▶ Waste reduction and recycling efforts ▶ Energy-saving issues ▶ Quality Management Systems ▶ Preventive maintenance ▶ Transparent and fair tendering process 	<ul style="list-style-type: none"> ▶ Working closely with suppliers to ensure a clear understanding of the scope of work, deliverables, and timelines ▶ Holding progress meetings with suppliers ▶ Addressing ESG propositions in contracts ▶ Conducting audits on key service providers/contractors to monitor compliance with ESG requirements
		One-on-one meetings	When required		
		Tender interviews	When required		
		Vendor evaluation	Annually		
Industry Associations/ Professional Bodies 	To keep abreast with changes and updates in the market. Where possible, for Axis-REIT to take the initiative in lobbying for regulations and practices that could take the industry forward	Regularly attending meetings, training, and events organised by industry associations/ professional bodies	When required	<ul style="list-style-type: none"> ▶ Providing updates on changes in laws and regulations ▶ Ensuring fair representation of the industry's needs and demands to regulators 	<ul style="list-style-type: none"> ▶ Attending meetings and events to stay abreast of industry developments and to understand new practices in the industry ▶ Providing feedback when necessary
Media 	To provide timely and accurate information to members of the media	One-on-one meetings	When required	<ul style="list-style-type: none"> ▶ Receiving the latest updates and news on Axis-REIT 	<ul style="list-style-type: none"> ▶ Engaging a public relations company to manage press engagements, ensure press releases are disseminated promptly, and field requests for interviews
		Press briefings	When required		
		Annual gatherings	As appropriate		
Local Communities 	To fulfil the role of a good corporate citizen by supporting local Non-Governmental Organisations (NGO) and charities	Promoting employee engagement programmes	As appropriate	<ul style="list-style-type: none"> ▶ Support from the business community to help address issues faced or support causes championed 	<ul style="list-style-type: none"> ▶ Engaging with local communities and organisations on social issues ▶ Supporting projects that are relevant to Axis-REIT's mission and within its financial means
		Contributing to provide relief and support for relevant causes or emergency situations	As appropriate		

MATERIALITY ASSESSMENT

Recent trends in the REIT sector highlight an increasing emphasis on transparency and accountability in materiality assessments, driven by evolving stakeholder expectations and regulatory requirements. As a responsible corporate citizen, we prioritise the concerns of our stakeholders, together with our commitment to social and environmental stewardship, in shaping our business strategies. In 2023, the Manager conducted a comprehensive Stakeholder Engagement and Materiality Assessment, engaging with both internal and external stakeholders to assess the significance of our material issues in relation to our business objectives and stakeholder interests. This process was guided by our ERM framework, ensuring a comprehensive integration of ESG risks with our business risks.

We revisit and review our materiality assessment once every 2 years to ensure that we maintain our resilience to the evolving landscape of sustainability in our business operations. While the next review is slated for 2025, we conducted an internal evaluation in 2024, which confirmed that our stakeholder groups and sustainability matters are still relevant and reflective of our strategic and operational priorities, as well as current market trends.

Stakeholder Engagement and Materiality Assessment Process

Our 2023 stakeholder engagement and materiality assessment exercise involved the following 4 steps, which were aligned with Bursa Securities' Sustainability Reporting Guide (3rd edition):

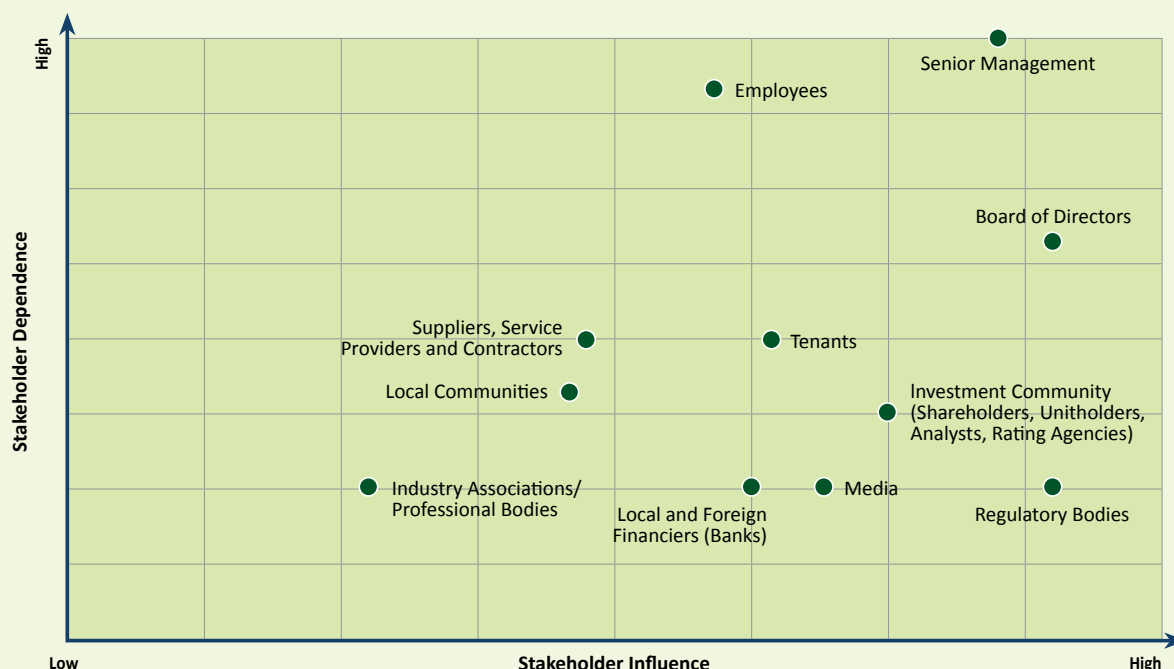
1. Review of Stakeholder Groups and Sustainability Matters

We reviewed our existing list of stakeholder groups and sustainability matters to assess their alignment with our business strategy, operations, and current market trends. Additionally, we reviewed the sustainability matters against relevant reporting frameworks, including Bursa Securities' Sustainability Reporting Guide (3rd edition) and those used by our industry peers.

2. Stakeholder Prioritisation and Engagement

To fully understand and appreciate the significance of our sustainability issues to our various stakeholder groups, we conducted a survey to obtain stakeholder feedback on their priorities and expectations. We organised a workshop to prioritise our stakeholder groups based on their varying levels of influence and dependence, as well as to discuss the feedback we obtained from the survey. The outcome of the workshop, depicted in the matrix below, provides an all-encompassing perspective of our stakeholder groups.

Through our 2023 Stakeholder Engagement survey, the Manager consulted with six key stakeholder groups: the Board, Management, Employees, Tenants, Suppliers and Service Providers, as well as the Investment Community, to gather their insights regarding the importance of our sustainability issues. We used feedback from these groups to identify the most critical sustainability challenges to each group. This approach allows us to develop strategies that maximise value creation for all stakeholders involved.



MATERIALITY ASSESSMENT

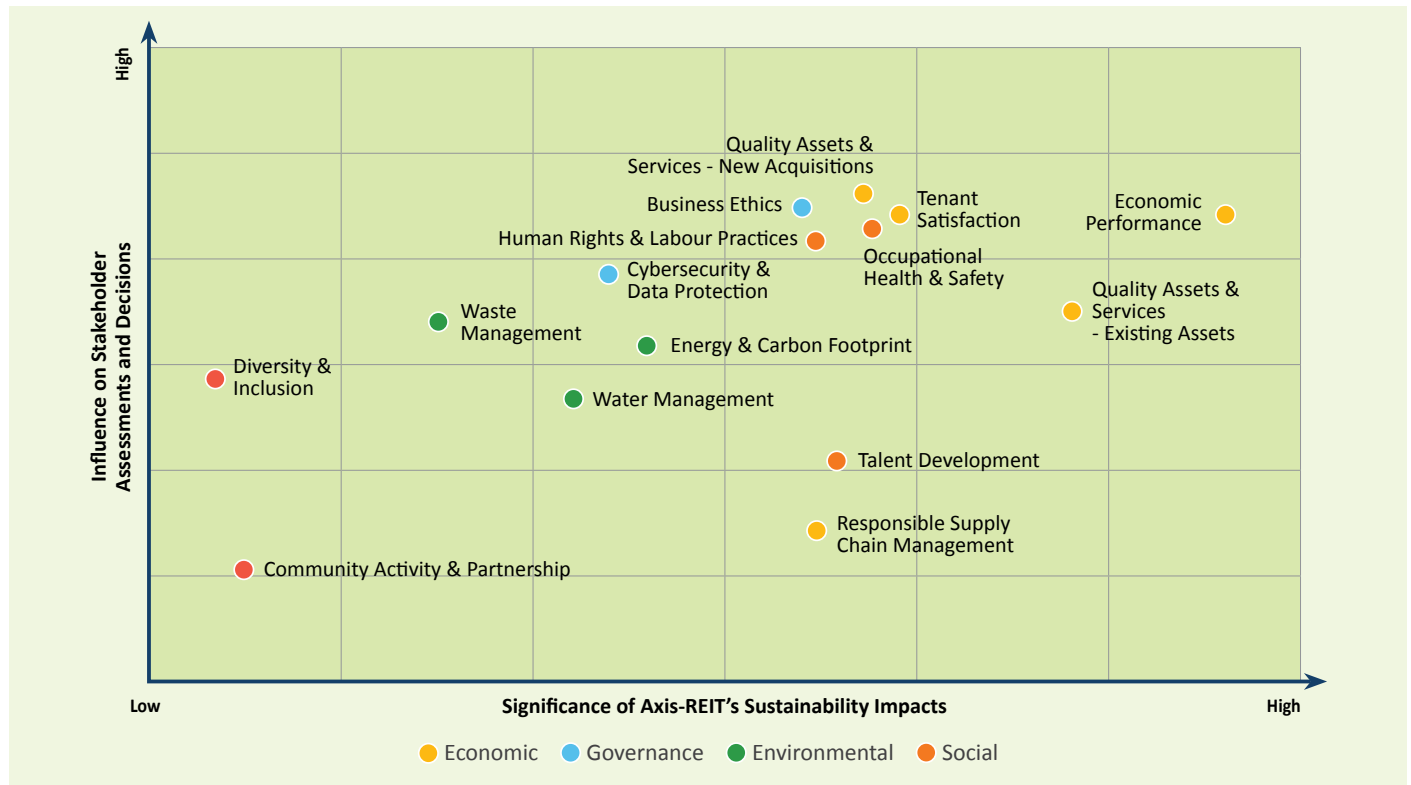
3. Impact Assessment

In 2023, the Senior Management Team conducted an impact assessment exercise to assess the potential impact and likelihood of occurrence for each sustainability matter. To align the exercise with the Fund's risk and materiality assessments, its ERM risk parameters (both financial and non-financial) were used to guide the rating of the impact and likelihood of occurrence for each material matter.

4. Consolidation of Materiality Matrix and Validation

The outcomes of the stakeholder engagement and impact assessment exercises are presented in the Materiality Matrix below, which depicts the significance and importance of each sustainability matter from Axis-REIT's business perspective as well as its stakeholders' point of view.

The Materiality Matrix was presented to Senior Management for validation, and was thereafter approved by the Board.



The 15 material sustainability matters, which fall into 4 broad categories, namely economic, governance, environmental, and social matters, remained unchanged, as they are deemed to still be the most pertinent to current market trends and our business operations.

The Materiality Assessment is crucial for several reasons. First and foremost, it demonstrates our commitment to responsible business practices, ensuring that our actions align with regulatory standards and stakeholder expectations, which bolsters our reputation as a socially responsible organisation. Additionally, our active monitoring and progressive management of these sustainability matters positions us to respond swiftly and effectively to emerging challenges and opportunities, thereby enhancing our ability to create value over the short, medium, and long-term.

MATERIALITY ASSESSMENT

This targeted approach underscores our commitment to responsible business practices, our adaptability in the face of change, and our long-term vision for creating value and fostering stakeholder satisfaction.

The table below represents the list of material sustainability matters for Axis-REIT.













Sustainability Pillars	Material Sustainability Matters	Description
Economic	Economic Performance	Providing consistent and competitive distributions by growing the property portfolio, applying excellent capital and risk management strategies, and preserving capital values.
	Tenant Satisfaction	Fostering strong tenant relationships through regular tenant engagements via both physical and virtual channels and responding to their needs promptly and effectively. This drives high levels of tenant satisfaction, which in turn, facilitates tenant retention and sustains high occupancy rates across the portfolio.
	Quality Assets & Services - New Acquisitions	Acquiring or developing properties that are strategic and aligned with the investment objectives of the Fund. Our acquisition strategies also factor in ESG considerations when evaluating potential acquisition targets and development projects.
	Quality Assets & Services - Existing Assets	Maintaining and enhancing the quality of Axis-REIT's existing properties to create sustainable, long-term value for the Fund and our stakeholders. These efforts include undertaking disciplined AEIs to enhance the value of the Fund's portfolio and maximise tenant satisfaction levels.
	Responsible Supply Chain Management	Reinforcing the integrity and resilience of our supply chain by evaluating the credibility of our suppliers, incorporating ESG criteria into our procurement processes, and conducting regular checks and training.
Governance	Business Ethics	Upholding a strong commitment to integrity and business ethics across our operations, guided by stringent governance policies and a strong culture of transparency and accountability.
	Cybersecurity & Data Protection	Creating a secure digital environment by strengthening network security and ensuring compliance with all applicable laws to protect intellectual property and stakeholders' personal data from potential cybersecurity breaches and threats.
Environmental	Energy & Carbon Footprint	Effective management of energy consumption, continuously improving energy efficiency, and reducing GHG emissions to minimise our environmental footprint and reduce our impact on climate change.
	Water Management	Responsible consumption of potable water in our business operations.
	Waste Management	Effective management of waste from our business operations including encouraging recycling efforts and ethical disposal of hazardous waste to reduce our impacts on the environment.
Social	Occupational Health & Safety	Maintaining a safe and healthy working environment for our stakeholders through robust health and safety measures.
	Talent Development	Continuously investing in capacity building to enhance our employees' skills, create a competent and productive workforce, and facilitate career growth.
	Diversity & Inclusion	Championing diversity and inclusion across our business operations by ensuring all employees receive equal opportunities to reach their fullest potential.
	Human Rights & Labour Practices	Upholding high standards of human rights and labour practices in our business operations and supply chain.
	Community Activity & Partnership	Actively engaging with local communities around our business operations to understand and address their needs via our Corporate Social Responsibility (CSR) initiatives.

RISKS AND OPPORTUNITIES

A key aspect of managing the Fund involves the continual review and assessment of business risks, as well as the proactive management of stakeholder concerns. This involves addressing risks and opportunities arising from both the external environment and internal business activities. The Risk Register, which forms the backbone of our ERM framework, guides our development of appropriate mitigative actions to address each risk. We utilise this framework to identify, assess, and prioritise both financial and non-financial risks across our business operations and capitalise on potential opportunities.

The Risk Register is designed to consider the impact of financial and non-financial risks on our operations, with an increasing emphasis on sustainability-related issues, as we endeavour to achieve sustainable value creation for Axis-REIT's stakeholders.

A detailed summary of our business risks, their overall impact on Axis-REIT's operations, and our subsequent action plans for 2024 is provided in the following table. We have also established linkages between these identified risks, our business strategies, and the material sustainability matters that are pertinent to our operations. For further information on the external conditions affecting our business, please refer to the Operating Environment section on pages 76 to 81 of this Report.

Global											
Link to Business Strategy						Link to Sustainability Matters					
											
Real Estate	Capital Management	Facilities Management	Investment	Development	Governance	Economic Performance	Tenant Satisfaction	Quality Assets & Services - New Acquisitions	Responsible Supply Chain Management	Business Ethics	Human Rights & Labour Practices
Key Risks											
<ul style="list-style-type: none"> ▶ Inability to maintain a stable DPU to Unitholders of Axis-REIT ▶ Non-compliance with regulatory requirements such as the PDPA, tax regulations, Companies Act 2016, and anti-corruption laws ▶ Poor business continuity plan/strategy resulting in the inability to fulfil business obligations and inadequate responses to critical incidents ▶ Poor supply chain management resulting in sustainability-related issues 						<ul style="list-style-type: none"> ▶ Inadequate collaborative engagements with stakeholders, resulting in a lack of understanding of their perspectives, needs, and concerns ▶ Non-compliance with increasing regulatory and policy pressures in relation to climate change-related matters ▶ Effects of carbon pricing on our and tenants' business operations ▶ Failure to meet stakeholders' expectations and risk of greenwashing 					

RISKS AND OPPORTUNITIES



Global (Continued)

Potential Impact

- ▶ Reduction in profit or DPU
- ▶ Negative impact to cash flows and insufficient funds when needed
- ▶ Lack of attractiveness to potential investors
- ▶ Increased investments required for climate adaptation measures
- ▶ Higher Takaful contributions and reduced availability of Takaful coverage
- ▶ Financial losses and penalties under the prevailing laws
- ▶ Reputational damage
- ▶ Vulnerability to cyber threats and potential data breaches
- ▶ Poor vendor/supplier/contractor relationships
- ▶ Loss of marketing and competitive advantage in the market
- ▶ Loss of tenant interest and/or decreased property values
- ▶ Loss of social license to operate within the community
- ▶ Negative impact to the business, leading to loss of business opportunities/advantages
- ▶ Increase in operational and development costs
- ▶ Regulatory scrutiny, legal consequences, and loss of stakeholders' confidence




Opportunities

- ▶ Increasing the Fund's attractiveness to investors through the effective management of financial and non-financial risks as part of the Manager's due diligence process
- ▶ Opportunities to obtain more sustainability-linked financing facilities to finance new acquisitions or embark on new development projects
- ▶ Building confidence and trust among stakeholders through quality management and services with due considerations on ESG matters, including climate-related risks, throughout the business
- ▶ Long-term operating cost savings from investments in energy efficient infrastructure and renewable energy technologies

Mitigating Actions

- ▶ Prioritise sustainability-linked financing, where possible, in the Manager's capital management strategy
- ▶ Explore new business opportunities
- ▶ Continue meeting the SPTs stipulated under existing sustainability-linked financing
- ▶ Closely monitor and ensure compliance to all regulatory requirements
- ▶ Conduct annual employee training on topics related to cybersecurity, data privacy, and the ACF Policy
- ▶ Conduct regular testing on internal controls
- ▶ Monitor contractors' compliance with ESG requirements (including human rights and labour practice assessments) through ad-hoc site visits and/or audits
- ▶ Undertake KYC assessments in divestments (from an anti-money laundering perspective)
- ▶ Engage with local communities and local authorities in addressing social and environmental issues
- ▶ Conduct annual disaster recovery exercises to ensure timely recoverability of business-critical IT systems
- ▶ Conduct climate scenario analysis and integrate climate-related considerations into our strategic plans
- ▶ Monitor changes in carbon pricing policies, carbon markets, and regulations in Malaysia
- ▶ Meet all mandatory reporting requirements and strive to improve reporting practices by adopting new sustainability reporting frameworks and standards
- ▶ Conduct annual limited assurance on selected ESG indicators

RISKS AND OPPORTUNITIES

Financial	
Link to Business Strategy	Link to Sustainability Matters
 Capital Management  Investment	 Economic Performance
Key Risks	
<ul style="list-style-type: none"> ▶ Refinancing risks and a tight lending environment ▶ Increased financing costs ▶ Insufficient funds or cash deficits ▶ Non-compliance with listing requirements, statutory obligations, accounting standards, taxation rules, Shariah rules, and other regulations applicable to REITs 	<ul style="list-style-type: none"> ▶ Missed profit/DPU targets ▶ Inaccuracies in financial reporting ▶ Missed regulatory and statutory submission deadlines
Potential Impact	
<ul style="list-style-type: none"> ▶ Dilutive capital raising needed to redeem existing financing facilities ▶ Potential reputational damage ▶ Decline in investor interest ▶ Potential default on quarterly income distribution payments due to insufficient funds or cashflow constraints ▶ Reduction in profit and DPU ▶ Negative impact to cash flows that may cause a shortfall of funds ▶ Penalties under relevant statutory legislations 	<ul style="list-style-type: none"> ▶ Queries and/or possible fines/reprimands from the relevant authorities ▶ Decline in Shariah investor interest that may potentially reduce the market value of Axis-REIT ▶ Bad and doubtful debts which may cause a reduction in profit due to debts written off and increased legal costs ▶ Increased investments required for climate adaptation measures ▶ Higher Takaful contributions or no availability of Takaful coverage
Opportunities	
<ul style="list-style-type: none"> ▶ Unlocking value through the optimisation of the Fund's property portfolio 	<ul style="list-style-type: none"> ▶ Effective management of operating costs to conserve cash for business continuity
Mitigating Actions	
<ul style="list-style-type: none"> ▶ Closely monitor cashflows and financing profiles ▶ Regularly engage with lending banks ▶ Engage with the relevant authorities to stay abreast of changes in listing requirements/applicable rules and regulations/accounting standards ▶ Provide regular training programmes for key management/employees to stay abreast of the latest changes and updates on applicable regulations ▶ Maintain close consultation with professional advisors/auditors/ the external secretarial agent and Shariah adviser on all compliance issues ▶ Actively participate in the activities of the MRMA 	<ul style="list-style-type: none"> ▶ Ensure all proposed investments are subject to ESG and climate risk assessments based on the relevant established criteria ▶ Closely monitor the financial performance of the Fund for early detection of potential missed profit/DPU targets ▶ Closely monitor the business performance of the Fund, taking into consideration ESG risks that may potentially affect investment decisions and operating expenditures ▶ Meet the SPTs stipulated under existing sustainability-linked financing ▶ Explore issuance of rated/unrated corporate Sukuk with long tenures and a fixed rate to lengthen the maturity of our financing profile and mitigate the risk of rising profit rates

RISKS AND OPPORTUNITIES



Real Estate Management

Link to Business Strategy



Link to Sustainability Matters



Key Risks

- ▶ Falling and volatile property values
- ▶ Increased vacancy rates across the portfolio or at specific properties
- ▶ Stagnant rental rates
- ▶ Increased operating costs due to poor maintenance planning/strategy, inflation, obsolescence, inadequate due diligence during acquisitions, and higher tariffs
- ▶ Unsafe environment for tenants
- ▶ Non-compliance with relevant regulations
- ▶ Delays in the completion of AEI projects
- ▶ Delinquent tenants/late rental payments
- ▶ Non-compliance with fire-certification requirements
- ▶ Unbudgeted expenses
- ▶ Inadequate/malfunctioning building security and safety controls
- ▶ Unfavourable tenant profiles (e.g., tenants with high credit default or reputational risks)
- ▶ Injuries/damages to third-parties, suppliers, vendors, contractors, etc., at the Fund's premises (offices/sites/common areas)
- ▶ Inability to adopt new technologies to improve resource use efficiency

Potential Impact

- ▶ Increased financing ratio which may trigger the need to raise capital
- ▶ Default in financing covenants causing financing to become due for immediate repayment
- ▶ Increased spread/cost of financing
- ▶ Reduction in the NAV of the Fund
- ▶ Decline in rental income and profit, adversely impacting income distributions and returns to Unitholders
- ▶ Decline in investor interest, creating difficulties for future fund-raising efforts
- ▶ Stagnation in the Fund's growth
- ▶ Decline in tenant satisfaction and loss of tenants
- ▶ Higher Takaful contributions - tenants may claim negligence and pursue legal action
- ▶ Loss of competitiveness in the property market
- ▶ High downtime and increased property vacancies
- ▶ Decline in property values
- ▶ Legal suits and penalties imposed by the relevant authorities
- ▶ Reputational damage
- ▶ Cost overruns resulting in higher operating costs that exceed budgets
- ▶ Missed key targets in development projects and AEIs, causing delays in positioning the property to market
- ▶ Non-renewal of buildings' fire certificates that could result in non-compliance with fire safety regulations
- ▶ Incidents that lead to physical injury, sickness, and death
- ▶ Failure in meeting tenants' expectations on high efficiency buildings

Opportunities

- ▶ Promoting trust and integrity through improved organisational efficiency, leading to higher tenant interest and increased market values
- ▶ Building a strong reputation to increase investor interest through effective management of properties, provision of quality facilities management services, as well as ESG considerations
- ▶ Preserving or enhancing the value of existing properties through planned AEIs
- ▶ Leveraging on renewable energy and new low carbon technologies
- ▶ Capitalising on tenant demand for sustainable/green-certified properties

RISKS AND OPPORTUNITIES



Real Estate Management (Continued)

Mitigating Actions

- ▶ Closely monitor property market intelligence, updates, and reports covering market conditions, valuations, and other insights
- ▶ Hold regular engagements with tenants, real estate agents, and consultants to foster close relationships
- ▶ Enhance existing properties by incorporating sustainability features during AEs
- ▶ Incorporate sustainability components and requirements into the Renovation Manual
- ▶ Issue green leases through the incorporation of sustainability-related requirements into lease contracts
- ▶ Conduct annual tenant satisfaction surveys
- ▶ Constantly improve facilities management and leasing services to ensure prompt responses to tenants' needs
- ▶ Enlarge portfolio composition of single-tenanted properties and properties with triple net lease tenancies
- ▶ Undertake vendor and contractor assessment procedures that include ESG considerations
- ▶ Constantly monitor fire safety compliance, renewal of fire certificates, as well as security controls
- ▶ Conduct periodic safety awareness programmes for contractors, tenants, suppliers, vendors, and other relevant parties
- ▶ Ensure compliance with standard operating procedures at all properties
- ▶ Organise periodic internal audit reviews on the operational processes and procedures under facilities and project management
- ▶ Conduct periodic Health, Safety and Environment (HSE) audits
- ▶ Conduct on-site human rights assessments and internal audits on registered key vendors
- ▶ Assign ESG risk ratings for new tenants
- ▶ Undertake feasibility studies on renewable and low carbon energy technologies for selected properties
- ▶ Obtain at least 1 green building certification for our portfolio every year



Investment

Link to Business Strategy



Investment

Link to Sustainability Matters



Quality Assets &
Services - New
Acquisitions



Responsible
Supply Chain
Management



Business
Ethics

Key Risks

- ▶ Acquisition of properties without proper due diligence on building structures, location, size, asset type and market conditions
- ▶ Divestment of properties without proper assessment of the purchaser(s), market conditions, and potential upside/downside for holding/disposing of the property
- ▶ Investment decisions that are not sustainable and not aligned with the long-term goals of the Fund
- ▶ Non-compliance with regulatory requirements such as building rules and regulations
- ▶ Acquisition of properties that are exposed to environmental and social risks (e.g., ground contamination or flood risks)
- ▶ Acquisition of properties with unfavourable tenant profiles (e.g., tenants with high credit default risks or Shariah non-compliant tenants)

RISKS AND OPPORTUNITIES



Investment (Continued)

Potential Impact

- ▶ Loss of rental income, which may adversely impact the property portfolio performance and negatively impact the Fund's EPU and DPU
- ▶ Undue delays and costs arising from transactions undertaken without adequate due diligence
- ▶ Termination of transactions thereby incurring abortive costs
- ▶ Additional capital expenditure required to make improvements or changes to affected properties to comply with existing building by-laws and other building requirements imposed by the relevant authorities
- ▶ High maintenance costs
- ▶ Reduced property market value
- ▶ Decline in investor interest
- ▶ Bad publicity and risk of reputational damage
- ▶ Tenant dissatisfaction
- ▶ Investments that are Shariah non-compliant

Opportunities

- ▶ Managing a sustainable property portfolio that creates long-term value to Unitholders and other stakeholders
- ▶ Expanding the investment focus on green properties
- ▶ Building the trust of stakeholders by continuously growing a sustainable property portfolio and incorporating ESG considerations across all operational aspects



Mitigating Actions

- ▶ Strictly adhere to all existing established controls in investment proposals
- ▶ Conduct due diligence on all proposed acquisitions and appoint competent consultants to check for and highlight potential issues to the Manager
- ▶ Ensure all potential investments are screened for ESG compliance and assessed for climate related risks (flood and water stress) in accordance with the Initial Due Diligence Assessment Checklist
- ▶ Review and incorporate vulnerability assessments (such as water stress risks) into the existing due diligence process
- ▶ Assess potential tenants for proposed acquisition targets using the ESG Risk Assessment and Rating Checklist, and subjecting potential tenants with medium to high sustainability risk ratings to further evaluation
- ▶ Conduct periodic studies to identify divestment opportunities

RISKS AND OPPORTUNITIES

Human Resource	
Link to Business Strategy	Link to Sustainability Matters
Governance	<div> <div>Business Ethics</div> <div>Occupational Health & Safety</div> <div>Talent Development</div> <div>Diversity & Inclusion</div> <div>Human Rights & Labour Practices</div> </div>
Key Risks	
<ul style="list-style-type: none"> Failure to secure new talents and inability to retain high performing talents Absenteeism and tardiness Low employee morale and underperformance Retaining non-performing employees in the workforce 	<ul style="list-style-type: none"> Inadequate employee safety and well-being measures Inadequate measures to promote diversity and inclusion in the workforce Violation of business ethics and the Code of Conduct
Potential Impact	
<ul style="list-style-type: none"> Poor delivery of services to tenants and properties due to a lack of manpower Loss of key information and skill sets Adverse impact on business operations and consequently, the profitability and sustainability of the Manager and the Fund Jeopardised growth of the Fund and adverse impact on business continuity 	<ul style="list-style-type: none"> Increased overhead costs High employee attrition which may lead to operational disruptions and inefficiencies Low employee satisfaction and morale Involvement in time-consuming and costly industrial court cases Potential data theft or loss of trade secrets Reduced interest from investors/banks/business partners Risks of incidents that lead to physical injury, sickness, and death
Opportunities	
<ul style="list-style-type: none"> Inculcating a better mindset and culture among our employees Maintaining a healthy and safe workplace Attracting new and young talent for business continuity 	<ul style="list-style-type: none"> Promoting a diverse and inclusive workforce Attracting and retaining talent by demonstrating a strong commitment to sustainability
Mitigating Actions	
<ul style="list-style-type: none"> Organise regular team building and employee engagement activities, social gatherings and sports activities Conduct annual employee satisfaction surveys and leveraging feedback obtained to improve employee engagement activities Enhance the skills of employees with potential for future career growth and development Continuously monitor human-rights related incidents and compliance with the Code of Conduct 	<ul style="list-style-type: none"> Conduct regular performance and remuneration reviews Conduct regular employee appraisals Conduct safety awareness programmes for employees Align health and safety practices to occupational health and safety standards such as the Occupational Health and Safety Assessment Series (OSHAS) 18001 or ISO 45001











RISKS AND OPPORTUNITIES

Information Technology	
Link to Business Strategy	Link to Sustainability Matters
 Governance	 Cybersecurity & Data Protection
Key Risks	
<ul style="list-style-type: none"> ▶ Failure of IT systems and infrastructure resulting in exposure to cyberattacks and loss of personal data and information 	<ul style="list-style-type: none"> ▶ Threats to our stakeholders such as employees, tenants, and vendors, arising from compromised personal data and information
Potential Impact	
<ul style="list-style-type: none"> ▶ Severe disruptions to daily operations ▶ Large financial expenses and time spent to rectify data loss and failures in IT systems 	<ul style="list-style-type: none"> ▶ Potential financial losses, identity fraud, and cyber blackmail ▶ Reputational loss
Opportunities	
<ul style="list-style-type: none"> ▶ Safeguarding the Manager's ability to operate by facilitating the safe use of applications among all data users 	<ul style="list-style-type: none"> ▶ Upgrading data protection infrastructure to ensure a secure network for data storage and transfer
Mitigating Actions	
<ul style="list-style-type: none"> ▶ Constantly reviewing existing IT controls and protocols to ensure adequacy of protection ▶ Conduct regular training and assessments to educate employees on the risk of cyber threats ▶ Usage of email encryption ▶ Conduct annual internal audit on IT processes and governance frameworks 	<ul style="list-style-type: none"> ▶ Use of endpoint detection and response system in computers to monitor and deter irregular activities ▶ Undertake annual disaster recovery exercises to ensure the timely recoverability of business-critical IT systems ▶ Work with the outsourced IT service provider to implement cybersecurity procedures recommended by the SC's Guidelines on Technology Risk Management, where practicable

RISKS AND OPPORTUNITIES

Development	
Link to Business Strategy	Link to Sustainability Matters
<div>Real Estate</div> <div>Facilities Management</div> <div>Investment</div> <div>Development</div>	<div>Responsible Supply Chain Management</div> <div>Quality Assets & Services - New Acquisitions</div>
Key Risks	
<ul style="list-style-type: none"> Development projects unable to generate positive returns for the Fund Development cost overruns Delays in project completion 	<ul style="list-style-type: none"> Lack of sustainable design and/or material considerations in development projects Breach of regulatory limits on property development
Potential Impact	
<ul style="list-style-type: none"> Negative impact to cash flows, profit, and DPU Potential reputational damage Decline in investor interest High maintenance costs to tenants Loss of competitive advantage 	<ul style="list-style-type: none"> Negative impact to the environment Potential legal action caused by negligence Unexpected increases in financing levels Breach of regulator limits which may lead to regulatory action by the relevant authorities
Opportunities	
<ul style="list-style-type: none"> Attracting and retaining tenants who seek high quality and sustainable developments Optimising long-term cost savings with sustainable and resource-saving building products/materials 	<ul style="list-style-type: none"> Adoption of the latest technology to increase resource use efficiency
Mitigating Actions	
<ul style="list-style-type: none"> Focus on new development projects that positively impact the Fund Conduct regular studies on current market needs in terms of building specifications Align development of properties with green building standards Adhere to established requirements for materials to be used in development projects, such as materials that have long service-lives, non-toxic or low-toxicity levels, as well as resource-saving or other environmentally-friendly benefits Incorporate water pollutant management prior to discharging, proper construction waste disposal, and dust control during the construction process 	<ul style="list-style-type: none"> Conduct feasibility studies on all proposed projects, including viability and costing, before approving development activities Conduct due diligence on consultants and contractors appointed for development projects Prioritise quality, cost effectiveness, reliability, and sustainability of building materials for new developments and enhancement projects Perform ESG due diligence on risks and opportunities related to project sites and surroundings Review and incorporate vulnerability assessments (such as water stress risks) into existing due diligence processes

RISKS AND OPPORTUNITIES

 Environmental	
Link to Business Strategy	Link to Sustainability Matters
 Real Estate  Facilities Management  Investment  Development	 Quality Assets & Services - New Acquisitions  Quality Assets & Services - Existing Assets  Energy & Carbon Footprint  Water Management  Waste Management
Key Risks	
<ul style="list-style-type: none"> ▶ Increase in energy consumption and GHG emissions ▶ Deterioration of water quality, as well as water shortages and supply disruptions ▶ Mismanagement of domestic and hazardous waste at multi-tenanted properties during AEs and development projects 	<ul style="list-style-type: none"> ▶ Climate hazards such as storms, floods, rising sea levels, extreme temperatures, and drought ▶ Insufficient qualitative and quantitative measures in assessing and measuring climate risks
Potential Impact	
<ul style="list-style-type: none"> ▶ Increased operating cost ▶ Failure to meet energy consumption and GHG emissions reduction targets ▶ Lack of awareness of Axis-REIT's energy conservation initiatives among tenants ▶ Tenant dissatisfaction due to poor quality water resources or water systems ▶ Disruption to tenants' business operations that rely on/require the use of water 	<ul style="list-style-type: none"> ▶ Adverse impact on tenants' health over time ▶ Reputational loss ▶ Penalties due to non-compliance, imposed by the relevant authorities ▶ Adverse impact on buildings due to natural hazards, affecting tenants' business and operations ▶ Higher capital expenditure and contributions for Takaful coverage of the property portfolio ▶ Economic strain from maintenance and repair costs ▶ Business disruptions impacting business continuity
Opportunities	
<ul style="list-style-type: none"> ▶ Reduce operating costs and environmental footprint via strategies encapsulated in the Environmental Policy, as well as sustainable and resource-saving property systems and features 	<ul style="list-style-type: none"> ▶ Continue pursuing green financing and other green or sustainability-linked financing and meeting the corresponding SPTs ▶ Future-proofing the portfolio against the impacts of climate change
Mitigating Actions	
<ul style="list-style-type: none"> ▶ Conduct scheduled building audits to identify areas of improvements to increase energy and water use efficiencies ▶ Periodically review water tank storage capacities and use of energy-efficient fittings ▶ Monitor and record waste generation by disposal method and recyclability ▶ Appointed the Board Chairman as the person responsible for the oversight of climate change risks 	<ul style="list-style-type: none"> ▶ Undertake flood mitigation plans for high-risk properties ▶ Identify exposure to climate-related risks (transition and physical risks and opportunities) and incorporate mitigating actions into strategic action plans ▶ Assess flood risks and water stress risks of the existing portfolio, as well as in potential acquisitions and developments ▶ Engage with tenants in medium to high water stress areas to evaluate their needs and develop appropriate action plans

CORPORATE STRATEGY

2025-2026

In 2024, Axis-REIT undertook a comprehensive evaluation of its performance relative to the preceding year's strategic objectives, culminating in the development of its Corporate Strategy 2025–2026. This strategic roadmap was meticulously structured to align the organisation's operational initiatives, KPIs, targets, and long-term vision with the global economic landscape, sector-specific trends, and Axis-REIT's core mission to deliver sustainable stakeholder value.

In response to regulatory advancements—including the SC's introduction of the NSRF and Bursa Securities' updated MMLR on sustainability disclosures—the Manager has commenced a phased transition from the TCFD framework towards the adoption of IFRS S1 and S2. This shift underscores Axis-REIT's commitment to compliance and leadership in aligning with evolving global sustainability reporting benchmarks.

The current Corporate Strategy is anchored by six strategic pillars: Real Estate, Capital Management, Facilities Management, Investment, Development, and Governance. Each pillar is directly aligned with Axis-REIT's 15 material sustainability matters and their corresponding KPIs, which are discussed in detail in the Management of Material Sustainability Matters section on pages 108 to 164 of this Report. This integrated approach reflects our dedication to rigorous accountability, ensuring that sustainability considerations are systematically embedded into operational decision-making and performance monitoring.

By harmonising strategic, financial, and sustainability imperatives, Axis-REIT reinforces its position as a forward-thinking entity committed to proactive stewardship of ESG impacts across its portfolio.

Real Estate

Drives the maximisation of returns through a portfolio of prime properties that aligns with stakeholder requirements and leverages long-term opportunities.

- Tenant Satisfaction
- Business Ethics

Capital Management

Facilitates proactive financial strategies and consistent growth to meet operational needs and distributions against a backdrop of dynamic market conditions and geopolitical shifts.

- Economic Performance
- Business Ethics
- Community Activity & Partnership

Facilities Management

Facilitates the preservation of properties and tenant experiences by consistently delivering exceptional real estate solutions and services.

- Tenant Satisfaction
- Quality Assets & Services - Existing Assets
- Responsible Supply Chain Management
- Energy & Carbon Footprint
- Water Management
- Waste Management
- Business Ethics
- Occupational Health & Safety

Investment

Drives the growth of our property portfolio by actively and responsibly pursuing strategic acquisitions, drawing on industry insights to identify and capitalise on high-growth opportunities.

- Quality Assets & Services - New Acquisitions
- Responsible Supply Chain Management
- Business Ethics
- Energy & Carbon Footprint

Development

Emphasises project management and the development of viable projects through collaborative efforts with tenants, ensuring the delivery of high-quality and future-ready properties.

- Quality Assets & Services - New Acquisitions
- Quality Assets & Services - Existing Assets
- Responsible Supply Chain Management
- Energy & Carbon Footprint
- Water Management
- Waste Management
- Business Ethics
- Occupational Health & Safety
- Human Rights & Labour Practices

Governance

Upholding business integrity through the establishment of a trustworthy, transparent, and accountable environment that enables creation of long-term value for stakeholders.



- Business Ethics
- Cybersecurity & Data Protection
- Talent Development
- Diversity & Inclusion
- Human Rights & Labour Practices

CORPORATE STRATEGY 2025-2026



Based on these six strategic pillars, we have established the respective strategic focuses, targets and KPIs, and proposed action plans for 2025 and 2026.

Pillars	Strategic Focus	Key Activities for 2024	Plans for 2025 – 2026	Targets & KPIs for 2025 – 2026
 Real Estate	<ul style="list-style-type: none"> ➤ Building strong brand awareness of Axis-REIT's commitment towards sustainability ➤ Forging strong relationships with existing tenants and maintaining high tenant satisfaction ➤ Strengthening the property portfolio with quality properties and updated features (EV charging stations, renewable energy, etc.) and securing credible and reliable tenants 	<ul style="list-style-type: none"> ➤ Various engagements conducted with local councils and BOMBA ➤ Programmes/measures for the health/well-being of tenants: <ul style="list-style-type: none"> ➤ Ongoing enforcement of the HSE Policy for all renovations, enhancements, and project work ➤ Installation of automated external defibrillator (AED) devices at 9 multi-tenanted properties ➤ Organised cardiopulmonary resuscitation (CPR) and AED awareness training as well as annual fire drills for tenants and employees ➤ Organised and collaborated with tenants for blood donation events ➤ Implemented cashless parking systems at selected properties ➤ Assigned ESG risk ratings for new tenants ➤ Identified climate-related risks and opportunities in the short, medium and long-term, and conducted flood risk and water stress profiling to assess the impact on our business operations and property portfolio ➤ Enhanced property management service coverage in the Northern and Southern regions 	<ul style="list-style-type: none"> ➤ To engage with the local councils and/or BOMBA at least twice a year ➤ To keep abreast of news and developments that affect the Fund's properties and the broader property market ➤ To implement/enhance measures for regular tenant engagements to better serve their business and operational needs, and to obtain feedback on Axis-REIT's services ➤ To implement measures that promote the health and well-being of tenants at multi-tenanted properties ➤ To assign ESG risk ratings for new tenants and to closely monitor tenants with medium to high sustainability risks for further action ➤ To extend the lease periods for selected leasehold properties (applicable to leasehold properties with short remaining tenures) ➤ To conduct climate scenario analyses and integrate climate-related considerations into our business risk management and strategy ➤ To offer green leases to new tenants and existing tenants during lease renewal negotiations ➤ To identify properties with potential for divestment 	<ul style="list-style-type: none"> ➤ To maintain tenant satisfaction survey rating at above 70% ➤ To maintain <i>Hello Axis</i> Service Request Satisfaction Ratings at above 80% ➤ To maintain portfolio occupancy rate at above 90% ➤ To directly engage with 90% of tenants on a yearly basis ➤ To obtain at least 1 green building certification for our portfolio every year


CORPORATE STRATEGY 2025-2026

Pillars	Strategic Focus	Key Activities for 2024	Plans for 2025 – 2026	Targets & KPIs for 2025 – 2026
 Capital Management	<ul style="list-style-type: none"> ➤ Close monitoring of financing rate movements ➤ Diversifying sources of funding ➤ Meeting the SPTs ➤ Disciplined investment strategy for long-term growth 	<ul style="list-style-type: none"> ➤ Converted existing credit facilities to sustainability-linked financing ➤ Achieved the SPTs and was granted a rebate on our sustainability-linked financing ➤ Explored alternative asset classes as options for future fund raising exercises 	<ul style="list-style-type: none"> ➤ To continue closely monitoring the government's new initiatives on tax incentives ➤ To consistently meet the SPTs stipulated under existing sustainability-linked financing ➤ To issue rated/unrated corporate Sukuk ➤ To explore unsecured financing options ➤ To convert remaining financing facilities to sustainability-linked financing and enjoy rebates when SPTs are met ➤ To increase foreign investors' awareness and participation in the Fund 	<ul style="list-style-type: none"> ➤ To grow Axis-REIT's AUM to RM10 billion by the end of 2030 ➤ To organise at least 1 foreign roadshow to increase foreign investors' awareness and participation in the Fund ➤ To issue at least RM100 million in rated/unrated corporate Sukuk
 Facilities Management	<ul style="list-style-type: none"> ➤ Continuous implementation of Facilities Management best practices ➤ Adherence to regulatory requirements ➤ Continuous enhancement of occupational health and safety (OSH) measures 	<ul style="list-style-type: none"> ➤ Conducted 11 on-site human rights assessments on registered key vendors ➤ Collected energy, water, and waste data from tenants ➤ Installed cashless parking systems at Axis Business Campus, Axis Technology Centre and Axis Mega Distribution Centre (Phase 2) ➤ Commenced flood mitigation project at Axis Shah Alam Distribution Centre 3 ➤ Assessed the feasibility of installing EV charging stations at selected properties 	<ul style="list-style-type: none"> ➤ To conduct on-site human rights assessments or internal audits for registered key vendors and document any instances of non-compliance for further action ➤ To continue collecting energy, water, and waste data from tenants for monitoring and reporting purposes ➤ To implement cashless parking at Menara Axis and Crystal Plaza ➤ To execute flood mitigation plans at high-risk properties ➤ To equip and train the Facilities Management Team to use technology that will facilitate compliance with regulatory requirements ➤ To conduct energy audits for key multi-tenanted properties ➤ To install EV charging stations at selected properties ➤ To explore assessing the carbon footprint of material suppliers 	<ul style="list-style-type: none"> ➤ To have zero incidents of non-compliance with human rights policies among key vendors ➤ To obtain energy data from tenants ➤ To reduce water usage at multi-tenanted properties by at least 1% over 5 years (2022-2026), compared against baseline data set in 2019 ➤ To achieve a 1% reduction in energy consumption and GHG emissions in 5 years (2022-2026), compared against baseline data set in 2019 ➤ To achieve 10% waste diversion from disposal to landfill over a 5-year period (2023-2027), from baseline data set in 2022

CORPORATE STRATEGY 2025-2026

Pillars	Strategic Focus	Key Activities for 2024	Plans for 2025 – 2026	Targets & KPIs for 2025 – 2026
 Investment	<ul style="list-style-type: none"> ➤ Developing and maintaining a robust and active acquisition pipeline ➤ Enhancing portfolio of industrial properties by focusing on logistics warehouses and manufacturing facilities with potential for future enhancement or redevelopment ➤ Sourcing and evaluating properties in industrial parks as well as offices in strategic locations with potential for capital appreciation ➤ Ensuring sustainability in investment decisions for the long-term growth of the Fund 	<ul style="list-style-type: none"> ➤ Pursued and completed 8 acquisitions with a total consideration of RM719.44 million ➤ Assessed climate-related risks and conducted flood risk profiling for potential acquisition targets ➤ Progressed with lease extension of 1 leasehold property, targeting completion by the middle of 2025 	<ul style="list-style-type: none"> ➤ To enlarge the proportion of single-tenanted properties and properties with triple-net lease tenancies in the portfolio to reduce inflationary pressures on operating costs ➤ To integrate additional climate considerations into our investment strategy through scenario analysis ➤ To continue exploring possibilities of leveraging IDRP to raise funds for the renewal of lease periods of leasehold properties ➤ To review tenants' past electricity usage in assessing potential acquisitions ➤ To incorporate water stress vulnerability assessments in the Initial Due Diligence Assessment Checklist for targeted acquisitions ➤ Exploring the viability of new investment areas in the region 	<ul style="list-style-type: none"> ➤ To embark on acquisitions to meet Axis-REIT's target of growing its AUM to RM10 billion by the end of 2030 ➤ To screen all potential investments for ESG compliance and assess for climate-related risks (flood and water stress) in accordance with the Initial Due Diligence Assessment Checklist
 Development	<ul style="list-style-type: none"> ➤ Meeting tenant specifications and satisfaction ➤ Selection of building materials for easy maintenance and sustainability ➤ Selection of competent contractors and consultants 	<ul style="list-style-type: none"> ➤ Obtained GreenRE Bronze Certification for Axis Aerotech Centre @ Subang ➤ Obtained final GreenRE Gold Certification for Bukit Raja Distribution Centre 2 ➤ Obtained final GreenRE Silver and Gold Certifications for Axis Mega Distribution Centre (Phase 1) and (Phase 2) respectively 	<ul style="list-style-type: none"> ➤ To focus on new development projects that positively impact the Fund ➤ To ensure zero cases of ESG non-compliance by contractors (including human rights and labour assessments) through ad-hoc site visits and audits ➤ To conduct climate scenario analyses and integrate climate considerations into the Fund's development strategy ➤ To include water stress vulnerability in the Initial Due Diligence Assessment Checklist for proposed development and redevelopment sites ➤ To explore assessing the carbon footprint of material suppliers 	<ul style="list-style-type: none"> ➤ To have zero cases of non-compliance with ESG requirements by main contractors of development projects ➤ To ensure all potential developments and re-developments are screened for ESG compliance and assessed for climate related risks (flood and water stress) during the pre-design stage in accordance with the Initial Due Diligence Assessment Checklist

CORPORATE STRATEGY 2025-2026

Pillars	Strategic Focus	Key Activities for 2024	Plans for 2025 – 2026	Targets & KPIs for 2025 – 2026
 Governance	<ul style="list-style-type: none"> ➤ Ensuring compliance with all regulatory requirements and staying abreast with all latest updates ➤ Promoting diversity and inclusion at all levels of the Manager's organisation structure ➤ Ensuring fair treatment of employees and establishing a conducive working environment for all employees ➤ Improving the ESG-related capacities of the Board, Senior Management, and the Manager, Corporate Communications & Sustainability ➤ Proper handling of personal data/information ➤ Safeguarding the Fund's IT systems and data against potential cyberattacks 	<ul style="list-style-type: none"> ➤ Aligning our existing sustainability practices and disclosures with IFRS S1 and S2 ➤ Conducted employee training on our ACF Policy and PDPA ➤ Completed internal audit review on internal controls for anti-corruption and the Anti Money Laundering Act (AMLA) ➤ Integrated succession planning into the business continuity plan ➤ Incorporated the progress and results of sustainability initiatives into the performance evaluations of the Board, Senior Management, and the Manager, Corporate Communications & Sustainability, with both financial and non-financial consequences ➤ Organised 4 health and wellness activities and 2 employee engagement initiatives for all employees ➤ Upgraded our IT servers and completed IT disaster recovery testing ➤ Continued the subscription for an online interactive cybersecurity awareness programme for employees 	<ul style="list-style-type: none"> ➤ To ensure our disclosures comply with requirements of the NSRF and Bursa Securities' MMLR on sustainability reporting ➤ To conduct annual employee training on our ACF Policy, PDPA, and cybersecurity matters ➤ To develop a roadmap, outlining specific actions, milestones and timelines to reduce GHG emissions to as close to zero (carbon neutrality) or to achieve net zero by 2050 or earlier ➤ To conduct at least 2 employee well-being/fitness programmes and at least 2 group activities in a year ➤ To upskill staff with potential for future career development ➤ To provide awareness training for employees on topics relating to sexual harassment and discrimination ➤ To implement annual IT disaster recovery exercises to ensure the timely recoverability of business-critical IT systems ➤ To continue subscribing to an online interactive cybersecurity awareness programme for employees ➤ To conduct annual audits on IT-related matters ➤ To improve security measures in accessing corporate emails (e.g., multi-factor authentication for Office365) 	<ul style="list-style-type: none"> ➤ Providing annual training on the ACF Policy, PDPA, and cybersecurity ➤ To maintain zero reported cases of discrimination in the workplace ➤ To conduct at least 2 employee health and well-being training sessions ➤ To conduct at least 2 employee group activity sessions ➤ To maintain zero cybersecurity breaches ➤ To monitor and report PDPA compliance status

CORPORATE STRATEGY 2025-2026

Progress and Achievements in 2024

We are proud to share that a significant portion of the action plans and objectives set forth in our Corporate Strategy 2024-2025 have been successfully executed. A summary of the key achievements is provided below.



For comprehensive information on our targets and progress, please refer to the Management of Material Sustainability Matters section on pages 108 to 164 of this Report.



Real Estate

KPI/Targets for 2024

- To maintain tenant satisfaction survey scores at above 70%
- To maintain *Hello Axis* Service Request Satisfaction Ratings at above 80%
- To maintain the portfolio occupancy rate at above 90%
- To engage with local councils and/or BOMBA at least twice a year
- To organise programmes or measures that promote the health and well-being of tenants of multi-tenanted properties at least twice a year
- To obtain at least 1 green building certification for the property portfolio annually

Progress/Outcomes/Achievements in 2024

- Obtained an annual tenant satisfaction survey rating of 7.62 out of 10, which translates to a score of 76%
- Obtained a *Hello Axis* Service Request Satisfaction Ratings of 4.25 out of 5, which translates to a score of 85%
- Achieved a portfolio occupancy rate of 95% as at 31 December 2024
- Engaged with local councils and/or BOMBA 9 times during the year
- Organised 6 programmes that promote the health and well-being for tenants of multi-tenanted properties, including the installation of AED devices, conducting CPR and AED awareness training, conducting annual fire drills, and collaborating with tenants on blood donation events



Capital Management

KPI/Targets for 2024

- To grow Axis-REIT's AUM to RM5 billion by the end of 2024
- To achieve the SPTs stipulated under existing sustainability-linked financing

Progress/Outcomes/Achievements in 2024

- Surpassed our target, with AUM reaching RM5.26 billion as at 31 December 2024
- Achieved the SPT and was granted sustainability rebates in accordance with the SPT terms

Additional Achievements:

- Approximately 90% of our committed financing (excluding Sukuk) as at 31 December 2024 has been structured with a sustainable financing mechanism



Facilities Management

KPI/Targets for 2024

- To achieve a 1% reduction in energy consumption and GHG emissions over a 5-year period (2022 – 2026) from baseline data established in 2019
- To achieve a 1% reduction in water consumption over a 5-year period (2022 to 2026) from baseline data established in 2019
- To achieve a 10% reduction in waste diversion from disposal (landfill) over a 5-year period (2023 – 2027) from baseline data established in 2022
- To conduct on-site human rights assessments and/or internal audits on registered key vendors

Progress/Outcomes/Achievements in 2024

- Exceeded our energy and carbon emissions target by achieving a 14.56% reduction in energy consumption and a 13.96% reduction in GHG emissions in 2024 (from the 2019 baseline)
Please see the Energy & Carbon Footprint Sustainability Matter on pages 131 to 135 for more information on how we are managing this target
- Deviated from our water management target, having recorded a 9.8% increase in water consumption and a 5.7% increase in water use intensity in 2024 (from the 2019 baseline)
Please see the Water Management Sustainability Matter on pages 136 to 139 for more information on how we are managing this target
- Deviated from our waste management target, having recorded a 16.8% increase in general waste disposal in 2024 (from the 2022 baseline)
Please see the Waste Management Sustainability Matter on pages 140 to 143 for more information on how we are managing this target
- Conducted 11 on-site human rights assessments on registered key vendors

CORPORATE STRATEGY 2025-2026



Investment

KPI/Targets for 2024

- To embark on acquisitions with an estimated consideration of RM229 million by the end of 2024
- To ensure 100% of proposed acquisitions are screened for ESG compliance in accordance with the Initial Due Diligence Assessment Checklist
- To formulate the process of undertaking KYC assessments in divestments (from an anti-money laundering perspective)

Progress/Outcomes/Achievements in 2024

- A total of 8 acquisitions were completed in 2024 amounting to RM719.4 million
- All proposed acquisitions were screened for ESG compliance using the Initial Due Diligence Assessment Checklist
- A KYC assessment form was formulated and applied to the proposed disposal of Axis Steel Centre @ SiLC



Development

KPI/Targets for 2024

- To obtain at least 1 green building certification for the property portfolio every year (either via new developments, existing properties or acquisitions)

Progress/Outcomes/Achievements in 2024

- Obtained GreenRE Bronze certification for Axis Aerotech Centre @ Subang
- Obtained final GreenRE Silver and Gold Certifications for Axis Mega Distribution Centre (Phase 1) and (Phase 2) respectively
- Obtained final GreenRE Gold Certification for Bukit Raja Distribution Centre 2



Governance

KPI/Targets for 2024







- To ensure ESG factors are considered in the performance of Board, Senior Management, and the Manager, Corporate Communications & Sustainability, with financial and non-financial consequences
- To monitor and report the status of compliance with the PDPA
- To maintain zero reported cases of discrimination in the workplace
- To conduct at least 2 employee well-being programmes and at least 2 employee group activities
- To maintain zero cybersecurity breaches
- To implement annual IT disaster recovery exercises to ensure the timely recoverability of business-critical IT systems

Progress/Outcomes/Achievements in 2024

- Incorporated ESG-related factors into the performance appraisals of the Board, Senior Management, and the Manager, Corporate Communications & Sustainability, with financial consequences on salary increments and/or bonuses, as well as non-financial consequences
- No reports of non-compliance or breaches of PDPA were received in 2024
- No reported cases of discrimination in the workplace were recorded in 2024
- A total of 4 health and wellness activities and 2 employee group activities were conducted in 2024
- No reported cases of cybersecurity breaches were recorded in 2024
- Completed our first IT disaster recovery exercise in November 2024

VALUE CREATION & SUSTAINABLE DEVELOPMENT GOALS

The Manager's strategy for creating long-term value for Axis-REIT's stakeholders is rooted in our core values, purpose, strategy, and success metrics. This serves as the foundation of our value creation model, demonstrating how we convert our resources into meaningful outcomes for a wide range of stakeholders. To ensure we meet their expectations, we consistently engage with our tenants, investors, employees, suppliers, regulators and other stakeholders. By understanding their unique priorities, we align our strategy with the essential roles stakeholders play in our operations, thereby maximising value.

OUR BUSINESS CAPITAL	INPUTS & BUSINESS ACTIVITIES	OUR KEY ENABLERS
 FINANCIAL CAPITAL Axis-REIT's Unitholders' capital, Sukuk funds, revolving credit facilities, investments, and rental income that are used to support Axis-REIT's business and operations	<ul style="list-style-type: none"> Operational cash flows: RM306.6 million (2023: RM198.7 million) Undertaking capital raising to pare down financing and provide financial headroom for property acquisitions and development projects Managing financial resources through the implementation of a disciplined investment strategy Maintaining a proactive portfolio management strategy to preserve and enhance the value of properties Adopting cost discipline and optimisation of capital structure Maintaining an optimal balance of short-term and long-term financing through a prudent capital management strategy Increasing the proportion of single-tenanted properties with triple-net lease tenancies in the portfolio Obtaining sustainability-linked financing facilities 	Our Vision To successfully benchmark Axis-REIT against the world's most successful REITs in terms of total returns to Unitholders and be the REIT of choice for Shariah and non-Shariah investors.
 MANUFACTURED CAPITAL Our structured processes include Axis-REIT's diverse portfolio of properties and management services which provide the framework of how we do business and create value	<ul style="list-style-type: none"> Total no. of properties: 69 (2023: 62) Invested RM779.3 million in acquisitions, strategic AEs, and a development project (2023: RM176.8 million) Strengthening the property portfolio with yield accretive acquisitions and quality new builds Preserving the value of the property portfolio through strategic AEs Securing credible and reliable tenants Aligning our property portfolio with green building standards Incorporating green building designs and features in major AEs and development projects, in line with our Environmental Policy Leveraging existing initial due diligence assessments to evaluate annual flood risks from mid-term to long-term horizons of new acquisitions and proposed developments Focusing on build-to-lease projects with long lease tenures 	Our Mission To provide consistent distributions to Unitholders through growing the property portfolio, upholding the highest level of corporate governance, excellent capital and risk management, and preserving capital values.
 SOCIAL & RELATIONSHIP CAPITAL Stakeholder relationships, including suppliers, regulators, and the communities in which we operate, as we recognise the need for interdependent relationships in building a thriving society	<ul style="list-style-type: none"> Total community investments: RM201,000 (2023: RM181,000) Total procurement from local suppliers (by Property Management Division): RM72.7 million (2023: RM196.2 million) Building strong public awareness and brand association of Axis-REIT's commitment towards sustainability Actively providing training sessions for our suppliers Upholding strong ethical practices throughout our value chain by conducting periodic assessments and audits on our key suppliers and contractors Forging strong relationships with existing tenants Continual engagement with tenants to understand their business strategies and needs 	Six Principles of Management <ul style="list-style-type: none"> Yield-accretive asset purchases Prudent capital and risk management Excellent investor relations Proactive asset and tenant management Upholding the highest level of corporate governance Development of human capital
 HUMAN CAPITAL Our culture and people, collective information, skills, and experience that enable innovative and competitive developments and initiatives for our tenants and other stakeholders	<ul style="list-style-type: none"> Total workforce: 78 employees (2023: 80 employees) Employee training expenses: RM92,000 (2023: RM39,000) Providing employee engagement programmes such as ongoing learning opportunities, year-end performance appraisals, annual dinner, and company trip Providing equal employment benefits to both permanent and contract employees Upholding strong HSE practices by on-site managers in accordance with our HSE Policy Conducting periodic HSE audits 	Operating Environment For more details, please see the Operating Environment section on pages 76 to 81 of this Report
 INTELLECTUAL CAPITAL The expertise and knowledge inherent to the Manager that can be reproduced and shared for sustainable growth	<ul style="list-style-type: none"> Implementing annual IT disaster recovery exercises to ensure the timely recoverability of business-critical systems Undertaking an internal audit on IT processes and governance frameworks Implementing end-to-end email encryption and threat detection Installing endpoint detection and response software on office computers Conducting regular training and assessments to educate employees on the risk of cyber threats Subscribing to an online interactive cybersecurity awareness programme for employees Maintaining seamless communication with tenants via our <i>Hello Axis</i> online portal to address their service requests, feedback, and complaints 	Risks and Opportunities <ul style="list-style-type: none"> Global Financial Real Estate Management Investment Development Human Resource Information Technology Environmental For more details, please see the Risks and Opportunities section on pages 89 to 98 of this Report
 NATURAL CAPITAL All environmental resources and processes that support current and future prosperity for our business and all our stakeholders through the limitation of negative contributions towards climate change	<ul style="list-style-type: none"> Implementing measures to increase energy and water use efficiency Upgrading air conditioning systems to environmentally-friendly systems at selected multi-tenanted properties Facilitating the installation of EV charging stations by our tenants at selected properties Actively promoting waste reduction efforts through the 5R concept Prioritising the inclusion of additional green building features in major AEs and new developments 	Corporate Strategy 2025-2026 <ul style="list-style-type: none"> Real Estate Capital Management Facilities Management Investment Development Governance For more details, please see the Corporate Strategy 2025-2026 section on pages 99 to 105 of this Report

VALUE CREATION & SUSTAINABLE DEVELOPMENT GOALS

In addition to creating value for our stakeholders, we are dedicated to advancing the United Nations' Sustainable Development Goals (UN SDGs). The following UN SDGs are a central focus for the Manager and we actively contribute to:

- 

5.5 Ensure women's participation and equal opportunities for leadership
- 

9.4 Continually upgrade and retrofit our properties with low carbon technology to improve their sustainability and resource-use efficiency
- 

13.1 Strengthen resilience and adaptive capacity of our properties to climate-related hazards and natural disasters
- 

16.5 Uphold a zero tolerance policy against all forms of bribery and corruption

OUTPUTS AND VALUE CREATED	UN SDGs	TRADE-OFFS & INTERDEPENDENCIES
<ul style="list-style-type: none"> Improvement in revenue and net property income: RM322.1 million and RM276.6 million respectively (2023: RM288.4 million and RM245.4 million respectively) Economic value distributed RM286.1 million (2023: RM254.5 million) DPU: 9.27 sen (2023: 8.65 sen) Liquidity: RM686.7 million (2023: RM592.7 million) Value of committed sustainability-linked financing: RM1.64 billion (2023: RM490.0 million) 	<p>Value to Stakeholders Source of sustained growth through financial market confidence and Unitholders continued access to returns</p>	<p>Financial Capital largely serves as the input for the other capitals, which include investing, enhancing and maintaining our properties (Manufactured Capital), investing in our people (Human Capital), and funding initiatives to reduce our carbon footprint (Natural Capital). As a REIT, we are also committed to growing our Financial Capital to ensure consistent and rewarding distributions to our Unitholders.</p>
<ul style="list-style-type: none"> Total space under management: 15.15 million sq. ft. (2023: 13.35 million sq. ft.) Number of acquisitions: 8 Key AEs completed: 8 (2023: 9) Completion of development projects: 1 (2023: 1) Achieved portfolio occupancy rate of 95% and a positive rental reversion of 5.3% (2023: 97% occupancy rate and a positive rental reversion of 5.8%) Secured renewals for 2.06 million sq. ft. of space (representing an 82.8% tenant retention rate) and commenced new tenancies for 231,606 sq. ft. of vacated space during the year New green building certifications: 1 	<p>Value to Stakeholders A strong value proposition with emphasis on strategic locations and sustainable developments to meet tenants' requirements and expectations</p>	<p>In addition to having stringent due diligence processes for potential acquisitions, we also undertake proactive AEs for our existing properties to maintain, refurbish and enhance the value of the Fund's portfolio. These rely heavily on our Financial Capital and Human Capital.</p> <p>Through these efforts, we also aim to meet current market demand and create value for our tenants and potential tenants, thereby boosting our Social & Relationship Capital.</p>
<ul style="list-style-type: none"> Total amount of beneficiaries from our community investment initiatives: 978 (2023: 85) 100% of qualified suppliers are local entities (2023: 100%) Total number of suppliers increased by 2.4% Total procurement value (excluding government-related expenses) decreased by 62.9% to RM72.7 million in total procurement A total of 32 training programmes were offered to our suppliers (2023: 48) No. of suppliers and/or contractors de-listed from our panel due to non-compliance with the Supplier Code of Conduct: 2 (2023: 4) Average annual tenant satisfaction survey score: 7.62 out of 10, which exceeds our target of 7 out of 10 (2023: 7.61 out of 10) No. of new green leases for the year (i.e., tenancy agreement featuring ESG considerations): 3 (2023: 1) 	<p>Value to Stakeholders Business opportunities and growth through strong partnerships with suppliers and being a responsible and ethical community participant</p>	<p>As a responsible corporate citizen, we recognise the importance of regular and meaningful engagements with our stakeholders, namely our tenants, contractors, suppliers, and the community around us, to maintain healthy stakeholder relationships.</p> <p>In line with our commitment to reduce our carbon footprint, we also involve our tenants, contractors and suppliers to create value for Natural Capital.</p> <p>In our pursuit of growing our Financial Capital, we also actively contribute to the surrounding communities through our Community Activity & Partnership Initiatives.</p>
<ul style="list-style-type: none"> Total employee training hours: 891 hours (2023: 957.5 hours) Average training hours per employee: 11.4 hours (2023: 12 hours) Proportion of employees receiving regular performance and career development reviews: 100% (2023: 100%) New hires rate: 2.5% (2023: 5.1%) Employee turnover rate: 5.1% (2023: 2.5%) Gender pay ratio for middle and senior management (male to female): 1.0 : 1.3 (2023: 1.0 : 1.11) No. of work-related fatalities: 0 cases (2023: 0 cases) No. of lost time injuries (LTI): 2 cases (2023: 0 cases) No. of fines or sanctions for non-compliance with OHS-related laws and regulations: 0 (2023: 0) 	<p>Value to Stakeholders Employer of choice by ensuring inclusive opportunities, safety and well-being, and a differentiated provider of relevant space for tenants</p>	<p>Human Capital is one of the most important assets in growing the Fund's property portfolio. The Manager invests in its employees through training and development, competitive and fair remuneration packages, employee engagement activities, and by looking after their well-being.</p>
<ul style="list-style-type: none"> Proportion of employees who underwent PDPA-related training: 100% No. of cases of cybersecurity breaches: 0 cases (2023: 0 cases) Average <i>Hello Axis</i> Service Request Satisfaction Ratings: 4.25 out of 5, which exceeds our target of 4 out of 5 (2023: 4.31 out of 5) Responded to 97% of service request tickets raised from multi-tenanted properties and single-tenanted properties within 24 hours (2023: 91% from multi-tenanted properties and 97% from single-tenanted properties) 	<p>Value to Stakeholders Preferred business partner by strengthening relationships with real estate agents and business owners, and providing superior and reliable customer service to tenants</p>	<p>Amid rapid digitalisation, we have actively explored opportunities to digitalise our business operations, from our daily routine tasks, to engaging with our stakeholders through virtual platforms.</p> <p>As this exposes Axis-REIT to cybersecurity risks, we actively invest in enhancing our cybersecurity defences, which include educating our people on cybersecurity awareness to effectively manage such risks.</p>
<ul style="list-style-type: none"> Total reduction in energy consumption vs. baseline year: 14.56% (2023: 13.50% reduction) Total reduction in Scope 1 and Scope 2 GHG emissions vs. baseline year: 13.96% (2023: 12.83% reduction) Increase in water withdrawal vs. baseline year: 9.8% (2023: 6.7%) Increase in general waste generated vs. baseline year: 16.8% (2023: 22.8%) Total waste recycled at multi-tenanted properties: 44,920 kg (2023: 42,710 kg) Recycling rate: 3.8% (2023: 3.5%) 	<p>Value to Stakeholders Strengthening the Fund's resilience and adaptive capacity to changes in the availability and consumption of natural resources over the short, medium, and long-term for all stakeholders</p>	<p>We recognise the impact of climate change on our business. In our commitment to combat climate change, we have set a target to reduce our GHG emissions (Scope 1 and Scope 2 combined) to as close to zero (carbon neutrality) or achieve net zero by 2050 or earlier. To reach this goal, we are actively exploring and implementing GHG reduction measures which may have an impact on our Financial and Manufactured Capital.</p> <p>Concurrently, we are also encouraging our tenants, suppliers and service providers to uphold similar commitments to create long-term sustainable value for our collective Natural Capital.</p>

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

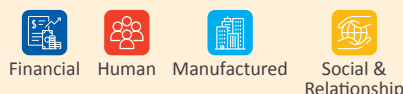
ECONOMIC



Economic Performance



Capitals



Strategic Pillars



Business Risks



UN SDGs



Malaysia's economy grew by 5.1% in 2024, up from 3.6% in 2023. Growth was driven by continued expansion in domestic demand and a rebound in exports. On the domestic front, stronger household spending, sustained investment approvals, and further progress of multi-year projects by the private and public sectors underpinned growth. Meanwhile, exports recovered amid steady global growth and the continued tech upcycle. These conditions, along with higher tourist arrivals and spending, lifted the current account surplus to 1.7% of GDP in 2024 (2023: 1.5%).

Bank Negara Malaysia (BNM) maintained the OPR at 3.0% throughout 2024, creating a supportive monetary stance for economic stability, consistent with moderating inflation, as both headline and core inflation averaged 1.8% in 2024, from 2.5% and 3.0% respectively in 2023.

In tandem with Malaysia's sustained economic momentum, the country experienced significant growth in the value of property transactions during the first half of 2024, which rose to RM105.65 billion (1H 2023: RM85.37 billion), marking a 23.8% yoy increase which was the highest in five years. Concurrently, transaction volumes increased by 8% yoy to 198,806 units (1H 2023: 184,140). All property sub-sectors recorded growth, with commercial and industrial transactions increasing by 41.5% and 23.4%, respectively.

Amid supportive macroeconomic conditions, we remain committed to deliver long-term sustainable distributions and capital stability through prudent capital management. Our strategic property portfolio optimisation and expansion continued to deliver results, driving an 11.7% yoy increase in the Fund's revenue to RM322.15 million for the year ended 31 December 2024 (2023: RM288.41 million). Incremental revenue came from the acquisitions and development completed during the year, positive rental reversions secured in 2023 and 2024, as well as a full year's contribution from Bukit Raja Distribution Centre 2, our development project that was completed in 2023. Concurrently, economic value distributed and economic value retained increased by 12.2% and 21.6% respectively.



Details of the Fund's financial performance are presented in the Manager's Discussion and Analysis - Financial Review section on pages 40 to 52 of this Report.

The Fund's economic performance is monitored by the Finance Team, which issues monthly reports to ensure alignment with our strategic priorities and projections. This includes evaluating the Manager's capital management and allocation strategy to ensure efficient resource utilisation. The Finance Team is guided by ethical standards, policies, and procedures, including the MFRS and IFRS accounting standards, in upholding their commitment to financial integrity and compliance with the relevant laws and regulations.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

The Manager's ERM Framework ensures that internal controls and risk management considerations are incorporated into its decision-making processes, enhancing operational performance and driving the achievement of the Fund's business goals and mission. This includes our risk framework, which addresses financial and non-financial (including ESG) risks and opportunities, and also shapes our strategic priorities and action plans.

Our ESG commitments and initiatives, which include the conversion of existing financing facilities to sustainability-linked financing and continuous efforts in implementing ESG practices across our operations, have resulted in year-on-year improvements in our ESG scores in international benchmarks and indices.

Key Initiatives

1 DISCIPLINED INVESTMENT STRATEGY

The Manager employs a disciplined investment strategy to ensure that the Fund continues to generate consistent and sustainable financial returns for its Unitholders. Our investment strategy adheres to predefined objectives and policies that guide the careful and rigorous selection of acquisition targets, development projects, and AELs. This ensures that all additions and enhancements to the portfolio are strategic, yield-accretive, and value enhancing, which in turn, preserves the value of the portfolio, the interests of our stakeholders, as well as the surrounding environment.

Additionally, we also identify properties that are reaching optimal returns for potential disposal, and consider diversification strategies to reduce the concentration of risks, including ESG risks, in the Fund's property portfolio.

2 COST DISCIPLINE AND OPTIMISATION

We are vigilant in managing the Fund's operating costs, closely monitoring expenses against financial projections and approved budgets. Our prudent and effective cost management and optimisation initiatives have minimised the impact of inflationary pressures and economic downturns on the Fund.

3 EFFICIENT MANAGEMENT OF WORKING CAPITAL AND LIQUIDITY

A key responsibility in managing the Fund is to ensure that it has sufficient working capital and liquidity to support its business activities and strategic plans. We continuously monitor the Fund's liquidity and financial positions to optimise capital efficiency, aiming for a balanced mix of short-term and long-term financing. As at 31 December 2024, the Fund's liquidity remained robust, at RM686.7 million, with RM120.7 million in cash and deposits, along with a further RM566.0 million in undrawn financing.

We completed our tenth private placement exercise on 18 November 2024. The placement exercise saw the issuance of 263 million new Units at an issue price of RM1.71 per Unit to various institutional investors, raising gross proceeds of RM449.73 million, which were utilised to pare down the Fund's existing financing and to provide headroom for future acquisitions and developments.

4 SUSTAINABILITY-LINKED FINANCING

Since embarking on sustainability-linked financing in 2022, the Fund has increased its proportion of sustainable financing, which provides further impetus for us to meet our sustainability commitments. In 2024, we successfully secured an additional RM110.0 million in sustainability-linked financing. Together with the conversion of existing financing facilities to sustainability-linked financing, approximately 90% of our committed financing (excluding Sukuk) as at 31 December 2024 was structured with a sustainable financing mechanism.

We are pleased to report that in 2024, we had successfully achieved the pre-determined SPTs tied to the Fund's sustainability-linked financing, including our Islamic Profit Rate Swap (IPRS). Consequently, we were granted sustainability rebates in accordance with the SPT terms.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Targets & KPIs

Economic Performance	2024 (RM '000)	2023 (RM '000)	2022 (RM '000)
Economic Value Generated (Revenue) (A)*	321,684	284,208	283,246
Operating Costs (B)	45,537	42,977	39,128
Which include Payments to Government	11,274	10,115	9,266
Payments to Capital Providers (C)	165,333	150,756	160,085
Community Investments (D)	201	181	193
Payments to Financiers (E)	74,433	60,541	52,973
Economic Value Distributed (F) = (B)+(C)+(D)+(E)	285,504	254,455	252,379
Economic Value Retained (G) = (A)-(F)	36,180	29,753	30,867

Notes:

* After deduction of net remeasurement of loss allowance and bad debt.

** Government-related expenses are quit rent, assessment and service tax.

Outlook

Looking ahead, Malaysia is expected to see sustained economic growth momentum in 2025. GDP growth is projected at between 4.5% and 5.5%, and is expected to be driven by continued expansion in investment activity, resilient household spending, and higher exports.

Higher realisation of approved investments, coupled with the implementation of catalytic initiatives and continued momentum in exports, will bode well for strategically-located, modern industrial properties. The ongoing expansion of the e-commerce sector, along with government initiatives promoting industrial and manufacturing growth, provide favourable market conditions that will drive demand and sustain high occupancy levels and rental rates, while presenting opportunities for further investments and development projects of industrial properties.

Amid the optimistic economic outlook, we have set an ambitious target to increase Axis-REIT's AUM to RM10.0 billion by the end of 2030. Towards this end, we will continue to uphold our investment discipline while optimising our working capital. We will actively pursue sustainability-linked financing options to align our financial strategies with our sustainability initiatives, and to take advantage of rebates on profit rates with the achievement of SPTs. We will also focus on issuing rated/unrated corporate Sukuk, and explore unsecured financing, which will provide more flexibility without the need to pledge collateral, thereby protecting the Fund's properties.

Operationally, we will explore emerging opportunities and new revenue streams, such as the installation of EV charging stations at selected properties in our portfolio and potential investment opportunities in data centre properties. Amid our expansion ambitions, we will actively manage financing risks through strategic capital management, which includes hedging and diversifying our capital sources, and exploring opportunities for capital recycling through divestments and by reallocating funds to higher-performing properties.

Concurrently, we will continue investing in initiatives that will improve the resilience of our property portfolio. We will undertake a climate scenario analysis in 2025 to understand and develop strategic plans to address the potential long-term impact of climate-related risks on Axis-REIT's operations. This assessment will also provide insights into the financial and non-financial implications for the Fund. We are also committed to adhere to the evolving reporting and disclosure requirements for material sustainability and climate-related issues in line with the NSRF and Bursa Securities' enhanced sustainability reporting requirements.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Tenant Satisfaction

Capitals



Manufactured



Social & Relationship



Intellectual

Strategic Pillars



Real Estate



Facilities Management

Business Risks



Global



Real Estate Management

UN SDGs



Axis-REIT recognises that tenant satisfaction is crucial to achieving long-term growth and sustainability. It is a key non-financial KPI that we monitor to assess the Fund's core performance. We invest considerable efforts in building and maintaining strong tenant relationships to better understand their needs, serve them effectively, and enhance tenant satisfaction levels.

Our tenant management efforts are led by the Property Management Division. These efforts aim to create mutually beneficial partnerships that raise tenant satisfaction, drive tenant retention levels, and foster high occupancy rates. Broadly, this encompasses:

a) Building a strong, diversified tenant base through a stringent tenant screening process

We impose a stringent screening process on potential tenants, assessing their financials, the nature and sustainability of their businesses, as well as governance policies to ensure that we acquire high-quality, creditworthy tenants.

We also conduct annual screenings of our existing tenants to stay updated on their developments and ensure they continue to meet our criteria. The screening process provides a better view of our tenants and their operations and helps us

build diversity in our tenant industry base and reduce industry concentration risks.

b) Fostering strong tenant relationships through engagement initiatives

We cultivate close ties with our tenants through regular engagement and outreach programmes, which include monthly property reports, ad-hoc updates and communication, as well as festive greetings. We also proactively promote Axis-REIT's property portfolio through a variety of strategic marketing initiatives, which are designed to showcase the unique features and advantages of our properties and ensure that Axis-REIT's portfolio remains "top-of-mind" among agents, tenants, and potential tenants.

Collectively, these efforts create touchpoints for interactive engagements that give us a deeper understanding of our tenants' unique needs, preferences, and expectations, as well as insights into

their business and ESG strategies. This strengthens our tenant relationships and enables better-informed resource allocation in tailoring real estate services and solutions to meet tenant expectations, while reducing disputes and turnover rates.

c) Ensuring effective communication and handling of complaints and feedback

We strive to respond to all tenant matters promptly, whether they relate to ad-hoc maintenance, scheduled service requests or other feedback. The main channel for tenant feedback and requests is our *Hello Axis* portal, which is Axis-REIT's tenant management platform. It facilitates the escalation of tenant issues to the Manager and enables the seamless exchange of suggestions and areas for improvement. The portal is continually updated and improved to enhance the user experience, our response times, as well as service levels. All tickets (service

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

requests, inquiries, and feedback from tenants) raised via *Hello Axis* are automatically logged, monitored, and assessed as a key tenant satisfaction KPI.

Additionally, we engage with our tenants through in-person meetings, emails, and phone calls, which are also monitored to ensure all communication is aligned with our commitment to providing excellent service and addressing tenant issues effectively.

d) Ensuring that physical business space solutions meet tenants' expectations

Safe, high-quality business space in good locations are the fundamental building blocks of tenant satisfaction for Axis-REIT. We

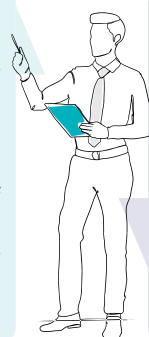
also ensure our properties deliver conducive working environments and incorporate sustainability features to support our tenants in meeting their business aspirations.

Towards this end, we implement asset management initiatives, including AEs, to upgrade our properties, taking into consideration the needs and expectations of current and potential tenants, to ensure our portfolio remains relevant.

Our tenant management efforts are largely guided by the Operations Manual, which lays out the policies and procedures in managing the Fund's properties and operations. This includes our compliance with regulatory requirements, internal HSE policies, as well as best practices and standards.

We track the effectiveness of our tenant management initiatives and tenant satisfaction via 2 separate surveys:

The **Hello Axis Service Request Satisfaction Ratings**, which is conducted via Axis-REIT's tenant management portal, *Hello Axis*. The portal enables direct communication between the Manager and tenants, allowing seamless tracking and handling of service requests, feedback, and complaints to improve response times and service quality. The portal also features the *Hello Axis* Service Request Satisfaction Ratings – a feedback tool at the closure of service tickets that prompts tenants to rate the timing, processes, and effectiveness of services rendered. This helps us better understand tenants' experiences and improves our processes in addressing their needs and concerns.



Axis-REIT's **Annual Tenant Satisfaction Survey**, which seeks feedback on the overall experience as a tenant at an Axis-REIT property. The survey compiles tenants' evaluations of the Manager's services and response times, their likelihood of recommending Axis-REIT properties to other potential tenants, along with their overall satisfaction as a tenant at an Axis-REIT property. This includes evaluations of the physical properties, as well as the property management services rendered, such as safety and security, cleanliness, upkeep, as well as communications with the Property Management Team.

Key Initiatives

1 INCORPORATED ESG EVALUATIONS INTO THE TENANT SCREENING CHECKLIST

Conducted tenant screening on potential and existing tenants. Introduced evaluations on tenants' key ESG pillars, in line with the incorporation of ESG assessments and ratings into the Tenant Checklist in 2023. The evaluations included:

- ◆ Governance: Whether tenants have defined policies related to key ESG matters
- ◆ Social: Whether tenants adhere to the relevant labour standards and human rights practices
- ◆ Environment: Whether tenants have existing environmental practices in their organisation, such as water and energy conservation, as well as waste management policies.

2 RENOVATION MANUAL

Applied ESG considerations in the fit-out and refurbishment guide that must be adhered to by all tenants as well as the Manager when undertaking any renovation or enhancement works.

3 GREEN LEASES

Incorporated ESG elements and requirements into 3 tenancy agreements for a green-certified building in 2024, bringing the total number of green leases in Axis-REIT's portfolio to 4.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

4 INCLUDED KEY ESG ISSUES DURING TENANT ENGAGEMENTS

Maintained proactive tenant engagements and included discussions on ESG-related issues and strategies to help align Axis-REIT's real estate solutions and services with tenants' needs and expectations, as sustainability becomes increasingly material in our tenants' operations.

Successfully installed AED equipment at all multi-tenanted properties and organised AED and CPR awareness training for all tenants and staff to improve the safety and well-being of our tenants.

Assessed all our properties for water stress risk and engaged with the relevant tenants to evaluate their needs and implement appropriate action plans. For more details, please see the Water Management Sustainability Matter on pages 136 to 139 of this Report.

5 AEIs

Successfully upgraded 8 properties, incorporating green features such as energy-efficient lighting and cashless parking systems. The upgrades complied with the guidelines of our ESG-compliant refurbishment standards.

Upgraded fire-fighting systems from ordinary to high hazard levels and increased water tank storage capacities at selected properties to enhance safety and functionality.

More information on AEIs can be found in the Quality Assets & Services – Existing Assets Sustainability Matter on pages 119 to 121 of this Report.

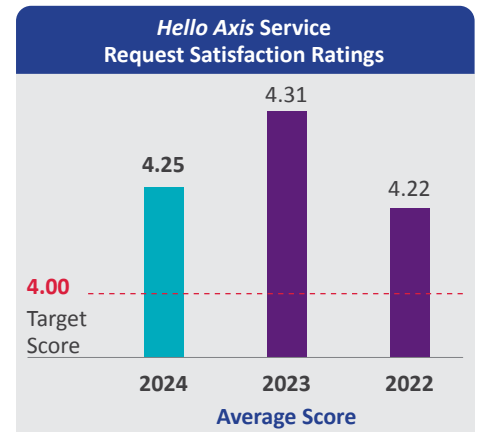
In addition to the above, we also responded to issues and complaints raised by our tenants during the year, the most common of which were as follows:

Common Tenant Issues / Expectations	Corrective Actions Taken in 2024
Smoking in common areas	Increased reminders to tenants and increased enforcement of non-smoking areas. Worked with tenants to raise awareness among their staff.
Lack of cashless payment options for parking	Began implementing cashless parking systems at multi-tenanted properties in the portfolio. Completed the implementation at 2 multi-tenanted properties during 2024, namely Axis Business Centre and Axis Technology Centre, with plans to roll out further cashless parking systems at other properties in 2025.

Targets & KPIs

We are pleased to report that our overall tenant satisfaction scores for both the *Hello Axis* Service Request Satisfaction Ratings and our Annual Tenant Satisfaction Survey remained well above our targets.

For the *Hello Axis* portal ratings, we garnered an average score of 4.25 in 2024, on a scale of 1 (poor) to 5 (excellent). This was a very slight decrease from the 4.31 score achieved in 2023, but still above our target to secure an average score of 4. The following tables present our average scores, along with an overview of the number of tickets raised, resolved, and outstanding in the last 3 years. There were 26 tickets outstanding at the end of 2024. These remained outstanding due to their timing, having been raised towards the end of the year. Efforts to address these outstanding tickets is in progress.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Property Type	Hello Axis Service Requests (tickets)		
	Raised	Resolved	Outstanding
	2024		
Multi-Tenant	69	67	2
Single-Tenant	158	134	24
	2023		
Multi-Tenant	32	32	0
Single-Tenant	202	174	28*
	2022		
Multi-Tenant	55	55	0
Single-Tenant	98	87	11**

* resolved in 2024

** resolved in 2023

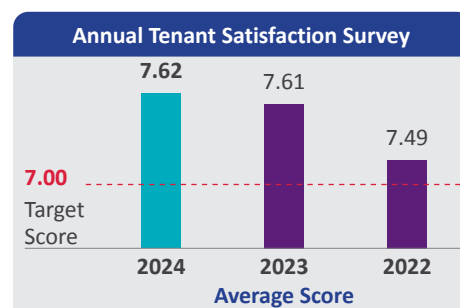
Hello Axis Service Request Satisfaction Ratings						
	2024		2023		2022	
Multi-Tenant	<div><div></div><div></div><div></div><div></div><div></div></div> <div>4.25</div>	<div><div></div><div></div><div></div><div></div><div></div></div> <div>4.50</div>	<div><div></div><div></div><div></div><div></div><div></div></div> <div>4.44</div>			
Single-Tenant	<div><div></div><div></div><div></div><div></div><div></div></div> <div>4.24</div>	<div><div></div><div></div><div></div><div></div><div></div></div> <div>4.12</div>	<div><div></div><div></div><div></div><div></div><div></div></div> <div>4.00</div>			
Weighted Average	<div><div></div><div></div><div></div><div></div><div></div></div> <div>4.25</div>	<div><div></div><div></div><div></div><div></div><div></div></div> <div>4.31</div>	<div><div></div><div></div><div></div><div></div><div></div></div> <div>4.22</div>			

In 2024, we successfully responded to 97% of tickets at both multi-tenanted and single-tenanted properties within 24 hours of the tickets being raised. For multi-tenanted properties, this marked an improvement from our 2023 performance, where we responded to 91% of tickets within 24 hours. Meanwhile, our performance for single-tenanted properties remained on par with that of 2023.

Property Type	2024		2023		2022	
	Ticket Response Time					
	< 24 hours	> 24 hours	< 24 hours	> 24 hours	< 24 hours	> 24 hours
Multi-Tenant	97%	3%	91%	9%	85%	15%
Single-Tenant	97%	3%	97%	3%	96%	4%

For our 2024 Annual Tenant Satisfaction Survey, we achieved an average score of 7.62 based on a scale of 1 (poor) to 10 (excellent). This exceeded our target score of 7 and was a slight uptick from our average score of 7.61 in 2023.

Our results for 2024 saw improvements in the scores for safety and security, cleanliness and upkeep, satisfaction with property management, and the likelihood of recommendation when compared to those of the previous year.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Tenant Satisfaction Survey	2024	2023	2022
Services & Response Time	7.61	7.79	7.36
Likelihood of Recommendation	7.58	7.42	7.61
Satisfaction with Property Management (Overall experience as a tenant)	7.45	7.42	7.52
Safety & Security	8.10	7.95	7.89
Cleanliness & Upkeep	7.52	7.43	N/A
Communication Channels	7.47	7.64	7.06



Axis-REIT's property portfolio continued to record a high take-up rate in 2024, with year-end occupancy at 95% - slightly below that of 2023 but within our target of keeping it above 90%.



Outlook

Looking ahead, the Manager aims to enhance Axis-REIT's property solutions and services to maximise tenant satisfaction. Our focus remains on delivering safe and conducive properties that meet tenants' business needs. Concurrently, we also remain committed to sustainable long-term growth and will enforce operational strategies, refine maintenance routines, and deepen tenant engagement towards achieving these goals.

We are optimistic in our outlook for 2025, aiming to maintain the portfolio occupancy rate at above 90% through our focus on tenant satisfaction and robust renewal strategies, in addition to attracting new tenants. We will continue to strengthen our tenant engagement initiatives to lift renewal rates and drive existing tenants' space expansion within our portfolio. This will include collecting feedback and suggestions for continuous improvements to align our real estate solutions and services with tenant needs and expectations, while reinforcing our commitment to excellence.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Quality Assets & Services – New Acquisitions



Axis-REIT's mission is to grow its portfolio to provide consistent distributions to Unitholders. Towards this end, the Manager ensures that the Fund has a robust pipeline of yield-accretive acquisition targets and potential development opportunities under consideration. While our selection of acquisition and development targets remains dynamic — adapting to market conditions, the Manager's strategic plans, and emerging opportunities — a clear trend has been the growing emphasis on ESG considerations in the selection process and the drive to include more green-certified buildings into the property portfolio. This is in line with market demand, stakeholder and tenant expectations, as well as the Fund's own sustainability targets.

We adopt a disciplined approach to property acquisitions and developments, guided by internal policies that shape our investment decisions. These policies are designed to identify, assess, and manage economic, financial, and ESG-related risks and opportunities, ensuring that each addition to our portfolio is strategic, yield-accretive, and value-enhancing. This approach safeguards the value of the Fund's property portfolio, the interests of stakeholders, and the surrounding environment. These policies are integrated into our feasibility studies and due diligence processes in evaluating potential property acquisitions and development opportunities. Only properties and projects that meet our assessment criteria are presented to the Board for approval and subsequently recommended to the Trustee for execution.

In 4Q 2023, we enhanced our due diligence checklist to incorporate climate-risk

vulnerability assessments and in 2024, began evaluating all potential acquisitions and development projects against the additional criteria. These updated criteria enable us to identify and address flooding risks, adopt resource-efficient design practices, and evaluate properties more holistically from an ESG perspective.

In 2024, we undertook an assessment to identify and assess our climate-related risks and opportunities for the Fund's portfolio and operations. To build on this, our next step is to conduct a comprehensive scenario analysis in 2025 that will strengthen the resilience of our portfolio and enhance our portfolio management strategy.

Over the past year, we also included ESG clauses into new lease agreements for 3 new tenants. Moving forward, we will explore facilitating our tenants' use of renewable

energy, the installation of EV charging stations at selected properties, and adding ESG clauses in lease agreements to further support sustainability across our portfolio. Details of our ESG strategy are available in the Environmental section of this Report, while details of our due diligence and ESG scoring systems are described below.

Key Initiatives

NEW PROPERTY ACQUISITIONS - INITIAL DUE DILIGENCE ASSESSMENT CHECKLIST

We conduct a comprehensive due diligence assessment that includes a robust scoring system for all potential acquisitions. This process was enhanced to include climate risk vulnerability assessments. Each target is assessed and rated against

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

a detailed scoring checklist covering key criteria to ensure alignment with our strategic priorities and risk management framework, including:

1. Proximity and access to public transportation networks
2. Risk of flooding in current location
3. Proximity of location to natural water sources
4. Assessment of past soil settlement issues
5. Assessment of potential hazards from adjacent properties/land
6. Evaluation of green building features such as rainwater harvesting tanks, LED lighting, and solar panels
7. Assessment of proper storage of scheduled waste
8. Assessment of vulnerability to climate risks in the real estate life cycle
9. Observation on use of asbestos

As part of our due diligence process, an Environmental Site Assessment (ESA) may be conducted where necessary to evaluate potential environmental risks. This includes reviewing a site's historical information, conducting soil and groundwater sampling to identify contamination, and determining compliance with applicable local and federal regulations. The findings of the ESA guide our next steps, including the development of remedial actions to address identified issues or liabilities. In 2024, we conducted 1 ESA on a property we acquired pursuant to the findings of our due diligence process.

NEW DEVELOPMENTS/MAJOR AEIs - INITIAL DUE DILIGENCE ASSESSMENT CHECKLIST

The Manager proactively identifies and evaluates new development

opportunities to strategically expand the portfolio. Guided by comprehensive guidelines, we ensure all projects are commercially viable, compliant with regulatory criteria, and value-enhancing for the Fund and its stakeholders. The assessment process includes:

1. Conducting feasibility studies to assess the suitability of all projects
2. Sourcing of potential land/properties that fulfill the project's requirements
3. Calculating the development project costs and revenue projections
4. Coordinating due diligence site inspections on shortlisted properties
5. Conducting vulnerability assessments on climate risks
6. Conducting ESAs (if necessary), in line with regulatory requirements
7. Conducting Traffic Impact Assessments and review of public transportation access during the design and development stages for all new developments

Our experienced Project Management Team oversees each development from inception to completion, ensuring projects are delivered to specification, on schedule, and within budget.

TARGET FOR GREEN BUILDING CERTIFICATION

Our Environmental Policy underpins our commitment towards environmental sustainability. Guided by this policy, we seek to increase the number of green-certified buildings in the Fund's portfolio, targeting to obtain at least 1 green building certification for its portfolio every year.

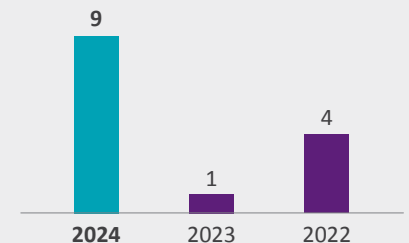
Towards this end, we include considerations for green building certifications (building management standards) in evaluating potential acquisitions and development projects. We also seek such accreditations for our existing properties through major refurbishments, where possible.

Targets & KPIs

2024 was a robust year for acquisitions. Axis-REIT completed the acquisitions of 8 properties, with one more acquisition currently in progress. All acquisitions underwent rigorous initial due diligence assessments and were approved upon achieving satisfactory results.

On the development front, we successfully completed a logistics warehouse, Axis Mega Distribution Centre (Phase 2), on schedule. Built to cater to strong demand for Grade A purpose-built facilities, this warehouse is currently 100% occupied at the point of reporting. These achievements underscore our commitment to delivering high-quality, purpose-built assets that meet the evolving needs of our tenants and stakeholders.

Number of Acquisitions and Developments Completed



More information on our acquisitions and development projects is presented in the Investment Review section on pages 59 to 66 of this Report.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

In 2024, the Fund achieved notable progress in green certifications, securing 1 new certification and confirming final certifications for 3 properties (that previously held provisional certifications). These achievements demonstrate and reaffirm our commitment to sustainable building practices. With these certifications, the Fund has 6 green building certifications for 5 properties which account for 20.61% of total space under management as at 31 December 2024. This reflects our conscious efforts to include considerations for green building certifications (building management standards) in evaluating potential acquisitions and development projects, and pursuing such accreditations for our existing properties through major refurbishments and AEs, where feasible.

Properties with Green Building Certification (Building Management Standards)		
Properties	Type of Certification	Date of Final Certification
DW1 Logistics Warehouse	GBI Certified	June 2024*
Axis Facility 2 @ Bukit Raja	GreenRE Silver	September 2023
Bukit Raja Distribution Centre 2	GreenRE Gold	August 2024
Axis Mega Distribution Centre (Phase 1)**	GreenRE Silver	December 2024
Axis Mega Distribution Centre (Phase 2)**	GreenRE Gold	December 2024
Axis Aerotech Centre @ Subang	GreenRE Bronze	December 2024

Green Building Certification Profile		
Total Number of Properties with Green Building Certification	% of Total Property Portfolio with Green Building Certification	% of Space Under Management with Green Building Certification
5**	7.25%	20.61%

* Date of certificate renewal.

** Axis Mega Distribution Centre comprises 2 phases (Phase 1 and Phase 2), and is considered to be 1 large property with 2 separate buildings. Phase 1 was completed in 2018 and Phase 2 was completed in 2024, with each having separate green building certifications.



Target

To obtain at least 1 green building certification for the portfolio every year

Outlook

In the coming year, we will further strengthen our commitment to managing both physical and transition climate-related risks in alignment with the Fund's sustainability objectives. Building on our prior work in climate risk assessments, we will enhance our approach by integrating more advanced climate adaptation and risk mitigation strategies, while focusing on continuous monitoring of emerging risks that could impact our property portfolio. In line with this, in 2025, we are planning to incorporate a water stress vulnerability assessment in the Initial Due Diligence Assessment for all new investments and developments.

To reduce our environmental footprint, we will continue to conduct feasibility studies on our properties to incorporate the latest green technologies across the Fund's portfolio. Additionally, we will deepen our focus on acquiring green building-certified properties where possible and advance sustainable development projects, with an enhanced goal of securing green certifications annually. This will ensure that sustainability remains at the core of our operations and investments.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

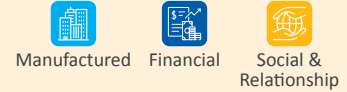


Quality Assets & Services – Existing Assets

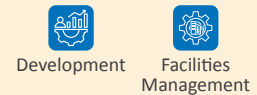


Axis Technology Centre

Capitals



Strategic Pillars



Business Risks



UN SDGs



Maintaining the quality of Axis-REIT's property portfolio and services is essential to deliver long-term sustainability, profitability, and growth. To create long-term value for stakeholders and investors, we take a disciplined approach in managing the Fund's existing properties, prioritising regular maintenance and strategic AEIs to ensure the portfolio remains resilient and relevant.

Our efforts in maintaining the quality of the Fund's existing properties and services are guided by 4 key policies and guidelines, which are periodically reviewed and enhanced to ensure their relevance and effectiveness:

1. Environmental Policy

Our Environmental Policy demonstrates our dedication to sustainability. It details the methods we use to reach our sustainability objectives. In managing existing properties, this means improving and incorporating sustainability features, such as using eco-friendly materials and resource-efficient fixtures and fittings during maintenance, upgrades, and refurbishment projects. These investments not only reduce operational costs and support our sustainability goals, but also assist our tenants in reaching their own sustainability targets.

2. HSE Policy

Our HSE Policy outlines our dedication to achieving excellence in health, safety, and environmental practices, with the aim

of providing a safe working environment for our employees, tenants, contractors, community, and other stakeholders. In line with this policy, the Property Management Team has implemented various measures to uphold health and safety standards in the maintenance of the Fund's existing properties and services. These measures include conducting periodic HSE audits, as well as establishing and implementing an Onsite Vendor Assessment that incorporates human rights elements to ensure ongoing compliance with regulatory requirements.

3. Operations Manual

The Operations Manual for Axis-REIT includes internally developed procedures and policies that guide our planning, decision-making, and daily activities in managing Axis-REIT. This encompasses property maintenance and enhancement initiatives with the aim of maintaining and improving the quality of Axis-REIT's existing properties. The procedures and policies are designed to provide tenants with safe, secure, clean, and conducive working

environments, while also preserving and enhancing the value of the properties in an efficient and sustainable manner. In 2024, we updated the Operations Manual to further define the reporting flow for occupational health and safety management.

4. Renovation Manual

Our Renovation Manual outlines the guidelines and practices for renovating properties in our portfolio. It incorporates ESG considerations and addresses waste management practices, such as the 5R concept, as well as the safe disposal of scheduled waste. Additionally, it covers topics related to water and electricity conservation through responsible usage and the installation of water and energy-saving fixtures. Its inclusion of clauses on the use of low volatile organic compound materials aligns with international standards and labour regulations. In 2024, we updated our existing renovation guidelines to align with recent changes in the Occupational Safety and Health Act 1994 that was amended in 2022.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

We are responsible for maintaining the quality and physical condition of all properties in Axis-REIT's portfolio through planned preventive and ad-hoc maintenance services. We work to ensure that all upgrades, refurbishments, AEIs, and redevelopment projects involving existing properties are carried out in accordance with the Operations Manual and the Renovation Manual, and that the work is completed on schedule and within budget.

We also closely supervise service providers and contractors who are appointed to undertake planned preventive maintenance work to ensure that the services rendered meet the agreed specifications and comply with the applicable guidelines. We keep regular communication with our suppliers and service providers to facilitate consultation and address required improvements. This establishes an efficient planned preventive maintenance schedule to reduce downtime arising from systems and services failures, such as lift and air-conditioning systems breakdowns.

Key Initiatives

We have established an ESG strategy for major AEIs and development projects. The strategy covers aspects such as energy consumption, green building certifications, indoor environmental quality, material sourcing, as well as water management and waste management. For further details, please see the Environmental section on pages 131 to 143 of this Report. Additionally, we are considering procuring renewable energy and installing EV chargers at selected properties.

The Manager ensures that all properties are adequately and effectively maintained throughout their service life, and that maintenance efforts are planned and executed efficiently through our preventive maintenance programmes. This ensures that appropriate decisions are made in selecting maintenance strategies based on the allocated budget. We also strive to preserve the value of the Fund's portfolio by maintaining

and enhancing the aesthetic appeal and functionality of our properties.

Key initiatives include:

MULTI-TENANTED PROPERTIES

- Implementing AEIs as needed to ensure that properties remain relevant and competitive in the market
- Conducting scheduled checks on mechanical, electrical, and plumbing (MEP) systems and non-MEP systems
- Keeping updated records on compliance with the building codes
- Inspecting accessibility for disabled persons at all buildings according to the Uniform Building By-Laws (UBBL) 1984 and improving this, where possible, when undertaking AEIs
- Appointing only competent suppliers and service providers to undertake routine and ad-hoc service and maintenance work, as recommended in the Operations Manual
- Reviewing annual preventive maintenance checks, policies, and procedures to identify any gaps and areas for improvement
- Regularly communicating and engaging with tenants to obtain feedback on the functionality of facilities and services
- Conducting routine in-house and outsourced training on MEP services to ensure the relevant employees have the necessary technical skills and knowledge to perform their duties competently
- Conducting routine building inspections and audits according to the daily inspection checklist
- Engaging Takaful operators to conduct annual Risk Management Surveys

- Engaging external consultants (energy auditors, civil and structural engineers, firefighting consultants, and indoor air quality specialists) for expert input and recommendations
- Ensuring compliance with all relevant building codes (Fire Certificates, Certificate of Completion and Compliance, Business Licenses, etc.)

SINGLE-TENANTED PROPERTIES

- Implementing AEIs as needed to ensure that properties remain relevant and competitive in the market
- Regularly visiting the Fund's single-tenanted properties to inspect the buildings' structures, overall condition, and MEP systems
- Keeping updated records on compliance with the building codes
- Inspecting accessibility for disabled persons at all buildings according to the UBBL 1984 and improving this, where possible, when undertaking AEIs
- Issuing monthly reports to tenants that include the general property condition, compliance to the building codes, and any corrective actions required by the landlord and/or tenant
- Engaging Takaful operators to conduct annual Risk Management Surveys
- Engaging external consultants, as well as federal and state government agencies, on flood mitigation plans in areas with moderate to high flooding risk
- Maintenance and upgrading (where necessary) of drainage systems within our property boundaries

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

We conduct monthly meetings with suppliers and service providers to facilitate regular engagement, discuss areas of improvement, and identify the necessary actions to enhance the quality and efficiency of their services. We also organise monthly training sessions for the Property Management Team, suppliers and service providers to ensure they are competent and up-to-date on technical and regulatory developments. The courses typically focus on health and safety, as well as technical and non-technical skills.

In 2024, we organised 48 training sessions, covering topics such as Safety Induction Training, Management of Psychosocial Risks at the Workplace, Lessons from Court Cases, CPR & AED Awareness Training, and Fire Safety Awareness & Emergency Evacuation Training. A total of 931 participants, comprising the Property Management Team, suppliers and service providers, and tenants attended these programmes.

Targets & KPIs

In 2024, the Manager implemented key AEs at 8 properties across Axis-REIT's portfolio. All 8 AEs incorporated sustainability considerations such as installing energy-efficient and water-saving fittings to optimise operating costs and reduce the Fund's environmental footprint.

8
Number of key AEs
in 2024

100%
Percentage of AEs incorporating
sustainability considerations

The Property Management Team oversaw the following AEs in 2024:

Property	Description of AE
Axis Shah Alam Distribution Centre 3	<ul style="list-style-type: none"> Constructed a new TNB substation (Low Voltage) to supply an additional 1,000 amps to the property Constructed a flood mitigation wall with flood shutters and installed water discharge pumps Enhanced fire-fighting systems from Ordinary Hazard to High Hazard, which supports tenants' in-rack sprinkler systems Installed an additional water tank, increasing the water storage capacity from 10,000 to 40,000 litres Repurposed an old firefighting water tank as a rainwater harvesting tank
Axis Shah Alam Distribution Centre 4	<ul style="list-style-type: none"> Upgraded the domestic cold water pipe reticulation system, leading to a significant reduction in water consumption
D21 Industrial Facility (formerly known as D21 Logistics Warehouse)	<ul style="list-style-type: none"> Upgraded the existing sprinkler system to Early Suppression Fast Response sprinklers that conform to FM Global standards
Axis Business Campus	<ul style="list-style-type: none"> Upgraded the existing conventional carpark system to a cashless parking system
Axis Technology Centre	<ul style="list-style-type: none"> Upgraded the existing conventional carpark system to a cashless parking system Installed a ramp to enhance accessibility for individuals with disabilities Installed a new lift to improve access to rooftop parking
Axis Mega Distribution Centre (Phase 1) and (Phase 2)	<ul style="list-style-type: none"> Installed a new permanent safety lifeline on the warehouse roof to enhance fall protection at Axis Mega Distribution Centre (Phase 1) Installed a new cashless carpark system
Axis Shah Alam Distribution Centre 1	<ul style="list-style-type: none"> Strengthened the roof's steel structure to support solar panels
Axis Hypermarket @ Sungai Petani	<ul style="list-style-type: none"> Upgraded the smoke spill system to comply with BOMBA requirements

Outlook

The Manager will continue to maintain and enhance the Fund's existing properties while incorporating the relevant sustainability considerations, including flood mitigation plans for properties in flood-prone areas.

Following the implementation of cashless parking systems at selected properties in 2024, we plan to upgrade the existing conventional parking systems for at least two more multi-tenanted properties with cashless systems in the coming year. Additionally, we also plan to install EV charging stations at selected multi-tenanted properties in line with our commitment to sustainability and to cater to rising demand for such facilities.

In 2023, we submitted an application to the land office to renew the lease period of 1 property, which is currently underway. We will continue to evaluate the land tenure profiles of our leasehold properties to determine renewal requirements in the coming year.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Responsible Supply Chain Management



We are committed to entrenching long-term ESG values throughout our supply chain. We work closely with our suppliers and service providers to ensure they understand and are aligned with our values and expectations. This cooperation helps ensure that our supply chain upholds the same ethical values and sustainable practices, which reinforces our commitment to integrity, environmental stewardship, and social responsibility.

The Property Management Team has implemented a comprehensive system of checks and measures to ensure that all goods and services procured meet our stringent quality standards, and are sourced exclusively from reputable suppliers and service providers (including for security personnel, cleaners, and contractors). This system consists of a pre-qualification assessment, an annual supplier evaluation, and adherence to a Supplier Code of Conduct, which are outlined below. We also prioritise sourcing from local companies to support the local economy and community. These measures not only minimise the risk of supply chain disruptions, but also incorporate ESG criteria to advance the Fund's sustainability agenda and reduce its exposure to legal, reputational, and financial risks.

Pre-qualification Assessment

Prior to engaging new suppliers and service providers, we conduct a rigorous pre-qualification assessment. This process evaluates the candidates' financial stability, while identifying possible ethical

and reputational risks through methods such as CTOS screenings and thorough background checks. It also assesses their ESG commitments and practices. Only companies that achieve satisfactory scores and meet our stringent standards are added to the Fund's list of approved suppliers. This ensures that we partner with entities that align with our values and contribute to our goals of sustainability and ethical business practices.

Annual Supplier Evaluation

We perform comprehensive annual evaluations on our existing suppliers and service providers to assess their performance and identify opportunities for improvement. These evaluations cover key areas such as responsiveness, pricing, delivery, quality, after-sales service, management effectiveness, and adherence to our Supplier Code of Conduct. As part of this process, we also conduct annual

CTOS verifications to confirm our suppliers' continued financial stability.

Suppliers who achieve satisfactory scores in these evaluations are retained for future engagements, while those who do not meet our standards may face temporary suspension or be removed from our list of approved suppliers. Through regular engagements with our suppliers and service providers, we strengthen relationships, drive positive performance, and minimise supply chain risks. This helps us consistently deliver best-in-class services to our tenants and other stakeholders, supporting our overarching goals of excellence and sustainability.

Supplier Evaluation Criteria



Responsiveness

- On requests for quotations/proposals
- On technical/commercial requests

Capitals



Social & Relationship

Strategic Pillars



Development



Facilities Management



Investment

Business Risks



Development



Real Estate Management



Investment



Global

UN SDGs



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Price

- Competitiveness of pricing
- Terms and conditions
- Billing/Invoicing

Delivery

- Timeliness
- Flexibility on delivery
- Responsiveness to requests
- Resolution of delays

Quality

- Consistency of quality
- Submission of required documentation
- Conformity to drawings and HSE requirements
- Job site performance/quality of work

After Service

- Technical support and expertise
- Defect rectification
- Other support/closure

Effectiveness of Management

- Professional conduct and communication
- Effectiveness of job-site supervision
- Adoption of ESG/sustainability initiatives, processes, and procedures

Compliance with Supplier Code of Conduct

- Quality standards
- Business ethics
- Compliance with human rights standards and labour laws
- Compliance with environmental laws, PDPA, and HSE Policy

Financial Standing

- CTOS checks

Supplier Code of Conduct

Our Supplier Code of Conduct comprehensively evaluates suppliers' ethics, business integrity, labour standards, and their practices regarding human rights, health and safety, and

environmental sustainability. We mandate that all our suppliers and service providers comply with this code, which is publicly accessible on our website. This ensures they adhere to the high standards of business practices we uphold.

Our Supplier Code of Conduct also empowers suppliers to report any unlawful or unethical practices, or instances of non-compliance or impropriety through Axis-REIT's established whistle-blowing channels. This mechanism ensures transparency and accountability within our supply chain. In addition, our Facilities Managers and Health, Safety, Security, and Environment (HSSE) Manager regularly engage with suppliers and service providers. These meetings are conducted to discuss products and services, address operational issues, and overcome challenges together. This ongoing dialogue helps us maintain strong, transparent relationships and ensures our supply chain is aligned with our commitment to excellence, safety, and sustainability.

Key Initiatives

Our initiatives in 2024 continued to reinforce the integrity and resilience of our supply chain in creating long-term value to all our stakeholders. These included:

4 initiatives to reinforce the integrity and resilience of our supply chain

- ◆ Maintained stringent supplier pre-qualification processes, which subjected all potential new suppliers to comprehensive evaluations by the Property Management Team and the Finance Team, before admission to our list of approved suppliers
- ◆ Updated the vendor pre-qualification form to record exemptions to approve vendors with unfavourable CTOS and SSM assessments

- ◆ Broadened our vendor pre-qualification process to incorporate checks against the Malaysian Anti-Corruption Commission's (MACC) Corruption Offender Database, in addition to CTOS and SSM checks
- ◆ Conducted regular assessments through training, ad-hoc site visits, and audits by the HSSE Manager and onsite personnel to ensure compliance with HSE practices at all ongoing developments, maintenance, and AEI project sites
- ◆ Conducted regular health and safety training sessions for suppliers and other relevant external parties to ensure compliance with our HSE Policy and Supplier Code of Conduct

Targets & KPIs

Since incorporating our Supplier Code of Conduct into the supplier evaluation process in 2021, we have regularly reviewed and enhanced our vendor pre-qualification and evaluation processes to ensure we engage and retain reputable and reliable suppliers. This has significantly improved the efficiency and resilience of our supply chain by setting clear expectations for our suppliers.

We are pleased to report that we did not incur any fines or penalties related to our supply chain during 2024. Additionally, all AEIs, development and maintenance projects were successfully completed on schedule. These accomplishments reflect the success of our ongoing efforts in maintaining an efficient, ethical, and compliant supply chain.

Supplier Statistics

As part of the supplier evaluation process in 2024, the Property Management Team evaluated 207 suppliers on Axis-REIT's panel, which are all 100% local companies. Following this evaluation, 2 suppliers were removed from the panel due to changes in their company registrations. During the year, we also admitted 7 new suppliers to our panel.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Supplier Statistics	2024	2023	2022
No. of suppliers subjected to annual evaluation	207	191	128
No. of new suppliers subjected to pre-qualification assessment	7	20	66
No. of suspended suppliers	0	0	0
No. of de-listed suppliers	2	4	3

Annual Procurement: Local Suppliers

The Property Management Division procured RM72.7 million in goods and services (excluding government-related expenses) for Axis-REIT during 2024, a decrease from RM196.2 million in 2023. The reduction reflects the higher expenses in 2023, which were attributed to development and major AEI projects undertaken then. In line with our commitment to engaging local suppliers where possible, we are pleased to note that all procurements in the last 3 financial years were transacted with local suppliers.

Total Procurement Spent on Local Suppliers (RM million)	
2024	72.7
2023	196.2*
2022	77.7*

* This data has been restated due to an update in the calculation methodology.

Supplier Training

As part of our commitment to facilitate continuous process improvements, we conduct supplier training courses that focus on Axis-REIT's HSE Policy, safety requirements, regulatory requirements, and hazard risk assessments. The number of programmes that we offer every year depends on the number of active AEIs, developments, and maintenance projects. In 2024, we held a total of 32 training programmes that drew 592 attendees from our suppliers and service providers, including housekeeping staff.

Supplier Training Courses		
Year	Total number of training programmes offered to suppliers	Total number of attendees
2024	32	592
2023	48	884
2022	34	450

Screening and Audit of Suppliers against ESG Criteria

During 2024, we continued assessing our suppliers' and service providers' compliance with our On-site Vendor Assessment Checklist. We conducted ESG audits on health, safety, environment, and human rights practices. The Property Management Team conducted the ESG audits on 6 of our key suppliers and service providers. These audits aimed to identify if there were any potential ESG-related risks within their operations and to develop suitable mitigation plans if necessary. The audit covered areas of concern from our Supplier Code of Conduct, HSE Policy, and Environmental Policy, including labour standards and human rights, health and safety, quality standards, and the environment. We are pleased to report that the audits conducted in 2024 did not identify any instances of non-compliance with our policies and standards.

Outlook

In 2025, we will continue collaborating with our suppliers and service providers to further refine our supply chain management practices. We will focus on ensuring strict adherence to our Supplier Code of Conduct through rigorous pre-qualification assessments, comprehensive annual evaluations, and regular site audits.

We remain committed to preserving and upholding human rights among key registered vendors, and will document and take appropriate corrective actions for any instances of non-compliance. These initiatives will ensure that our ESG values, practices, and commitments are consistently maintained throughout our supply chain.

In addition to these measures, we will initiate targeted training programmes and workshops to enhance the understanding and implementation of ESG principles among our key suppliers and service providers. This proactive approach will not only reinforce our commitment to sustainability and ethical practices, but also foster deeper, more productive relationships with our supply chain partners.

By prioritising these efforts, we aim to build a more resilient, transparent, and responsible supply chain, positioning the Fund to meet its long-term sustainability goals and deliver exceptional value to all stakeholders.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

GOVERNANCE



Business Ethics



Capitals



Social & Relationship

Strategic Pillars



Investment



Development



Facilities Management



Real Estate



Capital Management



Governance

Business Risks



Human Resource



Global Investment



UN SDGs



We uphold the highest standards of business ethics in managing the Fund, always ensuring full compliance with all legal and regulatory requirements. This commitment to business ethics guides every aspect of our operations, from strategic planning and investment decision-making, to our daily activities in property management, finance, and human resources. We believe that maintaining these principles is essential for establishing an impeccable reputation, building stakeholder trust, and ensuring the long-term success and sustainability of the Fund.

To safeguard stakeholder interests, we continuously monitor and regularly assess the business practices and governance frameworks that guide the Fund. We stay informed about developments in the political, economic, and business landscapes, paying close attention to emerging factors such as workplace cultural shifts, digital trends, geopolitics, heightened data safety and security requirements, as well as climate change risks. These efforts protect the Fund's institutional integrity and are aligned with our goal of establishing an agile and resilient organisation.

The Board plays a crucial role in providing exemplary leadership and governance, ensuring transparency, accountability, and responsibility in steering the strategic direction of Axis-REIT. Guided by the Board Charter, which outlines the Manager's key principles and ethical guidelines, the Board ensures the effective and accountable execution of its duties. Additionally, the Board oversees key policies that guide Axis-REIT, including the

Code of Conduct, Whistle-Blowing Policy, and ACF Policy.

At both management and operational levels, the Manager adheres to a comprehensive Code of Conduct. This framework reflects our commitment to maintaining the highest standards of integrity, extending to all employees representing the Manager and Axis-REIT. It includes guidelines for managing conflicts of interest, maintaining privacy and confidentiality, handling gifts and entertainment, and upholding professional behaviour standards. New employees undergo an induction programme facilitated by the Human Resource department, which includes a presentation of the Code of Conduct and other essential policies.

In addition to the Board Charter and the Code of Conduct, the Manager's Whistle-Blowing Policy and ACF Policy provide clear avenues for employees, directors, suppliers, and tenants to report any misconduct, criminal

offenses, or malpractices. These policies, which are compliant with the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009), commit the Manager to acting professionally, fairly, and with integrity in all business dealings, consistently upholding the law across our supply chain. We communicate these policies to our supply chain through our Supplier Code of Conduct and include compliance checks as part of our annual supplier evaluation process.

The Compliance Team supports the CEO in overseeing all ethics and governance matters, ensuring adherence to related policies and procedures. In consultation with relevant experts, the Compliance Team is responsible for proposing necessary revisions to the Manager's corporate policies and procedures for the Board's consideration, comments, and approval. This collaborative approach ensures that our governance framework remains robust, relevant, and effective in fostering an ethical organisational culture.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



The Code of Conduct, Whistle-Blowing Policy and the ACF Policy are publicly available and can be accessed at www.axis-reit.com.my/investor/corporate_governance.php.

Whistle-Blowing Policy

Purpose: Pertains to the handling of all reports of improprieties involving the business, operations, or employees. Defines how all concerns raised are to be treated fairly, and for the anonymity of the whistleblower to be protected. Where the issue warrants further investigation, the Manager will carry out the necessary inquiries and corrective measures.

Application: The Policy is designed to:

- 1 Clearly define the procedures that provide a secure avenue for whistleblowing, including the detailed reporting procedures, documentations, and investigation process.
- 2 Support the Manager's values and maintain a high standard of integrity and accountability.
- 3 Ensure stakeholders can raise concerns without fear of reprisal.
- 4 Provide a clear and confidential process for dealing with concerns raised, including incidents relating to human rights and malpractices.
- 5 Facilitate the development of preventative measures to avoid any recurrences of improprieties and malpractices.

The Manager will protect whistleblowers against retaliation, even if the matter raised proves to be a mistake, as long as the report was made in good faith. However, this protection does not extend to individuals who knowingly make false claims.

Axis-REIT has a designated email address for whistleblowing, i.e., integrity@axis-reit.com.my. Messages to this email address are directed to the Independent Non-Executive Directors of the Manager as recipients, providing a secure whistleblowing channel for genuine reports to be lodged. The Manager will enhance and promote the accessibility of the whistle-blowing channels to ensure employees and third parties can report any suspected corruption or bribery incidents anonymously and without fear of retaliation.

ACF Policy

Axis-REIT has adopted a zero tolerance policy against all forms of bribery and corruption.

Purpose: Serves as a guideline in recognising and managing any incidents of bribery or corruption in the daily business and operations of the Manager. Defines bribery, corruption, conflict of interest, and the acceptable limits in relation to gifts, corporate hospitality, and entertainment.

Application: The Policy is designed to:

- 1 Clearly define bribery and corruption, as well as actions that are classified as offences by law.
- 2 Provide guidance on preventing bribery and corruption throughout the organisation, its related parties, and agents/contractors acting on behalf of the Manager.
- 3 Support the Manager's values and maintain a high standard of integrity and accountability.
- 4 Be communicated extensively through various channels (including our website, training sessions, and induction programmes).

Employees and third parties are encouraged to actively detect and prevent bribery and corruption. It is their responsibility, when acting for or on behalf of Axis-REIT, to report any incidents of bribery or corruption that they become aware of. Any charitable contribution, sponsorships, and CSR activities are reviewed by the CEO and approved by the Executive Committee of the Manager before being recommended to the Board and Trustee for final approval.

The Head of Compliance is the focal point for enquiries relating to the ACF Policy, and where necessary, professional legal advice will be sought.

The Whistle-Blowing and ACF Policies are continually reviewed and updated to ensure they are relevant, current, and aligned with the applicable laws, as well as the prevailing political, economic, and business landscape.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Key Initiatives

We conducted several notable initiatives in 2024 to reinforce the implementation of ethical business practices throughout our organisation. These are summarised in the table below:

Initiatives	Description
Review and revision of the ACF Policy (formerly known as the Anti-Bribery and Anti-Corruption Policy)	<ul style="list-style-type: none"> Revised the ACF Policy on 23 July 2024 to incorporate provisions on fraud and the requirement for all personnel to declare and record receipts of gifts with an estimated value of RM1,000 and above. Renamed as the ACF Policy to reflect the inclusion of fraud into the scope of the policy.
Enhancing anti-bribery awareness and obligations among Directors and employees of the Manager	<ul style="list-style-type: none"> An in-house training was organised in July 2024 to update the Directors on the revision to the ACF Policy, and at the same time, refresh their knowledge and understanding of the Policy. Conducted online refresher training courses on anti-bribery awareness for all existing employees in December 2024. Requiring new recruits to declare their understanding and compliance with the Code of Conduct on their completion of the induction programme.
Enhanced screening for managerial candidates	<ul style="list-style-type: none"> Enhanced due diligence/background checks for managerial positions, screening candidates against the MACC's Corruption Offender Database. This is aimed at ensuring our managerial hires have clean track records.
Assessment of corruption risks in the operations of the organisation	<ul style="list-style-type: none"> Conducted an internal audit on the Project Management Department in June 2024.
Undertaking KYC assessments to prevent money laundering activities	<ul style="list-style-type: none"> Integrated KYC assessments from an anti-money laundering perspective as a consideration in property divestments. Conducted our first KYC assessment on the purchaser in the disposal of Axis Steel Centre @ SiLC.
Testing internal controls within the organisation to identify deficiencies and potential money laundering risks	<ul style="list-style-type: none"> Conducted an internal audit to test existing internal controls and determined that the investments and leasing departments would be departments to conduct enhanced due diligence assessments on potential vendors and tenants to identify risks which may include money laundering risks.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Targets & KPIs

KPI			
	2024	2023	2022
No. of compliance breaches or misconduct	0	0	0
No. of whistleblowing reports or complaints received	0	0	0
Percentage of operations assessed for corruption-related risks	40%	20%	N/A

Percentage of Employees Who Attended Anti-bribery and Corruption-related Training by Employee Category				
	Senior Management	Middle Management	Executive	Non-Executive
2024	100%	100%	100%	100%
2023	100%	100%	100%	100%
2022	100%	100%	100%*	100%*

* Does not include an employee who was on hospitalisation leave when the training was conducted

We are pleased to report that with the continual reviews and enhancements to our processes and policies, as well as the continued commitment and compliance of the Board, Senior Management, and employees, we have not had any incidents related to breaches in business ethics. This has continued through 2024, where there were no incidents of compliance breaches or misconduct, and no whistleblowing reports or complaints lodged. Consequently, there was no action necessary.

Outlook

We will ensure that our internal operations consistently adhere to ethical business practices and that our processes and policies remain aligned with the MACC Act 2009. We will regularly review and update our Code of Conduct, ACF Policy, and Whistle-Blowing Policy. We will also continue to conduct internal audits on anti-corruption and anti-money laundering controls. We have designated the investments and leasing teams to conduct enhanced due diligence assessments during the onboarding of potential tenants, as well as on vendors for investment activities. This aims to minimise our risk of association with tenants or vendors who are of high risks (i.e., being involved in illegal, criminal or money laundering activities). We will also continue to apply the established KYC assessments on potential divestment activities.

We will continue to educate employees and third parties on the importance of business ethics through ongoing training sessions that are focused on ethical conduct, compliance, and the proper channels for reporting unethical behaviour. Additionally, we will review and improve existing due diligence procedures to evaluate potential business partners and third parties, ensuring that they adhere to anti-bribery and anti-corruption standards. This will include regular checks and continuous monitoring of their compliance with ethical business practices.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Cybersecurity & Data Protection



Capitals



Intellectual

Strategic Pillars



Governance

Business Risks



Human
Resource



Information
Technology

UN SDGs



We have embraced and integrated technology into our business operations to enhance efficiency and productivity, and to adjust to evolving consumer behaviours and expectations. In doing so, we are mindful of the increased exposure to various cybersecurity risks, including data privacy and security. As such, the Manager is dedicated to establishing a secure digital environment to protect this information and uphold the trust of our stakeholders.

The security of our tenants' and employees' information is our utmost priority. We are vigilant in implementing data safety measures to protect our business and people from cybersecurity-related threats. The Manager proactively monitors cybersecurity risks to avoid data breaches that may have a potential impact on our business. We continually upgrade and enhance our cybersecurity capabilities to address any gaps and mitigate risks that may develop amid the fast-evolving technological landscape.

We manage Axis-REIT's cybersecurity risks in accordance with the Manager's existing Cyber Risk Policy & Procedures. This Policy was revised in January 2024 to include a detailed description and process flow of the backup mechanism employed by the Manager. This complements the Manager's IT Guidelines, which prescribe the management and handling of confidential information, and ensures business continuity through the prevention

of unauthorised access, use, and disclosure of highly sensitive information.

In addition to the IT Guidelines and the Cyber Risk Policy & Procedures, the Manager also maintains a Cyber Hygiene Checklist as a guideline to adopt best practices in detecting and preventing cybersecurity incidents, as well as to formulate suitable strategies and preventive measures prescribed by the SC. The checklist has comprehensive coverage on various matters such as awareness training, as well as IT maintenance and upkeep in terms of system updates, network security management, malware protection, access management, backup and restore, and incident response and handling. The SC had, on 1 August 2023, issued the Guidelines on Technology Risk Management (TRM Guidelines) to promote robust and sound technology risk management practices among capital market entities. These entities were given a year to get acquainted with the risk management practices prescribed by the

TRM Guidelines, and put in place applicable IT controls before the said guidelines came into effect on 19 August 2024. We worked closely with our outsourced IT service provider to comply with the risk management practices prescribed by the TRM Guidelines. This has included assessing our existing processes and IT infrastructure to determine areas for improvement.

As a requirement of the TRM Guidelines, the Board formulated and approved our Technology Risk Management Framework (TRM Framework) in July 2024. The framework includes technology risk management, technology operations management, technology service provider management, and cybersecurity management. In December 2024, an internal audit was conducted to review all established IT policies, including comparing the TRM Framework against the TRM Guidelines. Thereafter, the internal auditor recommended areas for improvement, where necessary.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

The Manager takes data protection seriously as any potential non-compliance could have detrimental implications to the Fund. In ensuring compliance with the PDPA, the Manager publishes the Privacy Notice (which encompasses personal data protection principles stipulated under the PDPA) in both English and Malay on Axis-REIT's corporate website. The Manager also has a designated email address (pdpa@axis-reit.com.my) indicated on the Privacy Notice, where requests for data access, correction, and limitation of use can be sent.

Key Initiatives

We strive to ensure we have the highest security in place to safeguard important and confidential information against cyber threats. Towards this end, we maintain up-to-date and fit-for-purpose IT infrastructure, as well as subscription-based solutions that combine next generation antivirus, endpoint detection and response (EDR), managed threat hunting, integrated threat intelligence, and IT hygiene. The EDR system, monitored by our outsourced IT service provider, provides real time protection against malicious activities. We also ensure our Directors and employees are sufficiently knowledgeable and aware of cyber risks through training and awareness programmes.

Initiatives undertaken in 2024:

1 IMPLEMENTATION OF AN IT DISASTER RECOVERY PLAN

Successfully implemented our first IT disaster recovery exercise on 20 November 2024, facilitated by our third-party IT service provider.

2 CONDUCTED AN INTERNAL AUDIT OF OUR IT PROCESSES AND GOVERNANCE FRAMEWORK

Conducted an internal audit in December 2024 to review all established IT policies, including comparing our TRM Framework against the SC's TRM Guidelines. Thereafter, the internal auditor recommended areas for improvement, where necessary.

Our inaugural IT disaster recovery exercise was guided by the outsourced IT service provider and was implemented for the following objectives:

- (i) To test the effectiveness of the Manager's IT recovery plan;
- (ii) To enable employees to familiarise themselves with the technical recovery procedures.

The recovery exercise involved the simulation of an IT disaster, where information and communication technology facilities in the main office of the Manager were made unavailable, while a recovery exercise

was conducted at an off-site disaster recovery location designated by the Manager. The exercise was completed successfully with all pre-defined objectives met. The IT Disaster Recovery Test Report 2024 prepared by our outsourced service provider was presented to the Board in January 2025.

Targets & KPIs

Through our efforts in cybersecurity and data protection, we endeavour to maintain zero cybersecurity breaches to prevent the disruption of business workflows that rely heavily on data and to reduce any downtime and associated costs of data and network restoration.

KPI			
	2024	2023	2022
No. of cybersecurity breaches	0	0	0
Incidents of substantiated complaints concerning breaches of privacy and loss of personal data	0	0	0

Outlook

We actively manage cybersecurity risks by maintaining a comprehensive framework to monitor, assess, and respond to potential cyber-attacks. We conduct periodic reviews of our framework to ensure its alignment with the latest technology in the market. Additionally, we continuously monitor and ensure compliance with the PDPA among all employees.

We will conduct annual technology audits to ensure that information systems comply with regulatory requirements and industry guidelines. We will also safeguard data and information maintained in our IT systems with an appropriate level of confidentiality and integrity, and ensure that IT service operations are effectively managed. This includes improving security measures in accessing corporate emails with the application of multi-factor authentication for Office365. Additionally, we will continue to conduct annual IT disaster recovery exercises to ensure that we can respond effectively to any unexpected IT incidents and recover from such disruptions with minimal downtime.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

ENVIRONMENTAL



Energy & Carbon Footprint



Capitals



Natural

Strategic Pillars



Facilities
Management



Development

Business Risks



Environmental

UN SDGs



Effective energy and carbon management are critical priorities in managing Axis-REIT's property portfolio. The Manager's holistic approach to energy and carbon management aims to optimise energy consumption and operating costs, lower GHG emissions, and decrease the Fund's environmental footprint in line with our sustainability and long-term value creation goals.

Our efforts in managing the Fund's energy and carbon footprint are guided by our Environmental Policy, which addresses GHG emissions, energy, water, and waste management practices, as well as the use of sustainable materials and technologies, where possible. Our Renovation Manual also includes specific guidelines on the adoption of renewable energy and green building standards to drive sustainable practices among our tenants.

We ensure that all systems and installations in the Fund's property portfolio comply with the Electricity Supply Act 1990 (Act 447), the Electricity Regulations 1994, and have the relevant operating certificates and valid yearly renewable licenses. These systems are managed by an Energy Commission (EC) Malaysia-certified Chargeman, and are regularly audited for assurance on operational efficiency and compliance with environmental regulations.

The Facilities Management Team is responsible for managing the Fund's energy and carbon footprint. The HSSE Manager tracks and reviews monthly electricity consumption at multi-tenanted properties and, where necessary, flags any abnormal consumption patterns for investigation and corrective action by the respective Facility Managers.

In 2022, we engaged an external consultant to conduct an energy audit of the Fund's multi-tenanted properties. Based on the findings of the audit, we actively implemented initiatives to reduce our building energy intensity and improve the overall energy efficiency of these buildings. More recently, we also met with the EC to understand the new requirements and preparations needed for compliance with the EECA, which came into effect in January 2025.








Key Initiatives

Our energy and carbon footprint management initiatives include installing energy-efficient fittings and equipment in development projects and during AEs. We also undertake regular preventive maintenance programmes and ensure responsible energy usage through the implementation of energy reduction targets based on annual consumption patterns. We introduced quantifiable energy efficiency KPIs and have conducted independent third-party audits to verify the accuracy of our disclosures.

In 2024, we enhanced our ESG strategies for developments and AEs by obtaining additional green building certifications, enhancing energy efficiency and indoor environmental quality management programmes, and scaling up sustainability initiatives across the portfolio. This included leveraging advanced technologies, strengthening stakeholder collaboration, and implementing climate-resilient measures.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

The following tables summarise the energy and carbon management strategies that were implemented in 2024.

 Artificial Lighting	Use of energy-efficient lighting (such as LED and T8 lights) to minimise energy consumption required for lighting, while maintaining proper lighting levels
 Building Envelope Design	Optimising building orientation and window to wall ratios to reduce heat transmission and reduce energy consumption required for mechanical ventilation
 Daylighting	Optimising the use of natural sunlight by incorporating windows to reduce the need for artificial lighting in warehouses and common areas
 Ventilation in Common Areas	Including window openings in common areas (i.e., staircases and toilets) to reduce the need for mechanical ventilation, thereby reducing energy consumption
 Carbon Emissions	Calculating and monitoring operational carbon footprint and emissions based on the building's energy and water consumption data
 Energy Efficiency Improvement Plans	Implementing energy efficiency improvement plans and regularly reviewing their outcomes to achieve energy reduction targets
 PV-Ready Roof	Installation of roofs that allow physical access and design loads that are suitable for future photovoltaic (PV) panel installations

Energy and Carbon Management Initiatives in Property Management Operations

Our property management operations have integrated sustainability initiatives to enhance the portfolio's energy efficiency and reduce its energy and carbon footprint. These initiatives aim to lower both Scope 1 and Scope 2 GHG emissions from our property management operations and include:

- Replacing conventional lighting in common areas of multi-tenanted properties with LED lighting fitted with motion sensors. This is an ongoing initiative undertaken as part of regular AEIs.
- Replacing conventional lighting with LED lighting as part of refurbishment projects at selected single-tenanted properties, where possible.
- Checking, testing, and calibrating all MEP systems at regular intervals to ensure equipment and systems are operating efficiently.
- Leasing roof space for PV panel installation. As at 31 December 2024, 529,489 sq. ft. of roof space across the portfolio had been leased to tenants that are involved in harvesting solar energy and selling it back to the national electricity grid. Additionally, our tenants at 2 single-tenanted properties have also installed PV panels on the buildings' roofs to offset their electricity consumption.
- Upgrading electricity meters to TNB smart meters at all of our 69 properties, representing 100% of our property portfolio.
- Facilitating the installation of EV chargers by our tenants at selected buildings.
- Monitoring the energy efficiency of an air conditioning system using a Variable Refrigerant Volume Control System.


MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

8 Using low ozone depletion and low global warming potential refrigerant gas for our air-conditioning systems. This complies with the recommendations of the Montreal Protocol. Moving forward, we are exploring the procurement of green-certified refrigerant gas for our air-conditioning systems.

We are pleased to note that the Fund did not incur any fines or penalties for non-compliance with environmental laws or regulations in 2024. We also did not identify any areas or instances of non-compliance with environmental laws or regulations.

Managing Climate-Related Risks and Opportunities

During the year, we undertook a strategic assessment to identify and assess our climate-related risks and opportunities on our operations in the short, medium, and long-term, which ranged from acute and chronic weather events, to changes in the regulatory and operating environment.

 Details of our climate-related risks and opportunities assessment are presented in Our Climate Journey on pages 28 to 31 of this Report.

The identified risks and corresponding opportunities identified in the exercise were then ranked according to their potential impact to the Fund, and integrated into our ERM framework to ensure they remain a central focus in our strategic planning and day-to-day operations.

We also conducted a materiality assessment to assess and understand our impact in relation to Scope 3 GHG emissions. This included identifying the Scope 3 GHG emissions categories that are most material to our operations, which will in turn, guide our efforts in tracking and monitoring more complete Scope 3 GHG emissions data in the coming years.

In championing sustainability in collaboration with our tenants, we successfully negotiated green leases with 4 tenants to date. These green leases require tenants to have sustainability policies in place, and require the use of sustainable fittings and features. They also require tenants to disclose their energy and water consumption, as well as waste generation data. These will feed into our own climate disclosures in line with our intention to expand our Scope 3 GHG reporting initiatives in the coming years.

Separately, we are also looking to work with tenants to incorporate more renewable energy solutions at our properties to enhance the energy efficiency and reduce GHG emissions across our portfolio.

Recognising the importance of a robust framework to oversee the management of sustainability matters, we further strengthened our governance structure by formally naming our Executive Chairman as the person responsible for climate change risk oversight at the Board level, effective January 2025.

Targets & KPIs

In 2024, the Manager actively advanced efforts to achieve the energy reduction targets set in 2022 for the Fund's multi-tenanted properties. These targets remain a key focus and will continue to guide our energy initiatives in the year ahead.

Target
To achieve a 1% reduction in energy consumption and GHG emissions in 5 years (2022-2026), compared against baseline data set in 2019.
Performance Tracking
In 2024, we had reduced our total energy consumption by 14.56%, and achieved a 13.96% reduction in Scope 1 and 2 GHG emissions, compared against baseline data set in 2019.

Annual Energy Consumption

Annually, the Manager reports total building energy consumption, covering electricity purchased and generator sets' (gensets) fuel consumption that are under the direct control of the Manager (i.e., in the common areas of multi-tenanted properties), as well as the energy consumption from our company vehicles. The Manager also conducts annual building audits to monitor energy and water consumption, as well as recyclable waste generated. Details of the absolute energy consumption and intensity for Axis-REIT's multi-tenanted properties are stated in the charts overleaf.

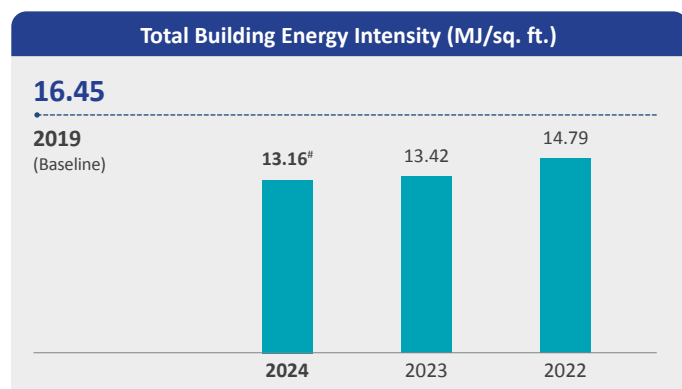
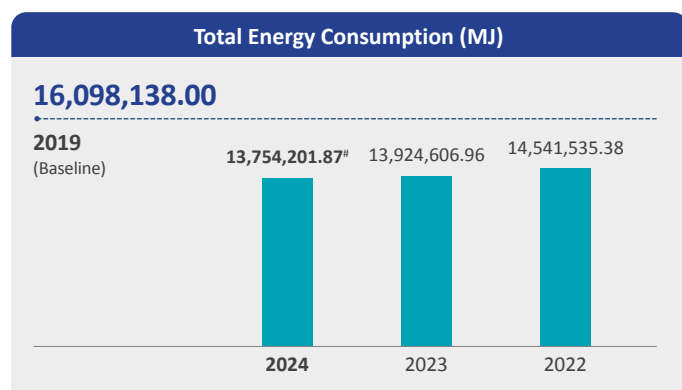
This year, we added 1 newly-completed multi-tenanted property to our reporting scope. However, with our energy optimisation efforts, we successfully cut our energy consumption by 14.56% compared to baseline data set in 2019, and achieved a 1.22% reduction on a yoy basis. Our building energy intensity also fell 20% to 13.16 MJ/sq. ft. in 2024, from 16.45 MJ/sq. ft. in 2019.

We will build on the progress achieved so far and plan to provide a more detailed analysis of energy consumption trends across Axis-REIT's portfolio, update long-term reduction targets as needed, and optimise performance monitoring to ensure alignment with our evolving sustainability goals.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Annual Energy Consumption

Coverage: Entire operations including headquarters (100%)



Notes:

- In 2024, the Manager expanded the reporting scope and boundary to include 1 newly-classified multi-tenanted property.
- Total energy consumption presented covers the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are directly managed by the Manager, as well as vehicles used for the Fund's operations.
- Total energy consumption covers non-renewable energy sources (i.e., purchased electricity, petrol, and diesel). Axis-REIT does not consume renewable energy.
- Electricity consumption is derived from the electricity bills of the common areas of multi-tenanted properties.
- Genset fuel consumption data is determined by tabulating fuel gauge readings.
- Consumption data for purchased electricity in kilowatt-hours (kWh) and genset fuel consumption in litres were converted to megajoules (MJ) for standardisation purposes. The conversion factors are derived from the GHG Protocol Scope 2 Guidance, 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, and PETRONAS Dagangan's fuel properties data sheet 2009.
- The calculation method for total energy consumption is based on GRI Standards.
- Total building energy intensity is calculated by dividing total energy consumed at the common areas of multi-tenanted properties by the total common area of these properties.

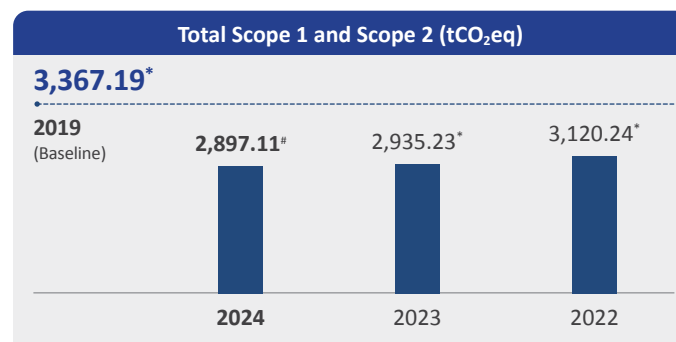
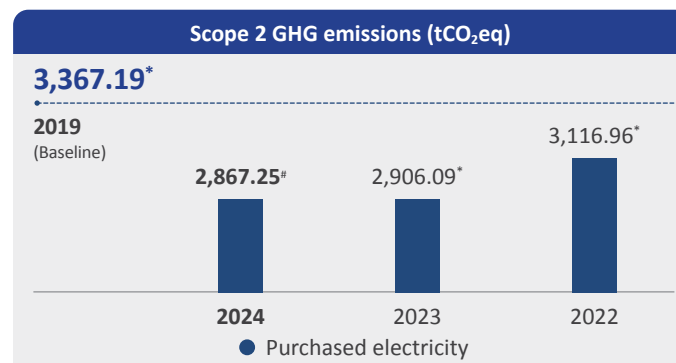
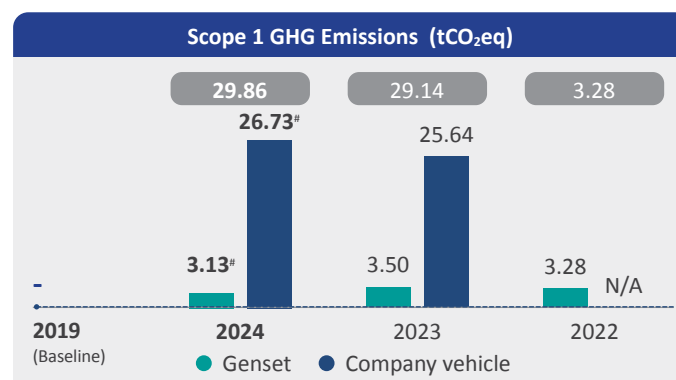
Total GHG Emissions (Scope 1 and 2 GHG Emissions Combined)

We monitor Scope 1 and Scope 2 GHG emissions from our multi-tenanted properties, which are under our direct control. In 2024, we

achieved a 13.96% reduction in Scope 1 and Scope 2 GHG emissions compared to our 2019 baseline, and a 1.3% yoy reduction from 2023. The consistent reduction in our Scope 1 and 2 GHG emissions is the result of our energy and carbon management initiatives, and is in line with our target of reducing our GHG emissions (Scope 1 and Scope 2 combined) to as close to zero (carbon neutrality), or to achieve net zero by 2050 or earlier.

Total GHG Emissions (tCO₂eq)

Coverage: Entire operations including headquarters (100%)

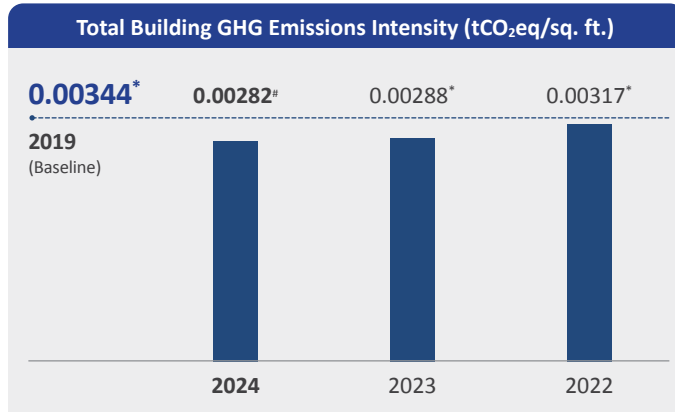


*This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Total Building GHG Emissions Intensity (Scope 1 and Scope 2) (tCO₂eq/sq. ft.)

Coverage: Entire operations including headquarters (100%)



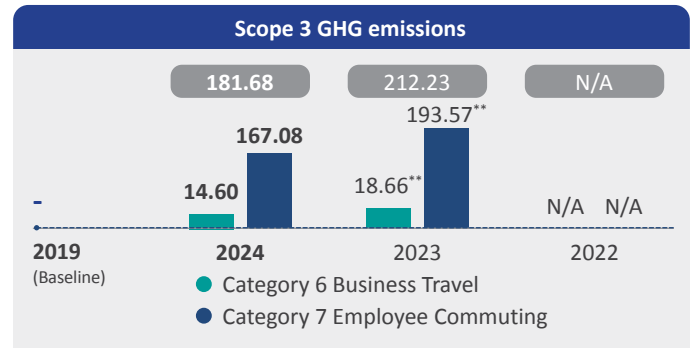
Notes:

- * Data for Scope 2 GHG emissions and total building GHG emissions intensity for 2019 (Baseline), 2022 and 2023 were restated according to the updated grid emission factor (GEF) published by the EC.
- 1. In 2024, the Manager expanded the reporting scope and boundary to include 1 newly-classified multi-tenanted property.
- 2. Total Scope 1 and Scope 2 GHG emissions presented cover the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are under direct control of the Manager, as well as vehicles used for the Fund's operations.
- 3. In 2024, the Manager expanded the reporting scope and boundary to include 1 newly-classified multi-tenanted property.
- 4. GHG emissions track carbon dioxide (CO₂) emissions. It is calculated based on the corresponding Global Warming Potential (GWP) value from IPCC's Sixth Assessment Report (2022).
- 5. The source of the emission factor for Scope 1 GHG emissions is derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- 6. The emission factor for Scope 2 GHG emissions (Purchased Electricity) is derived from the Grid Emission Factor (GEF) in Malaysia published by the EC.
- 7. Total building GHG emissions intensity is calculated by dividing total Scope 1 and Scope 2 emissions emitted from the common areas of our multi-tenanted properties by the total common areas of these properties.

Total Scope 3 GHG Emissions

2024 marks our second year of reporting Scope 3 GHG emissions, having begun monitoring and disclosing Scope 3 data in 2023. We are continuously improving our tracking and monitoring mechanism to ensure data accuracy and transparency. This year, the Manager conducted a materiality assessment to prioritise the material Scope 3 GHG emissions categories, and has plans to further expand the monitoring of Scope 3 GHG emissions to these material categories.

Annual Scope 3 GHG Emissions (Category 6 and Category 7)



Notes:

** Data for Scope 3 GHG emissions for 2023 has been restated according to the updated emission factors published by the Department for Environment, Food and Rural Affairs (DEFRA).

1. Scope 3 GHG emissions data only covers Category 6 Business Travel and Category 7 Employee Commuting, and is only available for 2023 onwards, which is when the Manager began tracking the data.
2. The calculation methodology of Scope 3 GHG emissions is derived from GHG Protocols – Technical Guidance for Calculating Scope 3 Emissions and the UK Government GHG Conversion Factors for Company Reporting from DEFRA.

Outlook

We will continue to enhance energy efficiency and reduce our carbon footprint towards our goals of cutting both energy consumption and GHG emissions by 1% within the 5-year target term (2022-2026), from baseline data set in 2019. Towards this end, we will accelerate the application of advanced energy management systems and low-carbon technologies and undertake further energy and carbon management initiatives including:

- installing EV charging stations at selected properties in 2025;
- appointing an external energy consultant to assess the energy efficiency of multi-tenanted properties in compliance with the EECA;
- exploring capacity building and upskilling of our Facilities Management Team in compliance with the EECA, the latest Fire Services Act, and the latest energy efficiency technologies;
- expanding our Scope 3 GHG reporting disclosures in the coming years;
- undertaking a climate scenario analysis in 2025, based on the risks and opportunities identified in 2024, to understand the potential impact of climate change on our portfolio, allocate resources more efficiently, and take proactive measures to mitigate risks and capitalise on opportunities;
- securing additional green leases during upcoming lease negotiations; and
- obtaining 1 additional green building certification for the portfolio every year.

In addition to driving us towards our sustainability goals, these initiatives will facilitate our compliance with Malaysia's energy regulations such as the EECA, and prepare us for the planned introduction of a carbon tax in the near future. We believe our proactive approach strengthens our environmental stewardship, creates long-term value for stakeholders and contributes to the country's transition towards a low-carbon economy.

* This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Water Management

Capitals



Natural

Strategic Pillars



Development



Facilities Management

Business Risks



Environmental

UN SDGs



Water resources and access to clean water are critical assets that continue to face extensive strain due to climate change, environmental degradation, rising consumption, and inefficient usage. As a property owner and developer, water management is a critical component in our sustainability journey. Our operations depend on an adequate supply of high-quality water, which is vital to our air-conditioning systems, washroom facilities, cleaning, construction, fire protection, and many other essential property functions. It is also a critical resource needed by our tenants for their respective business operations.

We champion and enforce the conservation and optimisation of water usage through various efforts such as the use of water-efficient sanitary fittings, application of smart water management technologies, water recycling programmes, minimisation of wastage, and proper wastewater treatment. These efforts are guided by our Environmental Policy, the various green building certification guidelines, as well as our internal practices of monitoring and managing water usage at properties under the Property Management Team's purview.

Our responsible water management practices extend to maintaining water quality. We engage external service providers to support these efforts, and ensure adherence to the requirements and standards set by the Department of Environment Malaysia (DOE).

The Facilities Management Team oversees water management matters across the Fund's operations by monitoring, analysing, and reporting water consumption at common

areas in multi-tenanted properties (which are under the direct control of the Manager).

Key Initiatives

In 2024, we embarked on a new initiative to assess all our properties for water stress via the World Resource Institute's Aqueduct Water Risk Atlas tool. The assessment concluded that our properties are not located in high-water stress areas, except for one property that is located in Sungai Petani, Kedah. That said, we note that we have never encountered any disruptions to water supply at the property since acquiring it in 2007. We have incorporated water stress as an aspect of our tenant engagement process, and will continue to work with our tenants in monitoring and mitigating such risks.

During the year, we also commenced a rainwater harvesting initiative. We repurposed old firefighting water tanks as rainwater harvesting tanks at Axis Shah Alam Distribution Centre 3. The project, which aims

to help our tenant conserve water, started in 4Q 2024, and is slated for completion in 1Q 2025.

In 2024, we upgraded the domestic cold water pipe reticulation system at Axis Shah Alam Distribution Centre 4, leading to a 79% reduction in the water utility bill at the property. We also continued to implement our other water management initiatives, including monitoring water consumption across our portfolio and investigating abnormal consumption patterns. To enhance such monitoring efforts, we installed sub-metering equipment at selected multi-tenanted properties to accurately assess water consumption and discuss any unusual findings with the relevant tenants.

In addition to ongoing operational initiatives, we continued to enforce sustainable water management practices at our development projects and major AEs. These sustainable water management practices were adopted as part of the Manager's ESG strategy for









MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

development projects and major AEIs and contribute to the green building certification process. Part of this process includes water management initiatives that are detailed in the table below:







ESG Strategies for Efficient Water Management in New Developments and Major AEIs	
Water Efficient Fittings	Use of Water Efficiency Labelling Scheme (WELS) rated water fittings to reduce potable water usage.
Water Usage & Leak Detection	Use of sub-metering to enhance monitoring and leak detection for major water consumption functions (i.e., for landscape irrigation, in washrooms, etc.).
Alternate Water Sources	Utilising harvested rainwater for non-potable applications, such as landscape irrigation and general cleaning, to minimise potable water consumption.
Irrigation System and Landscaping	Use of drought-tolerant plants for landscape purposes to minimise potable water consumption.
Water Efficiency Improvement Plans	Implementing water efficiency improvement plans and regularly reviewing the progress on water saving targets.

In addition to the water management strategies for new developments and major AEIs, we continued to implement ongoing initiatives to optimise water use in our own operations and across our portfolio, which are summarised in the table below:

Ongoing Water Management Initiatives

Initiatives	Updates in 2024	Initiatives	Updates in 2024
Water recycling initiatives	 Installing rainwater harvesting systems at selected single-tenanted properties to facilitate the recycling of rainwater for use in washrooms, landscaping, general cleaning, and other applications.	Water security assessment	 Reviewed water storage capacities and requirements and installed additional tanks/increased water storage capacities where needed across the portfolio to be better-prepared for water disruptions.
	 Repurposed old firefighting water tanks as rainwater harvesting tanks at Axis Shah Alam Distribution Centre 3. The project, which aims to help our tenant conserve water, started in 4Q 2024, and is slated for completion in 1Q 2025.		 Installed an additional water tank that increased the water storage capacity at Shah Alam Distribution Centre 3 from 10,000 litres to 40,000 litres.
Water-stress evaluation	 Assessed all properties for water stress via the World Resource Institute's Aqueduct Water Risk Atlas tool. The assessment showed that none of Axis-REIT's properties are situated in high-water stress areas, except one, located in Sungai Petani, Kedah. That said, we note that the property has not experienced any water supply disruptions since we acquired it in 2007.	Equipment and fitting upgrades	 Installed sub-metering equipment to accurately assess water consumption at selected multi-tenanted properties and discussed findings with the relevant tenants.
Water conservation awareness programmes	 Continued to install signage and disseminate circulars to raise awareness and remind tenants, employees, contractors, and maintenance personnel on the importance of water conservation.		 Replacing conventional water fittings to water-efficient fittings to optimise the use of water.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Initiatives	Updates in 2024	Initiatives	Updates in 2024
Preventive maintenance and monitoring	 Monitored monthly water usage at multi-tenanted properties.	Water quality preservation	 Conducted weekly assessments on the water quality at cooling tower systems. Sought additional assurance on water quality by dispatching water samples to a laboratory for comprehensive testing every 6 months.
	 Identified leaks promptly through monitoring of utility meters/bills and preventative maintenance checks.		 Engaged an independent laboratory to test water samples from sewage treatment plants every 2 months to check for bio-chemical oxygen demand and suspended solids, in compliance with the DOE's requirements and standards.
	 Conducted annual cleaning of water tanks and installation of water filters.		
	 Conducted scheduled building audits that include water management practices.		

Targets & KPIs

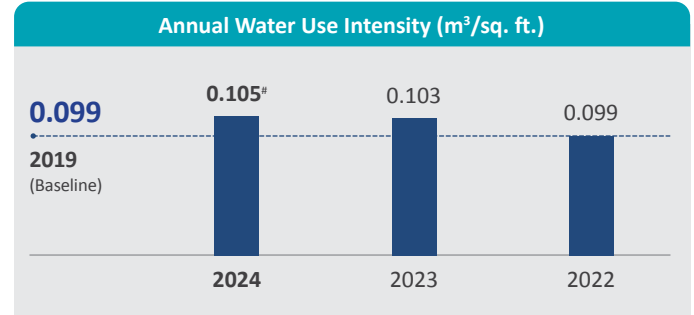
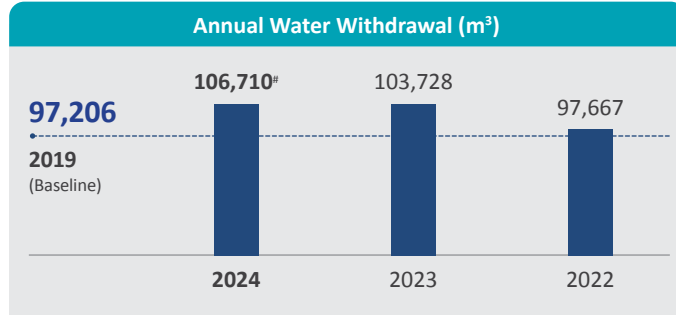
In 2022, the Manager established a target to reduce the water usage at Axis-REIT’s multi-tenanted properties. Our water management initiatives aim to continuously improve our water use efficiency and reduce any wastage of water towards achieving this target.

Target
To reduce water usage at Axis-REIT’s multi-tenanted properties by at least 1% over 5-years (2022-2026), compared against baseline data set in 2019.
Performance Tracking
In 2024, overall water usage increased by 9.8% from the baseline year of 2019 and Water Use Intensity (WUI) increased by 5.7%.

In 2024, total water use across Axis-REIT’s multi-tenanted properties increased by 9.8% from baseline data established in 2019. This was attributed to an increase in the number of multi-tenanted properties under the direct control of the Manager, from 10 properties in 2019 to 13 properties in 2024. In 2024, the Manager also undertook a flood mitigation project at Axis Shah Alam Distribution Centre 3 that required high water usage for the duration of the project. Additionally, the occupancy rate at selected multi-tenanted properties increased significantly from the time the baseline data was established. As an example, the occupancy rate at Quattro West has risen from 43% in 2019 to 100% in 2024, and this has naturally led to increased water consumption at the property.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Coverage: Entire operations including headquarters (100%)



Notes:

1. Total annual water withdrawal is derived from the water bills of the common areas of the Fund's 13 multi-tenanted properties. The data presented is obtained directly from water meters.
2. The source of water withdrawal is municipal potable water only.
3. The total amount of water withdrawn is the same as the total amount of water discharged into third-party municipal sewerage systems (i.e., Indah Water Konsortium (IWK)) with negligible amounts of water consumed.
4. IWK does not provide the volume of water discharged into the municipal sewerage system.
5. 2019 has been selected as the baseline year as it is representative of pre-pandemic operating conditions.
6. WUI is calculated by dividing total water consumed at the common area of multi-tenanted properties (which are under direct control of the Manager) by the total common area of these properties.
7. The calculation method for WUI is based on sources from the Leadership in Energy and Environmental Design (LEED) rating system and Energy Star (trademarked ENERGY STAR) - a programme run by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy.
8. The tabulated figures for Annual Water Use Intensity have been rounded to the nearest 3rd decimal place for better data accuracy.

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

Outlook

Moving forward, our water management efforts will continue to focus on water conservation and optimisation. We remain committed to implementing water saving practices for multi-tenanted properties while also raising awareness of the importance of water conservation among tenants, employees, vendors, and contractors.

In the coming years, we plan to continue conducting scheduled building audits that include water management practices. These comprehensive audits will be extended to cover water usage data from tenants with large warehouses and manufacturing facilities. We will continue with existing initiatives such as assessing the viability of installing rainwater harvesting tanks at other single-tenanted properties, monitoring properties located in water-stressed areas through the World Resource Institute's Aqueduct Water Risk Atlas tool, and exploring potential new opportunities to further optimise water consumption.

These initiatives are expected to improve our water management practices, driving us towards achieving our water reduction target. However, given our rapid expansion strategy and the potential addition of multi-tenanted properties in our portfolio, we may consider revising our water reduction targets in the next 2 years, with a new baseline.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Waste Management

Capitals



Natural

Strategic Pillars



Development



Facilities Management



Investment

Business Risks



Environmental

UN SDGs



Effective waste management practices are a strategic priority for Axis-REIT, as we seek to mitigate the Fund's impact on the environment, particularly amid its rapid expansion. Our waste management practices aim to contribute to a greener future while alleviating operational challenges and limiting our exposure to potential legal and reputational risks.

The Property Management Team oversees Axis-REIT's waste management practices, ensuring that waste from our multi-tenanted properties, AEs, and development projects is properly handled to minimise the Fund's environmental footprint and to avoid potential health and safety issues for our stakeholders.

Our waste management practices aim to reduce the volume of waste disposed to landfills, and are guided by our Environmental Policy, Renovation Manual and the 5R concept, i.e., to Refuse, Reduce, Reuse, Repurpose, and Recycle.

To reinforce these efforts, our material, supplier, and tenant selection processes incorporate ESG-related requirements and criteria. We have also included clauses on recycling in our Renovation Manual to encourage recycling practices among our tenants and vendors.

In general, the Fund has 2 broad categories of waste, namely:

GENERAL WASTE

General waste broadly refers to waste collected from the multi-tenanted properties in our portfolio. We appoint third-party service providers to collect general waste, recyclables, and e-waste from our multi-tenanted properties. General waste is collected on alternate days, while both recyclable waste and e-waste are collected twice a month.

At the point of collection, the volume of waste is weighed, documented, and acknowledged by the respective Facilities Manager and verified by the HSSE Manager.

CONSTRUCTION WASTE

Construction waste refers to waste generated from our development projects, as well as major AEs. These comprise hoarding, timber, steel bars, scrap metal, debris, and other construction material waste generated as

a result of our construction, renovation, and refurbishment activities.

We work with our contractors and suppliers to recycle and reuse building materials, where possible, to reduce the disposal of construction waste from our developments and AEs. However, the ability to reuse or recycle construction waste is highly dependent on the types of waste involved. Our management of construction waste also includes the 5R concept, along with guidelines for the safe disposal of hazardous waste, which is prescribed in our Renovation Manual.

We appoint an outsourced green building consultant and on-site contractors to monitor and document the volume of construction materials that are reused and recycled, along with the volume of construction waste generated at development projects and AEs.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

We measure, monitor, and report waste generated to identify waste streams and evaluate the effectiveness of our initiatives in minimising waste disposed to landfills. We began documenting our waste collection data in 2022, establishing a baseline for target setting in our waste management initiatives. Data from subsequent years allows us to assess our progress in managing waste effectively, towards achieving the Fund's overall sustainability goals.

Key Initiatives

For our property management activities, our waste management initiatives focus on general waste. Guided by the 5R concept, we have implemented various waste management initiatives to better monitor, track, and subsequently reduce the volume of waste generated at our multi-tenanted properties, as well as from our own operations. These initiatives include:

1 PROMOTING RECYCLING THROUGH THE 5R CONCEPT

- Providing recycling bins for tenants at multi-tenanted properties for the disposal of recyclable materials such as paper, plastic, metal, and glass.
- Setting up repositories for the collection of e-waste and other materials such as warehouse timber storage pallets. We encourage the use of these facilities through prominent signage and by distributing circulars to tenants.
- Distributing electronic circulars to tenants, instead of printed hardcopies, as an initiative to reduce the use of paper. We have also switched our internal operational checklists and communications materials to electronic formats. This includes providing annual reports in soft copy to our Unitholders since 2021.
- Encouraging our office employees to adopt recycling habits in their day-to-day activities by providing recycling bins in our offices.
- Actively reusing and/or recycling construction materials for all developments and major renovation projects and collecting data on these efforts.
- Conducting training and briefing sessions for our vendors, Facilities Managers, and housekeeping staff on recycling initiatives and proper disposal of waste.

2 ENSURING RESPONSIBLE HANDLING AND DISPOSAL OF WASTE

- Ensuring that general waste is collected by licensed waste contractors and disposed of responsibly, at authorised sites, and in accordance with regulatory requirements.

3 MONITORING WASTE DISPOSED FOR TARGET SETTING AND IMPROVEMENTS

- Monitoring and recording recyclable waste and e-waste generated at our multi-tenanted properties based on records provided by our waste collection contractors. The volume of recyclable waste and e-waste collected from 2021 onwards, as disclosed in the Targets & KPIs section, helps us track recycling trends and identifies areas for improvement.
- Collecting data on general waste that is not recycled at multi-tenanted properties, in addition to collecting data on recyclable waste.

For our development projects and major AEs, our waste management practices focus on sourcing and using sustainable materials in our projects and implementing targeted waste management initiatives. Introduced in 2022, these initiatives include actively reusing or recycling construction materials, where practicable. We also collect data on the volume of materials used, recycled, and disposed to landfill to evaluate the effectiveness of our efforts and ensure they are aligned with our goal of minimising the disposal of waste to landfills while contributing towards green building certification requirements.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

ESG Strategies for Efficient Waste Management at Development Projects and Major AEIs

ENVIRONMENTAL MANAGEMENT PRACTICE

- To implement effective environmental programmes, including the sourcing and use of sustainable materials, to minimise construction waste.
- To encourage recycling through the provision of recycling bins for the collection and storage of different recyclable waste such as paper, glass, and plastic.

GREEN FEATURES AND INNOVATION

- To encourage composting and the use of recycled landscape waste by providing composting bins.
- To implement effective environmental programmes to minimise demolition waste.
- To implement effluent quality testing at main outlets to minimise water pollution during construction.

Targets & KPIs

General Waste

In 2023, the Manager established a target to divert 10% of general waste disposed to landfill over a 5-year period, i.e., from 2023 to 2027, as measured against baseline data established in 2022.

Total Waste Diverted from Disposal to Landfill (kg)

Total Recyclable Waste Collected (kg)	2024	2023	2022 (Baseline)
Paper	25,050	24,090	19,768
Glass/Metal/Aluminium cans	8,990	8,795	7,421
Plastic	6,710	5,930	4,284
E-waste	4,170	3,895	4,281
Total	44,920	42,710	35,754

Total Waste Disposed to Landfill (kg)

Total General Waste Collected (kg)	2024	2023	2022 (Baseline)
General Waste	1,125,887	1,183,547	964,010

Notes:

1. Data for recyclable waste is derived from documentation provided by waste contractors for multi-tenanted properties (under the direct control of the Manager).
2. Types of e-waste include light bulbs, transmitters, used computers, light fittings, electrical cables, photocopier toner/cartridges, electrical switchgears and relays, and printed circuit boards (PCB).
3. Data for general waste is derived from documentation provided by waste contractors for multi-tenanted properties (under the direct control of the Manager).

Target

To achieve 10% waste diversion from disposal to landfill over a 5-year period (2023-2027), from baseline data set in 2022.

Performance Tracking

In 2024, we recorded a 16.8% increase in the volume of general waste collected compared to baseline data set in 2022. However, on a year-on-year basis, this was a 4.9% decrease from the volume of general waste collected in 2023.

We collected almost 1.13 million tonnes of general waste from our multi-tenanted properties in 2024 – a 16.8% increase from the volume of general waste collected in 2022 (our baseline year). We attribute the increase to our additional space under management, as well as higher occupancy in the Fund's multi-tenanted properties.

On a positive note, a year-on-year comparison shows that the volume of general waste collected in 2024 was 4.9% lower compared to that of 2023. This is a notable achievement given that we have added 3 multi-tenanted properties to the portfolio since 2022. We also successfully raised our recycling rate from 3.6% in 2022 to 3.8% in 2024.

Although we are still at the early stages in implementing waste management initiatives, having not reached the mid-point of our 5-year target period, we are committed to catching up on our target of diverting 10% of waste disposed to landfill by 2027.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Composition of Total Waste Generated

Year	Total General Waste	Total Recyclable Waste	Recycling Rate
2024	1,125,887	44,920	3.8%
2023	1,183,547	42,710	3.5%
% change	-4.9%	5.2%	0.3 percentage points

Note:

1. The recycling rate is the total volume of recycled waste divided by the total volume of waste generated from our multi-tenanted properties.

Construction Waste

In managing construction waste, reuse/recycle initiatives typically peak during the early stages of a development project. In 2024, we did not have any further data on construction waste recycled and reused, having finalised the development of Axis Mega Distribution Centre (Phase 2) early in the year.

We do not have pre-set targets in managing construction waste due to the nature of construction waste, which depends on the number, type, and scale of the development projects and AEIs undertaken, as well as the stage of progress the projects are at.

Outlook

We remain steadfast in our target of diverting 10% of waste disposed to landfill over the 2023-2027 timeframe, from our 2022 baseline. Guided by our Environmental Policy, Renovation Manual, and the 5R concept, we will continue to roll out initiatives to manage general waste from multi-tenanted properties in our portfolio.

Concurrently, we also remain committed to sourcing and using sustainable materials, as well as recycling and reusing building materials in our developments and major AEI projects, where possible. We aim to achieve a reduction in the volume of waste produced during the construction phase, thereby achieving greater sustainability across our operations and minimising our environmental footprint. Towards this end, we will ramp up our initiatives to promote waste reduction practices among employees, tenants and contractors.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

SOCIAL



Occupational Health and Safety



Capitals



Human



Social &
Relationship

Strategic Pillars



Development



Facilities
Management

Business Risks



Human
Resource



Information
Technology



Real Estate
Management

UN SDGs



The health, safety, and well-being of our employees, tenants, suppliers, contractors, service providers, and visitors are always paramount to Axis-REIT. We uphold high standards of occupational health and safety (OHS) practices to ensure that we provide safe and conducive spaces for all our stakeholders.

Our health and safety measures are in compliance with the laws and recommendations outlined by the Malaysian government, and aim to ensure the safety and well-being of all employees, tenants, suppliers, contractors, service providers, and visitors at our properties.

The Manager addresses OHS matters through its HSE Policy. Developed in accordance with Malaysia's Occupational Health and Safety Act 1994 and ISO 45001: Occupational Health and Safety Management Systems, the HSE Policy sets out a strong foundation for all our HSE measures in ensuring the health, safety, and well-being of our people and stakeholders. We strive to meet and exceed these requirements and aim to identify and mitigate any risks related to the health, safety, and well-being of our stakeholders. This is mainly done through:

1 Demonstrating visible HSE leadership and commitment to HSE-related matters.

2 Committing to HSE excellence in our activities by following the relevant codes of compliance and adhering to applicable standards and procedures.

3 Implementing measures that are relevant to our activities to prevent work-related death, injury, ill-health, and property damage, as well as ensuring the conservation of the environment and prevention of pollution.

4 Upholding appropriate contingency measures and ensuring they are tested and ready for deployment in emergencies.

5 Facilitating continual improvements in our HSE management systems and performance, and enhancing the HSE competencies of our employees.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

The Property Management Team oversees the enforcement of our HSE Policy, ensuring that all employees, workers (including contractors), tenants, and visitors comply with stringent health and safety protocols and standards, and act responsibly in conducting the business and operations of the Fund, and in accessing our properties.

We also have a qualified HSSE Manager who conducts regular workspace inspections to ensure employees, service providers, and contractors engaged by the Manager abide by our HSE Policy and industry best practices on health and safety. The HSSE Manager ensures safety induction training is provided for all contractors before the commencement of all projects and AEs, and conducts onsite assessments to ensure adherence to HSE and human rights practices. The requirement for our suppliers to adhere to our policies is also embedded in our Supplier Code of Conduct.

Key Initiatives

Our OHS initiatives seek to build a safety-first culture and work environment via education and training initiatives, as well as through the implementation of our HSE Policy and ensuring compliance with OHS practices.

Safety Culture & Work Environment

We stipulate our HSE requirements and expectations in our tender documents and require our contractors and service providers to adhere to these requirements as a prerequisite for accepting such projects. These conditions are reiterated prior to the commencement of work (pre-mobilisation), as well as throughout the duration of the project. They include highlighting elements of HSE planning, risk assessment and controls, operational controls, as well as verification and recommendation of continual improvements to our policies and practices.

Other initiatives to promote a safe culture and work environment include:

- 1 Requiring contractors to furnish a Job Safety Analysis (JSA) with detailed risk assessments before commencing work on a project.
- 2 Requiring contractors to commit to HSE compliance by appointing a competent person to oversee HSE matters.
- 3 Making our Renovation Manual accessible to all relevant parties to ensure compliance with HSE requirements.
- 4 Checking, servicing, and calibrating electrical equipment as required by law to minimise exposure to hazards.
- 5 Reporting the HSE performance of our operations on a monthly basis to monitor continuous compliance with our HSE Policy.

- 6 Performing regular technical audits and assurance to ensure buildings are maintained in good condition.
- 7 Ensuring that monitoring procedures used for compliance checks are accessible at all sites, including vacant sites, for regular monitoring.
- 8 Maintaining compliance records for equipment and activities (where applicable) in our buildings with the relevant authorities such as the Department of Occupational Safety and Health (DOSH), BOMBA, and the Construction Industry Development Board (CIDB).
- 9 Providing Personal Protective Equipment (PPE) to employees and ensuring that contractors and subcontractors working at our project sites and properties are equipped with the necessary PPE.
- 10 Procuring medical equipment such as wheelchairs, stretchers, and first aid kits for the Emergency Response Teams (ERT) at Axis Shah Alam Distribution Centre 3 and Axis Mega Distribution Centre (Phase 2).
- 11 Completed a new ramp and started work on a new lift to the rooftop carpark at Axis Technology Centre to facilitate disabled persons' access.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Safety Education and Training

We conduct compulsory fundamental HSE induction training for all new employees, as well as external service providers and contractors. We require training to be completed before commencing work on-site for building maintenance, servicing, and refurbishment works.

We also conduct Safety Awareness Programmes for suppliers, contractors, and tenants. In 2024, 48 training sessions were conducted, covering topics such as Safety Induction Training, Management of Psychosocial Risks at the Workplace, Lessons from Court Cases, CPR & AED Awareness Training, as well as Fire Safety Awareness & Emergency Evacuation Training. A total of 931 participants attended these programmes, including Property Management Team members, our suppliers, contractors, and tenants. These programmes included:

- 1 “Lessons learned” training on case studies of past incidents and detailing the improvements required by the relevant parties, including employees and contractors. These sessions are conducted during the pre-mobilisation induction training before the issuance of work permits. A total of 32 lessons were conducted for 592 participants in 2024.
- 2 CPR and AED awareness training for employees and tenants following the installation of new AED devices at 9 multi-tenanted properties in 2024.
- 3 Supporting tenants’ health-related CSR initiatives by sponsoring the use of common areas at our multi-tenanted properties for programmes such as blood donations, wellness, and other health and safety events.
- 4 Annual fire drill exercises with tenants’ participation to improve occupants’ readiness during actual emergency situations.

In addition to internal programmes, the Manager also sent employee representatives to attend courses for specialised skills and knowledge that were organised by external training providers.

The table below summarises the health and safety training programmes conducted/attended during the year.

Course Name	Participants	Topics/Coverage	Total Number of Participants
Safety Induction Training (32 sessions)	Contractors, vendors and service providers	Safety requirements, HSE Policy, legal requirements, Hazard Risk Assessments	592
Seminar on the Guidelines for the Assessment and Management of Psychosocial Risks at the Workplace 2024	HSSE Manager	Guidelines for assessing and managing psychosocial risks in the workplace	1
Lessons from Court Case No. 1/2024	HSSE Manager	Accident prevention through examples from past court cases that involved serious bodily injury and fatalities	1
National SOHELP Convention 2024	HSSE Manager	Best practices that demonstrate outstanding achievements in the implementation of SOHELP DIY 2022, specifically for the elements of noise exposure management, chemical management, and ergonomics	1
CPR & AED Awareness Training (2 sessions)	Selected ARMB and AFM employees as well as tenant representatives	Basic CPR and use of AED devices	120
Fire Safety Awareness & Emergency Evacuation Training	AFM employees	Comprehensive knowledge during emergencies	40
Fire Drill & Safety Coordinator briefing (10 sessions)	ERT members and Safety Coordinators (tenant representatives)	Coordination briefing between building ERT members and Safety Coordinators appointed by tenants	176

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Targets & KPIs

In 2024, we recorded 2 LTI incidents which were duly reported to DOSH. While no fines or summonses were imposed, we have redoubled our efforts, improving our safety measures to prevent such incidents from recurring. We have taken follow-up action in consultation with our employees and tenants to improve health and safety practices, with lessons learned from these incidents to be used in future training programmes.

Injury Cases			
	2024	2023	2022
Fatalities	0 [#]	0	0
Lost time injuries	2 [#]	0	0
Restricted work cases/medical treatment	0 [#]	0	0
First aid	0 [#]	0	0
Lost Time Incident Rate*	2.45 [#]	0	0

* The Lost Time Incident Rate is calculated by dividing the number of lost time injuries by the total hours worked and multiplied by 200,000, as defined by GRI 403: Occupational Health and Safety 2018.

Non-injury Cases			
	2024	2023	2022
Fire/explosion	2 [#]	0	0
Property/equipment damage	0 [#]	0	0
Environmental pollution	0 [#]	0	0
Summons received	0 [#]	0	0

Absentee Rate			
	2024	2023	2022
Male	1.64% [#]	1.12%	2.50%
Female	1.04% [#]	1.20%	1.04%

Safe Days			
	2024	2023	2022
During the year	364/366 ^{***}	365/365	365/365
Since 29 August 2019	32 ^{***}	1,585	1,220

** 2024 was a leap year.

*** Incidents were reported on 12 March 2024 and 29 November 2024; as such, the consecutive safe day counter was reset then.

Note: Safe days are defined as days with no LTIs (where LTIs are defined as incidents where a worker is injured and incapacitated for more than 4 consecutive days).

Non-compliance Incidents/Fines			
	2024	2023	2022
Incidents of non-compliance with HSE Policy	0 [#]	0	0
Incidents of non-compliance with applicable laws and regulations	0 [#]	0	0
Amount in fines incurred for regulatory non-compliance (RM)	0 [#]	0	0

Outlook

We endeavour to improve our HSE practices to ensure our properties provide safe and conducive work environments for our employees, tenants, suppliers, contractors, service providers, and visitors. In the coming year, we will continue to organise HSE-related training and events for our employees and tenants of multi-tenanted properties, including annual fire drills and first aid courses to improve our responsiveness in the event of actual emergencies.

We also plan to train our Facilities Management Team as certified first aiders to further strengthen the health and safety practices within our properties. Our HSSE Manager will continue to conduct periodic HSE and human rights audits to assess not just our own practices, but also those of our contractors, to identify areas of improvement.

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Talent Development

Capitals



Human



Financial



Intellectual

Strategic Pillars



Governance

Business Risks

Human
Resource

UN SDGs



We are proud to invest in our employees and consistently offer opportunities to nurture talent and motivation, and facilitate the development of their skills and competencies. We firmly believe that an empowered, knowledgeable, and competent workforce is a key enabler of a company's accomplishments and is imperative to building an organisational culture that drives value creation.

In the past year, we have upheld a talent development approach that takes a proactive stance in identifying, nurturing, and rewarding talent across all employee levels and categories. This involves recognising talent, building competencies via training programmes, rewarding accomplishments, and providing feedback for further improvement and growth.

Our training programmes aim to enhance and update the skills of our employees to ensure they can adapt to the evolving business environment in which the Fund operates. We believe this will facilitate the development of diversity and depth in our talent pool and build a robust pipeline for internal hiring and succession planning, while minimising the risks associated with talent departure.

The Human Resource department and Heads of Departments (HoDs) are responsible for identifying, developing, and implementing

training programmes for their respective team members. We conduct internal mentoring and coaching programmes, and organise external training by industry experts, to deliver courses across a broad range of topics.

We ensure all our employees participate in annual performance reviews, which provide a structured opportunity to evaluate employees' individual performance, recognise achievements, set goals, offer constructive feedback, and ascertain training needs for further talent development. This facilitates open communication between employees and management, and helps our employees understand and align their individual contributions and career progression towards the Fund's targets.

In addition to the enduring benefits of an upskilled workforce to the Fund's operational performance, we believe this approach delivers intrinsic value to our employees by providing a pathway for personal development and career advancement opportunities, which in turn, fosters employee engagement, motivation, productivity, and loyalty.

Key Initiatives

Our talent development initiatives aim to equip our employees with the latest industry knowledge, technological advancements, and management techniques. We believe such capacity building initiatives will uplift our workforce and extend the Fund's competitive advantage in the continually evolving real estate market.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Our talent development initiatives in 2024 included:

- 1 Conducting annual performance appraisals for all employees, assessing their achievements, career needs, and plans. The appraisal process allows us to track employee strengths and weaknesses, identify the best candidates for career progression, and offer feedback for areas of improvement. This included assessments against sustainability KPIs in the performance evaluations of the Board, Senior Management and the Manager, Corporate Communications & Sustainability, with financial and non-financial consequences, to reflect our commitment and emphasis on implementing sustainability initiatives throughout the organisation. In 2024, we conducted annual performance appraisals for 100% of our employees.
- 2 Providing both general learning opportunities for all employees, as well as targeted learning programmes. This initiative aimed to address any competency gaps and to align our employees' skillsets and capabilities with their personal ambitions and professional needs.
- 3 Assigning a 'buddy' for all new employees, creating a support system to help newcomers acclimatise to their new roles.
- 4 Providing training opportunities for employees to ensure continuous compliance with the PDPA, as well as our Cyber Risk Policies & Procedures, HSE Policy, Code of Conduct and other pertinent policies and guidelines. We engaged a legal firm to conduct an ACF Policy course in November 2024 for all employees. Ongoing training and assessment exercises on the risk of cyber threats were conducted for our staff to improve cybersecurity skills. We also organised CPR and AED awareness courses to equip our employees with lifesaving knowledge.

Employee Training Programmes

During 2024, we engaged external parties who are subject matter experts, qualified technical trainers, as well as the relevant regulatory authorities, to deliver courses across a broad range of topics for our employees. These courses aimed to facilitate the development of a well-rounded workforce that will strengthen our operations.

At a time where sustainability has been a focus across all industries, ensuring the resilience of the Fund has been our top priority. ESG-related workshops and courses were conducted to improve our internal ESG capabilities to meet the demands of the market. Cybersecurity Awareness Training has also been vital in ensuring our employees have the technical proficiency to safeguard our data from potential breaches. The courses conducted covered a broad range of topics, including essential security, email security, introduction to phishing, malware attacks, and mobile device security.

Types of Training Programmes	Type of Programme (Internal/ External)	Platform (Physical/ Virtual)	Frequency	Target Group	Number of Participants
Climate Risk Prioritisation Workshop	External	Physical	Ad-Hoc	HoDs and the Manager, Corporate Communications & Sustainability	12
Strategy & Risk Workshop	External	Physical	Yearly	HoDs and the Manager, Corporate Communications & Sustainability	11
Fire Protection System Training	External	Physical	Ad-Hoc	Selected Facilities Management Team members	41
Cybersecurity Awareness Training	External	Virtual	Quarterly	All corporate email users	59
ACF Policy Training	External	Virtual	Annual	All employees	78
Climate Risk Prioritisation Workshop	External	Physical	Ad-Hoc	HoDs and the Manager, Corporate Communications & Sustainability	12

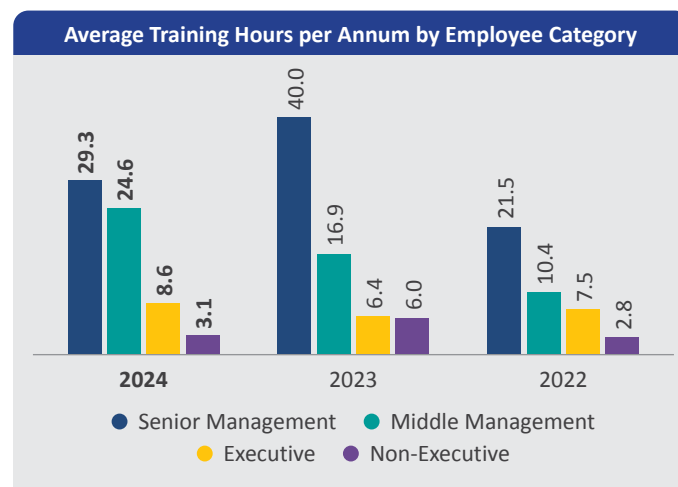
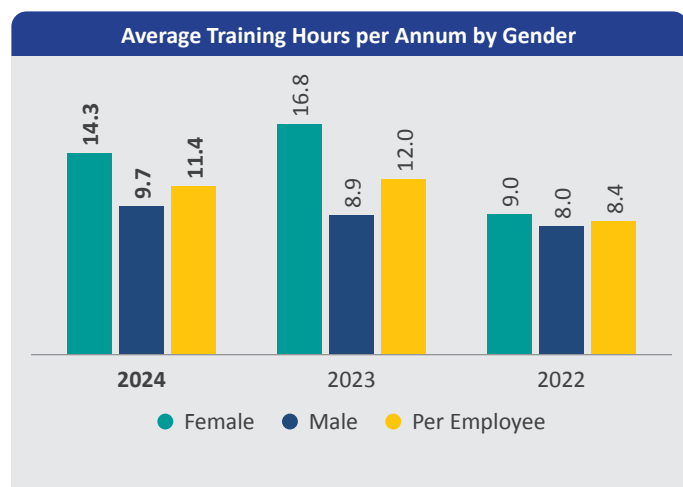
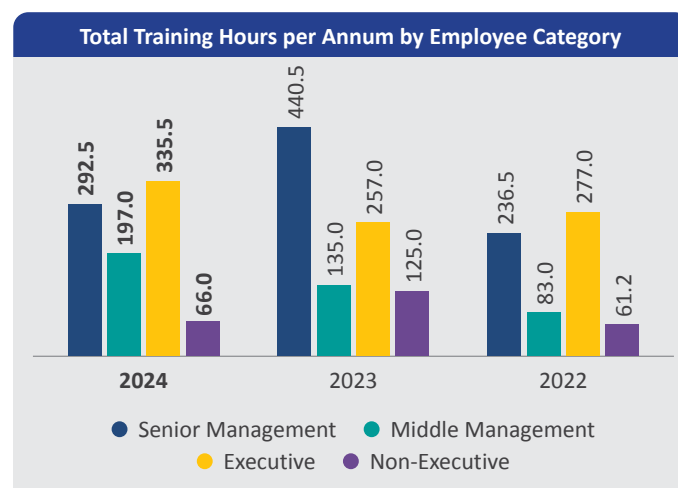
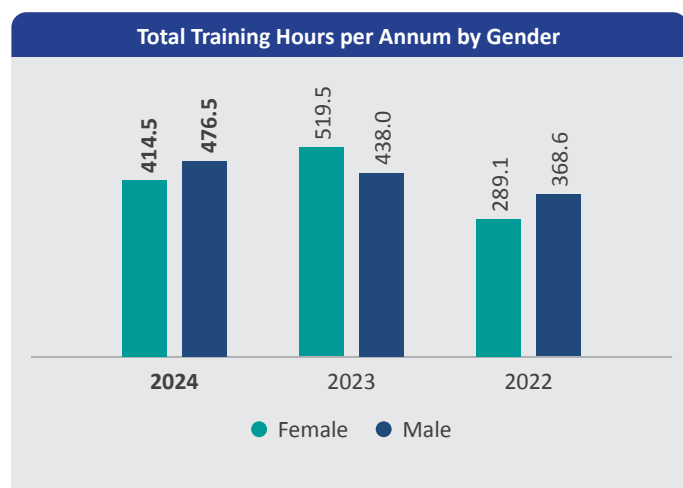
MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Targets & KPIs



In 2024, 78 employees completed a total of 891 training hours, which is equivalent to an average of 11.4 training hours per person. This was a 4.8% decrease from the average of 12.0 hours of training per employee recorded in 2023. The decline in training hours in 2024 reflects the lower training needs during the year, in line with the progress and completion stages of our projects.

The breakdown of average training hours by gender and employment category are as shown in the following tables:



Note:

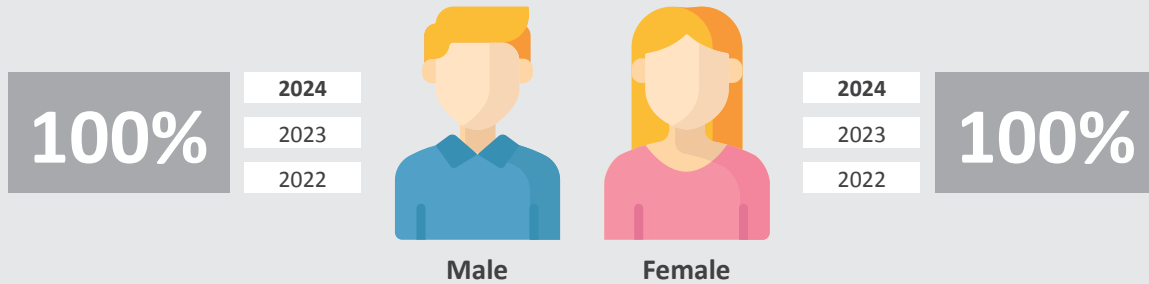
1. Average training hours per employee by gender is calculated based on the methodology prescribed by the GRI Standards.

Note:

1. Average training hours per employee by employment category is calculated based on the methodology prescribed by the GRI Standards.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Employees Receiving Regular Performance and Career Development Reviews (%)



Total Training Hours per Annum by Type of Training Programme



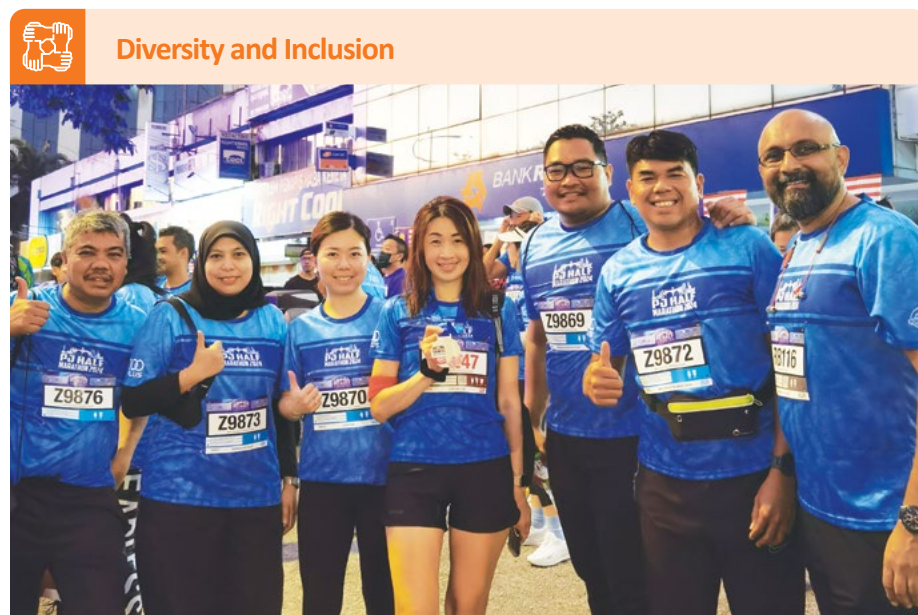
Outlook

We will continue implementing the relevant talent development and training programmes to provide our employees with comprehensive learning and upskilling opportunities. These programmes, which will be offered as both physical and virtual courses, will focus on essential technical competencies and compliance matters, as well as complementary skills and competencies, to facilitate the development of a well-rounded workforce.

A key focus of our talent development plans in 2025 will be to identify employees with high potential for career growth. We will ascertain the training needs that would accelerate their progress towards fulfilling their professional growth potential. This will include enrolling such candidates in specialised training, certification courses, or even academic programmes that will equip them with the necessary skills and qualifications.

Our commitment to upskilling our employees remains unwavering, ensuring that they have avenues for career and professional development, while also ensuring that their qualifications, capabilities and skillsets continue to align with the evolving needs of the Fund. Additionally, we will ensure that our employees are supported through appropriate wellness training programmes to enhance both employee satisfaction and well-being.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Diversity and Inclusion

We champion a diverse workforce that encompasses different genders, ethnicities, and cultural backgrounds across our operations. We believe that our strength as an organisation lies in our ability to harness the diverse thinking, skills, backgrounds, experience, and leadership styles of our people. As such, we aim to cultivate an inclusive and meaningful employee experience with a strong emphasis on employee welfare and equal opportunities at work, where our workforce actively contributes to creating significant operational, environmental and social impacts through their daily efforts.

The Manager's commitment to advancing diversity and inclusion is enshrined in our Code of Conduct, Personnel Policy Handbook, and the Board Charter. Our efforts in diversity and inclusion are overseen by the Human Resource department, which manages employee benefits and welfare, and handles all employee relations matters within the organisation.

Our Code of Conduct ensures that we provide equal opportunities to all employees regarding training, support, career advancement, compensation, and benefits. It eradicates discrimination based on gender, race, disabilities, nationality, and cultural backgrounds. This is reinforced by our Personnel Policy Handbook, which defines the benefits and entitlements applicable to all employees and directs the Manager to cultivate an inclusive workspace that appreciates diversity and ensures equal development opportunities for all employees.

These policies and guidelines for equal opportunities and non-discrimination also apply to our talent development approach, where we take a proactive stance in consistently identifying and nurturing a pool of employees across various levels, to ensure our workforce is able to adapt to the evolving business environment in which the Fund operates.

At the Board level, the Board Charter formalises our commitment to ensuring that at least 30% of the Board is composed of female directors, and to prevent the domination of a single race on the Board.

Key Initiatives

In upholding our commitment to advancing diversity and inclusion, we ensure our employee benefits and entitlements are equitable for all employees irrespective of gender, race, or employment type (i.e., whether they are permanent employees or contract staff). This includes providing Group Personal Accident Insurance, disability and invalidity coverage, as well as comprehensive hospitalisation benefits for all employees.

At the Board level, ARMB achieved 50% female representation on its Board since 2023, exceeding the minimum target of 30% female representation prescribed by the MCCG. This accomplishment reflects the Manager's proactive steps to ensure diversity and gender equality at the Board level.

Capitals



Human



Financial

Strategic Pillars



Governance

Business Risks



Human
Resource



Information
Technology

UN SDGs



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

In 2024, the Manager also organised group activities and social events for our employees to improve peer-to-peer engagement and trust, bolster the spirit of cooperation and camaraderie, and promote the well-being of employees through active pursuits. These included sponsoring our employees' participation in a half marathon and futsal events, in addition to fire safety awareness and emergency evacuation training, as well as CPR and AED awareness training. The selection of activities and events was based on feedback received from past employee engagement programmes, as well as our ongoing programmes in 2024. These employee engagement activities were well received, recording strong participation rates.

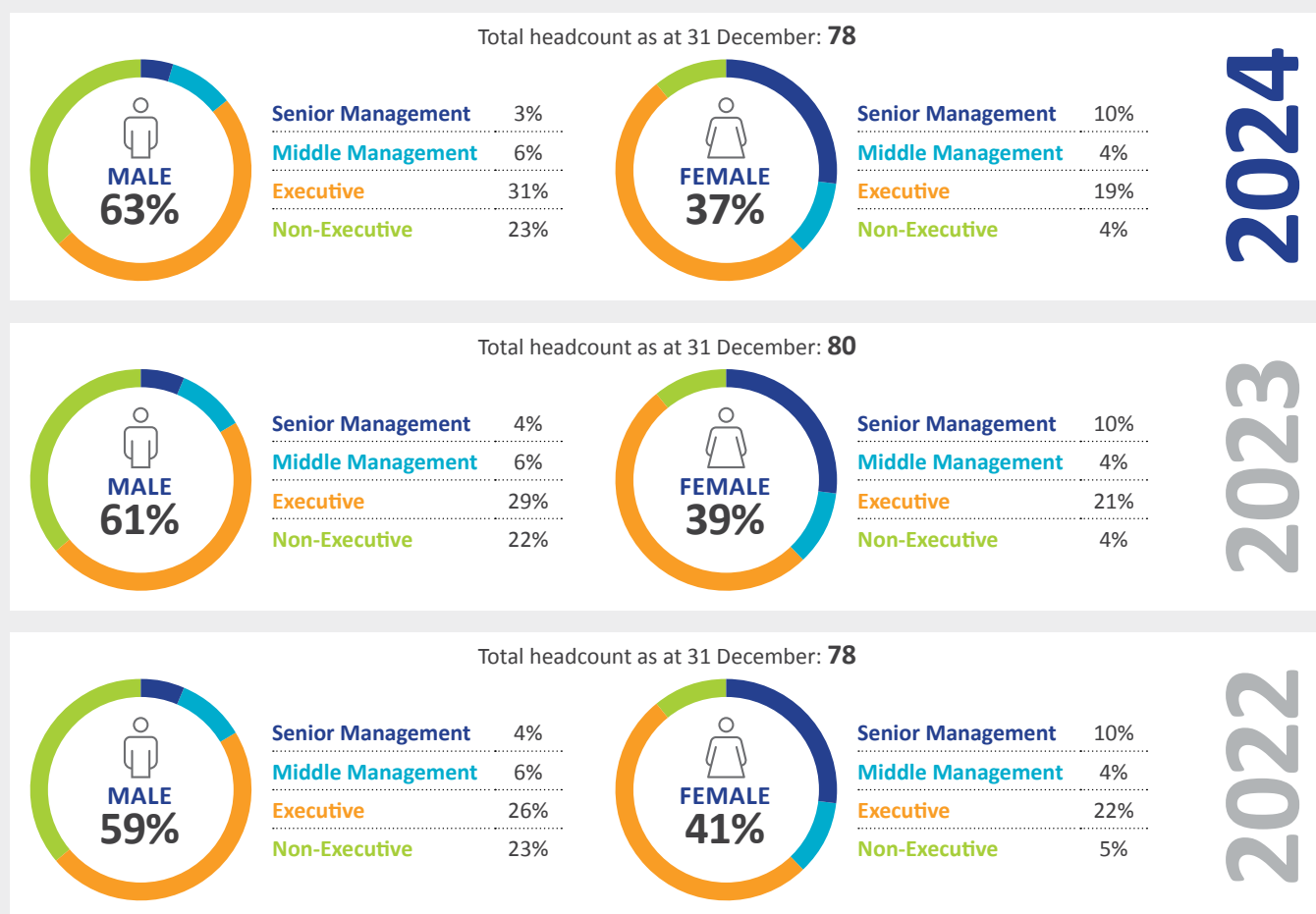
The Manager also maintained its open-door policy to encourage employees to convey their suggestions and feedback to their

immediate supervisors without concerns of discrimination or hierarchy, in order for their input to be heard and considered.

Targets & KPIs

Our efforts to promote diversity and inclusion are reflected in our reasonably balanced ratio of female to male employees. While the proportion of male employees outnumbered that of female employees at 63% to 37% respectively, women are better represented at Senior Management level, where 10% of our female employees are appointed in senior management roles vs. 4% of men. The bulk of our workforce is between 30 to 50 years of age, bringing with them a wealth of knowledge and experience gained from years of industry experience.

Gender Composition by Employee Category



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Age Group Composition by Employee Category

Total headcount as at 31 December: **78**



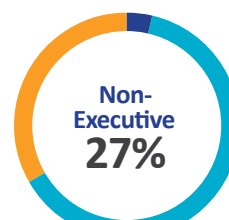
<30 0%
30-50 8%
>50 5%



<30 0%
30-50 8%
>50 3%



<30 6%
30-50 32%
>50 11%



<30 1%
30-50 17%
>50 9%

2024

Total headcount as at 31 December: **80**



<30 0%
30-50 8%
>50 6%



<30 0%
30-50 8%
>50 2%



<30 8%
30-50 30%
>50 12%



<30 2%
30-50 16%
>50 8%

2023

Total headcount as at 31 December: **78**



<30 0%
30-50 8%
>50 6%



<30 0%
30-50 8%
>50 3%



<30 5%
30-50 28%
>50 14%

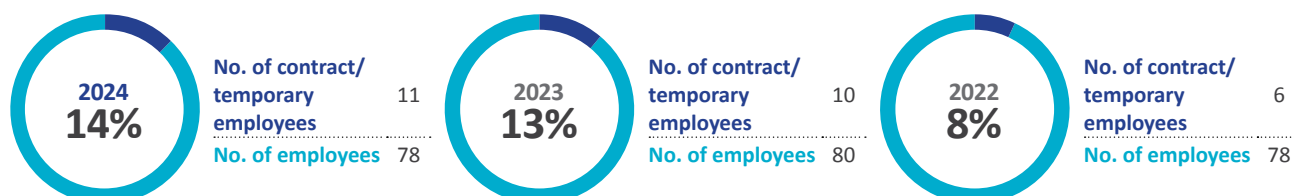


<30 4%
30-50 15%
>50 9%

2022

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Percentage of Employees Under Contract/Temporary Employees

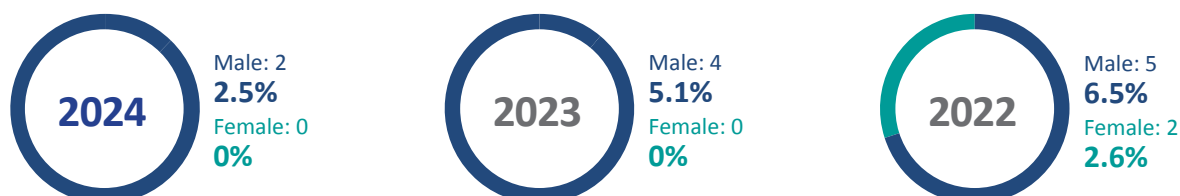


Note: The percentage of contract/temporary employees is the number of contract/temporary employees expressed as a percentage of the total number of employees.

Total Number of New Hires by Employee Category



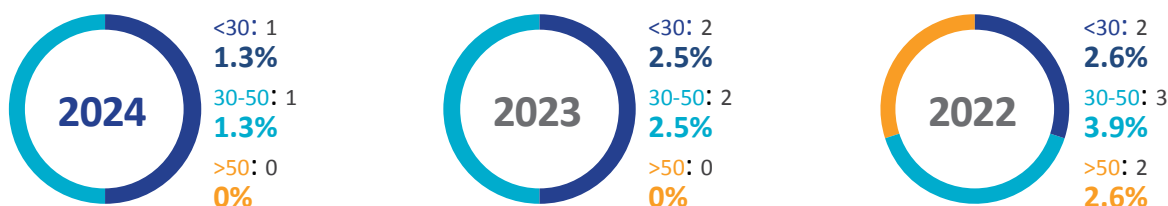
New Hires by Gender



Notes:

1. New Hires Rate is the total number of new employees hired during the year, expressed as a percentage of the average number of employees.
2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

New Hires by Age Group



Notes:

1. The New Hires Rate is the total number of new employees hired during the year, expressed as a percentage of the average number of employees.
2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

100%

of our Senior Management are local hires

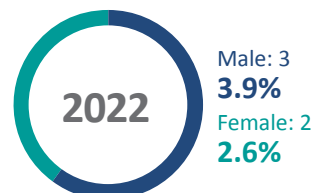
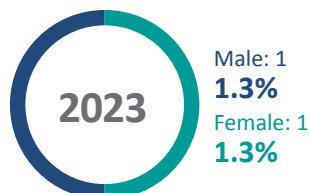
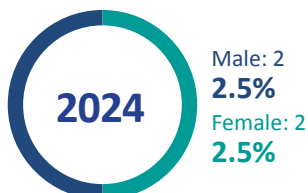
100%

of our employees are local hires

Employee Turnover by Employee Category



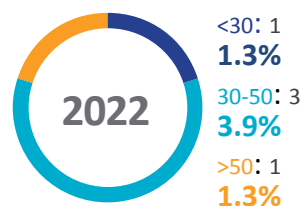
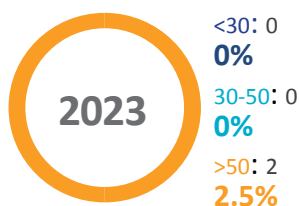
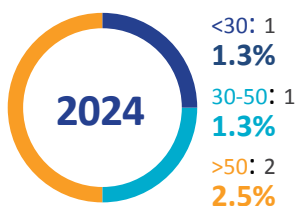
Employee Turnover Rate by Gender



Notes:

1. The Employee Turnover Rate is the number of employees who left the organisation during the year, expressed as a percentage of the average number of employees during the year.
2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

Employee Turnover Rate by Age Group



Notes:

1. The Employee Turnover Rate is the number of employees who left the organisation during the year, expressed as a percentage of the average number of employees during the year.
2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Parental Leave Statistics by Gender

	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
No. of employees entitled to parental leave	49	29	49	31	46	32
No. of employees who took parental leave	2	2	1	0	0	0
No. of employees that returned to work in the reporting period after parental leave ended	2	2	1	N/A	N/A	N/A
No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	2	1	1	N/A	N/A	N/A

Ratio of Basic Salary and Remuneration of Male to Female Employees (Gender Pay Gap)

	2024	2023	2022
Senior Management	1.0 : 1.3	1.0 : 1.1	1.0 : 1.0
Middle Management	1.0 : 1.1	1.0 : 1.1	1.0 : 1.1
Executive	1.0 : 0.9	1.0 : 0.8	1.0 : 0.8
Non-Executive	1.0 : 0.6	1.0 : 0.6	1.0 : 0.7

Notes:

1. Data is based on basic salaries only as at December of each year.
2. Calculated by indexing the average male employee's basic emoluments to 1 and comparing it to the average female employee's basic emoluments as a proportion of this.
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

Employee Engagements and Well-Being

We prioritise the well-being of our employees by providing an inclusive environment for our workforce to thrive in. We believe that employee engagement, development, and recognition are important to boost productivity in the workplace. Towards this end, we conduct an Annual Employee Satisfaction Survey to gauge our employees' satisfaction and take into consideration their feedback towards maintaining a high employee retention rate. The survey serves as a platform for our employees to participate in their own career development, by providing a channel for them to share their opinions that will enable us to identify their needs and goals for professional growth.

The Annual Employee Satisfaction Survey covers questions on workplace culture, compensation and benefits packages, as well as employee engagement activities. The data collected from the survey is used in planning future employee engagement programmes and training. Beyond that, we actively track employee satisfaction levels and feedback to shape future employee policies and to maintain a high employee retention rate.

Type of Employee Engagement and Well-Being Programmes

	Frequency	Target Group
Annual Dinner	Annual	All employees
Company Trip	Annual	All employees
Private Health Insurance	Annual	All employees
Long Service Award	Annual	Eligible employees
Axis Education Fund	Annual	Eligible employees' children
Fitness activities	Ad-Hoc	All employees
Wellness activities	Ad-Hoc	All employees

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Employee Satisfaction



No. of employees
who took the Employee
Satisfaction Survey
66 employees
(84.6%)



No. of employees
who took the Employee
Satisfaction Survey
66 employees
(82.5%)



No. of employees
who took the Employee
Satisfaction Survey
72 employees
(92.3%)



Outlook

We remain committed to maintaining an inclusive and conducive work environment that boosts employee growth, engagement, and productivity. In order to foster a more inclusive and supportive work environment in 2025, we plan to provide awareness training for employees on topics relating to sexual harassment and discrimination. This will help ensure that all employees are equipped to understand their roles in promoting respect, equity, and a safe workplace for everyone.

Given the high participation rate and positive feedback on the employee engagement programmes held in 2024, we will extend such activities into 2025. We will also maintain a balanced gender representation in our workforce and foster an environment that attracts talent from a variety of backgrounds and cultures.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Human Rights & Labour Practices



Capitals



Social & Relationship

Strategic Pillars



Facilities Management



Development



Governance

Business Risks



Global



Human Resource



Information Technology



Real Estate Management

UN SDGs



We maintain the highest standards in overseeing labour management and human rights-related practices. This applies not just within our operations but throughout our supply chain as well. We prioritise the fair, ethical, and just treatment of our workers and strongly oppose any act of forced or child labour both within our business operations and across our supply chain.

We ensure strict compliance with the working hours, working conditions, freedom of association, and minimum wages stipulated under Malaysia's Employment Act 1955, the Occupational, Safety and Health Act 1994, and other applicable acts and regulations that address human rights in the workforce. Beyond that, we encourage a healthy work-life balance among employees and ensure that the compensations received by all employees are above the prescribed minimum wage. Additionally, we actively support our employees' involvement in community activities, provided that such activities do not create any conflict-of-interest situations.

Our commitment to human rights and fair labour practices extends to our entire supply chain. We apply the same framework to our suppliers and service providers (including our contractors) via the Supplier Code of Conduct. We believe this is a critical component in safeguarding the reputation and success of the Fund.

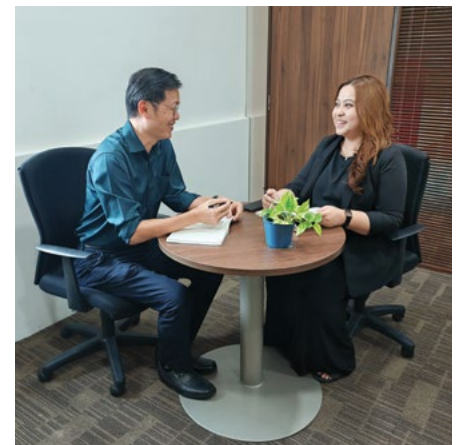
The Supplier Code of Conduct compels our supply chain to uphold high standards of human rights and labour practices. This encompasses various behaviour, policies, and practices that our suppliers and service providers must adhere to. These include fair labour practices, human rights considerations, and health and safety policies. It also references our Whistle-Blowing Policy for the reporting of any incidents of non-compliance, including any unlawful or unethical business practices that contradict the framework.

Our Property Management Team conducts annual compliance assessments on our suppliers and service providers to ensure the alignment and strict compliance with the Manager's labour practices, as well as with human rights standards and Malaysia's employment laws. Our labour practices strictly prohibit any form of child or forced labour within our business operations and across our supply chain.



Details on how we communicate and enforce the Supplier Code of Conduct are presented in the "Responsible Supply Chain" sustainability matter.

The Human Resource department is responsible for all employment-related matters. This ensures that all our employment practices strictly conform to local employment laws and labour standards.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



The Manager maintains an “open door” policy, enabling employees to raise concerns regarding human rights violations directly with Senior Management. Beyond that, our Whistle-Blowing Policy establishes whistleblowing channels that facilitate the reporting of issues such as sexual harassment, discrimination, and endangerment to health and safety, along with other misconduct and malpractices including violations of human rights and fair labour practices. Employees are encouraged to report genuine cases of such misconduct to their immediate supervisors. Alternatively, employees can also escalate such reports to the CEO or to ARMB’s Independent Non-Executive Directors, if they feel the handling of the matter would be otherwise compromised.



For further details on Axis-REIT’s Code of Conduct, Supplier Code of Conduct, and Whistle-Blowing Policy, please visit our website at www.axis-reit.com.my/investor/corporate_governance.php

Key Initiatives

We continued to uphold human rights and fair labour practices by conducting onsite human rights assessments on registered key vendors. Registered key vendors assessed in 2024 include contractors providing construction services, fire-fighting services, and the installation of the cashless carpark systems.

Targets & KPIs

In 2024, there were no incidents or grievances relating to discrimination, child labour, or forced labour from employees or external parties such as suppliers and service providers, our communities, or the general public.

	2024	2023	2022
No. of substantiated complaints concerning human rights violations	0	0	0



Outlook

The Manager remains committed to protecting and upholding human rights and fair labour practices both internally as well as across our supply chain. We will continue to conduct onsite human rights assessments on registered key vendors to identify any incidents of non-compliance and initiate follow-up actions where required. As and when the Fund embarks on new development projects, we will also continue to engage our outsourced Internal Auditors to audit our contractors’ compliance with ESG requirements.



For more information on our supplier and service provider assessments, please refer to the Responsible Supply Chain sustainability matter on pages 122 to 124 of this Report.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Community Activity & Partnership



Capitals



Social & Relationship

Strategic Pillars



Capital Management



Governance

Business Risks



Global



Human Resource



Information Technology

UN SDGs



Community activities and partnerships are integral to our holistic approach to sustainability. We proactively engage our local communities to understand and address their challenges through our robust CSR initiatives. We are committed to creating enduring positive impacts through our dedicated CSR initiatives by supporting vulnerable communities, especially those in our immediate vicinity, and fostering trust and mutual respect with these communities.

The Manager, Corporate Communications & Sustainability drives the Manager's Community Activity and Partnership efforts, spearheading initiatives to identify, engage, and assist communities in need of assistance, and proposing suitable potential CSR initiatives for the Fund.

Our recent community initiatives have continued to focus on improving access to health services for underprivileged children, the disabled, and the infirm. These initiatives are largely aligned with our geographical presence, where we engage with local NGOs to identify and understand the needs of such vulnerable segments, and explore ways in which the Fund can lend support. Our initiatives aim to deliver long-term benefits to the targeted communities that extend well beyond the initial year of investment. Towards this end, we track the impact of our initiatives over several years to evaluate their effectiveness.

In addition to CSR projects, the Manager recognises that the Fund's development projects may potentially have material impacts on their surrounding communities, particularly during construction. As such, our appointed contractors regularly engage with local community leaders to understand the community's concerns and sentiments in order for us to assess and mitigate any negative impacts around our development sites. We also publish our contact details on construction signage to encourage direct feedback from the local community, foster open communication, build trust, and address community concerns directly and more effectively.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



DONATION OF DIALYSIS AND ULTRASOUND MACHINES TO NKF MALAYSIA

NKF Malaysia is a non-profit, charitable organisation established in 1969, dedicated to helping Malaysians suffering from end-stage kidney failure who lack access to or cannot afford dialysis treatment. As part of our 2024 CSR programme, we donated 3 dialysis machines and 1 ultrasound imaging machine to NKF Malaysia for its dialysis centres in Selayang and Petaling Jaya. These machines, which were delivered to NKF in an official

ceremony on 23 September 2024, were fully operational at the centres from October 2024 onwards.

We will work with NKF Malaysia in monitoring the impact of the machines over their lifespan to evaluate the effectiveness of the initiative and develop more effective and impactful programmes in the future.



PHYSIOTHERAPY AND SPEECH THERAPY FOR CHILDREN WITH DISABILITIES

During 2024, the Fund continued to sponsor physiotherapy and speech therapy programmes for Persatuan Kebajikan Sayap Kasih Malaysia (formerly known as IQ70+). The home for children with disabilities and special needs is registered with the Ministry of Welfare Malaysia and is located close to our headquarters in Petaling Jaya.

Axis-REIT initiated this programme in 2022, engaging professionally-trained therapists from Pantai Hospital to provide physiotherapy and speech therapy sessions at the home and reimbursing the hospital

directly for its services. This sponsorship aims to ensure the children's right to access essential health and rehabilitation services, helping them achieve a better quality of life in the future.

Under the 2024 programme, Axis-REIT sponsored 21 physiotherapy and 22 speech therapy sessions which ran from August 2024 to February 2025. We regularly engaged with the caregivers at the home throughout the duration of the programme to track its utilisation and effectiveness, and to identify areas for improvement.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



BLOOD DONATION CAMPAIGN

On 4 December 2024, we organised a blood donation drive at Menara Axis in collaboration with the National Blood Centre. The Fund waived the daily rental fees for the use of the building's foyer and electrical plug points needed for the event. We also promoted the campaign to tenants and employees. The campaign successfully drew blood donations from 50 eligible donors, with each donation being able to save up to 3 lives.



FOLLOW UP MONITORING OF AMBULANCE DONATION TO ST JOHN AMBULANCE OF MALAYSIA (SJAM)

In 2022, we initiated a partnership with SJAM, which led to the Fund's sponsorship of an ambulance for SJAM's operations in Sabah. The vehicle was fabricated and fitted out in strict adherence to MOH's standards, and officially handed over to SJAM in June 2023 at its headquarters in Cheras, Kuala Lumpur. After securing the necessary permits and registrations, the ambulance was shipped to Kota Kinabalu, Sabah, in October 2023, and was fully commissioned in November 2023, supporting the emergency medical services of Queen Elizabeth Hospital.

While the initiative did not incur any further investments in 2024, we continued to engage with SJAM as part of our agreement to monitor the utilisation of the ambulance and evaluate the long-term impact of the initiative.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Initiatives	Amount Invested (RM'000)	Outcome	No. of beneficiaries in 2024
Donation of medical equipment to NKF Malaysia	150 [#]	Donated 3 dialysis machines and 1 ultrasound imaging machine to NKF for dialysis centres in Selayang and Petaling Jaya	648 ^{1#}
Sponsorship of health services for children with disabilities at Persatuan Kebajikan Sayap Kasih Malaysia	51 [#]	Providing children with disabilities access to 21 physiotherapy and 22 speech therapy sessions over 7 months	Children benefiting from physiotherapy: 7 [#] Children benefiting from speech therapy: 5 [#]
Blood donation campaign	N/A ^{2#}	A total of 50 eligible donors donated blood during the campaign	150 ^{3#}
Donation of an ambulance to SJAM	N/A ^{4#}	An emergency ambulance service based in Kota Kinabalu since November 2023	168 ^{5#}

¹ Beneficiaries are calculated as the number of dialysis sessions for the 3 dialysis machines, from October to November 2024. Note that this does not include the use of the ultrasound machine as it is a supplementary instrument that is only used when there are difficulties in detecting patients' veins.

² Axis-REIT sponsored the use of the foyer at Menara Axis for the blood donation campaign, waiving the normal daily charges.

³ This estimate is based on the volume of blood from 50 donors and information provided by the National Blood Centre of Malaysia that each donation can save up to 3 lives.

⁴ The investment in this initiative was incurred and reported in 2022 and is therefore not repeated here.

⁵ Number of patient beneficiaries of the ambulance service throughout 2024.

In addition to the initiatives listed above, we continued to work closely with local authorities to improve the infrastructure fronting the Axis Mega Distribution Centre (Phase 2) development in 2024. This involved widening and resurfacing roads, as well as upgrading the adjacent drainage systems - an initiative which benefits the local community as a whole.

Targets & KPIs

Community Activity & Partnership Statistics	2024	2023	2022
Total amount invested in CSR (RM'000)	201 [#]	181	193
Total Number of Beneficiaries	978 [#]	85	12

Outlook

We remain committed to our role as a responsible corporate citizen and will continue investing in initiatives that will benefit vulnerable communities in the long-term. We have allocated RM200,000 for community investment programmes in 2025, which will largely focus on providing access to health or services for children and other underprivileged segments, primarily around our key operational areas. We will also continue our regular engagement efforts with surrounding communities for a better understanding of their social and environmental issues, and explore potential new segments and initiatives to support.

[#]This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

To RHB Trustees Berhad (“Trustee”), as Trustee of Axis Real Estate Investment Trust (“Axis-REIT”) and the Board of Directors of Axis REIT Managers Berhad (“Manager”), as the Management Company of Axis-REIT.

Scope of Work

We have been engaged by Axis-REIT to perform an independent limited assurance engagement in accordance with Malaysian Approved Standards on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ISAE 3000”) on Selected Key Performance Indicators (“Subject Matter Information”), marked with a # on the relevant pages of Axis-REIT’s Management of Material Sustainability Matters Report for the financial year ended 31 December 2024 (“Sustainability Report”).

Subject Matter Information

The Subject Matter Information reported in the Sustainability Report on which we provide limited assurance, consists of:

Category	Subject Matter Information	Metric Unit
Environmental - Energy and Carbon Footprint	Total Energy Consumption	MJ and MWh
	Total Building Energy Intensity	MJ/sq. ft.
	Scope 1 GHG Emissions (Genset, Company Vehicle)	tCO ₂ eq
	Scope 2 GHG Emissions	tCO ₂ eq
	Total Building GHG Emissions Intensity (Scope 1 and Scope 2 Combined)	tCO ₂ eq/sq. ft.
Environmental - Water Management	Annual Water Withdrawal	m ³
	Annual Water Use Intensity	m ³ /sq. ft.
Social - Occupational Health and Safety	Injury Cases (Fatalities, Lost Time Injuries, Restricted Work Cases/Medical Treatment, First Aid, Lost Time Incident Rate)	No.
	Non-injury Cases (Fire/Explosion, Property/Equipment Damage, Environmental Pollution, Summons Received)	No.
	Non-compliance Incidents/Fines (Incidents of Non-compliance with HSE Policy, Incidents of Non-compliance with Applicable Laws and Regulations, Amounts in Fines Incurred for Regulatory Non-Compliance)	No./Ringgit Malaysia
	Absentee Rate (Male, Female)	%
	Safe Days	No.
Social - Community Activity and Partnership	Total Amount Invested in Corporate Social Responsibility (“CSR”)	Ringgit Malaysia
	Total Number of CSR Beneficiaries	No.

Our limited assurance was with respect to the financial year ended 31 December 2024 information and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability Report, and therefore, do not express any conclusion thereon.

The scope of our work was limited to the Subject Matter Information presented in the Sustainability Report and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter Information and related disclosures; nor did it include information reported outside of the Sustainability Report, comparisons against historical data, or the Manager’s forward-looking statements.

The boundary of the limited assurance engagement on the Subject Matter Information represents the primary activities of Axis-REIT and the operations of the Manager in managing Axis-REIT. Where indicated, some data are limited to that of common areas of multi-tenanted properties under the Manager’s direct operational control.

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

Reporting Criteria

The Reporting Criteria applied for the reporting of the Subject Matter Information are as follows:

- the Global Reporting Initiative (“GRI”) Standards; and
 - Axis-REIT’s relevant internal policies and procedures.
- (collectively referred to as the “Reporting Criteria”)

Responsibilities of the Trustee and the Manager of Axis-REIT

The Trustee and the Manager are responsible for the preparation and presentation of the Subject Matter Information in accordance with the Reporting Criteria. The responsibility includes selecting the Reporting Criteria, and designing, implementing and maintaining internal control, using assumptions and estimates that are relevant to the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter Information as presented in the Sustainability Report is not prepared, in all material respects, in accordance with the Reporting Criteria.

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with the Trustee and the Manager, including performing the engagement in accordance with ISAE 3000. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matter Information as presented in the Sustainability Report is free from material misstatement. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Subject Matter Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability of the Reporting Criteria used in the circumstances of Axis-REIT for the preparation of the Subject Matter Information, assessing the risks of material misstatement, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information in the Sustainability Report. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Inherent Limitations

Inherent limitations of limited assurance engagements include use of judgement and selective testing of data, which means that it is possible that fraud or error may occur and not be detected in the course of performing the engagement. Our engagement is not designed to detect all weaknesses in the internal control over the preparation and presentation of the Subject Matter Information. Accordingly, there is some risk that a material misstatement may remain undetected.

There are also inherent risks associated with limited assurance engagements performed for non-financial information given the characteristics of the Subject Matter Information and the compilation of source data using definitions and methods for determining, calculating and estimating such information that are developed internally by the Manager. The absence of a single body that establishes the evaluation and measurement criteria for the Subject Matter Information allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and accuracy of data are subject to individual assumptions and judgements. In addition, where the information relies on factors derived by independent third parties, our limited assurance work has not included examination of the derivation of those factors and other third-party information.

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

Summary of Work Performed

Procedures performed in a limited assurance engagement vary in nature and timing, from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance engagement on the Subject Matter Information consists of making inquiries, primarily of persons responsible for the preparation of the Subject Matter Information presented in the Sustainability Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures include:

- Inquired personnel responsible for the Subject Matter Information to gain an understanding of the processes relevant to the engagement in the preparation of the Subject Matter Information and the underlying controls over those processes;
- Inquired personnel responsible for data collection, collation and reporting of the Subject Matter Information for Axis-REIT;
- Identified the risks of material misstatement of the Subject Matter Information whether due to fraud or error and designed and performed limited assurance procedures that were appropriate in the circumstances to obtain sufficient and appropriate evidence, including:
 - (a) undertook site visits at selected location to understand data collection process, source data and relevant assumptions applicable to the sites;
 - (b) checked formulas and inputs used in the calculation of the Subject Matter Information against Axis-REIT's Reporting Criteria; and
 - (c) compared the Subject Matter Information to corresponding information in the relevant underlying supporting documents on a sample basis; and
- Checked the appropriateness of the presentation and disclosures of the Subject Matter Information based on the Reporting Criteria.

Although we obtained understanding of Axis-REIT's internal control relevant to the engagement when determining the nature and extent of our procedures, our limited assurance engagement was not designed to provide a conclusion on the effectiveness of Axis-REIT's internal control. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*. Accordingly, we are required to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Subject Matter Information as presented in the Sustainability Report has not been prepared, in all material respects, in accordance with the Reporting Criteria.



INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

Restriction on Use

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report prepared solely to the Trustee and the Board of Directors of the Manager in accordance with the terms of our engagement, and for no other purpose or in any other context. We do not accept or assume liability to any party other than the Trustee and the Board of Directors of the Manager, for our work, for this report, or for the conclusion we have reached. We consent to the inclusion of this limited assurance report in Axis-REIT's Integrated Annual Report for the financial year ended 31 December 2024, provided it is clearly understood by recipients of the report that we accept no duty of care to them whatsoever in respect of this report. Any reliance on this report by any third party will do so on its own risk.

Baker Tilly Monteiro Heng PLT

201906000600 (LLP0019411-LCA) & AF 0117

Chartered Accountants

Kuala Lumpur

Date: 28 February 2025

BURSA LINK

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	Percentage	100.00	100.00
Middle Management	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Non-Executive	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	20.00	40.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	181,000.00	201,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	85	978
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management Under 30	Percentage	0.00	0.00
Senior Management Between 30-50	Percentage	8.00	8.00
Senior Management Above 50	Percentage	6.00	5.00
Middle Management Under 30	Percentage	0.00	0.00
Middle Management Between 30-50	Percentage	8.00	8.00
Middle Management Above 50	Percentage	2.00	3.00
Executive Under 30	Percentage	8.00	6.00
Executive Between 30-50	Percentage	30.00	32.00
Executive Above 50	Percentage	12.00	11.00
Non-Executive Under 30	Percentage	2.00	1.00
Non-Executive Between 30-50	Percentage	16.00	17.00
Non-Executive Above 50	Percentage	8.00	9.00
Gender Group by Employee Category			
Senior Management Male	Percentage	4.00	3.00
Senior Management Female	Percentage	10.00	10.00
Middle Management Male	Percentage	6.00	6.00
Middle Management Female	Percentage	4.00	4.00
Executive Male	Percentage	29.00	31.00
Executive Female	Percentage	21.00	19.00
Non-Executive Male	Percentage	22.00	23.00
Non-Executive Female	Percentage	4.00	4.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	50.00	50.00
Female	Percentage	50.00	50.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	17.00	17.00

Internal assurance External assurance No assurance

(*)Restated

BURSA LINK

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2023	2024
Bursa (Diversity)			
Above 50	Percentage	83.00	83.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt [^]	3,867.95	3,820.61
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	2.45
Bursa C5(c) Number of employees trained on health and safety standards	Number	53	40
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	441	293
Middle Management	Hours	135	197
Executive	Hours	257	336
Non-Executive	Hours	125	66
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	13.00	14.00
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management	Number	0	1
Middle Management	Number	1	0
Executive	Number	1	3
Non-Executive	Number	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	103.728000	106.710000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	1,226,257.00	1,170.81
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	42,710.00	44.92
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,183,547.00	1,125.89
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	29.14	29.86
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	2,906.09*	2,867.25
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	212.23*	181.68

[^] This refers to Megawatt-hours.

Internal assurance

External assurance

No assurance

(*) Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT



ARMB, being the management company of Axis-REIT, is pleased to present this Corporate Governance Overview Statement, which has been approved by the Board, and which provides insights into the best practices adopted by the Manager in managing Axis-REIT.

The Manager recognises that an effective corporate governance culture is critical to its performance, and consequently, to the success and sustainability of Axis-REIT. We are committed to upholding high standards of corporate governance and have adopted a comprehensive corporate governance framework that aligns with best practice principles.

The following sections describe the corporate governance framework, practices, and policies adopted by the Manager, based on Axis-REIT's status as a large company, as defined by the MCCG. The framework, practices, and policies are substantially in accordance with the recommendations of the MCCG.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

The Manager of Axis-REIT

As the appointed Manager of Axis-REIT, ARMB has general powers over the Fund's assets and liabilities. Its main responsibility is to manage these assets and liabilities for the benefit of its Unitholders, acting honestly, with due care and diligence, and in Unitholders' best interests at all times.

Led by the Board of Directors, ARMB sets the strategic direction of the Fund and makes the relevant recommendations to the Trustee of Axis-REIT on acquisitions, divestments, enhancements, and developments. Concurrently, the Manager also oversees the business planning, capital management, and risk management functions of the Fund.

ARMB is a Capital Markets Services Licence (CMSL) holder, regulated by the Capital Markets and Services Act 2007. As such, it is required to observe and meet the minimum standards of conduct in the capital market as regulated by the SC, as well as the SC's Guidelines on Corporate Governance for Capital Market Intermediaries (CGCMI Guidelines). These are in addition to complying with the practices and principles of the MCCG.

The Board of Directors of the Manager

The diagram below provides an overview of the Board's responsibilities in carrying out the duties of the Manager:

BOARD'S RESPONSIBILITIES

- 1 Strategic planning, which supports long-term value creation
- 2 Corporate governance, which reinforces ethical, prudent and professional behaviour
- 3 Supervision and oversight of Senior Management towards the accomplishment of the Fund's objectives and mission
- 4 Business plans and the results of their implementation
- 5 Asset management of Axis-REIT's property portfolio
- 6 Risk management and internal controls, including setting the risk appetite and tolerance in the decision-making processes
- 7 Financial and non-financial reporting systems
- 8 Business development and growth strategies
- 9 Succession planning at Board and Senior Management levels
- 10 Stakeholder communication and engagements
- 11 Oversight of sustainability and ESG matters, including climate-related matters



Details of the Board's roles and responsibilities in discharging its fiduciary leadership functions are available in the Board Charter, which can be accessed at Axis-REIT's corporate website, www.axis-reit.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Sustainability Governance Structure

Good ESG management requires strong leadership to ensure that the day-to-day operations and business decisions work towards achieving the Fund's vision and sustainability targets. This, in turn, wins the trust and confidence of all stakeholders.

The Board, together with the CEO, HODs, and the Manager, Corporate Communications & Sustainability, are responsible for managing the Fund's sustainability goals and initiatives. The CEO, HODs, and the Manager, Corporate Communications & Sustainability form the Sustainability Team of Axis-REIT.



BOARD

- Approving ESG strategies and targets/KPIs
- Regularly evaluating the Fund's overall ESG-related performance and progress
- Overseeing the management of sustainability initiatives, as well as ESG-related risks and strategies, including climate-related risks and opportunities
- Ensuring that ESG-related risks and strategies, including climate-related risks and opportunities, are integrated into decision-making processes of business plans, strategies, budgets, as well as investment and divestment proposals



CEO

- Developing and managing sustainability initiatives
- Identifying, assessing, and managing ESG-related risks, including climate-related risks and opportunities
- Formulating ESG-related strategies, including climate-related risks and opportunities, that are in line with business plans
- Assessing the impact and progress of key sustainability action plans
- Ensuring the mitigation of ESG-related risks through the integration of these risks in enterprise risk management procedures



HODs



Project Management



Investments/
Business Development



Finance



Compliance



Real Estate



Facilities Management



Human Resource

- Implementing, monitoring, and periodically reporting the progress of sustainability initiatives, including climate-related matters, measures, and actions that have been set by the CEO and approved by the Board



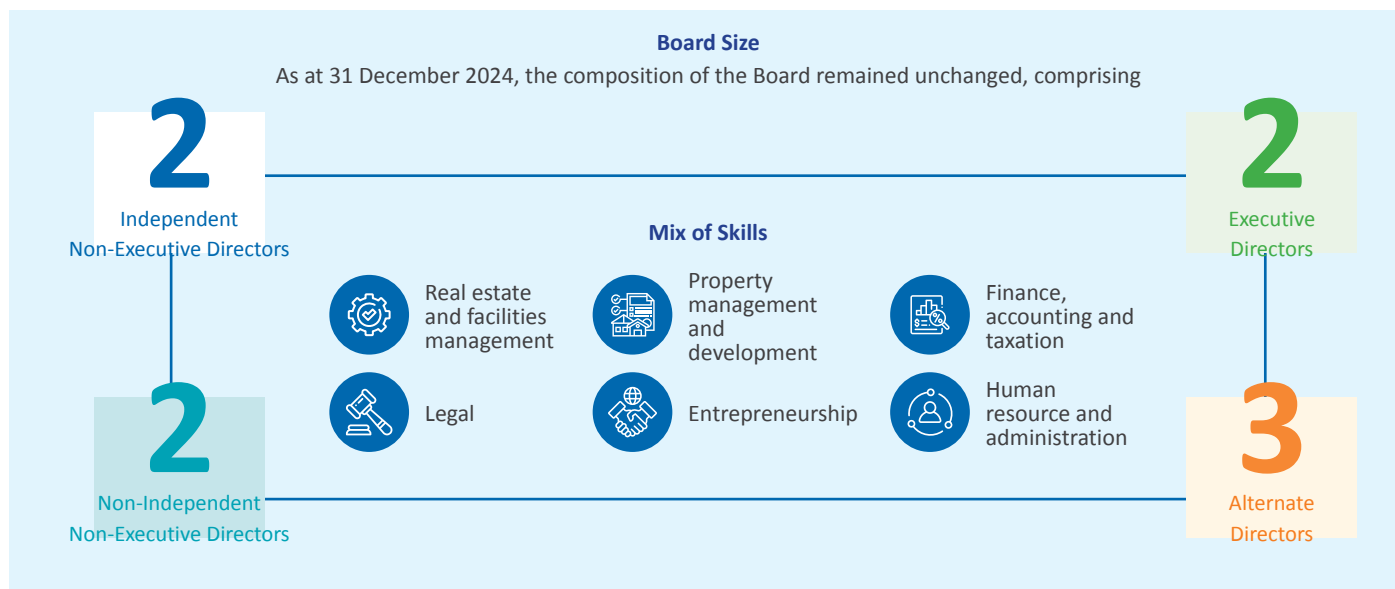
MANAGER, CORPORATE COMMUNICATIONS & SUSTAINABILITY

- Working closely with the CEO and HODs to implement approved sustainability initiatives, including climate-related matters and action plans, and thereafter, monitoring and reporting on the progress and impact of these initiatives

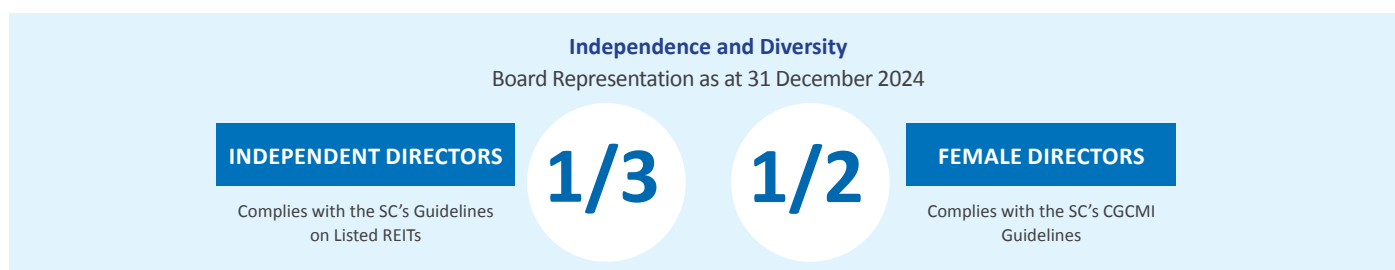
CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Composition

The Board comprises a mix of Executive and Non-Executive Directors from diverse professional backgrounds. This allows Senior Management to tap the Board's broad expertise and business experience in deliberating issues pertaining to the management and operations of the Fund.



The Board is satisfied with its current composition, given the mix of skills and competencies of its members. The Board further notes that its composition complies with the SC's Guidelines on Listed REITs in terms of independent representation, as well as the SC's CGCMI Guidelines for gender diversity.



Annual Assessment of the Board, Board Committees, and Individual Directors

The Board appointed a third-party consultant, Archer Consulting Group Sdn Bhd (ACG), to facilitate its annual independent assessments of the Board, Board Committees, and each individual Director. ACG conducted these assessments between 2 October 2024 and 18 October 2024 through separate interviews with each Director.



Outcome in FYE2024:

The Nomination Committee evaluated ACG's assessments of the Board, Board Committees, and each individual Director. Based on this evaluation, the Board was satisfied with the existing board structure and composition, concluding that each Director has been effective in their leadership and decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Chairman of the Board and CEO

The positions of Chairman and CEO are held by separate persons to maintain an effective segregation of duties. This division of responsibilities is defined in the Board Charter and is summarised below:

Chairman of the Board

- Provides leadership to the Board in relation to all aspects of the Board's roles and responsibilities
- Ensures that members of the Board work together with Senior Management in a constructive manner to address strategies, business operations, financial performance, and risk management issues
- Plays a role in the Manager's external relationships with stakeholders



CEO

- Has full executive responsibilities in implementing the agreed business policies and directions set by the Board, as well as for overall operational decisions in managing Axis-REIT
- Works closely with all HODs through weekly cross-departmental meetings to review operational issues, capital management, investment proposals, leasing activities, as well as facilities and project management

Corporate Strategy and Target Setting

At the start of FYE2024, the Board reviewed and approved Axis-REIT's budget, which set the financial roadmap and targets for each department in executing their business plans for the year.

At each of its quarterly meetings, the Board reviewed and assessed the Manager's execution of approved action plans and its progress towards targets and KPIs that had been set and approved in the Corporate Strategy 2024-2025. The progress, achievements, and targets met in FYE2024 are presented on pages 104 to 105.



Outcome in FYE2024:

At a strategy workshop held in December 2024, the Sustainability Team reviewed and updated the 2025-2026 corporate strategy and targets. These revisions were subsequently endorsed and adopted by the Board at its first meeting of 2025, convened on 23 January 2025. The Corporate Strategy 2025-2026 is presented on pages 99 to 105 of this Report.

Commitment to Climate Management

As part of its environmental stewardship plans, ARMB has committed to reducing Axis-REIT's GHG emissions to as close to zero (carbon neutrality) or achieving net zero by 2050 or earlier. The Sustainability Team is currently developing a roadmap to meet this commitment, which will be presented to the Board for approval in 2025.

Assessment of the Board and the Sustainability Team

The Board has evaluated the performance of the Sustainability Team in relation to the overall progress and targets met during FYE2024, and expressed satisfaction with the team's commitment, progress, and achievements during the year.

The Directors were also evaluated for their leadership and commitment to ESG action plans and targets for 2024-2025 during the Board's annual assessment conducted by ACG.



Outcome in FYE2024:

ACG's evaluation concluded that the Directors were committed to monitoring the progress and achievement of the predetermined sustainability targets. Subsequently, in January 2025, the Board appointed its Chairman as the person responsible for the oversight of climate change risks.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Meetings and Procedures

The Board meets every quarter and held 4 meetings in FYE2024. Dates for all Board meetings are determined and fixed in advance so that all Directors can schedule and commit their time effectively. This is governed by the Board Charter, which sets expectations on Board members' time commitments.

At the quarterly meetings held in FYE2024, the Board:

-  Reviewed, discussed, and approved the release of Axis-REIT's quarterly and annual financial results
-  Reviewed proposed acquisitions and/or disposals, corporate plans, the annual budget, credit control reports, capital management proposals, real estate reports, facilities and project management reports, investor relations reports, as well as other operational reports
-  Reviewed the financial performance of Axis-REIT against the approved budget
-  Reviewed other proposals tabled by Senior Management
-  Reviewed reports from the Board Committees
-  Reviewed ESG reports

The CEO led the business performance reporting at each Board meeting. The Chief Financial Officer, Head of Real Estate, Head of Investments, and the Senior Manager, Investor Relations and Business Development, who are HODs of the Manager, were also in attendance to present their reports and facilitate the review and discussion of issues and matters raised. The structure and participation at the meetings enabled the Board to oversee, assess, and monitor Senior Management's performance in administering the business of the Manager and Axis-REIT.

Before every Board meeting, the Executive Committee met to review all reports and proposals from Senior Management. Thereafter, it compiled a comprehensive Executive Committee Report that was presented to

the Directors at the Board meetings. These reports contained financial and operational updates, as well as proposals and recommendations for the Board's consideration, deliberation, and decision.

The Company Secretary facilitated the dissemination of information pertaining to Board meetings by sending notices of meetings and their agendas to all Directors no less than seven days before each meeting. The relevant meeting papers were also compiled and distributed to all Directors as soon as practicable once the notices of meetings had been issued, within 5 business days before each meeting.

Meeting among Non-Executive Directors

At the Board meeting held on 28 October 2024, the Non-Executive Directors held a separate and private discussion to review the strategic, governance, and operational matters among themselves, without the presence of the Executive Directors or Senior Management.

Access to Information and Advice

All members of the Board have access to all information about the Manager and Axis-REIT at Board meetings and through enquiries made via established channels. Generally, information is disseminated to the Directors via email. Additionally, the Finance Team also circulates monthly financial updates to the Board, enabling the Board to monitor and assess the performance and prospects of the Fund.

All Directors have access to the rules and regulations governing the Fund and the Manager via the Company Secretary, who maintains such corporate documents. This includes policies, guidelines, and other such documents that have been approved by the Board.

The Manager can seek advice from a panel of financiers and consultants who provide professional advice in the areas of financing, capital markets, legal, property valuation, and engineering due diligence. This access to expert advice ensures that the Board's decision-making mechanism is informed, effective, and result-oriented.

Company Secretary and Head of Compliance

The Board is supported by a professionally-qualified and competent Company Secretary who is also the Head of Compliance of the Manager. The Company Secretary organises all meetings for the Board, Board Committees, and Unitholders, ensuring that all such meetings comply with the applicable policies, rules, and procedures. As the Head of Compliance, the Company Secretary also assists the CEO in legal and corporate compliance matters, liaising and working closely with the Fund's external solicitors and professional advisers to ensure compliance with all relevant regulations at all times.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During FYE2024, the Company Secretary attended all Board, Board Committee, and Unitholders' meetings, recording and preparing the minutes of each meeting for the approval of the respective Chairmen. The Company Secretary also ensured that all compliance requirements, such as periodic announcements, regulatory submissions, and statutory returns, were met in accordance with the applicable laws, rules, and regulations.

The Company Secretary also facilitated communication between the Board, Board Committees, and Senior Management, and updated the Board on all relevant regulatory changes.



Outcome in FYE2024:

During FYE2024, the Company Secretary briefed the Board on all notable regulatory updates. These updates, among others, included the following:

- Mandatory Reporting of ESG performance data by Bursa Securities
- Amendments to the SC's Guidelines on Listed REITs and MMLR on the revision to the timeline for REITs to issue annual reports and hold AGMs
- Requirement to hold physical or hybrid general meetings with effect from 1 March 2025 onwards
- National Sustainability Reporting Framework

Corporate Policies

As the Manager of Axis-REIT, ARMB is guided and governed by several corporate policies in managing the Fund. These policies, which can be accessed on Axis-REIT's corporate website, are continually reviewed and updated to reflect the prevailing regulatory requirements and operating conditions.



Outcome in FYE2024:

During FYE2024, the Board reviewed Axis-REIT's corporate policies. No revisions were made to the Board Charter, Code of Conduct or Whistle-Blowing Policy, while several other policies, namely the Cyber Risk Policy & Procedures, Anti-Corruption & Fraud Policy (formerly known as (f.k.a.) Anti-Bribery and Anti-Corruption Policy), and Business Continuity Planning Policy, were updated. During the year, the Board also approved the Technology Risk Management Framework, in line with the SC's Guidelines on Technology Risk Management.

Policies	Scope	Revisions in FYE2024
Board Charter	Provides a clear description of the responsibilities of the Board, its Directors, and the Board Committees	None
Code of Conduct	Outlines the rules of professional conduct, proper practices, and ethical behaviour expected of the Manager and its personnel	None
Whistle-Blowing Policy	Facilitates the management of reports and claims filed in relation to possible improprieties in matters relating to financial reporting, compliance, misconduct, and other malpractices	None
Cyber Risk Policy & Procedures	Guides the management of cyber risks to preserve the confidentiality, integrity, and availability of information or data	- Revised on 23 January 2024 to incorporate the detailed processes for system and server back-ups
Anti-Corruption & Fraud Policy (f.k.a. Anti-Bribery and Anti-Corruption Policy)	Serves as a guideline for identifying, recognising and dealing with bribery and corrupt practices that may arise in the course of the Manager's daily business and operations, in furtherance of the Manager's commitment to lawful and ethical behaviour at all times	- Revised on 23 July 2024 to incorporate provisions on fraud and the requirement for any personnel to declare and record receipts of gifts with an estimated value of RM1,000 and above - With the inclusion of fraud, this Policy was renamed as the Anti-Corruption & Fraud Policy

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Policies	Scope	Revisions in FYE2024
Business Continuity Planning	Outlines the Manager's business continuity management procedures to ensure the continuation of business operations and fulfilment of business obligations during or following a critical incident	<ul style="list-style-type: none"> - First revised on 23 July 2024 to incorporate a new section that addresses manpower-related contingencies by identifying and preparing individuals to step into critical roles if and when such positions become vacant, and to formalise the development of a talent pipeline of employees, e.g., via internship programmes - Further revised on 28 October 2024 to include IT disaster recovery planning processes
Technology Risk Management Framework	Provides a framework for the management of technology risks, technology operations, technology service providers and cybersecurity	<ul style="list-style-type: none"> - Newly formulated on 23 July 2024 in compliance with the SC's Guidelines on Technology Risk Management

Board Remuneration and Remuneration Policy

As Axis-REIT is externally managed by ARMB, the Fund itself has no Directors or employees. All Directors and employees are engaged by ARMB, which is a privately-owned company. ARMB, strategically led by the Board, ensures that it appoints experienced and well-qualified personnel to handle the day-to-day operations of managing the Fund. All Directors and employees of the Manager are remunerated by the Manager and not by the Fund.

Details of the Remuneration Committee, which is responsible for the determination of the remuneration policy framework of the Directors, are set out in the Remuneration Committee section below.

The remuneration policy of the Board is documented in the Board Charter of the Manager. The remuneration framework encompasses a review of the Directors' remuneration against the Fund's financial performance, as well as the achievement of the Fund's predetermined targets in respect of its non-financial KPIs.

Guided by the said remuneration policy, the Remuneration Committee reviews the annual remuneration proposals presented by the Executive Committee. The Chairperson of the Remuneration Committee, who is an Independent Non-Executive Director, brings her experience and exposure to facilitate the review of the remuneration proposals. The Board perceives that the independence of the Chairperson of the Remuneration Committee contributes to an objective and impartial review process.

In FYE2024, the Remuneration Committee carried out its annual review of the remuneration packages of the CEO and other Directors. In reviewing the CEO's remuneration, the Remuneration Committee considered the CEO's leadership, performance, and contributions

to Axis-REIT, including the achievement of the agreed non-financial, ESG-related targets as key assessment indicators. Directors' Fees were reviewed based on market conditions and the financial performance of the Fund. Additionally, the Committee considered the ESG efforts and achievements of the Manager, which were driven by the Sustainability Team throughout FYE2024. All recommendations were then submitted to the Board for its final decision, and abstentions from voting by interested Directors were recorded by the Company Secretary.

All remuneration matters at Senior Management level are reviewed and determined by the Executive Committee, and where required, on a case-to-case basis, the Board's guidance and/or approval is sought.

A brief overview of the remuneration (comprising salaries, other emoluments, fees, meeting allowances and benefits-in-kind) of our current Directors in respect of FYE2024 is presented below:

Range of Remuneration Per Annum	Executive Directors	Non-Executive Directors
RM0 - RM200,000	1*	-
RM200,001 - RM400,000	1	4
RM400,001 - RM600,000	-	-
RM600,001 and above	1	-

* Mr Takim Khan Myhre, who is an Alternate Director, draws salaries as an employee of the Manager

Note: Details of Directors' and Senior Management's individual remunerations are not disclosed as the Directors and Senior Management personnel are remunerated by ARMB, which is a privately-owned company. The Manager believes that the overview presented above is sufficient for public disclosure, and that the non-disclosure of individual remunerations is essential to protect the interests of the Manager and its officers.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committees and their Roles

The Board delegates certain functions to Board Committees, who assist the Board in discharging its duties. These delegated functions are as follows:



EXECUTIVE COMMITTEE

- Manages the business of the Manager and Axis-REIT in accordance with the Vision and Mission established and approved by the Board
- Oversees and monitors the day-to-day business activities of the Manager and Axis-REIT
- Oversees the internal talent development and senior leadership succession planning



AUDIT COMMITTEE

- Assists the Board in ensuring that a balanced and understandable assessment of Axis-REIT's financial position and prospects is presented to the investing public
- Assists the Board in the areas of internal controls, risk management, and governance processes of Axis-REIT and the Manager



REMUNERATION COMMITTEE

- Recommends to the Board the policy framework for the remuneration of Executive and Non-Executive Directors of the Board, as well as Senior Management (where necessary)
- Reviews the remuneration framework from time to time, to ensure that the Manager attracts and retains individuals of the highest calibre



NOMINATION COMMITTEE

- Ensures that the Manager recruits, retains and develops the best available executive and non-executive directors
- Reviews succession at Board level
- Assesses the Board's structure, size, and composition
- Evaluates the Directors' mix of skills, expertise, and competencies

The Board Committees are guided by their respective Terms of Reference. The Terms of Reference of the Audit Committee, Nomination Committee and Remuneration Committee are available for viewing on Axis-REIT's corporate website.



AUDIT COMMITTEE

The Audit Committee has the duty to ensure that the financial reporting systems, internal controls and risk management systems of the Manager are robust.



The Audit Committee Report, which contains a summary of activities carried out by the Committee during FYE2024, is set out as a separate section in this Report.



REMUNERATION COMMITTEE

As the Directors of the Manager are remunerated by the Manager and not by the Fund, the Executive Committee of the Manager plays an important role in presenting proposals to the Remuneration Committee. In this regard, Dato' Abas Carl Gunnar and Mr Stephen Tew, who are members of the Remuneration Committee, also represent the Executive Committee in presenting remuneration proposals to the Remuneration Committee, under the scrutiny of its Independent Chairperson.

While the composition of the Remuneration Committee departs from the recommendation of the MCCG, the Board considers the views of the Executive Committee to be essential in the deliberation process, especially in reviewing the remuneration proposal of the CEO. This is because the Executive Committee oversees the primary management activities and business of Axis-REIT, and consequently has a better understanding of the performance and contributions of the CEO.



NOMINATION COMMITTEE

The chair of the Nomination Committee, who is the Senior Independent Director of the Board, plays an important role in fostering strong relationships and balance across the Board.

At its meeting held in FYE2024, the Nomination Committee undertook the following activities, which are its annual affairs:

- (i) Reviewed the assessment results on the performance of the Board, Directors, and Board Committees, as compiled by ACG, including the independence of the Independent Directors

Outcome

The Committee noted:

- ◆ Satisfactory levels of corporate governance values/practices, as embedded in the functions of the Board, operations, and management processes of ARMB.
- ◆ Satisfactory assessments of the Board, Board Committees, and individual Directors.
- ◆ That all Directors have remained fit and proper, observing high standards of integrity and fair dealing in carrying out their duties and responsibilities.
- ◆ That the Independent Directors were independent and capable of exercising independent judgement in all deliberations and decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



NOMINATION COMMITTEE

- (ii) Evaluated the criteria for the annual assessment of Directors (including the assessment of Independent Directors) as employed by ACG in their assessment processes

Outcome

- ◆ No revision to the assessment criteria was recommended by the Committee.

- (iii) Reviewed the existing composition of the Board, as well as the effectiveness of the Board and Board Committees

Outcome

- ◆ The Committee was satisfied with the existing composition of the Board and Board Committees.
- ◆ While the MCCG best practice recommends that the Chairman of the Board should not be a member of any other Board Committee, the Board decided to maintain the composition of its Remuneration Committee, where the Board Chairman is also a member. This exception was based on the assessment that the Chairman is capable of undertaking an effective role in the Remuneration Committee given his position as one of the ultimate major shareholders of the Manager who will act in the best interest of the Manager.

- (iv) Reviewed succession plans at Board level

Outcome

- ◆ No new recommendations were raised.

- (v) Assessed the training needs of the Directors

Outcome

- ◆ The Committee noted that all Directors complied with training and continuous development requirements.

- (vi) Reviewed the term of office and performance of the Audit Committee in accordance with Paragraph 15.20 of the MMLR

Outcome

- ◆ No exception was noted from the assessment results.

- (vii) Assessed the retiring Directors for re-election based on evaluations conducted

Outcome

- ◆ The Committee recommended the re-election of the retiring Directors to the Board, who then recommended the same for the sole shareholder's approval at the Manager's AGM in 2025.

Assessment of Independent Directors

The Board undertook the annual evaluation of its 2 Independent Directors based on the results of the assessment that was facilitated by ACG. ACG's report had found that the Independent Directors were capable of exercising their independent judgement in all deliberations and decision-making processes of the Board and Board Committees.

Attendance at Board and Board Committee Meetings in FYE2024

The Appendix accompanying this Statement presents the details of each Director's attendance at Board and Board Committee meetings in FYE2024.

Directors' Continuous Development Programmes

The Board ensures that its members attend appropriate continuing education programmes to stay updated on relevant developments, and to enhance their skills and strengthen their participation in Board deliberations.

The Company Secretary assists the Nomination Committee in compiling and disseminating information on the relevant and available training programmes for consideration and selection by the Directors and Audit Committee members. The Company Secretary also compiles details of the Directors' participation in continuous development programmes for reporting to the Nomination Committee and the Board accordingly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

All Directors of the Manager fulfilled their training requirements in FYE2024, details of which are presented in the accompanying Appendix.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

An Effective Audit Committee

The Audit Committee plays an important role in the governance structure of the Manager, and this Committee discharged its duties in accordance with its Terms of Reference throughout FYE2024.



Details on how the Audit Committee had discharged its duties in FYE2024 are presented in the Audit Committee Report.

Assessment of the External Auditors

One of the tasks that is delegated to the Audit Committee is the annual assessment of the Fund's External Auditors for re-engagement.

The Company Secretary assists the Audit Committee in this evaluation through the application of 2 evaluation tools that have been approved and adopted by the Audit Committee. The tools comprise an interview with the Partner-in-Charge at the external audit firm, and an evaluation checklist that is completed by Senior Management. The tools are designed to address the following criteria:

- Calibre of the external audit firm
- Quality of the audit process, scope, and planning
- Effectiveness of the audit communications
- Auditors' independence and objectivity
- Auditors' suitability for re-appointment

The Audit Committee evaluates the outcome of these assessments in determining the suitability of the External Auditors for re-appointment.

The Audit Committee also holds private engagements with the External Auditors without the presence of Senior Management. These meetings provide a platform for the Audit Committee to gauge the working relationship between the External Auditors and management, as well as the level of independence demonstrated by the External Auditors.

During the year under review, the Audit Committee evaluated the results of the assessments, and recommended the re-engagement of KPMG PLT as Axis-REIT's External Auditors for FYE2024, and this was submitted to the Trustee for approval. The re-appointment of the External Auditors of Axis-REIT is not subject to the approval of Unitholders.

Risk Management and Internal Control Systems

Effective risk management is a fundamental part of the Manager's business strategy. It minimises the risk of adverse disruptions to the Manager's pursuit and accomplishment of Axis-REIT's business goals and objectives, and mitigates any potential loss that may negatively impact the Unitholders of Axis-REIT.

Risk management is embedded in the day-to-day operations as well as the executive functions of the Manager. The barometer for risk management is the Risk Register, which was formulated by the Manager to identify, capture, and periodically monitor key risk areas. The Audit Committee reviews the Risk Register on a quarterly basis for reporting to the Board.



Details on the risk management framework of the Manager are contained in the Statement on Risk Management and Internal Control.

The internal audit function of the Manager is outsourced to an independent consultancy firm, Baker Tilly Monteiro Heng Governance Sdn Bhd, which carries out the internal audit review based on an approved internal audit plan. The Internal Auditors report directly to the Audit Committee, presenting and discussing their internal audit reports at the quarterly Audit Committee meetings. The Audit Committee, in turn, conveys all findings and observations from the internal audit reviews to the Board on a quarterly basis.



Details on the internal audit activities are also contained in the Statement on Risk Management and Internal Control.

Assessment of the Effectiveness and Independence of the Internal Audit Function

The Audit Committee also conducts an annual assessment on the effectiveness and independence of the internal audit function. The evaluation is based on the results of the Company Secretary's interview with the leader of the internal audit team, applying an assessment tool that has been approved and adopted by the Audit Committee.

Following the assessment that was conducted on 28 October 2024, the Audit Committee was satisfied that:



The internal audit team members are free from any relationships and/or conflicts of interest which could impair their objectivity and independence.



The internal audit firm allocated sufficient staff and resources for the internal audit functions of the Manager.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



Based on the audit fieldwork, the timeliness of the deliverables to the Manager, and comprehensiveness of reporting to the Audit Committee in FYE2024, there were no deficiencies in the internal audit function.



There has been no change to the internal audit approach applied in FYE2024. The internal audit function of the Manager is carried out in accordance with the industry's best practices, benchmarked against the applicable practices in the International Standards for the Professional Practice of Internal Auditing.



Checks on potential conflicts-of-interest were conducted to ensure that there were no situations that could impair the independence of the assurance team from Baker Tilly Monteiro Heng PLT that was conducting the Sustainability Audit of selected ESG indicators of the Fund. Baker Tilly Monteiro Heng PLT is a firm affiliated to Baker Tilly Monteiro Heng Governance Sdn Bhd, which is the firm engaged as the outsourced Internal Auditors of ARMB.



The team leader from Baker Tilly Monteiro Heng Governance Sdn Bhd, Mr Kuan Yew Choong, who is in charge of the internal audit function of the Manager, is independent, experienced, and qualified to render his internal audit services. He is a Fellow Member of the Association of Chartered Certified Accountants and a Chartered Member of the Institute of Internal Auditors Malaysia.

The engagement of the Internal Auditors, including their professional fees, are also reviewed and renewed annually. In its review, the Audit Committee considers the performance of the Internal Auditors' past services, their level of independence in carrying out their internal audit functions, and their working relationship with management.

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Disclosure and Communication with Unitholders and the Investing Community

The Manager has established a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager achieves this through timely and full disclosure of all material information relating to Axis-REIT by way of public announcements on Bursa Securities' website, through the

Fund's corporate website at www.axis-reit.com.my, as well as through press releases, analyst briefings, and retail investor roadshows.

Corporate Website

The Manager has a dedicated section for corporate governance on Axis-REIT's corporate website, providing information such as the Board Charter, Code of Conduct, Whistle-Blowing Policy, as well as the Terms of Reference of the various Board Committees. The Manager has dedicated personnel responsible for updating the Fund's corporate website with pertinent and relevant information in a regular and timely manner.

The Fund also uses the corporate website to publish its Integrated Annual Reports and notices of meetings to Unitholders, in accordance with the provisions of the Deed.

Investor Relations

The Board is committed to promoting effective communication and proactive engagements with Unitholders and the investing community through ARMB's Investor Relations department. The department is guided by the Fund's Investor Relations and Corporate Disclosure Policy, which is also accessible on Axis-REIT's corporate website.

The Manager makes it a practice to announce the targeted release date of Axis-REIT's quarterly financial results (Targeted Date) 5 market days prior to its release. Following each announcement of the Targeted Date, a blackout period commences. During this period, the CEO and management are prohibited from meeting with or being involved in any communications or investor relations activities, until the quarterly financial results are announced and disseminated to the investing public.

The Manager views the preservation of price-sensitive information as highly important to prevent any leakage of information, whether inadvertently or intentionally.



Details on communications with Unitholders, the investing community, analysts, and fund managers are covered on pages 67 to 71.

Other Stakeholder Engagements and Relationship Management

The Manager also places emphasis in engaging other stakeholders such as its employees, the tenants of Axis-REIT, and local communities. These engagements contribute to business decision-making processes as they provide insights and ideas in meeting stakeholders' expectations and sustainability goals. The Manager, Corporate Communications &

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Sustainability is responsible for the various stakeholder engagement initiatives and activities.

AGM and Unitholders' Meetings

AGMs and Unitholders' meetings are the primary forums where Unitholders are presented with quality information for a better appreciation of the goals and objectives of Axis-REIT, the milestones achieved during the year, the challenges faced, as well as the prospects of the Fund. These sessions also serve as a platform for Unitholders to ask questions and seek clarifications on matters relating to the agenda of those meetings.

Axis-REIT held its Twelfth AGM on 25 April 2024 as a virtual meeting, in accordance with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers, issued by the SC.

The AGM notice was issued within the prescribed timeframe, together with the 2023 Integrated Annual Report, which was released on 29 February 2024. Ample time was allocated for Unitholders to read the 2023 Integrated Annual Report and consider the resolutions that would be tabled at the AGM. Sufficient explanatory notes were also given during the AGM notice to facilitate Unitholders' consideration of the resolutions for which their approval was sought.

The virtual AGM, held from the broadcast venue, was administered by Boardroom Share Registrars Sdn Bhd using remote participation and electronic voting (RPEV) facilities. This enabled all eligible participants to log in to the portal, view the live webcast of the AGM, listen to the proceedings, submit their questions, and cast their votes electronically.

At the AGM, the Manager presented Axis-REIT's financial performance for FYE2023, together with an update on the Fund's activities and progress, and its prospects for FYE2024. Unitholders had the opportunity to submit questions relating to the agenda of the AGM

ahead of the meeting via a designated email address, with procedures for doing so clearly set out in the AGM's administrative guide. Questions received via email were addressed at the AGM itself by the CEO. The CEO also attended to questions submitted via the online portal during the AGM, and questions that were not attended to at the AGM itself were managed via email responses to the relevant Unitholders.

Axis-REIT will be conducting its 2025 AGM as a physical meeting, in line with the updated requirements prescribed by the regulators.



The minutes of the Twelfth AGM are available on Axis-REIT's corporate website.

On 23 October 2024, Axis-REIT convened a Unitholders' meeting to seek Unitholders' approval for the allotment of new units to the major Unitholders of Axis-REIT, namely, the Employees Provident Fund Board and Kumpulan Wang Persaraan (Diperbadankan), pursuant to the proposed placement exercise undertaken by Axis-REIT.

A Circular to Unitholders containing details of the proposal, together with the Notice of Unitholders' Meeting, were issued to all Unitholders within the prescribed timeframe. This meeting was held as a virtual meeting using RPEV facilities. The conduct of the Unitholders' meeting and the question-and-answer procedures before and during the meeting were carried out in the same manner as the Twelfth AGM.



The minutes of the Unitholders' meeting held on 23 October 2024 are available on Axis-REIT's corporate website.

Compliance Statement

The Board is satisfied that the Manager has substantially applied the principles and best practice recommendations prescribed under the MCCG in its management of Axis-REIT during FYE2024. This Statement has been tabled and approved by the Board of Directors on 23 January 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Appendix

Attendance at Board and Board Committee Meetings in FYE2024

	Meeting Attendance				
	Board of Directors	Executive Committee	Audit Committee	Nomination Committee*	Remuneration Committee
Dato' Abas Carl Gunnar (Alternate Director: Takim Khan Myhre)	4/4	9/9			1/1
Stephen Tew Peng Hwee @ Teoh Peng Hwee (Alternate Director: Maxine Teoh Sui Vern)	4/4	9/9		1/1	1/1
Leong Kit May	4/4	9/9			
Alvin Dim Lao (Alternate Director: Jancis Anne Que Lao)	4/4		4/4		
Lim Keng Hwee	4/4		4/4	1/1	
Devika A/P K Sothinathan	4/4		4/4	1/1	1/1

Directors' Continuous Development Programmes in FYE2024

Director	Date	Events
Dato' Abas Carl Gunnar	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
Tew Peng Hwee @ Teoh Peng Hwee	6 – 7 March 2024	MAREC 2024 – Real Estate Evolution: Winning through innovation and sustainability
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	29 June 2024	Marketing Industrial Properties
	6 July 2024	Marketing Industrial Properties 2.0
	23 July 2024	Anti-Corruption & Fraud Policy
	1 August 2024	Marketing Industrial Properties 3.0
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
Alvin Dim Lao	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	5 June 2024	Nomura Investor Forum Asia - Singapore
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Date	Events
Alvin Dim Lao	12 August 2024	Personal Data Protection & Privacy Laws Update
	24 October 2024	Regis Investor Conference - Philippines
	5 November 2024	The Philippines at a Critical Juncture: Risks, Opportunities and Ideas for the Next 10 Years
Leong Kit May	10 January 2024	2024 Malaysia Real Estate Market Outlook
	11 January 2024	Recent Reported Case Law in the Property Development Industry: What Developers Need to Know
	27 March 2024	BIMB Securities Corporate Day (ESG)
	3 April 2024	BIMB Securities Corporate Day (Strengthening Ringgit Against Greenback)
	20 May 2024	MIPFM Smart Building Conference
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	31 July 2024	Sustainable Construction: The Next Level Symposium
	1 August 2024	Seminar Cukai Keuntungan Modal 2024
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
	21 August 2024	MMBS 2024: Charting the Course for Malaysia's Economy
	10 September 2024	MRMA Malaysian REIT Forum 2024
	24 September 2024	Building Sustainable Credibility: Assurance, Greenwashing and The Rise of Green-Hushing
	3 October 2024	The 9th Annual REITs and Real Estate Investment Summit Asia Pacific 2024
	29 November 2024	Anti-Corruption and Fraud Policy update Training
Lim Keng Hwee	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	10 July 2024	Bursa Academy: Conflict of Interest (COI) and Governance of COI
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
	29 October 2024	The Tax Appeal Process
	14 November 2024	Corporate Tax Strategies
	19 November 2024	Preparing for IFRS Sustainability Disclosure Standards in Malaysia
	22 November 2024	Business Valuation Methods & Applications

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Date	Events
Devika A/P K Sothinathan	27 March 2024	Jurisprudence on Judgments – A Reflection on Judgments & Justice
	10 May 2024	ICDM PowerTalk: Being Sued as an INED – A personal Journey
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	16 July 2024	Exiguous Rights of Children in Criminal Cases
	18 July 2024	E-Invoicing for Law Firms
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
Jancis Anne Que Lao	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
Maxine Teoh Sui Vern	5 November 2024	The Philippines at a Critical Juncture: Risks, Opportunities and Ideas for the Next 10 Years
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
Takim Khan Myhre	12 August 2024	Personal Data Protection & Privacy Laws Update
	30 – 31 January 2024	Mandatory Accreditation Programme (MAP I)
	15 – 16 May 2024	Property Rental and Leasing Conference 2024: Strategising Leasing Opportunities For Tomorrow's Property Sector
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
	22 August 2024	Business Foresight Forum 2024 – Investing in MSMEs for Impact

AUDIT COMMITTEE REPORT

The Audit Committee plays a critical role in the corporate governance process of the Fund, carrying selected delegated oversight responsibilities from the Board to ensure that the interests of Axis-REIT's Unitholders are safeguarded.

1 COMPOSITION OF THE AUDIT COMMITTEE

During FYE2024, the composition of the Audit Committee remained unchanged with 3 members. 2 Audit Committee members (including the Chairperson) are Independent Non-Executive Directors of the Board. One of the Audit Committee members has an alternate director.

The composition of the Audit Committee in respect of FYE2024 was as follows:

CHAIRPERSON	MEMBERS
(a) Lim Keng Hwee - Senior Independent Non-Executive Director	(b) Alvin Dim Lao - Non-Independent Non-Executive Director (Alternate Director: Jancis Anne Que Lao) (c) Devika A/P K Sothinathan - Independent Non-Executive Director

2 TERMS OF REFERENCE

The Audit Committee has a set of Terms of Reference that guides the discharge of its roles and responsibilities. In FYE2024, the Audit Committee undertook the annual review of its Terms of Reference and concluded that no changes were necessary.



The Audit Committee's Terms of Reference are available on the corporate website of Axis-REIT at www.axis-reit.com.my.

3 AUDIT COMMITTEE MEETINGS

The Audit Committee held 4 meetings in FYE2024. Details of the attendance at the Audit Committee meetings are presented in the Corporate Governance Overview Statement of this Report. The meeting dates were determined in advance to ensure the availability of each member. Meeting papers were circulated to all the Audit Committee members within 5 business days prior to the meetings, via email and in hard copy.

4 SUMMARY OF ACTIVITIES CARRIED OUT BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The primary role of the Audit Committee is to monitor, oversee, review, and evaluate the effectiveness and adequacy of the Manager's financial management and reporting system, as well as the risk management and internal control environment in which the Manager operates in managing Axis-REIT. Additionally, the Audit Committee is responsible for ensuring the performance and quality of the external and internal audit functions. It also assesses any conflict-of-interest situations and related party transactions (RPTs).

In carrying out its duties and responsibilities in FYE2024, the Audit Committee undertook the following activities:

Financial Reporting:

No.	Activities	Outcome
(a)	Reviewed, at every quarterly meeting, the quarterly financial results to ensure adherence to legal and regulatory reporting requirements.	Recommended the quarterly financial results for the Board's approval prior to public release.
(b)	Engaged with the External Auditors, KPMG PLT, on 23 January 2024, to review the results of Axis-REIT's FYE2023 audit. Discussed the significant audit matters such as valuation of investment properties, revenue recognition, compliance with Axis-REIT's Sukuk covenants, and if there had been any instances of management override of controls. There were no exceptions noted by the External Auditors.	Reported the results of the FYE2023 audit of Axis-REIT to the Board for discussion at the Board meeting held on 23 January 2024.

AUDIT COMMITTEE REPORT

Financial Reporting:

No.	Activities	Outcome
(c)	Reviewed, on 20 February 2024, Axis-REIT's final audited financial statements for FYE2023, which were prepared in accordance with the Deed of Axis-REIT, the applicable SC rules and guidelines, MFRS and IFRS.	Recommended Axis-REIT's final audited financial statements for FYE2023 for the Board's approval on 20 February 2024.
d)	Reviewed the key audit matter and other audit focus areas in respect of FYE2023. The valuation of investment properties was the only key audit matter in Axis-REIT's audited financial statements for FYE2023.	The valuation of investment properties was the most significant audit area for Axis-REIT because investment properties constituted the single largest category of assets on the Fund's statement of financial position as at 31 December 2023. The External Auditors reviewed the valuation processes adopted and assessed the appropriateness of the valuation methodologies used by considering their respective merits based on the occupancy status and/or conditions of each property. There were no exceptions noted by the External Auditors.
(e)	Kept abreast of updates in the relevant financial reporting standards, namely: <ul style="list-style-type: none"> - the newly effective accounting standard on Non-current Liabilities with Covenants (amendment to MFRS 101); and - the National Sustainability Reporting Framework comprising IFRS S1 and IFRS S2. 	<ul style="list-style-type: none"> - Noted that the newly effective accounting standard has no significant impact on Axis-REIT for FYE2024; and - Noted that the National Sustainability Reporting Framework would apply to Axis-REIT for the financial year 2025 onwards.

External Audit:

No.	Activities	Outcome
(a)	Evaluated, on 23 April 2024, the suitability and independence of KPMG PLT as External Auditors against the predetermined evaluation criteria. Noted KPMG's 2022 Transparency Report and their compliance with the regulations of the SC's Audit Oversight Board.	Received KPMG PLT's confirmation of their firm's independence in accordance with the terms of all relevant professional and regulatory requirements. Recommended the re-appointment of KPMG PLT as Axis-REIT's External Auditors for FYE2024 to the Board for its approval and onward recommendation to the Trustee of Axis-REIT.
(b)	Reviewed, on 28 October 2024, the External Auditor's audit plan for FYE2024, encompassing the audit approach and reporting requirements, prior to the commencement of audit work.	Identified the valuation of investment properties as the potential key audit matter in the audit process for FYE2024.



Further details on the Assessment of the External Auditors are set out in the Corporate Governance Overview Statement.

Audit and Non-audit Fees:

No.	Activities	Outcome
(a)	Reviewed the FYE2024 proposed audit fees for Axis-REIT and its wholly-owned subsidiary, Axis REIT Sukuk Berhad (ARSB), a special-purpose vehicle established for the issuance of Sukuk, an Islamic financing instrument.	Recommended the FYE2024 proposed audit fees for Axis-REIT and ARSB to the Board for review, prior to seeking the approval from the Trustee of Axis-REIT.

AUDIT COMMITTEE REPORT

Audit and Non-audit Fee:

No.	Activities	Outcome
(b)	Reviewed the FYE2024 proposed non-audit fees of Axis-REIT and ARSB, and considered if the provision of non-audit services would impede the independence of KPMG PLT as the External Auditors of Axis-REIT.	<p>Satisfied that the provision of non-audit services would not pose any threat to the independence of KPMG PLT as Axis-REIT's External Auditors.</p> <p>Recommended the FYE2024 proposed non-audit fees of Axis-REIT and ARSB to the Board for review, prior to seeking the approval from the Trustee of Axis-REIT.</p>

Details of the non-audit services and fees rendered by KPMG PLT and KPMG Management & Risk Consulting Sdn Bhd (KPMG MRC) are presented below:

Non-audit services rendered by KPMG PLT:	Non-audit services rendered by KPMG MRC, which is an affiliated firm of KPMG PLT:
<ul style="list-style-type: none"> (i) Review of the Statement on Risk Management and Internal Control for inclusion in the 2024 Integrated Annual Report. (ii) Review of the Finance Service Coverage Ratio in relation to the Sukuk Programme established under ARSB. 	<ul style="list-style-type: none"> (i) Provision of advisory services in relation to Axis-REIT's integrated reporting for FYE2024, including the identification and disclosure of climate risks and opportunities pursuant to TCFD. (ii) Provision of independent scrutineer services at Axis-REIT's general meetings.

A summary of the audit and non-audit fees for FYE2024 is as follows:

Fees applicable to Axis-REIT		Fees applicable to ARSB	
Audit	Non-Audit	Audit	Non-Audit
RM150,000	RM233,400 [^]	RM10,000	RM10,000 ^{^^}

[^] Includes RM213,400 in consultancy fees for services rendered in connection with integrated reporting, identification and disclosure of climate risks and opportunities pursuant to TCFD, and scrutineer fees paid to KPMG MRC.

^{^^} Fee for the review of the Finance Service Coverage Ratio in relation to the Sukuk Programme established under ARSB.

Internal Audit:

No.	Activities	Outcome
(a)	Undertook quarterly reviews of the internal audit reports and follow-up review reports with the Internal Auditors.	Ensured that action plans recommended by the Internal Auditors were agreed upon and implemented by Management on a timely basis.
(b)	Reviewed, on 23 April 2024, the Internal Auditors' engagement proposal for 2024/2025, comprising their proposed internal audit plan (covering 4 audit cycles and 4 follow-up reviews) and fees.	Recommended the re-engagement the Internal Auditors to carry out their proposed internal audit services in respect of the 2024/2025 audit cycles, along with the associated fees, for the Board's approval.
	The internal audit plan for 2024/2025 was revised on 23 July 2024 to include an IT audit in order to comply with the SC's Guidelines on Technology Risk Management.	Recommended the revised internal audit plan to the Board for adoption.
(c)	Conducted, on 28 October 2024, the annual assessment on the effectiveness and independence of the internal audit function.	Reported a satisfactory outcome of the assessment to the Board.



Details relating to the assessment of the effectiveness and independence of the internal audit function are disclosed in the Corporate Governance Overview Statement.

AUDIT COMMITTEE REPORT

Sustainability Assurance:

No.	Activities	Outcome
(a)	Reviewed, on 23 January 2024, the sustainability assurance status report on selected sustainability indicators of Axis-REIT with Baker Tilly Monteiro Heng PLT.	Reported the findings of the sustainability assurance review to the Board for information and acceptance.
(b)	Reviewed the engagement proposal of Baker Tilly Monteiro Heng PLT (an affiliated firm of the Internal Auditors) to provide sustainability assurance services for FYE2024.	Concluded that no conflict-of-interest situation would arise from the engagement of Baker Tilly Monteiro Heng PLT and recommended their engagement for the Board's approval.

Risk Management and Others:

No.	Activities	Outcome
(a)	Undertook quarterly reviews of the Risk Management Report, which contains the detailed Risk Register prepared by Management.	Noted the action plans that were implemented to address the identified risks (including sustainability risks).
(b)	Undertook quarterly reviews of the list of RPTs and recurrent RPTs (RRPTs) involving interests of related parties.	Satisfied that the RPTs and RRPTs were not detrimental to the interests of non-interested Axis-REIT Unitholders.
(c)	Reviewed, on 23 January 2024, the Audit Committee Report and Statement on Risk Management and Internal Control, for inclusion in Axis-REIT's 2023 Integrated Annual Report.	Ensured that the reports contained informative and meaningful disclosures in line with the prescribed regulatory requirements.
(d)	Reviewed, on a quarterly basis, the income distributions of Axis-REIT which were made in accordance with the Fund's distribution policy.	Ensured the sufficiency of realised income for each distribution prior to recommending the proposal for the Board's approval.
(e)	Reviewed the conflict-of-interest situation involving the interest of the Executive Chairman disclosed in the previous year.	Please refer to the disclosure below for more information.



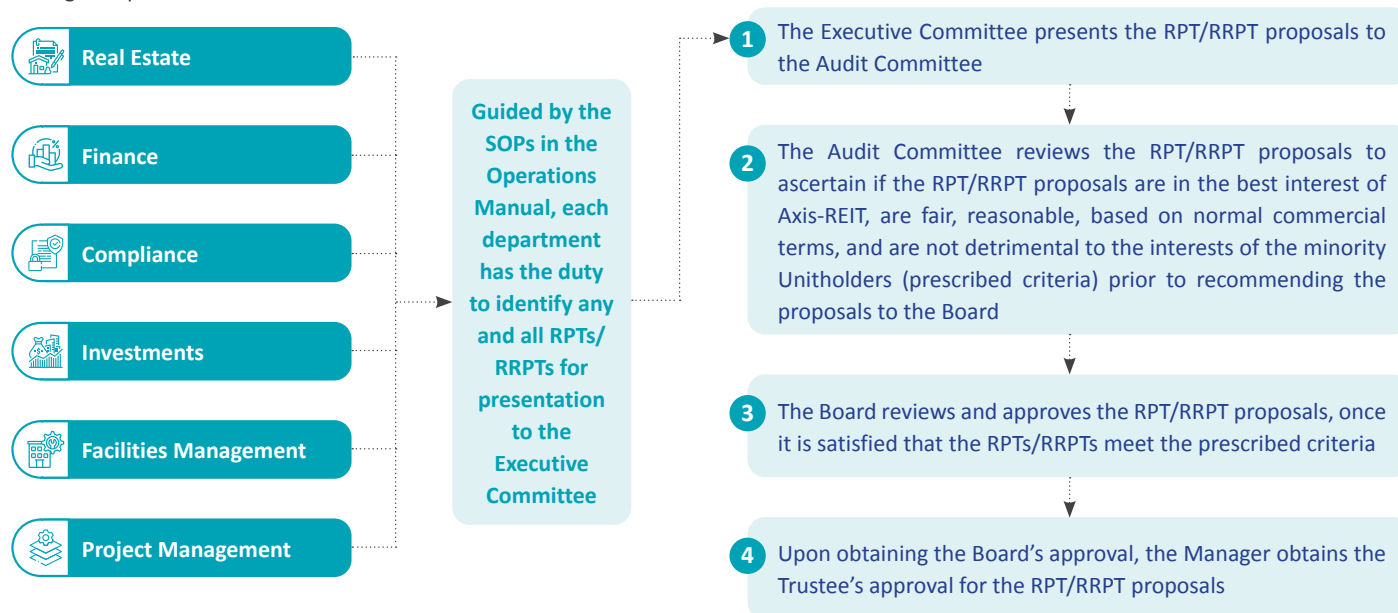
Details of the risk management processes of the Manager are contained in the Statement on Risk Management and Internal Control.

5 REVIEW OF RELATED PARTY TRANSACTIONS

Principally and pursuant to the SC's Guidelines on Listed REITs, the Manager has the duty to ensure that all RPTs, dealings, investments, and appointments are made on terms that are the best available for the Fund, and which are no less favourable to the Fund than an arm's length transaction between independent parties. The Manager must also manage any and all situations where a conflict of interest or potential conflict of interest arises. Operationally, Senior Management monitors the RPTs/RRPTs on a monthly basis by conducting cross-checks with the relevant departments.

AUDIT COMMITTEE REPORT

The diagram below depicts the control mechanism for monitoring RPTs and RRPTs. The control mechanism is governed by the SOPs contained in the Manager's Operations Manual:



A Director who has an interest in a particular RPT/RRPT, whether directly or indirectly, will abstain from deliberating and voting on the transaction at the relevant Board or Board Committee meetings.

All Directors are required to provide declaration letters of their interest(s) in RPTs/RRPTs and disclosures of conflict-of-interest and potential conflict-of-interest situation(s) on a quarterly basis. Summaries of all declarations are tabled at each Audit Committee meeting and Board meeting, properly documented, and kept in the statutory records of the Manager.

During FYE2024, the Audit Committee reviewed all RPTs and RRPTs presented by Senior Management. There were no material RPTs or RRPTs requiring Unitholders' approval.

6 REVIEW OF CONFLICT-OF-INTEREST SITUATION

The Audit Committee undertook its annual review of the conflict-of-interest situation disclosed in the previous year involving the relationship between the Executive Chairman, Dato' Abas Carl Gunnar, and his son, Mr Takim Khan Myhre, who is an employee of the Manager. Upon due assessment, the Audit Committee concluded that the conflict is mitigated as the following measures remain applicable:

- (i) Dato' Abas Carl Gunnar shall not participate or have any form of influence over any decision-making relating to his son's employment terms, remuneration, or benefits.
- (ii) ARMB must ensure that any conflict-of-interest/potential conflict-of-interest risk that may occur during Mr Takim Khan Myhre's employment tenure is mitigated.

No new conflict-of-interest situations have been disclosed by the Directors, nor have any come to the knowledge of the Audit Committee.

7 RELATIONSHIP WITH THE EXTERNAL AND INTERNAL AUDITORS

The Board, via the Audit Committee, maintains a formal and transparent relationship with the External Auditors as well as the Internal Auditors. The Audit Committee has direct and unrestricted access to both the External and Internal Auditors. During FYE2024, the Audit Committee met twice with the External Auditors without the presence of Management. The aim of the meetings, which were held on 23 January 2024 and 28 October 2024, were to discuss issues, problems, and reservations (if any) that the External Auditors wished to highlight to the Committee. A private meeting was also held on 28 October 2024 between the Audit Committee and the Internal Auditors for the same purpose.

AUDIT COMMITTEE REPORT

Both the External and Internal Auditors reported that they had been extended good cooperation from the Manager and that they were able to access information to carry out their functions effectively.

8 ANNUAL ASSESSMENT OF THE AUDIT COMMITTEE

The Audit Committee assessed its own performance against its Terms of Reference by completing the assessment form prepared by the Company Secretary. The form was then submitted to the Nomination Committee for evaluation. This was undertaken on 28 October 2024, in compliance with Paragraph 15.20 of the MMLR. The assessment results were satisfactory to the Nomination Committee and the same was subsequently reviewed by the Board.

The Board, upon due assessment at its meeting on 28 October 2024, was satisfied that each member of the Audit Committee and the Audit Committee as a whole, had carried out their duties diligently and effectively, in accordance with the Audit Committee's Terms of Reference.

9 INTERNAL AUDIT FUNCTION

The internal audit function of the Manager is outsourced to an independent consultancy firm, Baker Tilly Monteiro Heng Governance Sdn Bhd. The outsourced Internal Auditors have the professional duty to assist the Board to review the system of internal control, risk management, and governance practices of the Manager in managing Axis-REIT. Where necessary, the Internal Auditors, upon completion of the audit cycle, may make recommendations for improvements to the existing processes and procedures. Their internal audit scope (risk-driven approach) encompasses a financial control review, compliance review, risk assessment, and governance review on the identified auditable areas. The annual internal audit plan is tabled to the Audit Committee for approval prior to commencement of audit field work.



Details of the internal audit activities are contained in the Statement on Risk Management and Internal Control.

This Audit Committee Report has been approved by the Board on 23 January 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant To Paragraph 15.26(b) Of The Main Market Listing Requirements

The Board of Directors (“Board”) of Axis REIT Managers Berhad, being the management company (“Manager”) of Axis Real Estate Investment Trust (“Axis-REIT” or “Fund”) is committed to maintaining a sound and effective system of internal control to safeguard the interests of the Unitholders of Axis-REIT and the investments and assets of Axis-REIT. The Board is ultimately responsible for the risk management and internal control systems of the Manager in managing Axis-REIT and it is assisted by the Audit Committee of the Manager who has the delegated function to oversee these areas.

KEY ELEMENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Business Continuity Plan

The Manager, as a Capital Market Services License Holder, is required to comply with the Securities Commission Malaysia (“SC”)’s Guiding Principles on Business Continuity where the Manager has the obligation to report to the SC any event that would trigger the activation of a business continuity arrangement. The Business Continuity Planning of the Manager has been amended twice in FYE2024 as follows:

- (i) to incorporate a section on succession planning addressing people related contingencies i.e. where critical positions become vacant due to retirement, resignation, transfer or death; and
- (ii) to incorporate the information technology (“IT”) disaster recovery plan into the business impact analysis of the business continuity plan (“BCP”).

During the year, an IT disaster recovery exercise has been carried out to test the recoverability and accessibility of business applications and critical business functions. The test outcome was satisfactory.

Operations Manual

The Manager has policies and procedures encapsulated in the Operations Manual that are tailored to the needs of the respective departments, which provide an overview of the Manager’s responsibilities in relation to the management of Axis-REIT. All employees of the Manager are committed to being guided by the Operations Manual to ensure consistency of operational procedures and practices within the organisation.

The Manager had, during FYE2024, made the following updates/ revisions to the Operations Manual:

- (i) included the flexibility for the Chief Executive Officer (“CEO”) to exercise the discretion to waive taking legal action(s)/ further legal action(s) for outstanding amounts within a certain threshold;
- (ii) expanded a section on occupational health and safety management, to monitor workplace incidents/accidents; non-compliances with the Health, Safety and Environment Policy including non-compliances relating to occupational health and safety issues;
- (iii) revised prescribed requirements for appointment as approved panel contractors by the Property Manager for Axis-REIT’s properties to reflect the current procedures practiced and added a new due diligence check by conducting searches via the Corruption Offender Database of the Malaysian Anti-Corruption Commission Official Portal;
- (iv) other housekeeping amendments.

Financial Controls and Business Management

The Board of the Manager had, at its meeting held in January 2024, approved the annual budget for FYE2024 which underwent a target-setting process carried out by each department with detailed reviews at all levels of operations. The Manager had been guided by the approved budget in managing Axis-REIT throughout FYE2024. Monthly financial updates had also been provided to the Directors in order to give timely assessments of the Fund’s performance and prospects. The management team of the Manager (“Management”) closely monitored the Fund’s actual financial performance at all levels on a monthly basis.

At a strategy workshop held in December 2024, the Manager assessed its strategic focus and mapped the identified sustainability matters to the strategic pillars under the Corporate Strategy i.e. real estate, capital management, facilities management, investment, development, governance, human resource and information technology. At this strategy workshop. Based on the outcome of the said workshop, the

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant To Paragraph 15.26(b) Of The Main Market Listing Requirements

Manager formulated action plans and set key performance indicators for the next two years (2025-2026).



More details on this Corporate Strategy 2025-2026 are contained on pages 99 to 105 of the Integrated Report 2024.

The Manager also has a policy on financial limits and approving authority for its operating and capital expenditure. All major operating and capital expenditure in respect of FYE2024 had been recommended by the Executive Committee of the Manager and approved by the Board of the Manager prior to implementation.

Management meetings chaired by the CEO and attended by all heads of department (“HODs”) and management staff were held to review operational activities, management issues, financial performance and business development proposals, including the deliberation of relevant strengths, weaknesses, opportunities and threats faced by the Manager in managing Axis-REIT. In addition, 12 separate operations meetings were also held in FYE2024 by the Facilities Management team and Property Manager to discuss the facilities management issues in relation to Axis-REIT’s properties.

The Executive Committee of the Manager meets with Management at least every quarter to review, assess and discuss business updates, investment proposals and financial performance, and on ad-hoc basis to resolve key operational, financial and other key management issues faced by Management. During FYE2024, a total of 9 meetings were held. Significant issues were highlighted and discussed at Board meetings for the Board’s ultimate decisions.

The Yardi Voyager system (“YARDI system”) is a synchronised platform for capturing and processing data related to tenant and debt management, payment processing, financial reporting, advanced budgeting and finance, as well as job costing. During the year, the YARDI system has been upgraded to incorporate the features to enable “e-Invoicing” with the external application programming interface.

The Fund has also successfully implemented cashless parking system in two of its multi-tenanted properties during FYE2024 and will continue to implement the cashless parking system to other multi-tenanted properties of Axis-REIT. In addition, Axis-REIT also implemented its first license plate recognition system to monitor the vehicle movements at the newly completed Axis Mega Distribution Centre (Phase 2) in December 2024.

Pursuant to the Manager’s capital management strategy, the Manager had on 18 November 2024 successfully implemented and completed the placement exercise totalling 263,000,000 new units of Axis-REIT, which was exercised from the general mandate to issue new units

obtained from the Unitholders of Axis-REIT at the last annual general meeting held on 25 April 2024 and the specific approval obtained from the Unitholders of Axis-REIT at the Unitholders’ meeting held on 23 October 2024 for placement of such new units to major Unitholders. The net proceeds raised from the placement were utilised to pare down the short-term financing of Axis-REIT and to provide the financial headroom for future acquisitions and development projects.

Asset Tagging

The asset tagging exercise is expected to improve the identification and tracking of the fixed assets within Axis-REIT’s property portfolio. In 2024, the asset tagging exercise was carried out and completed at Axis Mega Distribution Centre (Phase 2) in Selangor. The asset tagging exercise will continue to be carried out progressively to the other properties of Axis-REIT.

Investment Controls

The Board of the Manager reviews, evaluates and decides on strategic investment proposals covering acquisitions and disposals as recommended by the Executive Committee of the Manager. Management has in place procedures to identify potential acquisitions and to assess the viability of these proposed acquisitions prior to recommending to the Board for consideration and decision. Due diligence processes are also in place to ensure that Axis-REIT acquires yield-accretive assets that will enhance the property portfolio of the Fund. Disposal processes are also in place to ensure that the interests of the Unitholders of Axis-REIT are always safeguarded. Management also monitors monthly the property yield, portfolio efficiency and occupancy levels of each property in Axis-REIT’s portfolio. In its effort to address environmental, social and governance (“ESG”) considerations, the Manager had incorporated environmental site assessments and climate change vulnerability assessment within its investment decision policies. During FYE2024, a framework for know-your-client assessment has been formulated and incorporated into current divestment process from Anti-Money Laundering perspective and was applied to the disposal of Axis Steel Centre @ SILC in Johor.

Tenant Relationship Management

The Manager has a customised online tenant management portal known as “Hello Axis” that facilitates the communication of announcements, general feedback, property maintenance requests and form downloads by tenants. This tenant portal reduces the manual paper flow between landlord and tenant, and is a green initiative towards environmental sustainability. It provides a platform for the facilities and leasing teams to track feedback and complaints from

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant To Paragraph 15.26(b) Of The Main Market Listing Requirements

tenants, to address and rectify issues raised by tenants, and to ensure action plans and follow up measures are carried out to a satisfactory level and in a timely manner. Axis-REIT has also continued to carry out tenant satisfaction surveys via a third-party service provider to gauge tenants' awareness of its efforts to continuously improve tenant relationships. These initiatives were taken by the Manager to improve the facility management services rendered to tenants, as well as to strengthen tenant relationships as a factor in safeguarding the future rental income of Axis-REIT.

Risk Management and Risk Register

Risk management is part of Management's day-to-day operations. It facilitates the timely response to evolving business risks, whether arising from factors within Axis-REIT, or from changes in the business environment in which Axis-REIT operates. The Risk Register assists Management in its risk management processes to identify risks, consider the likelihood of a risk occurring, the impact of a particular risk if it materialises, and the action plans to mitigate the identified risks.

The Risk Register follows the relevant guidance from the International Organization for Standardization (ISO) 31000 – Risk Management – Principles & Guidelines. The diagram below shows the risk management processes as encapsulated in the procedures underlying the Risk Register:



The Manager has carried out a quarterly update of the Risk Register which focuses on business, real estate management, financial, compliance, information technology, environmental and risk management systems. The Risk Register segregates risk areas based on departmental components. The HODs are responsible for their respective risk components and report directly to the CEO on risk issues and mitigating factors. Updates were made to the Risk Register on a quarterly basis capturing data arising from management analysis, management action plans and monitoring activities undertaken by each HOD on an on-going basis. All updates were compiled by the Head of Compliance, who assists the CEO in this area, for reporting purposes. The Risk Management Report, which comprises an executive summary and the detailed Risk Register, were presented to the Audit Committee and Board at their quarterly meetings. The Audit Committee reviewed the Risk Management Report at each of its meetings held in FYE2024, and the same was tabled to the Board.

The following provides some insights into how the Manager monitored and managed identified key risks affecting Axis-REIT on an on-going basis during FYE2024:

- The Manager has continued its efforts to apply ESG factors in risk assessment process. Among others,
 - to obtain and accept new the sustainability linked financing for Axis-REIT;
 - successfully re-designated and converted some of the existing short-term financing into sustainability linked financing during the financial year;
 - achieved and met the sustainability performance targets ("SPT") as stipulated under the sustainability linked financing; and
 - received relevant SPT rebates from the financial institutions for meeting established targets.
- The Anti-Bribery and Anti-Corruption Policy had been expanded to incorporate fraud and as a result the said Policy was renamed to Anti-Corruption & Fraud Policy. This is to establish controls against the risks of fraudulent activities within the business of the Manager.
- The Technology Risk Management Framework was formulated and approved in July 2024 to comply with the Guidelines on Technology Risk Management issued by the SC. In its effort to comply with the said Guidelines on Technology Risk Management Framework, the Manager has, during the financial year, implemented the IT disaster recovery exercise (as elaborated above) which involved the upgrading of its existing information technology system to cater for the feasibility of the disaster recovery planning.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant To Paragraph 15.26(b) Of The Main Market Listing Requirements

Internal Audit Function and its Activities

Based on the agreed internal audit plan, the outsourced Internal Auditors had assisted the Manager in reviewing the internal control systems relating to Axis-REIT's operations, procedures and processes. The Internal Auditors had reviewed and reported the results of the audit to the Audit Committee on the following internal audit work carried out during FYE2024:

1. Internal audit review of compliance with adequate procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009") for Facilities Management Department;
2. Internal audit review on Sustainability Reporting (Cycle 2) for Axis-REIT;
3. Internal audit review of compliance with adequate procedures pursuant to Section 17A of the MACC Act 2009 for Project Management Department; and
4. Internal audit review of controls in relation to the Anti-Money Laundering, Anti-Terrorism and Proceeds of Unlawful Activities Act 2001.

There were no material weaknesses or deficiencies noted from the internal audit reviews mentioned above.

Internal audit follow-up reviews were also carried out by the Internal Auditors on previous audit reviews for reporting to the Audit Committee on a quarterly basis.

The costs incurred by the Manager for the outsourced Internal Audit Function in respect of FYE2024 amounted to RM78,000. The Audit Committee, in its review of this Statement, was satisfied that there were no significant control deficiencies noted during the financial year under review that had a material impact on Axis-REIT's financial performance or business operations.

Appraisal of the System of Risk Management and Internal Controls

The Board of the Manager had appraised the adequacy, effectiveness and integrity of the system of risk management and internal controls framework that was in place during the financial year under review up to the date of approval of this Statement. The Board of the Manager has received assurance from the CEO and Chief Financial Officer that the risk management and internal control system set in place by the Manager, in relation to managing the operations of Axis-REIT, is operating adequately and effectively, in all material aspects.

Review of This Statement

The Board of the Manager has ensured that this Statement is reviewed in accordance with Paragraph 15.23 of the Main Market Listing Requirements for inclusion in the Integrated Annual Report of Axis-REIT for FYE2024.

This Statement has been approved by the Board on 28 February 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

In Preparing the Annual Audited Financial Statements

In accordance with Paragraph 15.26(a) of the MMLR of Bursa Securities, the Board is pleased to report that the financial statements of Axis-REIT for FYE2024 have been drawn up in accordance with the provisions of the Fourth Principal Deed constituting Axis-REIT dated 17 January 2020, the SC's Guidelines on Listed REITs, applicable securities laws and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of Axis-REIT as at 31 December 2024 and of the results of its operations and cash flows for the year then ended.

The Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- considered that all relevant approved accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

The Directors have a general responsibility for taking such steps to safeguard the assets of Axis-REIT, and to detect and prevent fraud as well as other irregularities.

The background of the entire page is a dark, grayscale image of a financial chart, likely a candlestick or bar chart, with various data points and lines. A large, semi-transparent magnifying glass is positioned over the center of the page, focusing on the title. The title 'FINANCIAL STATEMENTS' is written in a large, bold, white, sans-serif font, centered within the magnifying glass's lens.

FINANCIAL STATEMENTS

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MANAGER'S REPORT

Axis REIT Managers Berhad, as the management company ("Manager") of Axis Real Estate Investment Trust ("Axis-REIT" or "Fund"), has the pleasure of presenting this report together with the audited financial statements of Axis-REIT for the financial year ended 31 December 2024 ("FYE2024").

Axis-REIT was formed to own and invest primarily in industrial and office real estate. The primary investment objectives of Axis-REIT are:

- a) To provide unitholders of Axis-REIT ("Unitholders") with a stable and growing distribution of income; and
- b) To achieve long-term growth in the net asset value ("NAV") per unit of the Fund.

The Manager is pleased to report that the Fund has been successful in achieving its investment objectives as set out above and there was no change in the investment objectives of Axis-REIT in respect of FYE2024.

There was also no significant change in the state of affairs of Axis-REIT during the financial year under review up to the date of this report.

The Manager is committed to the pursuit of the Fund's investment objectives via the following management strategies which had incorporated environmental, social and governance factors:

- a) Facilities management strategy
- b) Real estate strategy
- c) Development strategy
- d) Capital management strategy
- e) Investment strategy
- f) Governance strategy

There was no change in the strategies and policies employed during the financial year under review as compared to that of the preceding year.

DIRECTORS

The Directors of the Manager who have held office during FYE2024 until the date of this report are as follows:

Dato' Abas Carl Gunnar Bin Abdullah
 Tew Peng Hwee @ Teoh Peng Hwee
 Leong Kit May
 Alvin Dim Lao
 Lim Keng Hwee
 Devika A/P K Sothinathan
 Jancis Anne Que Lao (Alternate Director to Alvin Dim Lao)
 Maxine Teoh Sui Vern (Alternate Director to Tew Peng Hwee @ Teoh Peng Hwee)
 Takim Khan Myhre (Alternate Director to Dato' Abas Carl Gunnar Bin Abdullah)

DIRECTORS' BENEFITS

As at the end of FYE2024, there did not subsist any arrangement to which the Manager is a party, where the arrangement enables any Director or all Directors of the Manager to acquire benefits by way of the acquisition of units in, or debentures of Axis-REIT, nor did such arrangement subsist at any time during the financial year.

Since the end of the previous financial year, no Director of the Manager has received or become entitled to receive any benefit by reason of a contract made by the Fund or a related corporation with the Director, or with a firm in which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 23 of the audited financial statements of Axis-REIT.

MANAGER'S REPORT

DIRECTORS' INTERESTS

The interests of the Directors of the Manager in the units of Axis-REIT in respect of FYE2024 are as follows:

	Number of units			
	As at 1.1.2024 '000 Units	Acquired '000 Units	Sold '000 Units	As at 31.12.2024 '000 Units
<u>Direct interest:</u>				
Dato’ Abas Carl Gunnar Bin Abdullah	24,499	-	(1,000)	23,499
Tew Peng Hwee @ Teoh Peng Hwee	57,002	-	-	57,002
Leong Kit May	44	-	-	44
Jancis Anne Que Lao	2,944	-	-	2,944
Maxine Teoh Sui Vern	8	-	-	8
Devika A/P K Sothinathan	11	-	-	11
Takim Khan Myhre	346	-	-	346
<u>Indirect interest:</u>				
Dato’ Abas Carl Gunnar Bin Abdullah *	10,552	165	-	10,717

Notes:

- (i) The information above was prepared based on the Directors' disclosures made pursuant to the provisions of the Fourth Principal Deed dated 17 January 2020 constituting Axis-REIT ("Deed")
- (ii) Save as disclosed above, the other Directors of the Manager did not have any interest, whether direct or indirect, in the units of Axis-REIT
- (iii) * Deemed interested in the direct unitholdings of his spouse, Datin Kuyas Emiloglu (also known as Ka Ya-Shih), and daughter, Amanda Tan Myhre

MANAGER'S FEES

The Manager receives a fee equivalent to 1.0% per annum of the NAV of Axis-REIT, calculated on a monthly basis and payable to the Manager monthly in arrears. There will be no payment due to the Manager by way of remuneration for its services upon the subscription for the purchase or sale of units in Axis-REIT or upon any distribution of income and capital.

Any increase in the Manager's fee above 1.0% per annum must be approved by the Trustee of Axis-REIT and Unitholders by way of a majority resolution (consisting of not less than two-thirds of Unitholders voting thereat) passed at a Unitholders' meeting convened in accordance with the Deed.

For the financial year under review, the total Manager's fee was RM28,999,000, representing 1.0% per annum of the NAV of Axis-REIT for the period from 1 January 2024 to 31 December 2024.

The Manager is also entitled to an acquisition and disposal fee of 1.0% and 0.5% respectively based on the purchase and disposal considerations of real estate assets upon the completion of such transactions. For the financial year under review, there were eight acquisitions and one disposal completed by Axis-REIT resulting in a total acquisition fee of RM7,194,000 and disposal fee of RM810,000 respectively, being paid to the Manager.

MANAGER'S REPORT

MANAGER'S FEES (CONTINUED)

Save for the expenses incurred for the general overheads and costs of services which the Manager is expected to provide, or falling within the normal expertise of the Manager, the Manager has the right to be reimbursed for fees, costs, charges, expenses and outgoings incurred by it that are directly related and necessary to the business of the Fund.

SOFT COMMISSION

The Manager did not receive any soft commissions from any dealer or broker by virtue of transactions conducted for the Fund during the financial year under review.

OTHER INFORMATION

Before the financial statements of Axis-REIT were prepared, the Manager took reasonable steps:

- i) to ascertain that appropriate action had been taken in relation to writing off bad debts and making provisions for doubtful debts and was satisfied that all known bad debts had been written off and that adequate provisions had been made for doubtful debts; and
- ii) to ensure that all current assets which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of Axis-REIT, had been stated at the lower of cost and net realisable value.

As at the date of this report, the Manager is not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to a substantial extent; and
- ii) that would render the values attributed to the current assets in Axis-REIT's financial statements misleading; and
- iii) which have arisen that would render adherence to the existing method of valuation of assets or liabilities of Axis-REIT misleading or inappropriate; and
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of Axis-REIT misleading.

As at the date of this report, there does not exist:

- i) any charge on the assets of Axis-REIT that has arisen since the end of the financial year and which secures the liabilities of any other person; and
- ii) any contingent liability in respect of Axis-REIT that has arisen since the end of the financial year.

MANAGER'S REPORT

OTHER INFORMATION (CONTINUED)

In the opinion of the Manager:

- i) no contingent liability or other liability of Axis-REIT has become enforceable, or is likely to become enforceable within the 12-month period after the end of FYE2024 which, in the opinion of the Manager, will or may affect the ability of Axis-REIT to meet its obligations as and when they fall due; and
- ii) the results of the operations of Axis-REIT for the FYE2024 have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report, that is likely to substantially affect the results of the operations of Axis-REIT for the financial year in which this report is made.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to continue in office.

Signed for and on behalf of the Manager of Axis-REIT, Axis REIT Managers Berhad, in accordance with a resolution of the Board of Directors.

Tew Peng Hwee @ Teoh Peng Hwee
Director

Leong Kit May
Chief Executive Officer/Executive Director

Date: 28 February 2025

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	2024 RM'000	2023 RM'000
Assets			
Non-current assets			
Investment properties	4	5,090,820	4,444,120
Equipment	5	1,112	1,391
		5,091,932	4,445,511
Current assets			
Receivables, deposits and prepayments	6	22,937	25,666
Islamic deposits placed with licensed banks (pledged)	7	19,484	19,484
Cash and cash equivalents	7	101,205	32,232
		143,626	77,382
Asset classified as held for sale	8	23,000	-
Total current assets		166,626	77,382
Total assets		5,258,558	4,522,893
Financed by:			
Unitholders' funds			
Unitholders' capital	9	2,574,166	2,129,340
Reserves		724,930	696,662
Total unitholders' funds		3,299,096	2,826,002
Non-current liabilities			
Tenants' deposits		71,870	60,862
Deferred tax liabilities	10	20,283	18,304
Financing	11	934,944	740,454
		1,027,097	819,620
Current liabilities			
Tenants' deposits		34,050	24,494
Payables and accruals	12	82,815	38,257
Financing	11	815,500	814,520
Total current liabilities		932,365	877,271
Total liabilities		1,959,462	1,696,891
Total unitholders' funds and liabilities		5,258,558	4,522,893
Net asset value ("NAV")			
- Before income distribution		3,299,096	2,826,002
- After income distribution		3,273,562 [#]	2,784,063
Number of units in circulation ('000 units)		2,010,492	1,747,492
NAV per unit (RM)			
- Before income distribution		1.6409	1.6172
- After income distribution		1.6282 [#]	1.5932

[#] NAV and NAV per unit after reflecting 2024 final income distribution of 1.27 sen per unit payable on 25 March 2025.

The notes on pages 207 to 253 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue	13	322,154	288,410
Property operating expenses	14	(45,537)	(42,977)
Net property income		276,617	245,433
Profit and other income		1,624	1,494
Net loss on disposal of investment property		(2,428)	-
Change in fair value of investment properties	4.2.1	45,738	77,399
Fair value change on Islamic derivatives		(2,669)	(2,463)
Net gain/(loss) on financial liabilities measured at amortised cost		3,576	(2,627)
Net property income and investment income		322,458	319,236
Manager's fees	1(b)	28,999	27,465
Trustee's fees	1(c)	918	878
Audit fees		160	160
Non-audit fees			
- KPMG PLT		22	30
- Local affiliate of KPMG PLT		221	167
Tax agent's fees		18	19
Net remeasurement of loss allowance and bad debts		536	4,202
Depreciation of equipment	5	359	495
Administrative expenses		2,968	2,401
Islamic financing costs		74,433	60,541
Valuation fees		1,282	1,282
Non-property expenses		109,916	97,640
Net income before tax		212,542	221,596
Tax expense	15	(2,536)	(3,824)
Net income for the year and total comprehensive income for the year attributable to unitholders		210,006	217,772
Net income for the year is made up as follows:			
Realised			
- Net income before lease incentive adjustment		162,777	146,278
- Lease incentive adjustment (non-distributable)		(554)	(903)
- Real Property Gains Tax on disposal of investment property		(557)	-
		161,666	145,375
Unrealised			
- Change in fair value of investment properties, as per valuation	4.2	49,412	81,311
- Net gain/(loss) on financial liabilities measured at amortised cost		3,576	(2,627)
- Provision for deferred tax on change in fair value of investment properties		(1,979)	(3,824)
- Fair value change on Islamic derivatives		(2,669)	(2,463)
		48,340	72,397
		210,006	217,772
Basic/diluted earnings per unit (sen)	16	11.80	12.50
Basic/diluted earnings per unit (before Manager's fees) (sen)	16	13.43	14.08

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Net income distribution			
First, Second, Third and Fourth interim income distributions totalling 8.00 sen per unit paid on 31 May 2024, 30 August 2024 and 29 November 2024 (in respect of Third and Fourth interim income distributions), respectively (2023: First, Second and Third interim income distributions totalling 6.25 sen per unit paid on 31 May 2023, 30 August 2023, 15 December 2023, respectively)		139,799	108,817
Final income distribution of 1.27 sen per unit payable on 25 March 2025 (2023: Final income distribution of 2.40 sen per unit payable on 29 February 2024).		25,534	41,939
	17	165,333	150,756
Distribution per unit			
- Gross (sen) - interim		8.00	6.25
- final		1.27	2.40
	17	9.27	8.65
- Net (sen) * - interim		8.00	6.25
- final		1.27	2.40
	17	9.27	8.65

* Withholding tax will be deducted for distributions made to the following categories of unitholders:

	Withholding tax rate	
	2024	2023
Resident corporate	Nil [^]	Nil [^]
Resident non-corporate	10%	10%
Non-resident individual	10%	10%
Non-resident corporate	24%	24%
Non-resident institutional	10%	10%

[^] Tax flow through; thus no withholding tax

The notes on pages 207 to 253 are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSET VALUE

for the year ended 31 December 2024

	<i>Distributable</i>		<i>Non-distributable</i>	
	Total unitholders' capital RM'000	Realised income RM'000	Unrealised income RM'000	Total unitholders' funds RM'000
At 1 January 2023	1,945,655	33,209	592,975	2,571,839
Net income for the year	-	145,375	72,397	217,772
Total comprehensive income for the year	-	145,375	72,397	217,772
<i>Contributions by and distributions to unitholders</i>				
Issuance of units	185,945	-	-	185,945
Issuing expenses	(2,260)	-	-	(2,260)
Distributions to unitholders	-	(147,294)	-	(147,294)
Total transactions with unitholders	183,685	(147,294)	-	36,391
At 31 December 2023/1 January 2024	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)	-
Total comprehensive income for the year	-	164,717	45,289	210,006
<i>Contributions by and distributions to unitholders</i>				
Issuance of units	449,730	-	-	449,730
Issuing expenses	(4,904)	-	-	(4,904)
Distributions to unitholders	-	(181,738)	-	(181,738)
Total transactions with unitholders	444,826	(181,738)	-	263,088
At 31 December 2024	2,574,166	14,269	710,661	3,299,096

Note 9

The notes on pages 207 to 253 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Cash flows from operating activities			
Net income before tax		212,542	221,596
<i>Adjustments for:</i>			
Islamic financing costs		74,433	60,541
Profit income		(1,624)	(1,494)
Net loss on disposal of investment property		2,428	-
Change in fair value of investment properties	4	(49,412)	(81,311)
Depreciation of equipment	5	359	495
Net (gain)/loss on financial liabilities measured at amortised cost		(3,576)	2,627
Net remeasurement of loss allowance and bad debts		536	4,202
Fair value change on Islamic derivatives		2,669	2,463
Operating income before changes in working Capital		238,355	209,119
Changes in working capital:			
Receivables, deposits and prepayments		2,077	(7,253)
Payables and accruals		42,005	1,202
Tenants' deposits		24,140	(4,349)
Net cash from operating activities		306,577	198,719
Cash flows from investing activities			
Profit income received		1,624	1,494
Acquisition of investment properties	4	(730,152)	(4,040)
Net proceeds from disposal of investment property		156,572	-
Real Properties Gain Tax on gain on disposal of investment property		(557)	-
Enhancement and development of investment properties	4	(49,136)	(172,749)
Acquisition of equipment	5	(80)	(27)
Net cash used in investing activities		(621,729)	(175,322)
Cash flows from financing activities			
Islamic financing cost paid		(73,166)	(59,485)
Proceeds from financing		194,223	7,937
Repayment of hire purchase liabilities		(20)	(39)
Income distribution paid to unitholders		(181,738)	(147,294)
Proceeds from issuance of units		449,730	185,945
Issuing expenses		(4,904)	(2,260)
Net cash from/(used in) financing activities		384,125	(15,196)
Net increase in cash and cash equivalents		68,973	8,201
Cash and cash equivalents at 1 January		32,232	24,031
Cash and cash equivalents at 31 December	7	101,205	32,232

The notes on pages 207 to 253 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

Axis Real Estate Investment Trust ("Axis-REIT") is a Malaysia-domiciled real estate investment trust constituted pursuant to the Fourth Principal Deed dated 17 January 2020 ("the Deed") between Axis REIT Managers Berhad ("the Manager") and RHB Trustees Berhad ("the Trustee"). The Deed is regulated by the Securities Commission Act, 1993, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, the Listing Requirements of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings. Axis-REIT will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 26 of the Deed. The addresses of its registered office and principal place of business are as follows:

Registered office

802, 8th Floor, Block C
Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Principal place of business

Penthouse, Menara Axis
No. 2, Jalan 51A/223
46100 Petaling Jaya
Selangor Darul Ehsan

The financial statements as at and for the financial year ended 31 December 2024 comprise the financial statements of Axis-REIT and its wholly owned subsidiary, Axis REIT Sukuk Berhad and Axis REIT Sukuk Two Berhad, companies incorporated in Malaysia, whose principal activity is to raise financing for and on behalf of Axis-REIT. As at the end of current financial year, Axis REIT Sukuk Two Berhad is dormant.

Axis-REIT is principally engaged in investing in a diverse portfolio of properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth. There has been no significant change in the nature of this activity during the year.

Axis-REIT was formally admitted to the Main Board of Bursa Malaysia Securities Berhad on 3 August 2005.

Axis-REIT entered into several service agreements in relation to the management of Axis-REIT and its property operations. The fee structure of these services is as follows:

(a) Property management fees

The Property Manager, Axis Property Services, is entitled to a fee in respect of the management of the investment properties owned by Axis-REIT as provided for in the Deed. The fee is based on a certain graduated scale as provided for in the provisions of the revised Valuers, Appraisers and Estate Agents Act, 1981 as required by the Securities Commission's Guidelines on Listed Real Estate Investment Trusts. The property management fees are payable monthly in arrears.

(b) Manager's fees

Pursuant to the Deed, the Manager is entitled to receive a fee of up to a maximum of 1% (2023: 1%) per annum of the Net Asset Value of Axis-REIT, calculated on a monthly accrual basis and payable monthly in arrears. The Manager's fees for the year ended 31 December 2024 of RM28,999,000 (2023: RM27,465,000) is 1% (2023: 1%) of the monthly Net Asset Value.

The Manager is also entitled to receive an acquisition fee or a disposal fee of 1% or 0.5% (2023: 1% or 0.5%) of the purchase price or the disposal price, respectively, of any investment property purchased or disposed directly or indirectly by Axis-REIT which is payable after the completion of the acquisition or the disposal. The acquisition fees and disposal fee for the financial year ended 31 December 2024 is RM7,194,000 (2023: RM40,000) and RM810,000 (2023: Nil) which was 1% of the purchase price and 0.5% of the disposal price, respectively. The acquisition fees are included in the acquisition cost of the investment properties acquired (Note 4).

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL (CONTINUED)

(c) Trustee's fees

Pursuant to the Deed, the Trustee is entitled to receive a fee of 0.05% (2023: 0.05%) per annum of the Net Asset Value of Axis-REIT calculated on a monthly accrual basis and payable monthly in arrears. Effective from 1 October 2022, the fee has been adjusted from 0.05% to 0.03% per annum. The Trustee's fees for the year ended 31 December 2024 is RM918,000 (2023: RM878,000).

These financial statements were approved by the Board of Directors of the Manager on 28 February 2025.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of Axis-REIT have been prepared in accordance with the Deed, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, applicable securities laws, MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by Axis-REIT:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
 - Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

Axis-REIT plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025,
- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026, and
- from the annual period beginning on 1 January 2027 for the accounting standard that is effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to Axis-REIT.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of Axis-REIT.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following items, which are measured based on the measurement bases stated below:

Item	Measurement bases
Islamic derivative financial instruments	Fair value
Investment properties	Fair value

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the functional currency of Axis-REIT. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements other than as disclosed in Note 4 – Investment properties.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policy information is as set out below.

(a) Basis of consolidation

(i) Subsidiaries

Axis-REIT has established two special purpose companies, Axis REIT Sukuk Berhad and Axis REIT Sukuk Two Berhad, for the purpose of raising financing on behalf of Axis-REIT. Axis REIT Sukuk Berhad and Axis REIT Sukuk Two Berhad are consolidated as if they are subsidiaries of Axis-REIT.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements of Axis-REIT.

(b) Investment properties

Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised financing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by Axis-REIT as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, Axis-REIT added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(c) Equipment

(i) Recognition and measurement

Items of equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of equipment from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

• Office equipment, furniture and fittings	10 years
• Car park machines	10 years
• Software	10 years

(d) Leases

(i) Definition of a lease

At inception or on reassessment of a contract that contains a lease component, Axis-REIT allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which Axis-REIT is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessor

When Axis-REIT acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, Axis-REIT makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, Axis-REIT applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When Axis-REIT is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which Axis-REIT applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(d) Leases (continued)

(iii) Subsequent measurement

(a) As a lessor

Axis-REIT recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of “revenue”.

(e) Impairment

(i) Financial assets

Axis-REIT recognises loss allowances for expected credit losses on financial assets measured at amortised cost and tenancy contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

Axis-REIT measures loss allowances at an amount equal to lifetime expected credit loss which are the expected credit losses that result from all possible default events over the expected life of the asset, except for cash and cash equivalents. The credit risk of cash and cash equivalents which have not increased significantly since initial recognition are measured at 12-month expected credit loss.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, Axis-REIT assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when Axis-REIT determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Axis-REIT’s procedures for recovery of amounts due.

(ii) Other assets

The carrying amounts of other assets (except for investment properties that are measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

(f) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issuing expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(f) Equity instruments (continued)

(ii) Units

Units are classified as equity.

(g) Revenue and other income

(i) Rental income

Rental income consists of income from the leasing of investment properties.

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives are recognised as an integral part of the total rental income, over the term of the lease.

(ii) Car park income

Car park income is recognised upon collection for daily parking and over time when services are delivered for season parking.

(iii) Other income

Other income consists of income from services, signage rental, compensation charges and other associated income. Other income is recognised over time when services are delivered.

(iv) Profit income

Profit income is recognised as it accrues using the effective profit method in profit or loss.

(h) Expenses

(i) Property expenses

Property expenses consist of property management fees, quit rent and assessment, and other property outgoings in relation to investment properties where such expenses are the responsibility of Axis-REIT.

Property management fees are recognised on an accrual basis using the applicable formula, as stipulated in Note 1(a).

(ii) Manager's fees

Manager's fees are recognised on an accrual basis using the applicable formula, as stipulated in Note 1(b).

(iii) Trustee's fees

Trustee's fees are recognised on an accrual basis using the applicable formula, as stipulated in Note 1(c).

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(i) Islamic financing costs

Islamic financing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective profit method.

Islamic financing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of Islamic financing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, Islamic financing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of Islamic financing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific Islamic financing pending their expenditure on qualifying assets is deducted from the Islamic financing costs eligible for capitalisation.

(j) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3(b), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

(k) Fair value measurement

When measuring the fair value of an asset or a liability, Axis-REIT uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

- Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that Axis-REIT can access at the measurement date.
- Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3:** unobservable inputs for the asset or liability.

Axis-REIT recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES

	Note	2024 RM'000	2023 RM'000
Land and buildings at fair value:			
At 1 January		4,444,120	4,186,020
Acquisitions		730,152	4,040
Disposal		(159,000)	-
Enhancements		18,251	12,647
Development		30,885	160,102
Change in fair value		49,412	81,311
Reclassification as asset held for sale	8	(23,000)	-
At 31 December		5,090,820	4,444,120

Included in acquisitions during the year is RM7,194,000 (2023: RM40,000) which relates to acquisition fees paid to the Manager (Note 1(b)). For the previous financial year, the acquisition fee of RM40,000 was paid to the Manager arising from the payment of the amount withheld from the purchase price for acquisition of Axis Shah Alam Distribution Centre 4 in 2018 upon fulfilment of the subsequent term pursuant to the sale and purchase agreement.

Included in the enhancement and development costs are the capitalised financing costs of RM918,000 (2023: RM2,410,000).

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2024

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
Menara Axis (c)	Leasehold	99	41	Petaling Jaya	Commercial office	54.1	112,500	91,729	3.4
Crystal Plaza (b) ^	Leasehold	99	35	Petaling Jaya	Commercial office	86.5	113,000	74,680	3.4
Axis Business Park (a) ^	Leasehold	99	36	Petaling Jaya	Office/Industrial	90.7	123,000	102,416	3.7
Infinite Center (f) ^	Leasehold	99	41	Petaling Jaya	Office/Industrial	95.0	46,500	37,424	1.4
Wisma Kemajuan (b) ^	Leasehold	99	41	Petaling Jaya	Office/Industrial	63.8	67,000	37,960	2.0
Axis Business Campus (e) ^	Leasehold	99	43	Petaling Jaya	Office/Industrial	74.8	81,400	63,535	2.5
Axis Shah Alam Distribution Centre 1 (c) ^^	Freehold	-	-	Shah Alam	Manufacturing facilities	100.0	43,000	23,424	1.3
Axis Hypermarket @ Sungai Petani (j) ^	Freehold	-	-	Sungai Petani	Hypermarket	100.0	52,000	39,176	1.6
FCI Senai (d) ^	Leasehold	60	43	Senai, Johor	Manufacturing facilities	100.0	26,700	12,693	0.8
Fonterra HQ (b) ^	Freehold	-	-	Shah Alam	Office/Industrial	84.7	25,200	11,264	0.8
Quattro West (e) ^	Leasehold	99	48	Petaling Jaya	Commercial office	100.0	61,800	52,207	1.9
Strateq Data Centre (e) ^	Leasehold	99	44	Petaling Jaya	Office/Industrial	100.0	70,000	42,927	2.1
D21 Industrial Facility (formerly known as D21 Logistics Warehouse) (e) ^	Leasehold	60	31	Tanjung Pelepas	Manufacturing facilities	100.0	52,000	50,886	1.6
Niro Warehouse (d)	Leasehold	60	27	Pasir Gudang	Logistics warehouse	100.0	29,200	17,051	0.9
Pasir Gudang Logistics Warehouse 1 (d)	Leasehold	60	43	Pasir Gudang	Logistics warehouse	100.0	23,700	14,049	0.7
Axis Vista (b) ^	Leasehold	99	42	Petaling Jaya	Office/Industrial	100.0	62,000	37,806	1.9
Axis Northport Distribution Centre 1 (e) ^	Leasehold	99	78	Klang	Logistics warehouse	100.0	97,900	68,075	3.0

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2024 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
Bukit Raja Distribution Centre (f)	Freehold	-	-	Klang	Logistics warehouse	100.0	118,000	80,980	3.6
Seberang Prai Logistics Warehouse 1 (g) ^	Leasehold	60	29	Seberang Prai	Logistics warehouse	100.0	25,250	17,821	0.8
Seberang Prai Logistics Warehouse 2 (g) ^	Leasehold	60	29	Seberang Prai	Logistics warehouse	100.0	10,020	7,404	0.3
Axis Hypermarket @ Johor (c) ^	Freehold	-	-	Johor Bahru	Hypermarket	100.0	112,800	76,997	3.4
Axis Mega Distribution Centre (c) ^^	Leasehold	99	67	Kuala Langat	Logistics warehouse	68.9	444,000	378,198	13.5
Axis Technology Centre (a) ^	Leasehold	99	43	Petaling Jaya	Office/Industrial	95.2	67,300	55,405	2.0
D8 Logistics Warehouse (d) ^	Leasehold	60	31	Johor Bahru	Logistics warehouse	100.0	40,500	31,787	1.2
Bayan Lepas Distribution Centre (j) ^	Leasehold	60	38	Bayan Lepas	Logistics warehouse	100.0	70,000	51,100	2.1
Seberang Prai Logistics Warehouse 3 (g)	Leasehold	60	28/44	Seberang Prai	Logistics warehouse	100.0	85,000	64,982	2.6
Emerson Industrial Facility Nilai (h) ^	Leasehold	99	71	Nilai	Manufacturing facilities	100.0	47,900	27,509	1.5
Wisma Academy Parcel (a) ^	Leasehold	99	38	Petaling Jaya	Office/Industrial	76.1	75,500	77,326	2.3
The Annex (f) ^	Leasehold	99	38	Petaling Jaya	Office/Industrial	60.4	23,000	13,840	0.7
Axis Industrial Facility 1 @ Shah Alam (h) ^	Leasehold	99	61	Shah Alam	Office/Industrial	76.2	51,000	53,964	1.5
Axis Shah Alam Distribution Centre 3 (a)	Freehold	-	-	Shah Alam	Logistics warehouse	96.2	208,400	201,725	6.3
Axis Shah Alam Distribution Centre 2 (d) ^	Leasehold	99	42	Shah Alam	Logistics warehouse	100.0	53,000	47,688	1.6

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2024 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
Beyonics i-Park Campus Block A (a) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	20,500	14,469	0.6
Beyonics i-Park Campus Block B (a) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	18,500	13,115	0.6
Beyonics i-Park Campus Block C (a) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	17,000	12,055	0.5
Beyonics i-Park Campus Block D (a) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	31,000	22,504	0.9
Axis Industrial Facility @ Rawang (k) ^	Freehold	-	-	Rawang	Manufacturing facilities	100.0	63,200	52,151	1.9
Kerry Warehouse (d) ^	Leasehold	60	49	Johor Bahru	Logistics warehouse	100.0	40,500	36,384	1.2
Wasco Facility @ Kuantan (a) ^	Leasehold	99	85	Kuantan	Manufacturing facilities	100.0	165,000	157,619	5.0
Axis Aerotech Centre @ Subang (b)	Leasehold	49	42	Subang	Manufacturing facilities	100.0	93,700	72,868	2.8
Axis Shah Alam Distribution Centre 4 (b) ^^	Freehold	-	-	Shah Alam	Logistics warehouse	100.0	97,600	88,679	3.0
Indahpura Facility 1 (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	9,500	7,343	0.3
Beyonics i-Park Campus Block E (c) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	39,000	32,099	1.2
Senawang Industrial Facility (h) ^^	Freehold	-	-	Senawang	Logistics warehouse	100.0	26,200	19,134	0.8
Nusajaya Tech Park Facility 1 (a) ^	Freehold	-	-	Iskandar Puteri, Johor	Manufacturing facilities	100.0	42,500	42,773	1.3
Nusajaya Tech Park Facility 2 (a) ^	Freehold	-	-	Iskandar Puteri, Johor	Manufacturing facilities	100.0	16,000	14,105	0.5

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2024 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
Axis Facility @ Batu Kawan (i)	Leasehold	30	25	Simpang Ampat, Penang	Logistics warehouse	100.0	19,800	15,003	0.6
Axis Facility 2 @ Nilai (f) ^^	Leasehold	99	65	Nilai	Manufacturing facilities	100.0	52,950	51,065	1.6
Axis Facility 2 @ Bukit Raja (e) ^	Leasehold	99	65	Klang	Logistics warehouse	100.0	53,500	47,733	1.6
D37c Logistics Warehouse (d) ^^	Leasehold	41	31	Tanjung Pelepas	Logistics warehouse	100.0	68,000	66,149	2.1
Axis Shah Alam Distribution Centre 5 (d) ^	Leasehold	99	50	Shah Alam	Logistics warehouse	100.0	100,000	96,330	3.0
Axis Industrial Facility 2 @ Shah Alam (b) ^	Leasehold	99	53	Shah Alam	Manufacturing facilities	100.0	17,000	12,256	0.5
Indahpura Facility 2 (a)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	9,700	8,733	0.3
Indahpura Facility 3 (a)	Freehold	-	-	Johor Bahru	Office/Industrial	100.0	7,800	6,821	0.2
Beyonics i-Park Campus Block F (c)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	17,200	13,277	0.5
Bukit Raja Distribution Centre 2 (c) ^	Freehold	-	-	Klang	Logistics warehouse	100.0	268,000	236,389	8.1
Xin Hwa Warehouse @ Pasir Gudang (a)	Leasehold	60	50/52	Pasir Gudang	Logistics warehouse	100.0	82,900	76,388	2.5
Pasir Gudang Logistics Warehouse 2 (c)	Leasehold	30	27	Pasir Gudang	Logistics warehouse	100.0	41,000	32,679	1.2
Indahpura Facility 4 (j)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	18,600	16,687	0.6
DW1 Logistics Warehouse (e)	Leasehold	38	30	Tanjung Pelepas	Logistics warehouse	100.0	391,800	395,642	11.9

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2024 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
Axis Industrial Facility 1 @ Meru (d) ^	Freehold	-	-	Klang	Manufacturing facilities	100.0	41,000	41,682	1.2
Axis Hypermarket @ Temerloh	Freehold	-	-	Pahang	Hypermarket	100.0	27,500	26,281	0.8
Axis Facility 1 @ Bukit Raja	Leasehold	99	64	Klang	Manufacturing facilities	100.0	51,000	49,882	1.5
Axis Vista 2	Leasehold	99	43	Petaling Jaya	Office/Industrial	100.0	69,000	70,008	2.1
Axis Industrial Facility @ Batu Caves	Leasehold	99	50	Batu Caves	Office/Industrial	100.0	56,100	56,829	1.7
Axis Industrial Facility @ Sendayan	Freehold	-	-	Seremban	Manufacturing facilities	100.0	49,000	49,033	1.5
Axis Facility 3 @ Bukit Raja	Leasehold	99	61/67	Klang	Manufacturing facilities	100.0	314,000	317,289	9.5
Axis Facility 1 @ Pulau Indah	Leasehold	99	72	Pelabuhan Klang	Logistics warehouse	100.0	110,400	111,598	3.3
Axis Facility 2 @ Pulau Indah	Leasehold	99	72	Pelabuhan Klang	Logistics warehouse	100.0	48,800	49,232	1.5
Investment property classified as held for sale (Note 8)							5,113,820	4,396,312	
							(23,000)	(13,840)	
Total Investment Properties							5,090,820	4,382,472	

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

- (a) Wasco Facility @ Kuantan, Axis Business Park, DW1 Logistics Warehouse, Indahpura Facility 3, Indahpura Facility 2, Indahpura Facility 4, Xin Hwa Warehouse @ Pasir Gudang, Axis Shah Alam Distribution Centre 3, Pasir Gudang Logistics Warehouse 2 and Axis Technology Centre were valued on 18 July 2024, 20 August 2024, 20 September 2024, 24 September 2024, 25 September 2024, 26 September 2024, 21 October 2024, 29 October 2024, 20 November 2024 and 29 November 2024, respectively by Rahim & Co. International Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation, except for Axis Technology Centre which was based on the cost method of valuation.
- (b) Axis Vista, Axis Aerotech Centre @ Subang, Axis Hypermarket @ Temerloh, Crystal Plaza, Fonterra HQ, Wisma Kemajuan and Axis Industrial Facility 2 @ Shah Alam were valued on 10 July 2024, 12 July 2024, 12 July 2024, 12 July 2024, 15 July 2024, 7 August 2024 and 13 September 2024, respectively by PA International Property Consultants (KL) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation, except for Axis Industrial Facility 2 @ Shah Alam which was based on the cost method of valuation and Axis Vista which was based on the comparison method of valuation.
- (c) Axis Hypermarket @ Johor, Beyonics i-Park Campus Block E, Beyonics i-Park Campus Block F, Axis Business Campus, Axis Facility 1 @ Bukit Raja, Bukit Raja Distribution Centre 2, Axis Shah Alam Distribution Centre 1, Shah Alam Distribution Centre 4, Wisma Academy Parcel, Axis Facility 3 @ Bukit Raja and Axis Mega Distribution Centre were valued on 24 July 2024, 26 July 2024, 26 July 2024, 6 September 2024, 23 September 2024, 17 October 2024, 22 October 2024, 24 October 2024, 22 November 2024, 2 December 2024 and 6 December 2024, respectively by Savills (Malaysia) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (d) Beyonics i-Park Campus Block A, B, C, D, Indahpura Facility 1, D37c Logistics Warehouse, Nusajaya Tech Park Facility 1 and 2, Axis Shah Alam Distribution Centre 5, D8 Logistics Warehouse, Axis Industrial Facility 1 @ Meru, Axis Shah Alam Distribution Centre 2, Niro Warehouse, FCI Senai, Kerry Warehouse and Pasir Gudang Logistics Warehouse 1 were valued on 20 August 2024, 20 August 2024, 21 August 2024, 27 August 2024, 28 August 2024, 11 September 2024, 25 September 2024, 11 October 2024, 24 October 2024, 24 October 2024, 19 November 2024, 25 November 2024 and 25 November 2024 respectively by CBRE WTW Valuation & Advisory Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (e) Axis Facility 1 @ Pulau Indah, Axis Facility 2 @ Pulau Indah, Strateq Data Centre, Axis Northport Distribution Centre 1, Axis Industrial Facility @ Sendayan, Menara Axis, Axis Facility 2 @ Bukit Raja, D21 Industrial Facility (formerly known as D21 Logistics Warehouse) and Quattro West were valued on 2 July 2024, 2 July 2024, 11 July 2024, 7 August 2024, 26 September 2024, 22 October 2024, 23 October 2024, 23 October 2024 and 26 November 2024, respectively by First Pacific Valuers Property Consultants Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation except for Axis Industrial Facility @ Sendayan, which was based on the cost method of valuation.
- (f) Infinite Center, Axis Facility 2 @ Nilai and Bukit Raja Distribution Centre were valued on 17 July 2024, 26 September 2024 and 17 October 2024, respectively by KGV International Property Consultants (M) Sdn. Bhd. an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (g) Seberang Prai Logistics Warehouse 3, Seberang Prai Logistics Warehouse 1 & 2 were valued on 15 August 2024, 16 August 2024, 16 August 2024, respectively by KGV International Property Consultants (PG) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the cost method of valuation except for Seberang Prai Logistics Warehouse 3 which was based on the investment method of valuation.
- (h) Axis Industrial Facility 1 @ Shah Alam and Senawang Industrial Facility were valued on 9 August 2024 and 15 August 2024, respectively by PPC International Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

- (i) Axis Facility @ Batu Kawan was valued on 5 September 2024 by Zerin Properties Corporate Valuers Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (j) Axis Hypermarket @ Sungai Petani and Bayan Lepas Distribution Centre were valued on 5 July 2024 and 13 August 2024, respectively by Knight Frank Malaysia Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (k) Axis Industrial Facility @ Rawang, Axis Vista 2, Axis Industrial Facility @ Batu Caves and The Annex were valued on 10 July 2024, 19 November 2024, 22 November 2024 and 4 December 2024, respectively by Raine & Horne International Zaki + Partners Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the comparison & cost method of valuation except for Axis Industrial Facility @ Rawang which was based on the cost method of valuation.
- (l) Emerson Industrial Facility Nilai was valued on 25 October 2024 by City Valuers & Consultants Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- ^ These properties are charged to financial institutions for revolving credit and term financing facilities granted to Axis-REIT (Note 11).
- ^^ These properties are pledged as security for the Islamic Medium Term Notes ("Sukuk") (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2023

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2023 %	Fair value as at 31.12.2023 RM'000	Cost of investment as at 31.12.2023 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2023 %
Menara Axis (c)	Leasehold	99	42	Petaling Jaya	Commercial office	53.90	112,500	91,726	4.0
Crystal Plaza (b)	Leasehold	99	36	Petaling Jaya	Commercial office	92.49	113,000	74,637	4.0
Axis Business Park (a) ^	Leasehold	99	37	Petaling Jaya	Office/Industrial	86.70	121,900	102,120	4.3
Infinite Center (f) ^	Leasehold	99	42	Petaling Jaya	Office/Industrial	97.32	45,500	37,424	1.6
Wisma Kemajuan (b) ^	Leasehold	99	42	Petaling Jaya	Office/Industrial	70.95	67,000	37,960	2.4
Axis Business Campus (e) ^	Leasehold	99	44	Petaling Jaya	Office/Industrial	74.82	81,300	63,432	2.9
Axis Shah Alam Distribution Centre 1 (c) ^^	Freehold	-	-	Shah Alam	Manufacturing facilities	100.00	41,000	22,507	1.5
Axis Hypermarket @ Sungai Petani (j) ^	Freehold	-	-	Sungai Petani	Hypermarket	100.00	52,000	39,176	1.8
FCI Senai (d) ^	Leasehold	60	44	Senai, Johor	Manufacturing facilities	100.00	26,500	12,693	0.9
Fonterra HQ (b)	Freehold	-	-	Shah Alam	Office/Industrial	84.71	23,000	11,264	0.8
Quattro West (e) ^	Leasehold	99	49	Petaling Jaya	Commercial office	100.00	61,800	52,207	2.2
Strateq Data Centre (e) ^	Leasehold	99	45	Petaling Jaya	Office/Industrial	100.00	68,000	42,927	2.4
D21 Logistics Warehouse (e) ^	Leasehold	60	32	Tanjung Pelepas	Logistics warehouse	100.00	47,700	49,781	1.7
Niro Warehouse (d)	Leasehold	60	28	Pasir Gudang	Logistics warehouse	100.00	29,200	17,051	1.0
Pasir Gudang Logistics Warehouse 1 (d)	Leasehold	60	44	Pasir Gudang	Logistics warehouse	100.00	23,500	13,973	0.8
Axis Vista (b)	Leasehold	99	43	Petaling Jaya	Office/Industrial	100.00	62,000	37,806	2.2
Axis Northport Distribution Centre 1 (e) ^	Leasehold	99	79	Klang	Logistics warehouse	100.00	96,400	68,075	3.4
Bukit Raja Distribution Centre (f)	Freehold	-	-	Klang	Logistics warehouse	100.00	117,000	80,980	4.1

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2023 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2023 %	Fair value as at 31.12.2023 RM'000	Cost of investment as at 31.12.2023 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2023 %
Seberang Prai Logistics Warehouse 1 (g) ^	Leasehold	60	30	Seberang Prai	Logistics warehouse	100.00	24,900	17,821	0.9
Seberang Prai Logistics Warehouse 2 (g) ^	Leasehold	60	30	Seberang Prai	Logistics warehouse	100.00	9,880	7,404	0.3
Axis Hypermarket @ Johor (c) ^	Freehold	-	-	Johor Bahru	Hypermarket	100.00	108,500	76,997	3.8
Axis Mega Distribution Centre (c) ^^	Leasehold	99	68	Kuala Langat	Logistics warehouse	100.00	406,000	346,954	14.4
Axis Technology Centre (a) ^	Leasehold	99	44	Petaling Jaya	Office/Industrial	91.76	65,600	53,964	2.3
D8 Logistics Warehouse (d) ^	Leasehold	60	32	Johor Bahru	Logistics warehouse	100.00	40,500	31,787	1.4
Bayan Lepas Distribution Centre (j) ^	Leasehold	60	39	Bayan Lepas	Logistics warehouse	100.00	70,000	50,952	2.5
Seberang Prai Logistics Warehouse 3 (g)	Leasehold	60	29/45	Seberang Prai	Logistics warehouse	100.00	85,000	64,364	3.0
Emerson Industrial Facility Nilai (h) ^	Leasehold	99	72	Nilai	Manufacturing facilities	100.00	46,000	27,509	1.6
Wisma Academy Parcel (a) ^	Leasehold	99	39	Petaling Jaya	Office/Industrial	80.64	75,000	77,326	2.7
The Annex (f) ^	Leasehold	99	39	Petaling Jaya	Office/Industrial	60.35	21,740	13,744	0.8
Axis Industrial Facility 1 @ Shah Alam (h)	Leasehold	99	62	Shah Alam	Office/Industrial	75.07	51,000	53,964	1.8
Axis Shah Alam Distribution Centre 3 (a)	Freehold	-	-	Shah Alam	Logistics warehouse	96.20	199,000	189,953	7.0
Axis Steel Centre @ SiLC (a) ^	Freehold	-	-	Nusajaya	Manufacturing facilities	100.00	159,000	155,949	5.6
Axis Shah Alam Distribution Centre 2 (d) ^	Leasehold	99	43	Shah Alam	Logistics warehouse	100.00	52,000	47,614	1.8

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2023 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2023 %	Fair value as at 31.12.2023 RM'000	Cost of investment as at 31.12.2023 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2023 %
Beyonics i-Park Campus Block A (a) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	19,500	14,469	0.7
Beyonics i-Park Campus Block B (a) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	17,600	13,115	0.6
Beyonics i-Park Campus Block C (a) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	16,000	12,055	0.6
Beyonics i-Park Campus Block D (a) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	30,400	22,504	1.1
Axis Industrial Facility @ Rawang (k)	Freehold	-	-	Rawang	Manufacturing facilities	100.00	60,000	51,513	2.1
Kerry Warehouse (d) ^	Leasehold	60	50	Johor Bahru	Logistics warehouse	100.00	39,500	36,321	1.4
Wasco Facility @ Kuantan (a) ^	Leasehold	99	86	Kuantan	Manufacturing facilities	100.00	162,000	157,619	5.7
Axis Aerotech Centre @ Subang (b)	Leasehold	49	43	Subang	Manufacturing facilities	100.00	93,000	72,868	3.3
Axis Shah Alam Distribution Centre 4 (b) ^^	Freehold	-	-	Shah Alam	Logistics warehouse	100.00	97,500	88,679	3.5
Indahpura Facility 1 (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	9,000	7,343	0.3
Beyonics i-Park Campus Block E (c) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	38,500	32,099	1.4
Senawang Industrial Facility (h) ^^	Freehold	-	-	Senawang	Logistics warehouse	100.00	26,100	19,134	0.9
Nusajaya Tech Park Facility 1 (a) ^	Freehold	-	-	Iskandar Puteri, Johor	Manufacturing facilities	100.00	42,000	42,773	1.5
Nusajaya Tech Park Facility 2 (a) ^	Freehold	-	-	Iskandar Puteri, Johor	Manufacturing facilities	100.00	15,500	14,105	0.5
Axis Facility @ Batu Kawan (i)	Leasehold	30	26	Simpang Ampat, Penang	Logistics warehouse	100.00	19,800	14,706	0.7

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2023 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2023 %	Fair value as at 31.12.2023 RM'000	Cost of investment as at 31.12.2023 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2023 %
Axis Facility 2 @ Nilai (f) ^^	Leasehold	99	66	Nilai	Manufacturing facilities	100.00	52,600	50,920	1.9
Axis Facility 2 @ Bukit Raja (e)	Leasehold	99	66	Klang	Logistics warehouse	100.00	52,000	47,732	1.8
D37c Logistics Warehouse (d) ^^	Leasehold	41	32	Tanjung Pelepas	Logistics warehouse	100.00	68,000	66,094	2.4
Axis Shah Alam Distribution Centre 5 (d) ^	Leasehold	99	51	Shah Alam	Logistics warehouse	100.00	98,000	96,330	3.5
Axis Industrial Facility 2 @ Shah Alam (b) ^	Leasehold	99	54	Shah Alam	Manufacturing facilities	100.00	17,000	12,256	0.6
Indahpura Facility 2 (a)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	9,300	8,733	0.3
Indahpura Facility 3 (a)	Freehold	-	-	Johor Bahru	Office/Industrial	100.00	7,500	6,821	0.3
Beyondics i-Park Campus Block F (c)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	17,000	13,276	0.6
Bukit Raja Distribution Centre 2 (c) ^	Freehold	-	-	Klang	Logistics warehouse	100.00	268,000	236,389	9.5
Xin Hwa Warehouse @ Pasir Gudang (a)	Leasehold	60	51/53	Pasir Gudang	Logistics warehouse	100.00	78,600	76,388	2.8
Pasir Gudang Logistics Warehouse 2 (c)	Leasehold	30	28	Pasir Gudang	Logistics warehouse	100.00	36,000	32,679	1.3
Indahpura Facility 4 (j)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	18,300	16,687	0.6
DW1 Logistics Warehouse (e)	Leasehold	38	31	Tanjung Pelepas	Logistics warehouse	100.00	391,000	395,642	13.8
Axis Industrial Facility 1 @ Meru (d)	Freehold	-	-	Klang	Manufacturing facilities	100.00	41,000	41,682	1.5
Total							4,444,120	3,772,973	

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

- (a) Wasco Facility @ Kuantan, Axis Technology Centre, Wisma Academy Parcel, Axis Business Park, Axis Shah Alam Distribution Centre 3, Xin Hwa Warehouse @ Pasir Gudang, Beyonics i-Park Campus Block A, B, C, D, Nusajaya Tech Park Facility 1 and 2, Indahpura Facility 2 and 3 and Axis Steel Centre @ SiLC were valued on 11 July 2023, 20 July 2023, 7 August 2023, 8 August 2023, 22 August 2023, 29 August 2023, 30 August 2023, 12 September 2023, 12 September 2023, 11 October 2023, 31 October 2023 and 19 December 2023, respectively by Rahim & Co. International Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation, except for Axis Steel Centre @ SiLC, Indahpura Facility 3 and Axis Technology Centre which were based on the cost method of valuation.
- (b) Axis Shah Alam Distribution Centre 4, Wisma Kemajuan, Axis Aerotech Centre @ Subang, Fonterra HQ, Crystal Plaza, Axis Vista, and Axis Industrial Facility 2 @ Shah Alam and were valued on 7 July 2023, 1 August 2023, 21 August 2023, 28 August 2023, 14 September 2023, 5 October 2023 and 2 November 2023, respectively by PA International Property Consultants (KL) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation, except for Axis Industrial Facility 2 @ Shah Alam which were based on the cost method of valuation and Axis Vista which was based on the comparison method of valuation.
- (c) Axis Hypermarket @ Johor, Axis Shah Alam Distribution Centre 1, Beyonics i-Park Campus Block E, Beyonics i-Park Campus Block F, Pasir Gudang Logistics Warehouse 2, Menara Axis, Bukit Raja Distribution Centre 2 and Axis Mega Distribution Centre and were valued on 14 July 2023, 15 August 2023, 17 August 2023, 17 August 2023, 25 August 2023, 5 September 2023, 4 October 2023 and 24 November 2023, respectively by Savills (Malaysia) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (d) Axis Industrial Facility 1 @ Meru, Pasir Gudang Logistics Warehouse 1, FCI Senai, Niro Warehouse, Kerry Warehouse, Axis Shah Alam Distribution Centre 5, Indahpura Facility 1, D8 Logistics Warehouse, D37c Logistics Warehouse and Axis Shah Alam Distribution Centre 2 were valued on 5 July 2023, 27 July 2023, 9 August 2023, 16 August 2023, 21 August 2023, 23 August 2023, 29 August 2023, 7 September 2023, 7 September 2023 and 23 October 2023, respectively by CBRE WTW Valuation & Advisory Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (e) Strateq Data Centre, Axis Facility 2 @ Bukit Raja, Axis Business Campus, Quattro West, DW1 Logistics Warehouse, Axis Northport Distribution Centre 1 and D21 Logistics Warehouse were valued on 4 July 2023, 28 July 2023, 6 September 2023, 6 September 2023, 12 October 2023, 2 November 2023 and 24 November 2023, respectively by First Pacific Valuers Property Consultants Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation except for Axis Business Campus which was based on the comparison method of valuation.
- (f) The Annex, Axis Facility 2 @ Nilai, Infinite Center and Bukit Raja Distribution Centre were valued on 1 August 2023, 10 August 2023, 16 August 2023 and 27 September 2023, respectively by KGV International Property Consultants (M) Sdn. Bhd. an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation except for The Annex which was based on the cost method of valuation.
- (g) Seberang Prai Logistics Warehouse 3, Seberang Prai Logistics Warehouse 1 & 2 were valued on 17 July 2023, 17 October 2023 and 17 October 2023, respectively by KGV International Property Consultants (PG) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the cost method of valuation except for Seberang Prai Logistics Warehouse 3 which was based on the investment method of valuation.
- (h) Emerson Industrial Facility Nilai, Senawang Industrial Facility and Axis Industrial Facility 1 @ Shah Alam were valued on 13 July 2023, 13 July 2023 and 10 October 2023, respectively by PPC International Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

- (i) Axis Facility @ Batu Kawan was valued on 5 September 2023 by Zerin Properties Corporate Valuers Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (j) Indahpura Facility 4, Bayan Lepas Distribution Centre and Axis Hypermarket @ Sungai Petani and were valued on 6 July 2023, 1 August 2023 and 7 September 2023, respectively by Knight Frank Malaysia Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (k) Axis Industrial Facility @ Rawang was valued on 28 July 2023 by Raine & Horne International Zaki + Partners Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the cost method of valuation.

^ These properties are charged to financial institutions for revolving credit and term financing facilities granted to Axis-REIT (Note 11).

^^ These properties are pledged as security for the Islamic Medium Term Notes ("Sukuk") (Note 11).

4.1 Income and expenses recognised in profit or loss in respect of investment properties

	Note	2024 RM'000	2023 RM'000
Revenue	13	322,154	288,410
Property operating expenses	14	(45,537)	(42,977)
Change in fair value of investment properties	4.2.1	45,738	77,399

4.2 Fair value information

As at 31 December 2024, the fair value of investment properties amounting to RM5,090,820,000 (2023: RM4,444,120,000) is categorised as Level 3 in accordance with MFRS 13, using unobservable inputs.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair value:

	Note	2024 RM'000	2023 RM'000
At 1 January		4,444,120	4,186,020
Acquisitions		730,152	4,040
Disposal		(159,000)	-
Enhancements		18,251	12,647
Development		30,885	160,102
Reclassification as asset held for sale		(23,000)	-
		5,041,408	4,362,809
Gains and losses recognised in profit or loss			
Change in fair value - unrealised	4.2.1	49,412	81,311
At 31 December		5,090,820	4,444,120

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

4.2 Fair value information (continued)

4.2.1 The change in fair value as presented in the profit or loss of RM45,738,000 (2023: RM77,399,000) is after offsetting unbilled lease income receivable amounting to RM3,674,000 (2023: RM3,912,000).

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
a) The investment method considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process. Capitalisation relates to income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure.	<ul style="list-style-type: none"> • Risk-adjusted term capitalisation rates ranging from 3.00% - 7.50% (2023: 3.00% - 7.50%). • Risk-adjusted reversion capitalisation rates of 3.00% - 8.00% (2023: 3.00% - 8.00%). 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Risk-adjusted term capitalisation rates were lower (higher). • Risk-adjusted reversion capitalisation rates were lower (higher).
b) The comparison method considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, the property being valued is compared with sales of similar properties that have been transacted in the open market. Listing and offering may also be considered. Valuation under this method may be significantly affected by the timing and the characteristics (such as location, accessibility, design, size and condition) of the property transactions used for comparison.	<ul style="list-style-type: none"> • Adjusted land value ranging from RM294 per sq. ft. to RM416 per sq. ft. (2023: RM292 per sq. ft. to RM410 per sq. ft.). 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Adjusted land value per sq. ft. was higher (lower).

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

4.2 Fair value information (continued)

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
c) The cost method considers the summation of the value components of the land and cost of building. The value components of land are estimated based on location, plot size, accessibility and other relevant factors. The cost of building is determined based on current estimates of reconstruction cost less depreciation or replacement cost less depreciation, obsolescence and existing physical condition of the building. The reconstruction or replacement cost of building is derived from estimates of current market prices for materials, labour and present construction techniques. Valuation under this method may be significantly affected by the location of the property and the market prices for materials and labour.	<ul style="list-style-type: none"> Land value ranging from RM33 per sq. ft. to RM385 per sq. ft. (2023: RM32 per sq. ft. to RM247 per sq. ft.). Main floor area cost ranging from RM90 per sq. ft. to RM230 per sq. ft. (2023: RM80 per sq. ft. to RM250 per sq. ft.). Depreciation rates ranging from 2% - 70% (2023: 2% to 60%). 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> Land value were higher (lower). Main floor area cost were higher (lower). Depreciation rates were lower (higher).

Valuation processes applied by Axis-REIT for Level 3 fair value

The fair value of investment properties is determined by external, independent valuers registered with the Securities Commission, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. A valuation is carried out on each property within Axis-REIT's investment property portfolio once every calendar year.

Highest and best use

Axis-REIT's investment properties are office/industrial buildings, logistics warehouses, hypermarkets and manufacturing facilities located in Malaysia. These properties are at their highest and best use, as there are no other factors to suggest that a different use would maximise the value of these investment properties.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

4.3 Maturity analysis of operating lease payment receivables

Axis-REIT leases out its investment properties under operating leases. The future minimum lease payment receivable under non-cancellable leases is as follows:

	2024 RM'000	2023 RM'000
Less than one year	321,406	275,811
One to two years	263,282	213,977
Two to three years	222,436	170,986
Three to four years	174,599	150,539
Four to five years	156,343	122,609
More than five years	759,066	779,999
Total undiscounted lease payment receivable	1,897,132	1,713,921

5. EQUIPMENT

	Office equipment, furniture and fittings RM'000	Car park machines RM'000	Software RM'000	Total RM'000
Cost				
At 1 January 2023	1,611	3,959	905	6,475
Additions	2	-	25	27
At 31 December 2023/1 January 2024	1,613	3,959	930	6,502
Additions	15	65	-	80
At 31 December 2024	1,628	4,024	930	6,582
Accumulated depreciation				
At 1 January 2023	639	3,217	760	4,616
Depreciation for the year	161	279	55	495
At 31 December 2023/1 January 2024	800	3,496	815	5,111
Depreciation for the year	161	171	27	359
At 31 December 2024	961	3,667	842	5,470
Carrying amounts				
At 1 January 2023	972	742	145	1,859
At 31 December 2023/1 January 2024	813	463	115	1,391
At 31 December 2024	667	357	88	1,112

NOTES TO THE FINANCIAL STATEMENTS

6. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	2024 RM'000	2023 RM'000
Trade			
Trade receivables		773	957
Tenancy contract assets	6.1	1,486	2,040
		2,259	2,997
Non-trade			
Other receivables		5,357	2,682
Deposits	6.2	9,236	13,539
Prepayments		6,085	6,332
Islamic derivative assets	12.2	-	116
		20,678	22,669
		22,937	25,666

6.1 Tenancy contract assets relate to Axis-REIT's rights to rental income for premises that have been occupied by tenants but not yet billed at the reporting date. Rental income is recognised on a straight-line basis, including lease incentive for rent-free period, which is not part of earnings available for distribution. Rental will be billed in accordance with the billing terms as set out in the tenancy agreements.

6.2 Included in deposits is RM6,460,000 (2023: RM10,195,000) paid for potential new acquisitions of investment properties.

7. CASH, ISLAMIC DEPOSITS AND BANK BALANCES

7.1 Islamic deposits placed with licensed banks (pledged)

Islamic deposits placed with licensed banks (pledged) comprises an amount of RM300,000 (2023: RM300,000) which is pledged for banking facilities granted to Axis-REIT (Note 10) and an amount of RM19,184,000 (2023: RM19,184,000) which is maintained in the Finance Service Reserve Accounts with a licensed bank to cover the minimum financing costs for term financing granted to Axis-REIT and the Sukuk issued by Axis-REIT's special purpose company, Axis REIT Sukuk Berhad (Note 11).

7.2 Cash and cash equivalents

	2024 RM'000	2023 RM'000
Cash and bank balances	14,137	7,792
Islamic deposits placed with licensed banks	87,068	24,440
Cash and cash equivalents	101,205	32,232

NOTES TO THE FINANCIAL STATEMENTS

8. ASSET CLASSIFIED AS HELD FOR SALE

In February 2025, a sale and purchase agreement to dispose an investment property, 'The Annex' was executed and the disposal is expected to be completed within the next twelve months.

As at 31 December 2024, the property has a carrying value of RM23,000,000 (Note 4) and is reclassified to asset held for sale.

9. TOTAL UNITHOLDERS' FUNDS

9.1 Unitholders' capital

	2024 Number of units '000	2023 Number of units '000
Issued and fully paid units with no par value classified as equity instruments:		
At 1 January	1,747,492	1,641,054
Issued for cash	263,000	100,000
Issued under Income Distribution Reinvestment Plan ("IDRP")	-	6,438
At 31 December	2,010,492	1,747,492

	2024 RM'000	2023 RM'000
Issued and fully paid units with no par value classified as equity instruments:		
At 1 January	2,129,340	1,945,655
New units issued:		
263,000,000 units @ RM1.71 per unit (2023: 100,000,000 units @ RM1.75 per unit and 6,438,121 units @ RM1.70 per unit)	449,730	185,945
Issuing expenses	(4,904)	(2,260)
At 31 December	2,574,166	2,129,340

NOTES TO THE FINANCIAL STATEMENTS

9. TOTAL UNITHOLDERS' FUNDS (CONTINUED)

9.2 Unitholdings of substantial unitholders, Directors of the Manager and their related parties

The following are details of the units and value held by substantial unitholders, Directors of the Manager and their related parties.

	2024		2023	
	Number of units '000	Market value RM'000	Number of units '000	Market value RM'000
Axis-REIT's substantial unitholders' direct unitholding:				
Lembaga Tabung Haji	115,422	199,680	95,637	171,190
Kumpulan Wang Persaraan (Diperbadankan)	147,384	254,974	146,807	262,785
Employees Provident Fund Board	381,457	659,921	273,725	489,968
Prudential PLC	103,251	178,624	-	-
Axis-REIT's substantial unitholders' indirect unitholding:				
Kumpulan Wang Persaraan (Diperbadankan) (i)	26,752	46,281	33,417	59,816
Directors of the Manager - direct unitholding:				
Dato' Abas Carl Gunnar Bin Abdullah	23,499	40,653	24,499	43,853
Tew Peng Hwee @ Teoh Peng Hwee	57,002	98,613	57,002	102,034
Leong Kit May	44	76	44	79
Jancis Anne Que Lao (ii)	2,944	5,093	2,944	5,270
Maxine Teoh Sui Vern (iii)	8	14	8	14
Devika A/P K Sothinathan	11	19	11	20
Takim Khan Myhre (iv)	346	599	346	619
Directors of the Manager - indirect unitholding:				
Dato' Abas Carl Gunnar Bin Abdullah (v)	10,717	18,540	10,552	18,888

NOTES TO THE FINANCIAL STATEMENTS

9. TOTAL UNITHOLDERS' FUNDS (CONTINUED)

9.2 Unitholdings of substantial unitholders, Directors of the Manager and their related parties (continued)

	2024		2023	
	Number of units '000	Market value RM'000	Number of units '000	Market value RM'000
Direct unitholdings of close family members of the Directors of the Manager:				
Datin Kuyas Emiloglu (also known as Ka Ya-Shih)	10,643	18,412	10,478	18,756
Leon Lee Lao	2,359	4,081	2,359	4,223
Tan Siew Geok	846	1,464	846	1,514
Amanda Tan Myhre	74	128	74	132
Edward Teoh Eu Shang	-	-	1	2
Yolbars Khan Myhre	72	125	55	98
K Sothinathan A/L Kanagasisingam (Deceased)	209	362	209	374
Alex Lee Lao	59,358	102,689	58,358	104,461
Christopher Chang Tze Kun	50	87	25	45

Notes:

- (i) Held by fund managers of Kumpulan Wang Persaraan (Diperbadankan).
- (ii) Jancis Anne Que Lao is the alternate director to Alvin Dim Lao.
- (iii) Maxine Teoh Sui Vern is the alternate director to Tew Peng Hwee @ Teoh Peng Hwee.
- (iv) Takim Khan Myhre is the alternate director to Dato' Abas Carl Gunnar Bin Abdullah.
- (v) Deemed interested in the direct unitholdings of his spouse, Datin Kuyas Emiloglu (also known as Ka Ya-Shih) and his daughter, Amanda Tan Myhre.

The market value of the units was determined by multiplying the number of units with the market price as at 31 December 2024 of RM1.73 per unit (2023: RM1.79 per unit).

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to investment properties.

For investment properties that are expected to be realised through sale, the measurement of deferred tax asset or liability pertaining to the investment property will be based on the Real Property Gains Tax ("RPGT") rate. It is the business model of Axis-REIT to hold investment properties to earn rental income and for long-term capital growth. Hence, there are no expected disposals of investment properties held for less than 6 years.

Movement in temporary differences during the year

	At 1.1.2023 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31.12.2023/ 1.1.2024 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31.12.2024 RM'000
Investment properties	14,480	3,824	18,304	1,979	20,283

11. FINANCING

	Note	2024 RM'000	2023 RM'000
Non-current			
Islamic Medium Term Notes ("Sukuk")	11.1	450,000	450,000
Term financing – secured	11.2	487,750	293,750
Transaction costs			
- Sukuk	11.1	(428)	(585)
- Term financing – secured	11.2	(2,378)	(2,711)
		934,944	740,454
Current			
Revolving credit – secured	11.3	815,500	814,500
Hire purchase liabilities		-	20
		815,500	814,520
		1,750,444	1,554,974

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCING (CONTINUED)

11.1 Islamic Medium Term Notes (“Sukuk”)

Axis-REIT’s wholly owned subsidiary, Axis REIT Sukuk Berhad, has an Islamic Medium Term Note Programme (“Sukuk Programme”) of up to RM3.0 billion in nominal value. It is a perpetual programme that commenced on 13 July 2012. Details of the Sukuk issued are set out as follows.

Third Sukuk

On 7 January 2019, Axis REIT Sukuk Berhad, issued RM240.0 million Sukuk in nominal value pursuant to the Sukuk Programme.

The Third Sukuk of RM240.0 million was issued to re-finance Axis-REIT’s existing financing facilities. The Third Sukuk, which is unrated, has an expected maturity date of 7 years from the issuance date and the legal maturity date is 9 years from the issuance date.

The transaction costs relating to the Third Sukuk issuance of RM240.0 million which amounted to RM579,000 are amortised and charged to profit or loss over the expected tenure of the Third Sukuk of 7 years.

The Third Sukuk is secured over an investment property as indicated in Note 4 to the financial statements and other securities as advised by the legal counsel of the Lead Manager and mutually agreed between Axis-REIT, Axis REIT Sukuk Berhad and the Lead Manager.

Fourth Sukuk

On 15 September 2021, Axis REIT Sukuk Berhad, issued RM210.0 million Sukuk in nominal value pursuant to the Sukuk Programme.

The Fourth Sukuk of RM210.0 million was issued to re-finance Axis-REIT’s existing financing facilities. The Fourth Sukuk, which is unrated, comprises two tranches. The expected maturity dates are 10 years for RM80.0 million and 7 years for RM130.0 million from the issuance date and the legal maturity dates are 11 years and 8 years, respectively, from the issuance date.

The transaction costs relating to the Fourth Sukuk issuance of RM210.0 million which amounted to RM586,000 are amortised and charged to profit or loss over the expected tenures of the Fourth Sukuk of 10 years and 7 years, respectively.

The Fourth Sukuk is secured over the investment properties as indicated in Note 4 to the financial statements and other securities as advised by the legal counsel of the Lead Manager and mutually agreed between Axis-REIT, Axis REIT Sukuk Berhad and the Lead Manager.

The two Sukuk carry profit rates ranging from 3.82% to 4.65% (2023: 3.82% to 4.65%).

Financial Covenant

The subsidiary company, Axis REIT Sukuk Berhad is required to comply with a covenant to maintain the finance service coverage ratio (“FSCR”). As at 31 December 2024, the total carrying amount of the Sukuk is RM450.0 million (2023: RM450.0 million) and the FSCR has been met.

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCING (CONTINUED)

11.2 Term financing – secured

The term financing is secured over investment properties as indicated in Note 4 to the financial statements.

The term financing are repayable on 31 March 2026, 28 March 2028, 28 January 2032, 12 July 2032 and 7 June 2035, respectively. The related transaction costs are amortised over the tenure ranging between 3 to 12 years.

During the financial year, an existing term financing which is secured over the investment properties as indicated in Note 4 to the financial statements with maturity date on 28 January 2025, has been extended to mature on 28 January 2032. The related transaction costs on extension are amortised and charged to profit and loss over the extended tenure of 7 years.

The term financing carries profit rates ranging from 3.40% to 4.28% (2023: 3.40% to 4.36%).

11.3 Revolving credit – secured

The revolving credit is secured over the investment properties as indicated in Note 4 to the financial statements.

The revolving credit carries profit rates ranging from 3.92 % to 4.19% (2023: 3.67% to 4.32%).

11.4 Reconciliation of movement of financing to cash flows arising from financing activities

	At 1.1.2023 RM'000	Net changes from financing cash flows RM'000	Others RM'000	At 31.12.2023/ 1.1.2024 RM'000	Net changes from financing cash flows RM'000	Others RM'000	At 31.12.2024 RM'000
Sukuk	449,258	-	157	449,415	-	157	449,572
Hire purchase liabilities	59	(39)	-	20	(20)	-	-
Term financing – secured	284,203	6,498	338	291,039	193,939	394	485,372
Revolving credit – secured	812,500	1,439	561	814,500	284	716	815,500
Total liabilities from financing activities	1,546,020	7,898	1,056	1,554,974	194,203	1,267	1,750,444

NOTES TO THE FINANCIAL STATEMENTS

12. PAYABLES AND ACCRUALS

	Note	2024 RM'000	2023 RM'000
Current			
Trade			
Trade payables		23,308	16,066
Non-trade			
Other payables and accrued expenses	12.1	56,017	21,254
Islamic derivative liabilities	12.2	3,490	937
		59,507	22,191
		82,815	38,257

12.1 Included in other payables and accrued expenses are amounts due to the Manager and the Property Manager of RM3,089,000 (2023: RM2,381,000) and RM1,013,000 (2023: RM883,000), respectively. These amounts are unsecured, interest-free and payable monthly in arrears.

12.2 The Islamic derivatives (profit rate swaps) consist of 3 separate notional contract amounts of RM110,000,000, RM110,000,000 and RM200,000,000, respectively (2023: three separate notional contract amounts of RM110,000,000, RM110,000,000 and RM200,000,000, respectively). Profit rate swaps are used by Axis-REIT to achieve an approximate mix of fixed and floating rates exposure in line with its policy.

13. REVENUE

	2024 RM'000	2023 RM'000
Rental income from investment properties		
- Rental income billed in accordance with tenancy contracts	305,365	273,064
- Lease incentive adjustment	(554)	(903)
- Unbilled lease income receivable	3,674	3,912
	308,485	276,073
Revenue from contracts with customers		
- Car park income	5,951	5,754
- Other income	7,718	6,583
	13,669	12,337
	322,154	288,410

NOTES TO THE FINANCIAL STATEMENTS

14. PROPERTY OPERATING EXPENSES

	Note	2024 RM'000	2023 RM'000
Assessment		7,670	6,906
Service contracts and maintenance		13,129	12,874
Property management fees	1(a)	6,394	5,733
Property management reimbursements		4,189	3,836
Utilities		4,349	4,676
Others		9,806	8,952
		45,537	42,977

15. TAX EXPENSE

	Note	2024 RM'000	2023 RM'000
Current tax expense			
- Current year		557	-
Deferred tax expense			
- Current year	10	1,979	3,824
Total tax expense		2,536	3,824
Reconciliation of tax expense			
Net income before tax		212,542	221,596
Income tax using Malaysian tax rate of 24% (2023: 24%)		51,010	53,183
Non-deductible expenses		1,398	2,304
Effect of fair value change on investment properties which is not subject to tax		(9,690)	(11,186)
Effect of exemption from income tax	15.1	(42,718)	(44,301)
		-	-
RPGT			
Gain on disposal of investment property		557	-
Cumulative fair value gain on investment properties subject to RPGT		1,979	3,824
		2,536	3,824

15.1 Pursuant to the amendment to 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 a real estate investment trust or property trust fund is distributed to its unitholders, the total income of the real estate investment trust or property trust fund for that year of assessment shall be exempted from tax.

NOTES TO THE FINANCIAL STATEMENTS

16. EARNINGS PER UNIT

Basic earnings per unit

Basic EPU is calculated by dividing the net income for the year attributable to unitholders of Axis-REIT by the weighted average number of units in circulation during the year.

The calculation of basic earnings per unit is based on income after taxation attributable to unitholders for the year of RM210,006,000 (2023: RM217,772,000) and the weighted average number of units in circulation during the year of 1,779,109,645 (2023: 1,740,479,062).

Diluted earnings per unit

Axis-REIT does not have any convertible notes or unit options in issue that would give rise to dilutive potential units.

17. DISTRIBUTION TO UNITHOLDERS

Distribution to unitholders is from the following sources:

	2024 RM'000	2023 RM'000
Net property income		
- current year	276,617	245,433
- prior year	372	153
Realisation of unrealised income	3,051	-
Loss on disposal of investment property	(2,428)	-
Profit and other income	1,624	1,494
	279,236	247,080
Less: Non-property expenses	(109,916)	(97,640)
Tax expense	(557)	-
	168,763	149,440
Adjustments to earnings available for distribution:		
- depreciation of equipment	359	495
- net measurement of loss allowance	(47)	4,202
- other non-cash items	(3,120)	(3,009)
	165,955	151,128
Less: Undistributed income	(622)	(372)
	165,333	150,756
Gross distribution per unit (sen)	9.27	8.65
Net distribution per unit (sen)	9.27	8.65

NOTES TO THE FINANCIAL STATEMENTS

18. MANAGEMENT EXPENSE RATIO

	2024	2023
Management Expense Ratio ("MER") (%)	1.25	1.20

The calculation of MER is based on the total fees incurred by Axis-REIT, including Manager's fees, Trustee's fees, auditors' fees, tax agent's fees and administrative expenses, to the average Net Asset Value during the year calculated on a quarterly basis. Comparison of the MER of Axis-REIT with other real estate investment trusts which use different bases of calculation may not be an appropriate comparison.

19. OPERATING SEGMENTS

Segment information is presented based on the information reviewed by the Board of Directors of the Manager for performance assessment and resource allocation. For the purpose of the assessment of segment performance, the Board of Directors of the Manager have focused on its investment properties. This forms the basis of identifying the operating segments of Axis-REIT under MFRS 8, Operating Segments.

As the investment properties are similar in terms of economic characteristics and nature of services, the Board of Directors of the Manager are of the view that Axis-REIT has only one reportable segment, namely leasing of investment properties as already presented in the statement of financial position and statement of profit or loss and other comprehensive income.

Accordingly, no operating segment information has been prepared as Axis-REIT has only one reportable segment.

No geographical segment information has been prepared as all of the investment properties of Axis-REIT are located in Malaysia.

20. FINANCIAL INSTRUMENTS

20.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

- (a) Financial assets measured at amortised cost ("FAAC");
- (b) Financial liabilities measured at amortised cost ("FLAC"); and
- (c) Fair value through profit or loss ("FVTPL").

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.1 Categories of financial instruments (continued)

	Carrying amount RM'000	FAAC/(FLAC) RM'000	FVTPL RM'000
2024			
Financial assets			
Receivables and deposits	15,366	15,366	-
Cash and cash equivalents	120,689	120,689	-
	136,055	136,055	-
Financial liabilities			
Tenants' deposits	(105,920)	(105,920)	-
Payables and accruals	(82,815)	(79,325)	(3,490)
Financing	(1,750,444)	(1,750,444)	-
	(1,939,179)	(1,935,689)	(3,490)
2023			
Financial assets			
Receivables and deposits	17,539	17,423	116
Cash and cash equivalents	51,716	51,716	-
	69,255	69,139	116
Financial liabilities			
Tenants' deposits	(85,356)	(85,356)	-
Payables and accruals	(38,257)	(37,320)	(937)
Financing	(1,554,974)	(1,554,974)	-
	(1,678,587)	(1,677,650)	(937)

20.2 Net gains and losses arising from financial instruments

	2024 RM'000	2023 RM'000
Net (losses)/gains on:		
Fair value through profit or loss	(2,669)	(2,463)
Financial assets measured at amortised cost	1,671	(2,708)
Financial liabilities measured at amortised cost	(70,857)	(63,168)
Total	(71,855)	(68,339)

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.3 Financial risk management

Axis-REIT has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

20.4 Credit risk

Credit risk is the risk of a financial loss to Axis-REIT if a tenant or counterparty to a financial instrument fails to meet its contractual obligations. Axis-REIT's exposure to credit risk arises principally from its trade receivables from tenants. Axis-REIT performs annual credit evaluation of its tenants and generally does not require collateral other than tenants' deposits.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, Axis-REIT assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full after taking into consideration tenants' deposits) when there is no realistic prospect of recovery. This is generally the case when Axis-REIT determines the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to the previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amount in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Axis-REIT uses ageing analysis to monitor the credit quality of receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the reporting period amounts to RM773,000 (2023: RM957,000). After taking into consideration loss allowances recognised and other evidence that supports recoverability, the exposure is adequately collateralised by tenants' deposits.

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment losses

The following table provides information about the exposure to credit risk and expected credit losses (“ECLs”) for receivables and tenancy contract assets as at 31 December:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2024			
Past due 1 - 30 days	356	-	356
Past due 31 - 60 days	122	-	122
Past due 61 - 90 days	81	(3)	78
	559	(3)	556
Credit impaired			
Past due more than 90 days	6,357	(6,140)	217
Trade receivables	6,916	(6,143)	773
Tenancy contract assets	1,486	-	1,486
	8,402	(6,143)	2,259
2023			
Past due 1 - 30 days	835	-	835
Past due 31 - 60 days	20	-	20
Past due 61 - 90 days	18	-	18
	873	-	873
Credit impaired			
Past due more than 90 days	6,274	(6,190)	84
Trade receivables	7,147	(6,190)	957
Tenancy contract assets	2,040	-	2,040
	9,187	(6,190)	2,997

There are trade receivables on which Axis-REIT has not recognised any loss allowance as these are collateralised by tenants' deposits.

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment losses (continued)

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	2024 RM'000	2023 RM'000
Balance at 1 January	6,190	1,988
Net remeasurement of loss allowance	(47)	4,202
Balance at 31 December	6,143	6,190

Trade receivables that are individually determined to be impaired relate to tenants who are in significant financial difficulties and have defaulted in payments. For the purpose of quantifying individual impairment, Axis-REIT utilises the deposits received to first set-off against the longest outstanding receivables and the remaining balance is impaired in full. The allowance account in respect of receivables is used to record impairment losses. Unless Axis-REIT is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Cash and cash equivalents

The cash and cash equivalents are placed with licensed banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. Consequently, Axis-REIT is of the view that the loss allowance is not material and hence, it is not provided for.

20.5 Liquidity risk

Liquidity risk is the risk that Axis-REIT will not be able to meet its financial obligations as they fall due. Axis-REIT's exposure to liquidity risk arises principally from its payables and accruals, tenants' deposits and financing.

The Manager monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate to finance Axis-REIT's operations, to distribute income to unitholders and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the Securities Commission's Guidelines on Listed Real Estate Investment Trusts concerning limits on total financing.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

20. Financial instruments (continued)

20.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of Axis-REIT's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Financial liabilities	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2024						
<i>Non-derivative financial liabilities</i>						
Payables and accruals	79,325	79,325	79,325	-	-	-
Tenants' deposits*	105,920	122,846	34,050	13,921	22,834	52,041
Revolving credit - secured	815,500	818,213	818,213	-	-	-
Term financing - secured	485,372	629,185	19,750	77,380	99,644	432,411
Sukuk	449,572	500,373	19,167	248,151	147,676	85,379
	1,935,689	2,149,942	970,505	339,452	270,154	569,831
<i>Derivative financial liabilities</i>						
Islamic derivatives	3,490	3,490	3,490	-	-	-
	1,939,179	2,153,432	973,995	339,452	270,154	569,831

* The carrying amount of tenants' deposits has been discounted using the imputed profit rate of 4.17% (2023: 4.08%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.5 Liquidity risk (continued)

Maturity analysis (continued)

The table below summarises the maturity profile of Axis-REIT's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Financial liabilities	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2023						
<i>Non-derivative financial liabilities</i>						
Payables and accruals	37,320	37,320	37,320	-	-	-
Tenants' deposits*	85,356	98,705	24,494	21,124	21,545	31,542
Revolving credit - secured	814,500	817,337	817,337	-	-	-
Term financing - secured	291,039	351,064	11,844	75,786	129,083	134,351
Hire purchase liabilities	20	23	23	-	-	-
Sukuk	449,415	519,359	19,160	19,160	392,451	88,588
	1,677,650	1,823,808	910,178	116,070	543,079	254,481
<i>Derivative financial liabilities</i>						
Islamic derivatives	937	937	937	-	-	-
	1,678,587	1,824,745	911,115	116,070	543,079	254,481

* The carrying amount of tenants' deposits has been discounted using the imputed profit rate of 4.17% (2023: 4.08%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.6 Market risk

Market risk is the risk that changes in market prices such as interest rates that will affect Axis-REIT's financial position or cash flows.

The interest rate is a general economic indicator that will have an impact on Axis-REIT's financial position or cash flows regardless whether it is an Islamic real estate investment trust or otherwise.

Interest rate risk

Axis-REIT's exposure to changes in interest rates relates primarily to its financial assets which have an exposure to interest rates, such as Islamic deposits and financial liabilities which have an exposure to interest rates, such as Sukuk, term financing, revolving credit and hire purchase liabilities. Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which the profit income and financing costs could be affected by adverse movements in interest rates.

Risk management objectives, policies and processes for managing the risk

Axis-REIT has Islamic derivatives (profit rate swaps) with three separate notional contract amounts of RM110,000,000, RM110,000,000 and RM200,000,000, respectively (2023: with three separate notional contract amounts of RM110,000,000, RM110,000,000 and RM200,000,000, respectively) in order to achieve an approximate mix of fixed and floating rates exposure that is deemed acceptable for Axis-REIT. The swaps mature in June 2025, July 2032 and January 2033, respectively (2023: mature in June 2025, July 2032 and January 2033).

Exposure to interest rate risk

The interest rate profile of Axis-REIT's financial instruments which have an exposure to interest rates, based on carrying amounts as at the end of the reporting period was:

	2024 RM'000	2023 RM'000
Financial assets		
<i>Fixed rate instrument</i>		
Islamic deposits placed with licensed banks	106,552	43,924
Financial liabilities		
<i>Fixed rate instruments</i>		
Hire purchase liabilities	-	20
Term financing – secured	59,250	59,250
Sukuk	450,000	450,000
	509,250	509,270
<i>Floating rate instruments</i>		
Term financing – secured	428,500	234,500
Revolving credit – secured	815,500	814,500
	1,244,000	1,049,000

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.6 Market risk (continued)

Interest rate risk (continued)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis

Axis-REIT does not account for any fixed rate financial liabilities at fair value through profit or loss, and Axis-REIT does not designate Islamic derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis

A change of 100 basis points (“bp”) in interest rates at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below.

	Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000
2024		
Floating rate instruments	(12,440)	12,440
Profit rate swaps	4,200	(4,200)
2023		
Floating rate instruments	(10,490)	10,490
Profit rate swap	4,200	(4,200)

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.7 Fair value information

The carrying amounts of cash and cash equivalents, receivables and deposits, payables and accruals and short-term financing approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value					Fair value of financial instruments not carried at fair value					Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000			
2024												
Financial liabilities												
Tenants' deposits	-	-	-	-		-	-	105,920	105,920	105,920	105,920	105,920
Islamic derivatives	-	3,490	-	3,490		-	-	-	-	3,490	3,490	3,490
Financing	-	-	-	-		-	-	1,730,686	1,730,686	1,730,686	1,750,444	1,750,444
	-	3,490	-	3,490		-	-	1,836,606	1,836,606	1,840,096	1,859,854	1,859,854
2023												
Financial assets												
Islamic derivatives	-	116	-	116		-	-	-	-	116	116	116
Financial liabilities												
Tenants' deposits	-	-	-	-		-	-	85,356	85,356	85,356	85,356	85,356
Islamic derivatives	-	937	-	937		-	-	-	-	937	937	937
Financing	-	-	-	-		-	-	1,540,733	1,540,733	1,540,733	1,554,954	1,554,954
Hire purchase liabilities	-	-	-	-		-	-	23	23	23	23	20
	-	937	-	937		-	-	1,626,112	1,626,112	1,627,049	1,641,267	1,641,267

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.7 Fair value information (continued)

Level 2 fair value

Islamic derivatives

The fair value of profit rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of the contracts and using market profit rates for similar instruments at the measurement date.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2023: no transfer in either directions).

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Tenants' deposits, financing and hire purchase liabilities.	Discounted cash flows using a rate based on the current market rate of Islamic financing facilities of Axis-REIT at the reporting date.

The discount rates used above have incorporated the credit risk of Axis-REIT and the liquidity risk of the instruments. The inputs for these risks are unobservable because there are no identical or similar instruments to benchmark to.

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL MANAGEMENT

Axis-REIT's objectives when managing capital is to maintain a strong capital base and safeguard Axis-REIT's ability to continue as a going concern, so as to maintain the confidence of unitholders, creditors and the market; and to sustain future development of the business. The Directors of the Manager monitor and maintain an optimal financing ratio that complies with regulatory requirements.

The Directors of the Manager continuously monitor the financing level and consider undertaking new placement exercise to raise capital when it anticipates the need for funding, taking into consideration the investor appetite in the capital market. This internal financing threshold is below that allowed by the Securities Commission's Guidelines on Listed Real Estate Investment Trusts of 50%.

The financing ratio of Axis-REIT at the end of the reporting period were as follows:

	Note	2024 RM'000	2023 RM'000
Total financing	10	1,750,444	1,554,974
Total assets value		5,258,558	4,522,893
Financing ratio (%)		33.29	34.38

There was no change in Axis-REIT's approach to capital management during the financial year.

22. CAPITAL COMMITMENTS

	2024 RM'000	2023 RM'000
Significant capital expenditure commitments		
Investment properties		
Contracted but not provided for and payable:		
- Within one year	-	99,329
- After one year	34,920	-

23. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to Axis-REIT if Axis-REIT has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where Axis-REIT and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of Axis-REIT either directly or indirectly. The key management personnel include all the Directors of the Manager and the Trustee, and certain members of senior management of the Manager and the Trustee.

Significant related party transactions

There are no significant related party transactions during the financial year (2023: no significant related party transactions).

STATEMENT BY THE MANAGER

In the opinion of the Directors of the Manager, the financial statements set out on pages 202 to 253 are drawn up in accordance with the Fourth Principal Deed dated 17 January 2020, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, applicable securities laws, Malaysian Financial Reporting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of Axis Real Estate Investment Trust at 31 December 2024 and of its financial performance and cash flows for the financial year ended on that date.

For and on behalf of the Manager,
Axis REIT Managers Berhad,

Signed on behalf of the Board of Directors of the Manager in accordance with a resolution of the Directors of the Manager:

.....
Tew Peng Hwee @ Teoh Peng Hwee
Director

.....
Leong Kit May
Director

Petaling Jaya,

Date: 28 February 2025

STATUTORY DECLARATION

I, **Ng Choy Tip**, the Officer of Axis REIT Managers Berhad primarily responsible for the financial management of Axis Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 202 to 253, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Ng Choy Tip, at Petaling Jaya in the state of Selangor Darul Ehsan on 28 February 2025.

.....
Ng Choy Tip

Before me:

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

We have acted as Trustee of Axis Real Estate Investment Trust ("Axis-REIT") for the financial year ended 31 December 2024. In our opinion and to the best of our knowledge, Axis REIT Managers Berhad ("the Manager") has managed Axis-REIT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Fourth Principal Deed ("the Deed") dated 17 January 2020, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts and applicable securities laws during the financial year then ended.

We have ensured that valuation has been carried out on all the properties of Axis-REIT in accordance with the Deed and other regulatory requirements.

We also confirm that the income distributions declared and paid during the financial year ended 31 December 2024 are in line with and are reflective of the objectives of Axis-REIT. Five distributions have been declared for the financial year ended 31 December 2024 as follows:

- 1) 1st interim income distribution of 2.30 sen per unit paid on 31 May 2024;
- 2) 2nd interim income distribution of 2.25 sen per unit paid on 30 August 2024;
- 3) 3rd interim income distribution of 2.35 sen per unit paid on 29 November 2024;
- 4) 4th interim income distribution of 1.10 sen per unit paid on 29 November 2024; and
- 5) Final income distribution of 1.27 sen per unit payable on 25 March 2025.

For and on behalf of,
RHB Trustees Berhad (as Trustee for Axis-REIT)
(Company No.: 200201005356 (573019-U))

.....
Lim San San
Director

Kuala Lumpur,

Date: 28 February 2025

.....
Lim Bee Fang
Assistant Vice President

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Axis Real Estate Investment Trust ("Axis-REIT"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 202 to 253.

In our opinion, the financial statements give a true and fair view of the financial position of Axis-REIT as of 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of Axis-REIT in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matter

Key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of Axis-REIT for the current financial year. This matter was addressed in the context of our audit of the financial statements of Axis-REIT as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of investment properties

Refer to Note 4 to the financial statements.

The key audit matter:

Axis-REIT owns a portfolio of 69 investment properties comprising office/industrial buildings, logistics warehouses, hypermarkets and manufacturing facilities located in Malaysia. Investment properties represent the single largest category of assets on the statement of financial position at RM 5,090,820,000 as at 31 December 2024.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied i.e. a small change in the assumptions can have a significant impact to the valuation.

This is a key audit matter as some of the key assumptions are based on unobservable inputs and hence, significant judgement is required to evaluate the unobservable inputs.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

How the matter was addressed in our audit:

We assessed the processes of Axis REIT Managers Berhad ("the Manager") for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We evaluated the qualifications and competency of the external valuers based on their membership of a recognised professional body. We also examined the terms of engagement to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations on their scope of work.

We assessed the appropriateness of the valuation methodologies used by considering their respective merits based on the occupancy status and/or condition of each property. We tested the data applied in the valuers' computation of market value by checking to lease agreements and other supporting documents. We challenged the capitalisation rates used in the valuation by comparing them against historical rates and available industry data. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of Axis-REIT is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of Axis-REIT and our auditors' report thereon.

Our opinion on the financial statements of Axis-REIT does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of Axis-REIT, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of Axis-REIT or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements of Axis-REIT

The Manager is responsible for the preparation of the financial statements of Axis-REIT so as to give a true and fair view in accordance with the Fourth Principal Deed dated 17 January 2020, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, applicable securities laws, MFRS Accounting Standards and IFRS Accounting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of Axis-REIT that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of Axis-REIT, the Manager is responsible for assessing Axis-REIT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate Axis-REIT or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements of Axis-REIT

Our objectives are to obtain reasonable assurance about whether the financial statements of Axis-REIT as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements of Axis-REIT, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Axis-REIT.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- iv) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Axis-REIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of Axis-REIT or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Axis-REIT to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements of Axis-REIT, including the disclosures, and whether the financial statements of Axis-REIT represent the underlying transactions and events in a manner that gives a true and fair view.
- vi) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Axis-REIT as a basis for forming an opinion on the financial statements of Axis-REIT. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of Axis-REIT for the current year and is therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Other Matters

This report is made solely to the unitholders of Axis-REIT, as a body, in accordance with the trust deed of Axis-REIT and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 28 February 2025

Florence Chua Lei Choon
Approval Number: 03347/01/2026 J
Chartered Accountant

PROPERTY PORTFOLIO DETAILS

No.	Property	Net Property Income			Property Valuation					Land Tenure		
		Revenue (RM'000)	Property Operating Expense (RM'000)	Net Property Income (RM'000)	Carrying Value Before Revaluation (RM'000)	Carrying Value After Revaluation (RM'000)	Unrealised Gain/(Loss) (RM'000)	Total Investment Outlay (Including enhancements and development) (RM'000)	Accumulated Revaluation Gain/(Loss) (RM'000)	Tenure of Land	Remaining Term of Lease (Years)	Age of Building (Years)
1	Menara Axis	5,754	2,312	3,442	112,504	112,500	(4)	91,729	20,771	Leasehold	41	20
2	Axis Business Campus	4,296	1,586	2,710	81,403	81,400	(3)	63,535	17,865	Leasehold	43	30-39
3	Axis Business Park	11,696	2,850	8,846	122,196	123,000	804	102,416	20,584	Leasehold	36	22-26
4	Axis Technology Centre	5,369	1,370	3,999	67,041	67,300	259	55,405	11,895	Leasehold	43	14-34
5	Axis Vista	3,973	412	3,561	62,000	62,000	-	37,806	24,194	Leasehold	42	51
6	Crystal Plaza	9,783	2,294	7,489	113,043	113,000	(43)	74,680	38,320	Leasehold	35	29
7	Infinite Center	4,507	1,326	3,181	45,500	46,500	1,000	37,424	9,076	Leasehold	41	38
8	Quattro West	4,937	1,588	3,349	61,800	61,800	-	52,207	9,593	Leasehold	48	42
9	Strateq Data Centre	4,987	289	4,698	68,000	70,000	2,000	42,927	27,073	Leasehold	44	25
10	The Annex	337	257	80	21,835	23,000	1,165	13,840	9,160	Leasehold	38	42
11	Wisma Academy Parcel	6,773	2,292	4,481	75,000	75,500	500	77,326	(1,826)	Leasehold	38	28
12	Wisma Kemajuan	4,890	1,827	3,063	67,000	67,000	-	37,960	29,040	Leasehold	41	31
13	Axis Aerotech Centre @ Subang	6,974	285	6,689	93,000	93,700	700	72,868	20,832	Leasehold	42	6
14	Axis Mega Distribution Centre	22,009	2,444	19,565	437,245	444,000	6,755	378,198	65,802	Leasehold	67	7
15	Axis Industrial Facility 1 @ Shah Alam	5,212	2,690	2,522	51,000	51,000	-	53,964	(2,964)	Leasehold	61	32
16	Axis Shah Alam Distribution Centre 1	2,906	200	2,706	41,917	43,000	1,083	23,424	19,576	Freehold	NA	30
17	Axis Shah Alam Distribution Centre 2	3,900	394	3,506	52,074	53,000	926	47,688	5,312	Leasehold	42	40
18	Axis Shah Alam Distribution Centre 3	14,254	2,763	11,491	210,772	208,400	(2,372)	201,725	6,675	Freehold	NA	10-17
19	Axis Shah Alam Distribution Centre 4	5,992	562	5,430	97,500	97,600	100	88,679	8,921	Freehold	NA	12-33
20	Axis Northport Distribution Centre 1	6,113	466	5,647	96,400	97,900	1,500	68,075	29,825	Leasehold	78	33

PROPERTY PORTFOLIO DETAILS

No.	Property	Net Property Income			Property Valuation					Land Tenure		
		Revenue (RM'000)	Property Operating Expense (RM'000)	Net Property Income (RM'000)	Carrying Value Before Revaluation (RM'000)	Carrying Value After Revaluation (RM'000)	Unrealised Gain/(Loss) (RM'000)	Total Investment Outlay (Including enhancements and development) (RM'000)	Accumulated Revaluation Gain/(Loss) (RM'000)	Tenure of Land	Remaining Term of Lease (Years)	Age of Building (Years)
21	Bukit Raja Distribution Centre	7,082	357	6,725	117,000	118,000	1,000	80,980	37,020	Freehold	NA	18-30
22	Fonterra HQ	1,421	318	1,103	23,000	25,200	2,200	11,264	13,936	Freehold	NA	25
23	Axis Industrial Facility @ Rawang	4,216	700	3,516	60,637	63,200	2,563	52,151	11,049	Freehold	NA	14-23
24	Emerson Industrial Facility Nilai	3,374	304	3,070	46,000	47,900	1,900	27,509	20,391	Leasehold	71	17-26
25	Senawang Industrial Facility	1,712	73	1,639	26,100	26,200	100	19,134	7,066	Freehold	NA	25
26	Axis Facility @ Batu Kawan	1,632	123	1,509	20,097	19,800	(297)	15,003	4,797	Leasehold	25	5
27	Bayan Lepas Distribution Centre	5,982	1,019	4,963	70,148	70,000	(148)	51,100	18,900	Leasehold	38	24
28	Axis Hypermarket @ Sungai Petani	3,577	275	3,302	52,000	52,000	-	39,176	12,824	Freehold	NA	17
29	Seberang Prai Logistics Warehouse 1	1,402	98	1,304	24,900	25,250	350	17,821	7,429	Leasehold	29	23
30	Seberang Prai Logistics Warehouse 2	554	39	515	9,880	10,020	140	7,404	2,616	Leasehold	29	28
31	Seberang Prai Logistics Warehouse 3	6,916	703	6,213	85,618	85,000	(618)	64,982	20,018	Leasehold	28/44	19-21
32	Wasco Facility @ Kuantan	14,191	1,213	12,978	162,000	165,000	3,000	157,619	7,381	Leasehold	85	10-22
33	Beyonics i-Park Campus - Block A	1,363	164	1,199	19,500	20,500	1,000	14,469	6,031	Freehold	NA	9
34	Beyonics i-Park Campus - Block B	1,235	149	1,086	17,600	18,500	900	13,115	5,385	Freehold	NA	9
35	Beyonics i-Park Campus - Block C	1,127	140	987	16,000	17,000	1,000	12,055	4,945	Freehold	NA	9
36	Beyonics i-Park Campus - Block D	2,117	252	1,865	30,400	31,000	600	22,504	8,496	Freehold	NA	9

PROPERTY PORTFOLIO DETAILS

No.	Property	Net Property Income			Property Valuation					Land Tenure		
		Revenue (RM'000)	Property Operating Expense (RM'000)	Net Property Income (RM'000)	Carrying Value Before Revaluation (RM'000)	Carrying Value After Revaluation (RM'000)	Unrealised Gain/(Loss) (RM'000)	Total Investment Outlay (Including enhancements and development) (RM'000)	Accumulated Revaluation Gain/(Loss) (RM'000)	Tenure of Land	Remaining Term of Lease (Years)	Age of Building (Years)
37	Beyonics i-Park Campus - Block E	2,667	293	2,374	38,500	39,000	500	32,099	6,901	Freehold	NA	7
38	D8 Logistics Warehouse	2,877	273	2,604	40,500	40,500	-	31,787	8,713	Leasehold	31	16
39	D21 Industrial Facility (formerly known as D21 Logistics Warehouse)	4,709	723	3,986	48,805	52,000	3,195	50,886	1,114	Leasehold	31	20
40	FCI Senai	2,011	184	1,827	26,500	26,700	200	12,693	14,007	Leasehold	43	17
41	Indahpura Facility 1	633	90	543	9,000	9,500	500	7,343	2,157	Freehold	NA	8
42	Kerry Warehouse	3,374	387	2,987	39,563	40,500	937	36,384	4,116	Leasehold	49	11
43	Niro Warehouse	1,976	240	1,736	29,200	29,200	-	17,051	12,149	Leasehold	27	21
44	Nusajaya Tech Park Facility 1	3,519	386	3,133	42,000	42,500	500	42,773	(273)	Freehold	NA	7
45	Nusajaya Tech Park Facility 2	1,111	158	953	15,500	16,000	500	14,105	1,895	Freehold	NA	8
46	Pasir Gudang Logistics Warehouse 1	1,647	269	1,378	23,577	23,700	123	14,049	9,651	Leasehold	43	19
47	Axis Hypermarket @ Johor	7,791	678	7,113	108,500	112,800	4,300	76,997	35,803	Freehold	NA	14
48	Axis Facility 2 @ Nilai	3,745	137	3,608	52,745	52,950	205	51,065	1,885	Leasehold	65	9
49	Axis Facility 2 @ Bukit Raja	3,300	446	2,854	52,001	53,500	1,499	47,733	5,767	Leasehold	65	38
50	D37c Logistics Warehouse	5,148	394	4,754	68,055	68,000	(55)	66,149	1,851	Leasehold	31	6
51	Axis Shah Alam Distribution Centre 5	6,565	621	5,944	98,000	100,000	2,000	96,330	3,670	Leasehold	50	33
52	Axis Industrial Facility 2 @ Shah Alam	882	101	781	17,000	17,000	-	12,256	4,744	Leasehold	53	42
53	Indahpura Facility 2	661	76	585	9,300	9,700	400	8,733	967	Freehold	NA	6
54	Indahpura Facility 3	584	88	496	7,500	7,800	300	6,821	979	Freehold	NA	6

PROPERTY PORTFOLIO DETAILS

No.	Property	Net Property Income			Property Valuation					Land Tenure		
		Revenue (RM'000)	Property Operating Expense (RM'000)	Net Property Income (RM'000)	Carrying Value Before Revaluation (RM'000)	Carrying Value After Revaluation (RM'000)	Unrealised Gain/(Loss) (RM'000)	Total Investment Outlay (Including enhancements and development) (RM'000)	Accumulated Revaluation Gain/(Loss) (RM'000)	Tenure of Land	Remaining Term of Lease (Years)	Age of Building (Years)
55	Beyonics i-Park Campus - Block F	1,206	93	1,113	17,000	17,200	200	13,277	3,923	Freehold	NA	4
56	Bukit Raja Distribution Centre 2	19,029	1,249	17,780	268,000	268,000	-	236,389	31,611	Freehold	NA	25
57	Xin Hwa Warehouse @ Pasir Gudang	5,250	536	4,714	78,600	82,900	4,300	76,388	6,512	Leasehold	50/52	6-8
58	Pasir Gudang Logistics Warehouse 2	3,129	468	2,661	36,000	41,000	5,000	32,679	8,321	Leasehold	27	20-29
59	Indahpura Facility 4	1,315	169	1,146	18,300	18,600	300	16,687	1,913	Freehold	NA	3
60	DW1 Logistics Warehouse	26,757	1,924	24,833	391,000	391,800	800	395,642	(3,842)	Leasehold	30	5
61	Axis Industrial Facility 1 @ Meru	2,650	102	2,548	41,000	41,000	-	41,682	(682)	Freehold	NA	17-27
62	Axis Hypermarket @ Temerloh	2,845	167	2,678	26,281	27,500	1,219	26,281	1,219	Freehold	NA	12
63	Axis Facility 1 @ Bukit Raja	2,060	81	1,979	49,882	51,000	1,118	49,882	1,118	Leasehold	64	33
64	Axis Vista 2	2,002	78	1,924	70,008	69,000	(1,008)	70,008	(1,008)	Leasehold	43	18
65	Axis Industrial Facility @ Batu Caves	1,647	65	1,582	56,829	56,100	(729)	56,829	(729)	Leasehold	50	9
66	Axis Industrial Facility @ Sendayan	1,323	53	1,270	49,033	49,000	(33)	49,033	(33)	Freehold	NA	5
67	Axis Facility 3 @ Bukit Raja	5,202	185	5,017	317,289	314,000	(3,289)	317,289	(3,289)	Leasehold	61/67	33-40
68	Axis Facility 1 @ Pulau Indah	1,673	57	1,616	111,598	110,400	(1,198)	111,598	(1,198)	Leasehold	72	8-11
69	Axis Facility 2 @ Pulau Indah	303	13	290	49,232	48,800	(432)	49,232	(432)	Leasehold	72	7
Property disposed during the year												
1	Axis Steel Centre @ SiLC	-	619	(619)	-	-	-	-	-	-	-	-
Total		322,154	45,537	276,617	5,064,408	5,113,820	49,412	4,396,312	717,508			

UNITHOLDERS' STATISTICS

Analysis of Unitholdings as per the Record of Depositors

As at 14 February 2025

Issued and fully paid up Units: 2,010,492,159 Units (voting right: 1 vote per Unit)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units Held	% of Unitholdings
Less than 100	912	7.39%	18,000	Neg
100 - 1,000	3,118	25.25%	1,682,241	0.08%
1,001 - 10,000	5,557	45.00%	23,291,693	1.16%
10,001 - 100,000	2,163	17.51%	61,531,753	3.06%
100,001 to less than 5% of issued units	597	4.83%	1,553,204,915	77.26%
5% and above of issued units	3	0.02%	370,763,557	18.44%
	12,350	100.00%	2,010,492,159	100.00%

30 LARGEST UNITHOLDERS

Name of Unitholders	No. of Units Held ^	%
1 KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	145,162,403	7.22%
2 CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD	121,339,524	6.04%
3 LEMBAGA TABUNG HAJI	104,261,630	5.19%
4 CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	87,920,909	4.37%
5 AMANAHRAYA TRUSTEES BERHAD - PUBLIC ITTIKAL SEQUEL FUND	82,832,133	4.12%
6 AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM BUMIPUTERA	80,000,000	3.98%
7 TEW PENG HWEE @ TEOH PENG HWEE	57,001,789	2.84%
8 ALEX LEE LAO	54,525,864	2.71%
9 CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	51,446,972	2.56%
10 CITIGROUP NOMINEES (TEMPATAN) SDN BHD - URUSHARTA JAMAAH SDN BHD (2)	51,220,681	2.55%
11 CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	39,245,798	1.95%
12 CARTABAN NOMINEES (TEMPATAN) SDN BHD - PBTB FOR TAKAFULINK DANA EKUITI	28,551,029	1.42%
13 AMANAHRAYA TRUSTEES BERHAD - PUBLIC SMALLCAP FUND	27,813,361	1.38%
14 PERMODALAN NASIONAL BERHAD	25,525,598	1.27%
15 HSBC NOMINEES (ASING) SDN BHD - JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	22,543,801	1.12%
16 HSBC NOMINEES (ASING) SDN BHD - JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	21,320,100	1.06%
17 HSBC NOMINEES (TEMPATAN) SDN BHD - HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD	20,348,500	1.01%
18 AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM MALAYSIA 2 - WAWASAN	18,204,300	0.91%
19 CITIGROUP NOMINEES (TEMPATAN) SDN BHD - URUSHARTA JAMAAH SDN BHD (AHAM AM 2)	17,396,433	0.87%
20 CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD (BNP NAJMAH EQ)	17,153,200	0.85%
21 AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM BUMIPUTERA 2	16,040,781	0.80%
22 AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM BUMIPUTERA 3 - DIDIK	15,754,900	0.78%

UNITHOLDERS' STATISTICS

Name of Unitholders	No. of Units Held [^]	%
23 CARTABAN NOMINEES (TEMPATAN) SDN BHD - PAMB FOR PRULINK EQUITY FUND	15,304,828	0.76%
24 AMANAH RAYA BERHAD - KUMPULAN WANG BERSAMA SYARIAH	15,296,971	0.76%
25 AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM MALAYSIA	14,776,500	0.74%
26 PERTUBUHAN KESELAMATAN SOSIAL	14,595,541	0.73%
27 ABAS CARL GUNNAR BIN ABDULLAH	13,338,134	0.66%
28 HSBC NOMINEES (TEMPATAN) SDN BHD - HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (LIFE PAR)	12,808,731	0.64%
29 AMANAHRAYA TRUSTEES BERHAD - PUBLIC ISLAMIC SELECT TREASURES FUND	12,251,709	0.61%
30 CARTABAN NOMINEES (TEMPATAN) SDN BHD - PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	11,929,759	0.59%
	1,215,911,879	60.48%

[^] according to securities accounts on a non-consolidated basis

MAJOR UNITHOLDERS (10% and above)

Name of Major Unitholders	Direct Interest		Indirect Interest	
	No. of Units	%	No. of Units	%
EMPLOYEES PROVIDENT FUND BOARD	370,718,325	18.44%	-	-

DIRECTORS' INTERESTS

Name of Directors/Alternate Directors	Direct Interest		Indirect Interest	
	No. of Units	%	No. of Units	%
Dato' Abas Carl Gunnar (Director)	23,498,845	1.17%	10,716,895*	0.53%
Stephen Tew Peng Hwee @ Teoh Peng Hwee (Director)	57,001,789	2.84%	-	-
Leong Kit May (Director)	43,637	Neg	-	-
Alvin Dim Lao (Director)	-	-	-	-
Lim Keng Hwee (Director)	-	-	-	-
Devika A/P K Sothinathan (Director)	10,523	Neg	-	-
Jancis Anne Que Lao (Alternate Director)	2,943,987	0.15%	-	-
Maxine Teoh Sui Vern (Alternate Director)	7,500	Neg	-	-
Takim Khan Myhre (Alternate Director)	345,703	0.02%	-	-

* Deemed interested in the direct unitholdings of his spouse and daughter, Datin Kuyas Emiloglu (also known as Ka Ya-Shih) and Amanda Tan Myhre in Axis-REIT

Remarks:

These Unitholders' Statistics have been prepared as at 14 February 2025 in line with the requirements of Bursa Securities where such information is to be made up to a date not earlier than 6 weeks from the date of the AGM notice

PROPERTY MARKET OVERVIEW 2024



MARKET INDICATIONS

Malaysia's economy showcased resilience in Q3/2024, with gross domestic product (GDP) expanding by 5.3% compared to 3.3% in the same quarter of 2023. This growth was driven by strong domestic recovery, prudent fiscal and monetary policies, increased exports and investments, tourism rebounds, and targeted government initiatives. The unemployment rate improved from 3.4% in September 2023 to 3.2% in September 2024, the lowest since COVID-19, supported by a 6-year high in labour demand at 9.01 million jobs in Q3/2024. Employment growth was broad-based, particularly in services and manufacturing, while household spending benefited from the Employees Provident Fund's (EPF) Flexible Account (Account 3). It was reported that the EPF contributors withdrew RM10.78 billion as of the end of September 2024.

Inflation remained moderate in 2024, with headline and core inflation averaging 1.8% in November 2024. The Consumer Price Index (CPI) rose to 133.3 index points in November 2024, a 1.8% year-on-year (YoY) increase. Diesel price adjustment had minimal impact, reflecting effective government measures to contain cost pressures.

Bank Negara Malaysia (BNM) has maintained the Overnight Policy Rate (OPR) at 3.0% since May 2023 to balance growth, inflation control, and financial stability amid global uncertainties. The neutral monetary stance of BNM in maintaining the OPR provides flexibility to respond to potential market shocks while supporting economic resilience.

Malaysia's positive economic performance was also reflected in Malaysia's Business Conditions Index (BCI). The BCI recorded 104.9 index points in Q3/2024, representing a 21.7% increase from Q2/2024 and a 31.6% rise YoY. This improvement stemmed from strong sales performance, enhanced efficiency in capacity utilisation, positive investment trend and improved employment level.

In terms of the performance and trend of Malaysia's industrial sector, the Industrial Production Index (IPI) increased 3.6% in November 2024, reaching 136.5 index points. This positive performance has been driven by the strong manufacturing output in export-oriented sectors – electrical and electronics, machinery and equipment, and petroleum products – and sustained energy demand. Generally, on a YoY comparison basis, the manufacturing sector increased by 4.6%, while the electricity sector increased by 3.9%. On the other hand, the mining sector experienced a shrink of -0.8% compared to the October 2023 performance.

Approved Investment, 2021 to Jan – Sept 2024

Malaysia	2021	2022	2023	2024 ^P (Jan – Sept 2024)
► Number of Approved Projects	4,568	4,517	5,101	4,753 ^P
► Domestic Investment (RM Million)	100,817.0	104,420.7	141,089.6	148,032.3 ^P
► Foreign Investment (RM Million)	208,583.5	163,335.4	188,365.4	106,655.7 ^P
► Total Capital Investment (RM Million)	309,400.4	267,756.0	329,455.0	254,688.0 ^P

Source: Malaysia Investment Development Authority (MIDA)

*All the 2024 data are preliminary or estimated figures. Full-year 2024 data have not been released as of the date of this report.

In the first nine months of 2024, Malaysia attracted approximately RM254.7 billion in approved capital investment across 4,753 projects in the primary, manufacturing and services sectors, up from RM230.2 billion during the same period in 2023. The services sector led with RM160.7 billion, accounting for 63.1% of the total capital investment, followed by the manufacturing sector with RM88.8 billion (34.9%) and the primary sector with RM5.2 billion (2.0%). Domestic investment dominated with RM148.0 billion (58.1%), compared to RM106.7 billion (41.9%) from foreign investment. Domestic investment surged by 44.2% compared to RM102.7 billion recorded in the first nine months of 2023, while foreign investment declined by 16.3% from RM127.5 billion recorded in the same period of 2023.

Foreign investments were concentrated in the manufacturing sector, receiving RM66.9 billion (62.8% of total foreign investment). The services sector attracted RM39.2 billion (36.7% of total foreign investment), while the primary sector secured RM0.5 billion (0.5% of total foreign investment). Among the top contributors to foreign investments were Austria (RM30.1 billion), Singapore (RM26.1 billion), China (RM12.0 billion), the USA (RM9.1 billion) and Japan (RM4.4 billion). These five nations collectively accounted for a significant share of Malaysia's foreign investment inflows.

PROPERTY MARKET OVERVIEW 2024

Approaching 2025, the Malaysian economy is projected to maintain its growth momentum, with GDP expected to expand between 4.5% - 5.5%. This growth will be driven by strong domestic demand, strong performance in the tourism sector, continued investment inflows – particularly in the electrical and electronics sector, green technology applications and digital economic-related activities, including data centres – as well as government initiatives. The Malaysian chairmanship of ASEAN in 2025 is also anticipated to provide positive spillover effects. Nevertheless, risks remain from global economic uncertainties due to geopolitical tensions, potential slowdown in major economies, and climate-related disruptions. Domestically, strong consumer spending is expected to be sustained by improved employment, the minimum wage adjustment to RM1,700 (effective February 2025), and a higher salary scale for civil servants. Nonetheless, the government will need to address structural reforms in the labour market, focusing on transitioning to a high-skilled, high-value economy and rationalising fuel subsidies, particularly for RON 95.

INDUSTRIAL SECTOR OVERVIEW

Malaysia's industrial sector has demonstrated impressive resilience and experienced significant growth, with the manufacturing industry as a key driver of the nation's GDP. The manufacturing sector has successfully attracted 800 approved manufacturing projects worth RM88.8 billion in Q1-Q3/2024, representing a significant YoY increase of 30.5% from the 613 projects recorded in Q1-Q3/2023. This growth can be attributed to the New Industrial Master Plan 2030 (NIMP 2030), which aligns with the Industry 4.0 agenda, encouraging the adoption of digital technologies such as automation, IoT, and AI, which enhances productivity, efficiency, and global competitiveness in manufacturing. Additionally, NIMP 2030 prioritises investment in high-tech sectors such as electronics, aerospace, biotechnology, and medical devices, attracting foreign and domestic investments from companies seeking to establish advanced manufacturing operations.

Foreign Direct Investment (FDI) in the manufacturing sector accounted for approximately 75.4% of the total capital investment in Q1-Q3/2024, amounting to RM66.9 billion, while domestic investments made up the remaining 24.6% (RM21.9 billion). Austria was the top contributor to FDI value, with a single approved project worth RM30.1 billion, followed by Singapore with 121 approved projects worth RM10.5 billion and the United States of America with 14 approved projects worth RM8.0 billion.

Furthermore, the primary drivers behind the RM88.8 billion in total approved investments were the electrical and electronics industry, which commanded a substantial 52.9% (RM47.0 billion), followed by chemical and chemical products and transport equipment, each accounting for 7.9% (approximately RM7.0 billion), respectively. The semiconductor subsector has driven the strong performance of the electrical and electronic industry, accounting for approximately 90% of the investment channelled into the electrical and electronic industry. This trend aligns with the National Semiconductor Strategy's target of RM500 billion investment since its implementation in May 2024.

Malaysia's manufacturing sector has shown impressive efficiency in project execution. Since 2021, the National Committee on Investment (NCI) has approved 3,186 manufacturing projects, with 2,687 currently either operational or under construction, resulting in an 84.3% implementation success rate as of November 2024. An additional 13.4% of projects are presently in active planning stages, which include site selection, developer consultations, and preparation for construction. Only 2.3% remain in the preliminary stages, underscoring Malaysia's proactive approach to accelerating project timelines. Of the projects approved in 2023, 86.5% are already operational, while 63.3% of those approved in the first nine months of 2024 have started implementation. This progress far exceeds industry standards, where manufacturing projects typically take 18 to 24 months to complete. This success was driven by two key initiatives, the Invest Malaysia Facilitation Centre (IMFC) and TRACK by MIDA, which have streamlined project implementation.

Manufacturing Sector: Investment Overview, 2022 to Q3/2024

Malaysia	2022	2023	Q3/2024
► Number of Approved Projects	801	883	800
► Domestic Investment (RM Million)	18,252.8	23,529.5	21,870.3
► Foreign Investment (RM Million)	66,021.3	128,438.2	66,942.6

Source: Malaysia Investment Development Authority (MIDA)

PROPERTY MARKET OVERVIEW 2024

INDUSTRIAL MARKET

1.0 GREATER KUALA LUMPUR

1.1 Industrial Sector

Greater Kuala Lumpur (Greater KL) region witnessed a substantial y-o-y increase of approximately 57.0% in approved total capital investments, rising from RM12.35 billion in 2022 to RM19.38 billion in 2023. The industrial sector continues to perform actively, driven by substantial investments from domestic and foreign investors, the rapid growth of data centres, manufacturing and logistics facilities, and the development of new industrial parks.

As of Q1-Q3/2024, 264 manufacturing projects worth RM15.38 billion were approved in Greater KL, fueled by strong demand from industrial players who intend to expand their facilities for operation.

Greater Kuala Lumpur: Approved Manufacturing Projects, 2022 to Q3/2024

State	2022		2023		Q3/2024	
	No. of Projects	Total Capital Investment (RM Million)	No. of Projects	Total Capital Investment (RM Million)	No. of Projects	Total Capital Investment (RM Million)
▶ WP Kuala Lumpur	11	139.4	5	69.7	11	293.4
▶ Selangor	265	12,207.7	234	19,309.3	253	15,044.6
▶ Greater KL	276	12,347.1	239	19,379.0	264	15,338.0

Source: Malaysia Investment Development Authority (MIDA)

Notable industrial sector announcements in Greater KL in 2024 include:

Manufacturing

- MCE Holdings Bhd, an automotive electronic parts manufacturer, has started the construction of its new manufacturing facility, MCE Auto Hub, located in Serendah, with an initial investment of RM50 million for the first phase of the development. Upon completion, the hub will become MCE's main production facility, enhancing its capability to meet the increasing demand for electronic components and systems in internal combustion engine (ICE) vehicles and electric vehicles (EVs). Construction of the first phase of the new plant is expected to operate in 2025.
- CYL Corporation Berhad intends to diversify its existing business operations, which currently focus on manufacturing and supplying plastic packaging products to property development. This property development business is expected to be industrially driven on 1.28 acres of land for developing semi-detached factories in Shah Alam.
- French fables semiconductor manufacturer Weeroc intends to invest approximately RM20 million and will commence operation in early 2025 at the Puchong Financial Corporate Centre in Selangor. Weeroc has signed a letter of intent with Selangor Information Technology & Digital Economy Corporation (Sidec), which will support Weeroc in launching its operations in Malaysia.

Logistics/Warehousing

- The joint-venture project between Sime Darby Property and LOGOS Property - E-Metro Logistic Park: Metrohub 2, located in Bandar Bukit Raja 2, was completed in Q1/2024 with a gross lettable area of approximately 800,000 sq. ft. consists of two blocks of double-storey ready built warehouse. J&T Distribution Solutions Sdn Bhd (J&T) has inked a tenancy to take up approximately 21% of Metrohub 2 space with an option to expand by an additional 23%, marking it as the first tenant to occupy Metrohub 2.
- Mapletree Logistics Trust is undertaking the amalgamation of two of its industrial land parcels in Subang for redevelopment purposes. The sites will be developed into a modern mega ramp-up facility in Subang Jaya, with an estimated Gross Floor Area of 133,000 sq. m. upon its completion in 1Q/2027, which is in line with the increasing demand for Grade A warehouses in established logistics locations such as Subang Jaya.

PROPERTY MARKET OVERVIEW 2024

- Daiso Malaysia Group Sdn Bhd's new Global Distribution Centre in Port Klang will be its largest warehouse globally, handling 9,317 containers annually. This strategic location will enhance global supply chain efficiency, serving Asia, Americas, Middle East, Australia, and New Zealand. The centre is scheduled to be completed and commence operations in January 2027, covering approximately 1.7 million sq. ft. of space, with a substantial investment of RM1 billion.
- Tasco intends to construct two new warehouses in Northport, covering a combined total area of 600,000 sq. ft. Nearly half of this facility will be dedicated to cold storage warehouses equipped with automated storage and retrieval systems (ASRS). Tasco's 70%-owned subsidiary, Tasco Yusen Gold Cold Sdn Bhd (TYGC), is currently the largest cold chain operator in Malaysia.
- Tasco Bhd intends to expand its warehouse capacity until 2026 with an additional investment of RM400 million. Some of the RM400 million capital expenditure will be allocated to Phase 2 of Shah Alam Logistics Centre, aiming to add another 400,000 sq. ft. of warehousing space, increasing the total space to 1.4 million sq. ft. by 2026.
- Northport Malaysia achieved its highest monthly container throughput of 365,558 TEUs in August (July: 354,548 TEUs), driven by positive international trade dynamics. Ongoing infrastructure and services upgrades, including the new container yard (Block K), are expected to be fully completed in September, further boosting the port's performance in Klang.
- Perbadanan Kemajuan Negeri Selangor seeks to develop Carey Island into a port city, taking the lead on the project on behalf of the Selangor state government. The project is planned as a mega container port with an annual throughput capacity of 30 million 20-foot equivalent units (TEUs). The development will be carried out in four phases and is expected to be completed by 2060. The first phase of Carey Island Port is expected to be completed by 2030.
- DHL Express has launched its expanded, fully automated sorting system gateway to accommodate Malaysia's growing import and export activities, in line with the expansion of international trade. The enhanced Kuala Lumpur Gateway, covering 13,422 sq. m. located at the KLIA Air Cargo Terminal 1 (KACT1), is three times the size of its previous premises and is also the first of its kind in Southeast Asia to be equipped with a fully automated sorting system.

Data Centre

- The Ministry of Investment, Trade and Industry (MITI) of Malaysia and the Ministry of Investment of the United Arab Emirates (UAE) have entered a memorandum of understanding (MoU) in establishing a strategic partnership for the development of data centres in Malaysia, with an expected total capacity of 500 megawatts.
- Telekom Malaysia Bhd intends to establish a new hyperscale data centre in Malaysia, further increasing its capacity in addition to the existing Klang Valley Data Centre (KVDC) and Iskandar Puteri Data Centre (IPDC). The data centre is expected to begin construction in the second half of 2024, with the first phase ready for service by the first half of 2026, offering at least 40 Megawatts (MW) of IT power capacity.
- Bridge Data Centres is expanding its presence in Malaysia by acquiring land in Selangor to construct its third data centre, MY02, in Cyberjaya. This new facility will be the largest among its three developments, with a projected IT capacity increase of 87MW across three phases. The first two phases involve the construction of a three-story data centre.
- Australian companies have expressed interest in investing up to RM24.5 billion in Malaysia. Among the major potential investors are data management centre companies AirTrunk, with an investment value of RM11 billion, and NextDC, with RM3 billion. Additionally, chemical giant Lynas is interested in investing RM1 billion, while other potential investors include Fortescue, Macquarie Group, and Arnott's Group.
- AIMS Group will commence the construction of AIMS Cyberjaya Block 3, which is slated to be completed in the second quarter of 2025, following the completion of AIMS Cyberjaya Block 2. Block 3 is projected to provide a total IT load capacity of 12MW, along with the option to incorporate a liquid cooling system.

PROPERTY MARKET OVERVIEW 2024

- Equinix has opened two new International Business Exchange (IBX) data centres in Nusajaya Tech Park in Johor (JH1) and Cyberjaya, Kuala Lumpur (KL1 IBX). The Johor JH1 spans 1,800 sq. m. and is equipped with a maximum capacity of 500 cabinets, while the KL1 facility is expected to span 2,630 sq. m., offering 900 cabinets. Both the data centres operate on fully renewable energy. Equinix's new data centres are expected to play a crucial role in advancing the Malaysian Government's MyDIGITAL initiative, which aims to accelerate the development of digital products and services.
- The Ministry of Investment, Trade, and Industry has secured a commitment from Google to invest RM9.4 billion in establishing the first Google data centre and Google Cloud region in Malaysia. The development site will be located at Elmina Business Park, which is owned by Sime Darby Property Bhd. The data centre will support Google's popular digital services, including Search, Maps, and Workspace, while also playing a key role in enabling Google to bring the advantages of artificial intelligence (AI) to users nationwide.
- Mah Sing Group Berhad has launched Mah Sing DC Hub @ Southville City with its first partner, Bridge Data Centres, a company primarily owned by Bain Capital. Mah Sing will reserve 17.55 acres of land for a data centre development with a planned capacity of up to 100MW. The park is equipped with dark fiber network slated for completion in the first quarter of 2025.
- Jakel Group is collaborating with PiDC Holding Bhd to construct a 51MW data centre in Cyberjaya, valued at RM1.2 billion. The Group takes up a 40% stake in the project, Pi Data Centre Sdn Bhd, while PiDC holds the remaining 60%. The data centre will be a Tier III data centre spanning over a 7.3-acre site in Cyberjaya which will be executed in three phases, with the construction of the first phase slated to begin in Q3/2024 and expected to be completed by Q4/2025.
- Vantage Data Centers has broken ground on its second campus in Cyberjaya (KUL2), which will span across 35 acres of land adjacent to its existing KUL1 campus and provide 256MW of IT capacity upon full completion, supporting cloud adoption and the expansion of artificial intelligence (AI).
- Amazon Web Services (AWS) has launched its new AWS Asia Pacific data centre in Malaysia. It is designed to help local businesses and organisations run their applications closer to home and provide more efficient services to their users. AWS plans to invest approximately RM29.2 billion in Malaysia through 2038.
- Google held a groundbreaking ceremony to mark the start of construction of its first data centre in Malaysia, which will be built by Sime Darby Property at the Elmina Business Park in the City of Elmina township. Upon completion, the Data Centre will be lease to Google by Sime Darby, which marked as the first unique lease agreement of its kind to-date by Malaysia's developer. The customised specifications and infrastructure requirements hyperscale data centre is expected to be completed by early 2026.
- Mah Sing Group Bhd has signed a second collaboration agreement with Bridge Data Centres (BDC), to expand a data centre project named Mah Sing DC Hub @ Southville City at the Southville City township in Bangi. The subject plots span approximately 35.68 acres, with a planned power capacity of 200MW. Following the joint venture, Mah Sing DC Hub @ Southville City will have a total planned power capacity of 300MW. The data centre's first phase is expected to be operational by 2026.
- TM Global, Telekom Malaysia Bhd's (TM) wholesale business arm, will expand its Klang Valley Data Centre (KVDC) in Cyberjaya to address the growing demand for domestic and international data hosting services. The Data Centre will be Uptime III-quality and LEED-certified and begin commercial operations in 2025. The second phase of both KVDC and the Iskandar Puteri Data Centre (IPDC) will deliver a total combined IT load of approximately 20MW upon completion.
- Sime Darby Property Bhd has entered into a build-and-lease agreement with Pearl Computing Malaysia Sdn Bhd, a subsidiary of a multinational technology company, to develop additional Data Centre facilities on a 77-acre site at Elmina Business Park 2, which is currently under construction and is targeted for completion in early 2026. The 20-year lease is worth RM5.6 billion with two additional five-year terms of renewal options.

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Industrial Park Development

- Mah Sing Group Berhad is planning on developing its 185 acres industrial development named “Mah Sing Business Park” with an estimated Gross Development Value of RM728 million in Sepang, which will consist of customised factories, industrial lots, cluster, semi-detached and detached factories targeting at mainly light and medium industries business focusing on high-tech manufacturing activities. The project is expected to commence in the second half of 2024 with a total development period of three to four years.
- Eco Business Park V in Puncak Alam welcomed 10 new companies, which include MBL Asset Management Sdn Bhd, Vision Alliance Holdings Sdn Bhd, Solid Horizon Sdn Bhd, Vigor Auto Sdn Bhd, SL Furniture Hardware Sdn Bhd, Welford Manufacturing (M) Sdn Bhd, Winnbiz Sdn Bhd, Tiong Nam Motor (M) Sdn Bhd, Additive Asia Sdn Bhd and ICGB Malaysia Property Development Sdn Bhd. Eco Business Park V West, North, and Central Gates are fully sold, with East Gate 90% occupied. The park has 400 companies, making it a successful business park in Greater KL.
- The Malaysia Semiconductor IC Design Park in Puchong is the nation’s first chip design hub, spanning 0.6 hectares. The park houses more than 400 IC design engineers, including its anchor tenants such as Maistorage, Skyechip, Weeroc, AppAsia ChipsBank, and SensoremTek Sdn Bhd. The establishment of the park is aligned with the government initiative of enhancing the semiconductor ecosystem, covering both upstream and downstream sectors, focusing on original design manufacturers (ODM).
- The Selangor state government is considering developing a second chip design park in Cyberjaya in 2025, inspired by the newly opened IC design park in Puchong, which spans across 60,000 sq. ft. and is now fully occupied. Selangor Information Technology and Digital Economy Corp (Sidec) has yet to finalise the building for the second IC park in Cyberjaya, which may be similar or larger than the Puchong site.
- Solarvest Holdings Bhd and NCT Group of Companies have announced the launch of NCT Smart Industrial Park (NSIP) Phase 1, which consists of 270 solar-ready factories. Each factory is installed with a solar photovoltaic (PV) system with a capacity of 36MW. This will be the first solar-ready industrial park in the region.
- IOI Properties Group Bhd is launching a new industrial development - IOI Industrial Park @ Banting in Q2/2025. The park will span 322 acres with an estimated Gross Development Value of RM1.5 billion. The first development phase will span 70 acres, offering 53 units of cluster, semi-detached, detached and vacant plots for sale. Besides, the high-tech industrial park will consist of two high-voltage Tenaga Nasional Bhd transmission lines capable of supplying high power loads.
- Ancubic Group, a local boutique developer, is launching its industrial development – A-Park Bangi in Bandar Baru Bangi, which will house 49 units of 2-storey and 3-storey semi-detached and detached factories with built-up sizes ranging from 9,500 to 31,000 sq. ft., priced from RM6.7 million on 20 acres of leasehold land. The said project is targeted to be completed in 2027. As for now, 60% of the industrial units have been taken up as of Q3/2024.
- Sime Darby Property Bhd’s Signature Collection Twin Factories at Elmina Business Park Stage 2 has achieved a remarkable 100% take-up rate upon its launch, signalling the growing demand for well-planned industrial spaces in the Klang Valley. The development spans 26.2 acres and features 60 units of semi-detached factories available in two distinct options, Type A (65’ x 142’, 4,410 sq. ft.) priced from RM3.68 million and Type B (80’ x 200’, 9,573 sq. ft.) starting from RM5.98 million. Elmina Business Park is an industrial park equipped with 5G infrastructure, high-speed broadband which provide a conducive business environment.
- NCT Land Sdn Bhd, a subsidiary of NCT Group, has partnered with the Selangor Information Technology and Digital Economy Corporation (Sidec) to enhance digitalisation and support the development of the 732-acre NCT Smart Industrial Park (NSIP) in Sepang, Selangor. The NSIP is being established under the Integrated Development Region in South Selangor (Idriss) initiative. The industrial park will include various infrastructures, artificial intelligence-managed facilities, smart surveillance, and environmentally friendly initiatives, such as solar energy utilisation and rainwater collection systems.

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- The Selangor Information Technology and Digital Economy Corp (Sidec) has signed a memorandum of understanding (MoU) with Cyberview Sdn Bhd for the advanced investment, ecosystem, and industry development of the Integrated Circuit (IC) Design Park Phase 2 in Cyberjaya. The IC Design Park 2 in Cyberjaya is anticipated to be launched in the first quarter of 2025.
- AME Elite Consortium Bhd has partnered with Kuala Lumpur Kepong Bhd to develop a new industrial park in Ijok, Selangor. This collaboration marks KLK's first industrial property development and signifies AME Elite's expansion beyond Johor and Penang. With that, both the companies have formed a joint-venture company named Oasis Innovation Sdn Bhd, which has acquired land with a development area of 151.20 acres in Ijok for a total consideration of RM230.5 million, analysed at RM35 per sq. ft. The proposed development will encompass industrial facilities, including worker accommodation and commercial components.

Centralised Labour Quarter (CLQ)

- Unitrade Industries Bhd, a building material wholesaler and distributor, acquired 2-acre land in March for a consideration of RM7.84 million to develop the Centralised Labour Quarter (CLQ) in Sungai Buloh. The CLQ will consist of seven blocks of three-storey modular houses with an approximate built-up area of 67,611 sq. ft., offering amenities such as site offices, canteens, convenience stores, clinics, laundry rooms, and utility rooms for worker accommodation.
- Titijaya PMC Sdn Bhd, a subsidiary of Titijaya Land Bhd, has signed a memorandum of understanding (MoU) with PMB Aluminium Sdn Bhd for its centralised labour quarters (CLQ) project, HALO (Housing, Accommodation, and Lodging) in Klang Sentral, with a minimum rental period of three years, accommodating at least 350 of its workers. HALO is planned as a 10-storey purpose-built labour quarters development with a capacity to accommodate 3,000 workers. Construction of HALO is set to begin in the fourth quarter of 2025 and is expected to be completed by the second quarter of 2026.

Others

- The Selangor government plans to establish a right-hand drive (RHD) research centre in the state to support the growth of Malaysia's electric vehicle (EV) industry. This initiative aims to position Selangor as a leading player in the EV ecosystem, offering residents opportunities to participate actively in and contribute to the industry.
- The Menteri Besar Selangor plans to turn Petaling Jaya, Subang Jaya, Shah Alam and Klang into a "Special Economic Zone" to attract high-technology investment in these areas with the special status given.
- ExecuJet MRO Services Malaysia, a luxury business aircraft manufacturer Dassault Aviation subsidiary, has inaugurated its new maintenance, repair, and overhaul (MRO) facility at Subang Airport. The 149,500 sq. ft. facility is currently the largest business aviation MRO centre in Malaysia, more than doubling the size of the previous facility built in 2009.
- Cyberview Sdn Bhd has entered into three memorandums of understanding (MoUs) with three companies (Permodalan Negeri Selangor Bhd (PNSB), Selangor Information Technology & Digital Economy Corporation (Sidec) and Equinix Malaysia) to establish Cyberjaya as a global technology hub. The company intends to promote the semiconductor sector by setting up a research and development (R&D) centre and a training centre for graduates and engineers. The partnership with Equinix will further elevate Cyberjaya's status as an investment destination in the technology sector in Malaysia, with an investment value of approximately RM23 million.
- The Selangor Maritime Gateway Development encompasses 12 plots, all zoned and classified under the requirements of the Selangor Maritime Gateway Economic Development Zone. This zone, a pioneering initiative in Malaysia, recognises the economic potential of rivers. Beyond the crucial aspects of cleaning and rehabilitating Sungai Klang, the Maritime Gateway project prioritises the utilisation of waterways as a primary mode of transportation.

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1.1.1 Overview

WP Kuala Lumpur and Selangor: Industrial Property Volume and Value of Transactions, 2022 to Q3/2024^(p)

State	Industrial Property Type	2022		2023		Q3/2024 ^(p)	
		Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
▶ WP Kuala Lumpur	Vacant Plot	5	15.97	7	49.86	21	59.09
	Terraced	80	173.61	75	129.23	52	86.83
	Semi-Detached	6	29.10	22	123.09	6	44.09
	Detached	31	362.60	31	233.66	18	540.21
	Industrial Complex	24	9.03	16	6.77	21	9.32
	Others	3	2.39	0	0.00	1	1.70
	Total	149	592.70	151	542.61	119	741.24
▶ Selangor	Vacant Plot	592	3,159.55	521	3,918.49	472	3,270.62
	Terraced	1,247	1,217.91	1,229	1,250.39	947	1,016.35
	Semi-Detached	563	2,304.71	480	2,128.51	413	2,121.84
	Detached	272	3,100.67	278	4,144.48	210	3,641.92
	Industrial Complex	10	5.13	13	10.71	23	34.97
	Others	47	264.86	69	237.66	17	16.58
	Total	2,731	10,052.82	2,590	11,690.24	2,082	10,102.28
▶ Greater KL	Vacant Plot	597	3,175.52	528	3,968.35	493	3,329.71
	Terraced	1,327	1,391.52	1,304	1,379.62	999	1,103.18
	Semi-Detached	569	2,333.81	502	2,251.60	419	2,165.93
	Detached	303	3,463.27	309	4,378.14	228	4,182.13
	Industrial Complex	34	14.16	29	17.48	44	44.29
	Others	50	267.25	69	237.66	18	18.28
	Total	2,880	10,645.52	2,741	12,232.85	2,201	10,843.52

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

In 2023, there were 2,741 industrial property transactions worth RM12.23 billion within Greater KL, recording an increase of 14.9% in transaction value and a decrease of 4.8% in transaction volume y-o-y (2022: RM10.65 billion; 2,880 transactions). Industrial transaction activity remains strong to accommodate the growing demand for industrial expansion.

Subsequently, 2,201 transactions valued at RM10.84 billion were recorded within Greater KL as of Q3/2024, with terraced factories representing the highest share of 999 units (45.4% share), followed by vacant plots (22.4% share, 493 units), semi-detached factories (19.0% share, 419 units), detached factories (10.4% share, 228 units), industrial complexes (2.0% share, 44 units), and “other” category of factories (0.8% share, 18 units).

In terms of transaction value by property type, detached factories recorded the highest value at RM4,182.13 million in Q3/2024, followed by vacant plots at RM3,329.71 million, semi-detached factories at RM2,165.93 million, terraced factories at RM1,103.18 million, industrial complexes at RM44.29 million, and “others” category of industrial property at RM18.28 million.

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Specifically, WP Kuala Lumpur's industrial property transaction value was RM542.61 million in 2023, representing a marginal decrease from RM592.70 million in 2022, while transaction volume increased by 1.3% to 151 units in 2023 (2022: 149 units). As of Q3/2024, the aggregate transaction volume stood at 119 units, with a combined transaction value of RM741.24 million.

Selangor recorded a 16.3% y-o-y increase in total transaction value from RM10.05 billion in 2022 to RM11.69 billion in 2023, while transaction volume decreased by 5.2%, reaching 2,590 units in 2023 (2022: 2,731 units). As of Q3/2024, there were 2,082 transactions, amounting to a total transacted value of RM10.10 billion.

1.1.2 Supply: Existing and Future

WP Kuala Lumpur and Selangor: Supply of Industrial Properties by Type, 2022 to Q3/2024

State	Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
		2022	2023	Q3/2024	Incoming	Planned
▶ WP Kuala Lumpur	Terraced	2,545	2,545	2,545	0	37
	Semi-Detached	412	412	412	0	0
	Detached	511	511	511	0	0
	Flatted Factory	1,670	1,670	1,670	0	0
	Industrial Complex	0	0	0	0	0
	Cluster	0	0	0	0	0
	Total	5,138	5,138	5,138	0	37
▶ Selangor	Terraced	28,919	29,004	29,114	396	255
	Semi-Detached	6,932	7,058	7,348	300	650
	Detached	5,419	5,482	5,656	293	312
	Flatted Factory	264	264	728	0	0
	Industrial Complex	108	108	109	1	1
	Cluster	0	92	92	0	345
	Total	41,642	42,008	43,047	990	1,563
▶ Greater KL	Terraced	31,464	31,549	31,659	396	292
	Semi-Detached	7,344	7,470	7,760	300	650
	Detached	5,930	5,993	6,167	293	312
	Flatted Factory	1,934	1,934	2,398	0	0
	Industrial Complex	108	108	109	1	1
	Cluster	0	92	92	0	345
	Total	46,780	47,146	48,185	990	1,600

Source: National Property Information Centre (NAPIC)

In Greater KL, the existing supply of industrial properties amounted to 48,185 units as of Q3/2024, with the majority consisting of terraced factories (65.7% share, 31,659 units), followed by semi-detached factories (16.1% share, 7,760 units) and detached factories (12.8% share, 6,167 units). Meanwhile, the bulk of Greater KL's 2,590 units in the supply pipeline is mainly contributed by semi-detached factories (36.7% share, 950 units), followed by terraced factories (26.6% share, 688 units) and detached factories (23.4% share, 605 units).

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The cumulative supply in WP Kuala Lumpur has remained unchanged since 2022 at 5,138 units. Terraced factories dominated the industrial supply in WP Kuala Lumpur at 2,545 units (49.5% share), followed by flatted factories at 1,670 units (32.5% share), detached factories at 511 units (9.9% share), and semi-detached factories at 412 units (8.0% share). There is a planned supply of 37 terraced factories as of Q3/2024.

In Selangor, the existing cumulative supply of industrial properties stood at 43,047 units as of Q3/2024, primarily comprising terraced factories (67.6% share, 29,114 units), followed by semi-detached factories (17.1% share, 7,348 units), and detached factories (13.1% share, 5,656 units). Meanwhile, the bulk of Selangor's 2,553 units in the pipeline were mainly semi-detached factories (37.2% share, 950 units), followed by terraced factories (25.5% share, 651 units) and detached factories (23.7% share, 605 units).

WP Kuala Lumpur and Selangor: Supply of Industrial Properties by District, 2022 to Q3/2024

State	District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
		2022	2023	Q3/2024	Incoming	Planned
► WP Kuala Lumpur	Bandar Kuala Lumpur	227	227	227	0	0
	Bandar Petaling Jaya	0	0	0	0	0
	Mukim Ampang	0	0	0	0	0
	Mukim Batu	3,046	3,046	3,046	0	0
	Mukim Cheras	0	0	0	0	0
	Mukim Hulu Kelang	0	0	0	0	0
	Mukim Kuala Lumpur	488	488	488	0	22
	Mukim Petaling	1,295	1,295	1,295	0	0
	Mukim Setapak	82	82	82	0	15
	Total	5,138	5,138	5,138	0	37
► Selangor	Gombak	4,811	4,851	4,911	120	31
	Hulu Langat	7,391	7,376	7,376	90	81
	Hulu Selangor	4,393	4,393	4,393	142	14
	Klang	8,769	8,822	9,315	329	530
	Kuala Langat	591	627	627	149	518
	Kuala Selangor	261	513	521	70	384
	Petaling	14,413	14,413	14,889	0	0
	Sabak Bernam	35	35	37	28	0
	Sepang	978	978	978	62	5
	Total	41,642	42,008	43,047	990	1,563

Source: National Property Information Centre (NAPIC)

As of Q3/2024, the existing 5,138 industrial units in WP Kuala Lumpur were predominantly located in Mukim Batu (59.3% share, 3,046 units), followed by Mukim Petaling (25.2% share, 1,295 units) and Mukim Kuala Lumpur (9.5% share, 488 units). Of the 37 planned supply units, 22 were in Mukim Kuala Lumpur, whereas the remaining 15 were in Mukim Setapak.

In terms of geographical distribution, the top three districts which represented 73% of Selangor's existing industrial supply as of Q3/2024 are Mukim Petaling (34.6% share, 14,889 units), followed by Mukim Klang (21.6% share, 9,315 units) and Mukim Hulu Langat (17.1% share, 7,376 units). Of the 2,553 units in the future supply pipeline, the majority of the industrial property supply will be located in Mukim Klang (33.6% share, 859 units), followed by Mukim Kuala Langat (26.1% share, 667 units) and Mukim Kuala Selangor (17.8% share, 454 units).

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1.1.3 Capital Values

The list below reflects the general capital values of selected industrial properties in WP Kuala Lumpur and Selangor.

WP Kuala Lumpur and Selangor: Selected Industrial Property Transactions in 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	Plot Industri 9B, Setia Alaman Industrial Park, Mukim of Kapar, District of Klang, Selangor	Vacant Land	2.84	FH	18 th January 2024	18.9	FM Global Logistics (M) Sdn Bhd
2	GRN 79122, Lot 3237, Mukim of Beranang, District of Ulu Langat, Selangor	Industrial Land with Building	4.56	FH	19 th January 2024	30.4	LB Aluminium Berhad
3	Plot Industri 10A, Setia Alaman Industrial Park, Mukim of Kapar, District of Klang, Selangor	Vacant Land	2.84	FH	6 th February 2024	18.9	FM Global Logistics (M) Sdn Bhd
4	HS(D) 276133, PT 7317 and HS(D) 276134, PT 7318, Seksyen 2, Pekan Batang Berjuntai, District of Kuala Selangor, Selangor	Vacant Industrial Land	18.00	LH	19 th February 2024	21.0	P.A. Extrusion (M) Sdn Bhd
5	HS(D) 24277, PT3501, Mukim of Kapar, District of Klang, Selangor	Industrial Land with Building	7.98	LH	23 rd February 2024	49.0	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)
6	HS(D) 287163, PT 50350, Mukim of Sungai Buloh, District of Petaling, Selangor	Vacant Industrial Land	3.17	FH	29 th February 2024	21.0	Titan Equity Sdn Bhd
7	HS(M) 12118, Lot PT 5, Mukim of Sungai Buloh, District of Petaling, Selangor	Vacant Industrial Land	2.00	LH	12 th March 2024	7.8	Perfect CLQ Sdn Bhd
8	HS(D) 119778, PT 121658, Mukim of Klang, District of Klang, Selangor	Vacant Industrial Land	2.40	LH	12 th March 2024	8.8	Dataran Ehsan Sdn Bhd
9	Plot Industri 10B, Setia Alaman Industrial Park, Mukim of Kapar, District of Klang, Selangor	Vacant Land	2.82	FH	20 th March 2024	18.8	FM Global Logistics (M) Sdn Bhd
10	HS(D) 17795, PT 3494 and HSD 31354, PT 17631, Mukim of Kapar, District of Klang, Selangor	Industrial Land with Building	59.96	LH	22 nd April 2024	313.0	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)

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No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
11	HS(D) 119721, PT 59358, Mukim of Kapar, District of Klang, Selangor	Industrial Land with Building	7.13	LH	22 nd April 2024	38.8	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)
12	GRN 336655, Mukim of Dengkil, District of Sepang, Selangor	Industrial Land with Building	1.00	FH	23 rd April 2024	13.0	HS Vision One Sdn Bhd
13	HS(D) 90267, PT 50053 and HS(D) 90268, PT 50054, Mukim of Rawang, District of Gombak, Selangor	Vacant Industrial Land	6.51	FH	30 th April 2024	36.0	PTT Logistics Hub 1 Sdn Bhd
14	HS(D) 171216, PT19, Bandar Petaling Jaya, District of Petaling, Selangor	Industrial Land with Building	2.36	LH	23 rd May 2024	69.0	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)
15	HS(M) 3755, PT1, Mukim of Batu, District of Gombak, Selangor	Industrial Land with Building	4.09	LH	23 rd May 2024	56.0	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)
16	GRN 86293, Lot 178, Seksyen 19, Bandar Rawang, District of Gombak, Selangor	Industrial Land with Building	2.00	FH	7 th June 2024	17.3	TTF Marketing Holdings Sdn Bhd
17	GRN 336653, Lot 119358 and GRN 336654, Lot 119359, Mukim of Dengkil, District of Sepang, Selangor	Industrial Land with Building	2.00	FH	10 th July 2024	26.0	MCM Land Sdn Bhd
18	HS(D) 156380, PT 149649, Mukim of Klang, District of Klang, Selangor	Industrial Land	28.00	LH	15 th July 2024	79.3	Knauf Sdn Bhd
19	HS(D) 59966, Lot SC-CU-1(c)/13, PT 72263 and HS(D) 59967, Lot SC-CU-1(c)/14, PT 72264, Mukim of Dengkil, District of Sepang, Selangor	Industrial Land with Building	1.30	FH	17 th July 2024	22.0	Pembinaan Tetap Teguh Sdn Bhd
20	Cyberjaya, Selangor	Commercial Land	3.53	LH	29 th July 2024	23.0	Equinix, Inc.
21	GRN 58799, Lot 64213, Mukim of Damansara, District of Petaling, Selangor	Industrial Land with Building	14.83	LH	8 th August 2024	146.0	MEMC Electronic Materials Sdn Bhd

PROPERTY MARKET OVERVIEW 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
22	HS(D) 67518, Lot 64238, Mukim of Klang, District of Klang, Selangor	Industrial Land with Building	10.90	LH	28 th August 2024	110.1	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)
23	HS(D) 67517, Lot 64237, Mukim of Klang, District of Klang, Selangor	Industrial Land with Building	4.51	LH	28 th August 2024	48.6	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)
24	HS(M) 13156, PT 23677, Mukim of Cheras, District of Ulu Langat, Selangor	Industrial Land with Building	2.10	LH	29 th August 2024	22.6	KIP REIT
25	PN 7324, Master Lot 67894, Mukim of Klang, District of Klang, Selangor	Industrial Land with Building	6.40	LH	29 th August 2024	23.7	KIP REIT
26	Linfox Shah Alam, No. 3, Jalan Biola 33/1, Section 33 off Jalan Bukit Kemuning, 40400 Shah Alam, Selangor	Industrial Land with Building	7.45	FH	10 th September 2024	72.0	Non-disclosed
27	Zentraline Shah Alam, Lot 6, Persiaran Budiman, Section 23, 40300 Shah Alam, Selangor	Industrial Land with Building	5.88	FH	10 th September 2024	42.3	Non-disclosed
28	GRN 311880, Lot 541 and GRN 311881, Lot 542, Seksyen 1, Pekan Jenjarom, District of Kuala Langat, Selangor	Industrial Land with Building	5.80	FH	13 th September 2024	5.9	Kein Hing International Berhad
29	HS(D) 59968, PT 72265, Mukim of Dengkil, District of Sepang, Selangor	Industrial Land with Building	0.65	FH	20 th September 2024	11.0	PTT Property Sdn Bhd
30	GRN 35232, Lot 19106, Mukim of Kajang, District of Ulu Langat, Selangor	Industrial Land with Building	0.34	FH	23 rd September 2024	7.0	People & Global Sdn Bhd
31	HS(M) 3775, PT 15, Mukim of Batu, District of Gombak, Selangor	Industrial Land with Building	1.00	LH	30 th September 2024	18.9	Part Center Sdn Bhd
32	HS(D) 41141, PT 660, Bandar Telok Panglima Garang, District of Kuala Langat, Selangor	Industrial Land with Building	1.06	LH	25 th October 2024	11.0	Dunya Waja Sdn Bhd
33	PN 39021, Lot 37629 and PN 38022, Lot 37630, Mukim of Batu, District of Kuala Lumpur, Federal Territory of Kuala Lumpur	Industrial Land with Building	1.20	LH	29 th October 2024	27.0	Yeoh Thiam Soon & Yeoh Kheng Yu

PROPERTY MARKET OVERVIEW 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
34	GRN 318597, Lot 33683, Mukim of Ijok, District of Kuala Selangor, Selangor	Development Land	151.21	FH	30 th October 2024	230.5	Oasis Innovation Sdn Bhd
35	HS(D) 90965, PT 101876, Mukim of Klang, District of Klang, Selangor	Industrial Land with Building	0.83	LH	13 th November 2024	14.5	DPI Chemicals Sdn Bhd
36	HS(D) 90268, PT 50054 and HS(D) 90267, PT 50053, Mukim of Rawang, District of Gombak, Selangor	Industrial Land with Building	6.51	FH	2 nd December 2024	180.0	CapitaLand Malaysia Trust
37	GRN Mukim 6046, Lot 5133, Mukim of Kapar, District of Klang, Selangor	Agricultural Land	4.69	FH	11 th December 2024	15.9	Part Center Sdn Bhd
38	HS(D) 121082, PT 39502, Mukim of Petaling, District of Petaling, Selangor	Industrial Land with Building	0.61	FH	16 th December 2024	16.5	Crest Systems (M) Sdn Bhd

Source: NAPIC & Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

1.1.4 Rental Values

The monthly asking rental of selected detached industrial properties in Sungai Besi-Chan Sow Lin ranged between RM2.40 per sq. ft. and RM3.40 per sq. ft.

Meanwhile, within the established industrial areas of Section 13, Section 19 and Section 51A in Petaling Jaya, the monthly asking rental for detached factories and warehouses ranged from RM2.30 per sq. ft. to RM3.10 per sq. ft.

Detached factories and warehouses in Temasya Glenmarie and Hicom Glenmarie Industrial Park command monthly asking rentals ranging from RM2.10 per sq. ft. to RM2.50 per sq. ft. In contrast, the monthly asking rentals of similar premises ranged from RM1.80 per sq. ft. to RM2.10 per sq. ft. in Section 15 and Section 26 of the Shah Alam industrial area.

Monthly asking rentals for detached factories and warehouses in Subang Hi-Tech Industrial Park could be found within the range of RM1.90 per sq. ft. to RM2.30 per sq. ft.

Asking rentals in selected industrial areas of Port Klang ranged between RM1.30 per sq. ft. and RM1.90 per sq. ft. per month. In Kawasan Perindustrian Bukit Raja, the monthly asking rental ranged slightly higher between RM1.60 per sq. ft. and RM2.40 per sq. ft.

Selected industrial properties in Rawang command monthly asking rentals ranging from RM1.10 per sq. ft. to RM1.40 per sq. ft. in Bukit Beruntung and RM1.50 per sq. ft. to RM1.90 per sq. ft. in Taman Industri Integrasi.

In Balakong, monthly asking rentals ranged between RM1.30 per sq. ft. and RM1.60 per sq. ft. in Kawasan Perindustrian Balakong and RM1.60 per sq. ft. to RM2.20 per sq. ft. per month in Taming Jaya Industrial Park.

The asking rentals of detached industrial properties in the industrial estates of Kajang ranged from RM1.50 per sq. ft. to RM1.80 per sq. ft. per month. In Semenyih, the monthly asking rentals ranged between RM1.10 per sq. ft. and RM1.50 per sq. ft.

PROPERTY MARKET OVERVIEW 2024

2.0 JOHOR

2.1 Industrial Sector

For Q1-Q3/2024, Johor recorded 185 approved manufacturing projects with a total investment value of RM8.01 billion, an increase of 12.5% compared to RM7.12 billion in Q1-Q3/2023.

Johor: Approved Manufacturing Projects, 2022 to Q3/2024

Johor	2022	2023	Q3/2024
► Number of Approved Projects	166	243	185
► Total Capital Investment (RM Million)	14,582.5	14,617.3	8,011.9

Source: Malaysia Investment Development Authority (MIDA)

Several notable announcements on the investment and expansion plans of industrial facilities in Johor during 2024 included:

Manufacturing

- Oliver Healthcare Packaging, a leading supplier of sterile barrier flexible packaging solutions, will construct its new manufacturing facility with a facility space of 122,000 sq. ft. in i-Tech Valley, Iskandar Puteri, Johor. This new manufacturing facility is expected to operate by the end of 2024.
- MSM Sugar Refinery (Johor) Sdn Bhd has opened its new production facility within an integrated complex on a 51-acre land plot in Tanjung Langsat. The company aims to increase the utilisation factor to 50% in 2024 from 27% in 2023 to bolster its presence in the sugar export market while also seeking to reduce refining costs under its control and enhance operational reliability.
- Mosca GmbH, a Germany-based company, has decided to expand its operations by relocating to a much larger facility in Frontier Park, Johor. The new facility area is approximately 103,458 sq. ft. on a 2-acre land and was designed with an emphasis on eco-friendly practices, which include being ready for solar energy to align with global standards for green manufacturing.
- Masimo Medical Technologies Malaysia Sdn Bhd has allocated RM100 million to establish a new production facility in Pasir Gudang. The company is well-positioned to expand their manufacturing capabilities and meet the growing demand for high-quality medical devices with their total built-up area of 133,000 sq. ft., which includes a production area spanning 81,220 sq. ft. and a warehouse area covering 46,631 sq. ft.
- Ray Tech (Malaysia) Sdn Bhd, a subsidiary of Unicomp Technology China, launches its first smart industrial X-ray inspection specialist plant in Gelang Patah, Johor. The project is primarily export-oriented and caters to clients such as Xiaomi, Tesla, BYD, Mercedes, BMW, and Honda.
- Panduit Corporation, a US-based electrical and network infrastructure solutions company, has officially opened its new manufacturing facility in Johor Bahru on a 6-acre plot. The new facility will feature advanced robotics and automation to maximise productivity.
- iMin Technology, the leading Android-based Point of Sales (POS) hardware and platform provider, has launched its cutting-edge manufacturing facility in Johor Bahru. This new plant marks iMin's first production facility in Malaysia.
- Insulet Corp, a US-based medical device manufacturer, opened its 400,000 sq. ft. manufacturing plant in Iskandar Puteri, Johor, with an approximately 13-acre land and aims to establish the facility as a regional hub for its Omnipod tubeless insulin pumps.
- Sun Bus Tech Sdn Bhd, a subsidiary of Sun Wah Group, just launched its advanced manufacturing facility in Senai Airport City, Johor. With the opening, Sun Bus Tech was set to lead the industry with its revolutionary electric buses, equipped with first in Malaysia technology imported from Europe and sustainable manufacturing practices.

PROPERTY MARKET OVERVIEW 2024

- Chenbro Micom Co Ltd, a Taiwan-based company, has chosen Senai Airport Industrial Zone in Johor for its first investment in Malaysia in a 15-acre industrial land which amounts to RM100 millions of investments. The facility will focus on manufacturing computer server racks, and the project is anticipated to commence operations in early 2025.
- SPC Group has announced that they have constructed a halal-certified bakery factory in Malaysia, and the construction will be completed by the end of the year. The new 138,854 sq. ft. facility, totalling up to RM131.42 million investment, will serve as a regional production hub to meet the rising demand for halal products in Southeast Asia.
- Agro Snow, a joint venture between Agropur International and Megamilk Snow Brand, has announced the setting of a new plant protein facility in Tanjung Langsat. The state-of-the-art facility will focus on producing sustainable plant-based protein. The facility is expected to be operational by early 2026 with a yearly production capacity of 6,000 metric tonnes of pulse protein isolates.
- Finland's Peikko Group Corporation opened its new Tebrau Industrial Estate 2 factory. This RM47.1 million facility has about 32,292 sq. ft. of space and is equipped with cutting-edge machinery and production lines, enabling the company to provide more precise and professional services.
- Johor Corporation (JCorp) is investing RM440 million to establish a bearing manufacturing facility in the Tanjung Langsat Industrial Complex in collaboration with Tianma Precision Sdn Bhd, a Zhejiang Tianma Bearing Group Co Ltd subsidiary. This facility will be Tianma's first manufacturing site outside of China and involve acquiring 31 acres of industrial land.

Logistics/Warehousing

- MMC Group will establish a green fuel terminal to supply methanol for the shipping industry. MMC Group is also investing RM10 billion over the next five years to develop Phase 3A of the PTP Terminal and upgrade the existing PTP for automation, digitalisation, and human resource empowerment.
- DHL Supply Chain had announced their plans to invest approximately RM25 million in a new warehouse facility in the Free Trade Zone of Senai Airport City, Johor, with 107,639 sq. ft. of facility size. The construction will be managed by local developer Eastern Group and is anticipated to be completed by Q1/2025.
- BMW Group Malaysia commemorated the 20th Anniversary of the BMW Group Regional Parts Distribution Centre with the expansion of its state-of-the-art facility regional parts distribution centre to 699,654 sq. ft. from its initial 484,376 sq. ft. of space in 2017 located in the Free Industrial Zone, Senai International Airport.

Data Centre

- GDS Holdings, a China-based data centre operator, plans to open two data centres by investing RM14 billion for their business expansion in Nusajaya Tech Park & Kempas Tech Park.
- Princeton Digital Group (PDG) will develop a 150 megawatt (MW) artificial intelligence AI-ready data centre, namely the JH1 campus in Sedenak Tech Park, Johor. The JH1 Phase One will comprise 52MW of the JH1 campus. The new campus will feature advanced technologies and energy-efficient systems aligning with PDG's commitment to environmental sustainability.
- Equinix Inc. has unveiled a cutting-edge International Business Exchange (IBX) data centre in Iskandar Puteri, Johor. Equinix said they are investing approximately RM181 million in this data centre to provide capacity for 500 cabinets across 21,100 sq. ft. of colocation space. UEM Sunrise Bhd has partnered with Logos Infrastructure Holdco Pte Ltd to develop a data centre campus in Gerbang Nusajaya, Johor. The proposed campus will occupy a 74-acre site with a potential development capacity of up to 360 megawatts (MW).
- Microsoft Payments (Malaysia) Sdn Bhd has acquired a 123.1-acre of land from Eco World Development Group Bhd in its Eco Business Park VI, Kulai, for RM402.3 million. The site is meant to provide Microsoft's data centre services.

PROPERTY MARKET OVERVIEW 2024

- TM partners with Nxera, the regional data centre arm of Singtel's Digital InfraCo, to develop data centres in Iskandar Malaysia, Johor. The partnership has been initiated with developing a sustainable, hyper-connected AI-ready data centre campus with an initial 64-megawatt (MW) capacity to be upgraded to 200 megawatts (MW), the largest data centre for both TM and Nxera. Leveraging this partnership, TM aims to become a Digital Powerhouse by 2030.
- IJM Corp Bhd will design and construct Block 2 of the Iskandar Puteri data centre by securing an RM331.7 million contract from Telekom Malaysia. The data centre aims to achieve Uptime Institute Tier III certification, highlighting the data centre's capability for maintenance without downtime due to its redundant systems. The project is located in Iskandar Puteri, Johor and is expected to be completed by Q3/2025.
- AirTrunk opened its new hyperscale data centre named Airtrunk JHB1 (JHB1) in Johor Bahru, which boasts a capacity of 150 megawatts (MW) on 26-acre of land. The data centre emphasises sustainability with an industry-low Power Usage Effectiveness (PUE) of 1.15 and includes a solar-ready roof capable of generating over 1MW of power. The initial phases of JHB1 will provide over 50MW of capacity for its large technology customers.
- Computility Technology Malaysia Sdn Bhd - a subsidiary of Zdata Cloud Technology - a leading provider of cloud network convergence and digitised IT infrastructure from China, will build a regional Data Centre hub on a 39-acre of industrial land in Gelang Patah with its recent land acquisition from Tropicana Corporation Berhad.
- NTT Data will construct one of the largest Asia Pacific region data centre campuses in Gelang Patah, with an investment of RM1.5 billion. The project will span over 68 acres of land. It will feature new technologies, such as direct liquid cooling, to meet the growing demand for AI applications and integrate energy efficiency with their planned capacity of 290 megawatts (MW). The first building, with an initial capacity of 48MW, is planned to launch in April 2027.

Industrial Park Development

- Iskandar Waterfront Holdings Sdn Bhd (IWH) and PLS Plantations Bhd will joint venture with Shenzhen Shenyue Joint Investment Co Ltd, a state-owned Chinese firm, to develop an industrial park and innovation hub which consists of 1,000-acre of land named Johor-Shenzhen Industrial Park in Ulu Sedili and a 50-acre land for Johor Shenzhen Innovation Development Hub in Johor Bahru.
- JLand Group Sdn Bhd real estate and infrastructure arm of Johor Corporation (JCorp) will develop Malaysia's very own biotechnology "Silicon Valley" within the Ibrahim Technopolis (IBTEC) in Sedenak under a collaboration arrangement with ALPS Global Holding Berhad. The impending development of the hub is anticipated to generate an estimated gross development value of RM980 million. It will be built in three stages across 500,000 sq. ft. of campus-style architecture.
- A strategic partnership involving UEM Group Bhd, Itramas Corporation Sdn Bhd and China Machinery Engineering Corporation (CMEC) to develop a renewable energy industrial park. This development will cover 40 acres of land in Gerbang Nusajaya, Iskandar Puteri, Johor. The RE Industrial Park is part of the 1-gigawatt (GW) hybrid solar power plant project and is one of the flagship projects under Malaysia's National Energy Transition Roadmap (NETR). Five China-based corporations have revealed interest in investing in the industrial park. China Machinery Engineering Wuxi Co Ltd and Wuxi Longmax Technology Co Ltd set up local manufacturing facilities for solar module and solar combiner box production. Meanwhile, Gotion High-Tech will develop a cutting-edge R&D centre focusing on battery energy storage solutions; Hopewind and Huasun are expected to invest in the industrial park and serve as renewable energy off-takers.
- Paragon Globe Berhad (PGB) will develop an industrial development in Plentong, Johor, with a mix of 64 terraced factories, 20 semi-detached factories and 5 detached factories on a 19-acre land. The proposed development is expected to commence in March 2025 and to be completed in 3 years.

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- Paragon Globe Berhad (PGB) will develop its first green industrial park, PGB TECH PARK @ NUSAJAYA, with a total gross development value of RM957 million. This project is located in Gerbang Nusajaya, Johor, which will be built on 116-acre of land within the Johor-Singapore Special Economic Zone (JS-SEZ) and will be developed in two phases which include 88 factory units for Phase 1, completed in 2027, while Phase 2 will feature 8 units of factories and 1 dormitory with 350 rooms to accommodate up to 5,250 workers and expected to commence in 2026 and be completed in 2028.
- Eco World Development Group Bhd (Ecoworld Malaysia) launched its new industrial park series called Quantum, which spans over 403 acres of land in Kulai, Johor and is expected to become one of Malaysia's largest digital and high-tech hubs.
- SD Guthrie Bhd and AME Industrial Park Sdn Bhd have announced a collaboration to develop a green industrial park within the Johor-Singapore Special Economic Zone (JS-SEZ). The project will cover 641 acres and include a dedicated solar park to provide renewable energy for the site. This park will be developed in SD Guthrie's Kulai estate to attract high-value industries, including logistics and advanced manufacturing, by offering flexible factory options.
- Paragon Platinum Sdn Bhd, a subsidiary of Paragon Globe Bhd, is constructing the Desa 27 industrial development in Desa Cemerlang, Johor Bahru. The project encompasses 27 acres of freehold land and will feature five plots of detached factories designed to accommodate various operational needs through a flexible design-and-build concept.

Others

- The Johor state government is set to develop the Johor-Singapore Special Economic Zone (JS-SEZ), focusing primarily on green and high technology. The JS-SEZ encompasses The Iskandar Development Region and Pengerang, spanning an area of over 3,500 sq. km. across southern Johor. Once completed, the JB-Singapore RTS link rail will connect Bukit Chagar to Woodlands North in a 5-minute train journey from Johor to Singapore. A few incentives have been announced to boost the development of Forest City Special Financial Zone (SFZ): investment incentives that benefit corporate tax, individual income tax, and family office tax rates.
- Fuji Oil Asia has signed an agreement with palm oil producer Johor Plantations Group (JPG) to build a speciality oils and fats refinery in Kota Tinggi, Johor. The refinery was scheduled to be completed by 1H/2026. This RM500 million development project will be part of the Integrated Sustainable Palm Oil Complex in Pasir Logok, Kota Tinggi.

2.2 Industrial Property Market

2.2.1 Overview

Johor: Industrial Property Volume and Value of Transactions, 2022 to Q3/2024^(p)

Industrial Property Type	2022		2023		Q3/2024 ^(p)	
	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
► Vacant Plot	322	1,030.99	354	1,467.47	324	2,309.99
► Terraced	254	166.09	346	304.75	274	254.58
► Semi-Detached	317	617.40	468	1,139.28	309	855.64
► Detached	173	2,069.40	212	1,329.66	133	1,000.30
► Industrial Complex	0	0.00	3	4.36	0	0.00
► Others	64	245.56	190	430.44	131	496.07
Total	1,130	4,129.43	1,573	4,675.97	1,171	4,916.57

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

PROPERTY MARKET OVERVIEW 2024

In Johor, the total industrial property transaction value in 2023 was recorded at RM4,675.97 million, a growth of 13.2% compared with RM4,129.43 million in 2022. Likewise, the transaction volume increased from 1,130 units in 2022 to 1,573 units in 2023. Recent projects like the rapid transit system (RTS), nearing completion of the Gemas-Johor Bahru double-track, and the Special Economic Zone (SEZ) announcement have driven investors' interest, boosting transactions in Johor.

Subsequently, vacant plots accounted for the most significant volume of unit transactions at 324 units (27.7% share), which were recorded in Q1-Q3/2024, followed by semi-detached with 309 units (26.4% share), terraced factories 274 units (23.4% share), detached factory 133 units (11.4% share) and lastly other industrial property type with 131 units (11.2% share).

In terms of transaction value by property type in Q1-Q3/2024, vacant plots led with RM2,309.99 million, followed by detached factories with RM1,000.30 million, semi-detached factories accounted for RM855.64 million, industrial properties that were categorised as "others" totalled RM496.07 million and terraced factories at RM254.58 million.

2.2.2 Supply: Existing and Future

As of Q3/2024, the cumulative supply of industrial properties in Johor was reported at 19,245 units, an increase of 40 units from 2023 (19,205 units). Of the newly added units, 22 were in Johor Bahru, 19 in Kluang and 4 in Segamat.

Johor: Supply of Industrial Properties by Type, 2022 to Q3/2024

State	Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
		2022	2023	Q3/2024	Incoming	Planned
► Johor	Terraced	8,131	8,276	8,276	182	183
	Semi-Detached	4,788	4,948	4,956	134	138
	Detached	4,078	4,175	4,206	70	58
	Flatted Factory	0	0	0	0	0
	Industrial Complex	425	426	427	0	0
	Cluster	1,296	1,380	1,380	124	0
	Total	18,718	19,205	19,245	510	379

Source: National Property Information Centre (NAPIC)

In terms of distribution by industrial property type, the existing supply was predominantly terraced factories (43.0% share, 8,276 units), followed by semi-detached factories (25.8% share, 4,956 units) and detached factories (21.9% share, 4,206 units). Terraced factories make up most of the future supply (182 units incoming, 183 units planned), followed by semi-detached factories (134 units incoming, 138 units planned) and detached factories (70 units incoming, 58 units planned).

Johor Bahru is expected to remain the second leading district with the largest share of industrial properties in the foreseeable future, reflecting its continued significant position in the industrial sector. It hosted at least 9.9% of Malaysia's industrial supply as of Q3/2024. Likewise, the top three districts for the future supply were mainly Johor Bahru (35.0% share, 311 units), Batu Pahat (33.0% share, 293 units) and Kulai (15.5% share, 138 units).

PROPERTY MARKET OVERVIEW 2024

Johor: Supply of Industrial Properties by District, 2022 to Q3/2024

District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2022	2023	Q3/2024	Incoming	Planned
▶ Batu Pahat	1,539	1,561	1,560	50	243
▶ Johor Bahru	11,860	12,110	12,132	237	74
▶ Kluang	987	1,036	1,055	1	4
▶ Kota Tinggi	395	395	395	62	46
▶ Kulai	2,466	2,593	2,589	138	0
▶ Mersing	69	69	69	0	0
▶ Muar	173	199	199	21	0
▶ Pontian	508	509	509	0	12
▶ Segamat	513	514	518	1	0
▶ Tangkak	208	219	219	0	0
Total	18,718	19,205	19,245	510	379

Source: National Property Information Centre (NAPIC)

2.2.3 Capital Values

Tabulated below are the general capital values of selected industrial properties in Johor.

Johor: Selected Industrial Property Transactions, 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	HS(D) 548712, PTD 4488, HS(D) 548713, PTD 4489 and HS(D) 548701, PTD 4474, Mukim of Tanjung Kupang, District of Johor Bahru, Johor	Industrial Land with Building	2.39	FH	5 th February 2024	27.0	MTrustee Berhad (Trustee on behalf of CapitaLand Malaysia Trust)
2	GRN 237182 Lot 2592, Mukim of Senai, District of Kulai, Johor	Industrial Land with Building	9.17	FH	11 th March 2024	46.0	Hiroyuki Industries (M) Sdn Bhd
3	GM 462 Lot 94, Mukim of Plentong, District of Johor Bahru, Johor	Vacant Land	9.84	FH	3 rd April 2024	13.5	Paragon Business Hub Sdn Bhd (Subsidiary of Paragon Globe Berhad)
4	HS(D) 629088, PTD 227193, Mukim of Pulai, District of Johor Bahru, Johor	Industrial Land	25.34	FH	4 th April 2024	132.5	Microsoft Payments (Malaysia) Sdn Bhd
5	27, Jalan SiLC 1/5, Kawasan Perindustrian SiLC, Nusajaya, Johor	Industrial Land with Building	26.96	FH	24 th April 2024	162.0	Data Centre Operator (Unknown)

PROPERTY MARKET OVERVIEW 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
6	GRN 80943, Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor	Vacant Land	47.86	FH	8 th May 2024	238.3	Bridge Data Centres Malaysia IV Sdn Bhd
7	GRN 587939 to GRN 587949, Lot 169185 to Lot 169195, Mukim of Pulau, District of Johor Bahru, Johor	Industrial Land	34.91	FH	13 th May 2024	209.8	Digital Hyperspace Malaysia Sdn Bhd
8	HS(D) 631308, PTD 250799, Mukim of Plentong, District of Johor Bahru, Johor	Industrial Land	14.85	FH	30 th May 2024	28.6	Paragon Business Hub Sdn Bhd (Subsidiary of Paragon Globe Berhad)
9	HS(D) 54434, PTD 104531, HS(D) 54435 PTD 104529, HS(D) 54425 PTD 104526, Mukim of Kulai, District of Kulai, Johor	Vacant Land	37.50	FH	31 st May 2024	106.2	Golden Symphony Sdn Bhd (Subsidiary of AME Elite Consortium Bhd)
10	HS(D) 74885 PTD 112726, Mukim of Senai, District of Kulai, Johor	Industrial Land	123.14	FH	7 th June 2024	402.3	Microsoft Payments (Malaysia) Sdn Bhd
11	HS(D) 629092, PTD 227197 Mukim of Pulau, District of Johor Bahru, Johor	Industrial Land	20.46	FH	11 th June 2024	115.9	Digital Halo Pte Ltd
12	Iskandar Puteri area	Vacant Land	28.91	FH	11 th June 2024	144.9	Data Centre Operator (Unknown)
13	HS(D) 598990, PTD 213429, Mukim of Pulau, District of Johor Bahru, Johor	Vacant Land	41.75	FH	15 th June 2024	178.2	ST Dynamo DC
14	HS(D) 134653, PTD 71200, Mukim of Plentong, District of Johor Bahru, Johor	Industrial Land	5.00	LH	20 th June 2024	13.0	5E Resources Sdn Bhd (Subsidiary of 5E Resources Limited)
15	Sunway City, Iskandar Puteri, Johor	Industrial Land	64.00	FH	2 nd July 2024	380.0	Equalbase Pte Ltd
16	HS(D) 541152, PTD 221504, Mukim of Plentong, District of Johor Bahru, Johor	Industrial Land with Building	1.02	FH	15 th July 2024	10.0	Champion Precision Technology Sdn Bhd
17	8, Jalan SILC 3/1, Kawasan Perindustrian SILC, Iskandar Puteri (I-Tech Valley 34)	Industrial Land with Building	N/A	FH	24 th July 2024	27.0	RHB Trustees Berhad (Trustee of AME REIT)

PROPERTY MARKET OVERVIEW 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
18	9, Persiaran Bioteknologi, Kawasan Perindustrian SILC (i-TechValley 46)	Industrial Land with Building	N/A	FH	24 th July 2024	27.5	RHB Trustees Berhad (Trustee of AME REIT)
19	30, Jalan I-Park SAC 4, Taman Perindustrian i-Park SAC, Senai (i-Park SAC 23 & 24)	Industrial Land with Building	N/A	FH	24 th July 2024	45.0	RHB Trustees Berhad (Trustee of AME REIT)
20	Plot 60 & 61, Jalan I-Park SAC 5, Taman Perindustrian i-Park SAC (i-Park SAC 60 & 61)	Industrial Land with Building	N/A	FH	24 th July 2024	20.0	RHB Trustees Berhad (Trustee of AME REIT)
21	GM 757 Lot 90, GM 1083 Lot 923, Mukim of Plentong, District of Johor Bahru, Johor	Vacant Land	19.33	FH	29 th July 2024	35.0	Paragon Business Hub Sdn Bhd (Subsidiary of Paragon Globe Berhad)
22	GRN 80943 Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor	Vacant Land	19.76	FH	2 nd August 2024	99.0	Bridge Data Centre Malaysia IV Sdn Bhd
23	HSM 4339 PTD 10947, Mukim of Senai, Tempat Saleng, District of Kulai, Johor	Industrial Land with Building	10.22	FH	23 rd August 2024	31.0	Goldcoin Victory Sdn Bhd
24	GM 369 Lot 663, GM 370 Lot 664, GM 635 Lot 804, GM 338 Lot 805, GM 339 Lot 806, GM 620 Lot 807, Part of GRN 89120 Lot 917, Part of GRN 89115, Lot 920, Part of GRN 455001 Lot 1114, Mukim of Pulai, District of Johor Bahru, Johor	Industrial Land	68.46	FH	26 th August 2024	383.1	NTT Global Data Centers JHB1 Campus Sdn Bhd, NTT Global Data Centers JHB1A Sdn Bhd, NTT Global Data Centers JHB1B Sdn Bhd, NTT Global Data Centers JHB1C Sdn Bhd, NTT Global Data Centers JHB1D Sdn Bhd, NTT Global Data Centers JHB1E Sdn Bhd, NTT Global Data Centers JHB1F Sdn Bhd
25	GRN 489953, Lot 66247, Mukim of Plentong, District of Johor Bahru, Johor	Industrial Land with Building	5.71	FH	29 th August 2024	23.3	Pacific Trustees Berhad (Trustee of KIP REIT)

PROPERTY MARKET OVERVIEW 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
26	GRN 28836 Lot 7301, GRN 28831 Lot 7302, Mukim of Tebrau District of Johor Bahru, Johor HS(D) 9028, MLO 6211, Mukim of Plentong, District of Johor Bahru, Johor	Industrial Land with Building	26.55	FH	6 th September 2024	85.0	Olympic Cable Company Sdn Bhd
27	Lot 205 & 211, Jalan Seelong, District of Senai, Johor	Industrial Land with Building	10.45	FH	10 th September 2024	43.2	N/A
28	GM 338 Lot 805, GM 339 Lot 806, GM 620 Lot 807, Mukim of Pulai, District of Johor Bahru, Johor	Vacant Land	38.53	FH	9 th October 2024	240.0	Computility Technology (Malaysia) Sdn Bhd
29	GRN 441162, Lot 24335, No.4, Jalan Wira 3, Taman Tan Sri Yaacob, Mukim of Pulai, District of Johor Bahru, Johor	Industrial Land with Building	1.65	FH	23 rd October 2024	14.0	Platinum Rise Sdn Bhd
30	Lot 205034, Senai Airport City Free Industrial Zone, Senai, Johor	Industrial Land	15.06	N/A	30 th October 2024	49.2	Chenbro Malaysia Sdn Bhd (Subsidiary of Chenbro Micom Co.Ltd)
31	HS(D) 6374 Lot 4174, Mukim of Tebrau, District of Johor Bahru, Johor	Industrial Land with Building	1.24	FH	30 th October 2024	7.6	Sim-Ray Engineering Sdn Bhd
32	GRN 499616 Lot 150590, HS(D) 576602 PTD 200186, HS(D) 576603 PTD 200187, HS(D) 576604 PTD 200188, HS(D) 576605 PTD 200189, Mukim of Pulai, District of Johor Bahru, Johor	Vacant Land	18.37	FH	6 th December 2024	120.1	Data Cloud Innovation Sdn Bhd
33	GM 2010 Lot 1350, GM 1969 Lot 1351, GM 1968 Lot 1352, Mukim of Jeram Batu, District of Pontian, Johor	Vacant Land	31.44	FH	27 th December 2024	37.7	Korsahavet Sdn Bhd
34	GM 2038 Lot 1338, GM 2040 Lot 1339, Mukim of Jeram Batu, District of Pontian, Johor	Vacant Land	15.74	FH	27 th December 2024	18.9	Brillantek Sdn Bhd

Source: NAPIC & Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

PROPERTY MARKET OVERVIEW 2024

2.2.4 Rental Values

In 2024, the average monthly asking rentals for detached factories in Pasir Gudang was between RM1.40 per sq. ft. and RM1.60 per sq. ft., similar units in Tanjung Pelepas Port were going from RM1.80 per sq. ft. to RM2.10 per sq. ft. per month.

In Gelang Patah, the asking rentals ranged from RM1.20 per sq. ft. to RM1.60 per sq. ft. per month, whereas Nusa Cemerlang, Nusajaya (SILC) commanded monthly asking rental ranging from RM1.30 per sq. ft. to RM1.80 per sq. ft.

The monthly asking rentals in Taman Perindustrian Cemerlang, Ulu Tiram, ranged between RM1.20 per sq. ft. and RM1.50 per sq. ft.

In Senai, the general asking rentals ranged from RM1.20 per sq. ft. to RM1.50 per sq. ft. per month, while in Kawasan Perindustrian Senai, iPark @ Senai City commanded a higher monthly asking rental ranging from RM1.50 per sq. ft. to RM1.80 per sq. ft. Similar industrial properties in iPark @ Indahpura commanded asking rentals of RM1.20 per sq. ft. to RM1.60 per sq. ft. per month.

3.0 PENANG

3.1 Industrial Sector

Penang approved 131 manufacturing projects worth RM12.1 billion as of Q3/2024, indicating an increase in the total number of investments compared to the previous year (Q3/2023: 109 projects worth RM38.9 billion).

Penang: Approved Manufacturing Projects, 2022 to Q3/2024

Penang	2022	2023	Q3/2024
► Number of Approved Projects	135	149	131
► Total Capital Investment (RM Million)	13,710.9	63,420.6	12,143.1

Source: Malaysia Investment Development Authority (MIDA)

In 2024, notable industrial sector announcements in Penang included:

Manufacturing

- Nihon Handa Co Ltd, a leading Japanese company specialising in manufacturing and supplying high-quality packaging solutions, is expanding by opening a new factory and office for its local subsidiary Nihon Honda Manufacturing (Malaysia) Sdn Bhd plant in Batu Maung, Penang.
- QES Mechatronic Sdn Bhd, a subsidiary of QES Group Berhad, has unveiled its new facility, QES 2@BKIP, situated within Batu Kawan Industrial Park, with an investment value of RM40 million. QES 2@BKIP features an expansive land area of approximately 87,120 sq. ft. with an estimated build-up area of 83,488 sq. ft. and is slated to begin operations by Q4/2024.
- Actiforce, a renowned global leader in the furniture components industry from the Netherlands, has inaugurated its manufacturing plant in Penang, which serves as a hub for research and design, manufacturing and distribution of furniture fittings. The new RM50 million facility is located in Bukit Minyak, Penang and spans approximately 13,300 sq. ft. of facility area.
- Life Energy Motion (LEM), a Switzerland-based specialist in electrical measurement technology, has inaugurated a new RM78 million manufacturing facility at Penang Science Park. With plans in place already for an extension on the additional 1-acre land, this new 127,014 sq. ft. factory features a state-of-the-art logistic system, including automatic guided vehicles (AGVs) on the shop floor, which transport components from the warehouse to the high-tech production lines.

PROPERTY MARKET OVERVIEW 2024

- Ultra Clean Holdings Inc. (UCT), a leading developer and provider of critical subsystems, components and ultra-high purity cleaning and analytical services for the semiconductor sector, has officially opened a new manufacturing facility in Penang with an investment of RM250 million. The construction of the facility executed in phases, with a 300,000 sq. ft. facility area covered in the first phase, 250,000 sq. ft. in the second phase and the acquisition of a 9-acre land in 2023 has supported the plan for a third phase in future.
- TTM Technologies Inc. invested RM958 million on their first large-scale plant in Southeast Asia in Penang Science Park. The facility spans over 27 acres of land and focuses on manufacturing printed circuit boards, radio frequency components and microelectronics assemblies. This facility is meant to support TTM's plan to increase an additional 25% production capacity via its phase two expansion.
- Siliconware Precision Industries Co Ltd (SPIL), a semiconductor and testing company, has invested RM6 billion in their P1 plant semiconductor testing facility at Bandar Cassia Technology Park. The project will be built on a 20-acre land in Bandar Cassia Technology Park.
- MKS Instruments Inc. invested RM434.8 million to establish a 500,000 sq. ft. super centre factory to support the company's innovation capacities for semiconductor manufacturing. The facility will occupy a 17-acre land in Batu Kawan, where the factory will be constructed in 3 phases, with the first phase to be completed by the first half of 2026.
- Elite Material Co Ltd (EMC), a Taiwan-based company, invests RM900 million to establish a new manufacturing facility at Penang Science Park North, its first one in Southeast Asia. The construction covering 14 acres will be executed in two phases, with the first phase expected to be completed by the first half of 2025.
- Nefab, a global leader in sustainable packaging and logistics solutions, opened a 25,500 sq. ft. packaging facility for semiconductor products in Batu Kawan, Penang. The facility will include an Engineering Design Centre and an International Safe Transit Association (ISTA) certified lab equipped with the region's most advanced packaging testing capabilities. The cleanroom facility and testing labs are scheduled to operate in 2025.
- Plexus Corp. will construct its 6th facility in Bandar Cassia Technology Park on a 20-acre land plot. This newly launched facility, known as "Plexus Bridgeview", is part of the RM1 billion expansion in Malaysia, with a facility area of 560,000 sq. ft. Plexus aims to enhance its semiconductor capital equipment business and support its growth in the Healthcare and Life Sciences sectors.
- Coraza Integrated Technology launched its 5th manufacturing plant, named the P3 plant, in Nibong Tebal, Penang, which will add approximately 83,000 sq. ft. to its manufacturing space, which will total up to 300,000 sq. ft. to space on a 20-acre land.
- Enovix Corporation has opened its first high-volume manufacturing facility named Fab2 in Penang Science Park. This facility showcases the company's advanced manufacturing process for cutting-edge batteries.
- Rigol Technologies has officially opened its first manufacturing plant in Malaysia. This new facility is located in Bayan Lepas Free Trade Zone (FTZ) Phase 4 with an investment of RM100 million. The new facility is located on a 2-acre plot of land with a facility area of 78,028 sq. ft. Phase 1 has commenced its operation, focusing on producing electronic test and measurement instruments. In contrast, phase 2 will have an additional production line to establish an advanced R&D centre and a comprehensive overseas centre.
- Brooks Instrument opened its new manufacturing facility, which spans 57,000 sq. ft. in Simpang Ampat, as its 4th global production area. The new facility includes its largest Class 100 clean room manufacturing area, which focuses on producing GF100 series mass flow controllers. The new plant serves as an additional location for manufacturing and parts inventory.

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- Elna PCB, a Taiwan-based printed circuit board (PCB) manufacturer, opened their new plant in the Perai Industrial Zone, Penang, with an investment exceeding RM1 billion. The facility spans over 107,639 sq. ft. and features a five-storey manufacturing facility adjacent to Elna's existing plant. The first phase of production will yield 300,000 sq. ft. of PCBs, catering to the automotive, server, network equipment, personal computing and consumer electronics sectors.
- Benchmark Electronic, a US-based multinational engineering and manufacturing services company, opened its fourth facility in Penang, located in the Batu Kawan Industrial Park, with an investment of RM86.60 million. The new facility covers more than 86,111 sq. ft., with space to expand at the site. Benchmark Electronics will maintain more than 430,556 sq. ft. of production space with the new building.
- Dexcom Malaysia Sdn Bhd (Dexcom), a US-based medical device has officially opened its new state-of-the-art facility in Batu Kawan Industrial Park (BKIP) on a 28-acre plot spanning approximately 887,510 sq. ft. with a total investment of RM2.83 billion.
- Keyto MY Sdn Bhd, a Shenzhen Keyto Fluid Technology Co. Ltd. subsidiary, has launched a new fluid technology manufacturing plant in Batu Kawan, Penang. This facility, which spans over 38,104 sq. ft., represents Keyto's first overseas manufacturing site. The plant will focus on producing fluid management systems and precision components for medical devices.

Logistics/Warehousing

- Equalbase, a real estate group focused on sustainable logistics development, invested RM300 million in its first carbon-neutral logistics facility, Valdor 1, located in Seberang Perai, Penang. It will cover around 11 acres of land with a total gross floor area exceeding 600,000 sq. ft. The logistics facility is expected to generate about 4,620MWh of solar energy annually upon its completion by Q2/2025.
- Lam Research Corp has launched its most extensive automated storage and retrieval system (ASRS) warehouse in Batu Kawan. The facility has been recognised in the Malaysia Book of Records as the largest ASRS storage bin capacity in the country. The warehouse is designed to increase operational efficiency, allowing up to 9 times faster than traditional methods.
- BWYS Group Bhd plans to build a sheet metal factory in Sungai Bakap, Penang, using a substantial portion of funds raised through initial public offering (IPO). The new factory will have a total built-up area of 197,153 sq ft. Following this expansion, the company's warehouse capacity will be increase to 150,231 sq. ft., enabling greater storage and production capacity.
- Equalbase Development Pte Ltd, a Singapore-based company, launched its RM220 million Valdor II multi-storey warehouse in Penang. This development has a total gross floor area of 620,000 sq. ft. and is strategically located close to Batu Kawan and Bayan Lepas. The facility will be fully operational by 2025, and DSV Solutions Malaysia, a logistics company, has confirmed as their anchor tenant of Valdor II.

Industrial Park Development

- Penang Development Corporation (PDC) has announced the development of three industrial parks with a total investment of RM3.2 billion. The three parks are Bandar Cassia Technology Park, which spans 382-acre of land; Batu Kawan Industrial Park 3 (BKIP3), which spans 622-acre and Penang Science Park South, which spans 174-acre of land. These industrial parks are expected to be fully completed in 2031.
- Ancubic Group developed their latest project named A-Park Batu Kawan. The industrial hub spans over 21-acre land located near Batu Kawan Industrial Park. It features 50 units of 1.5 and 2-storey semi-detached and detached factories ranging from 6,800 sq. ft. to 16,700 sq. ft. of freehold factories.
- The Penang State Government will establish a 1,000,000 sq. ft. Integrated Circuit (ID) Design and Digital Park. This park will span around 105 acres of land in the Bayan Lepas Industrial Park and will have two phases of development. The first phase involves the construction of two office buildings, GBS by The Sea and GBS TechSpace, with a combined area of 350,000 sq. ft. at a cost of RM347 million and is expected to be completed by Q4 2024. The second phase, which involves 500,000 sq. ft., will feature an additional building named GBS@TechnoPlex that costs RM308 million and is targeted to be completed in 2027.

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- Ideal Property Group has launched the next phase of its industrial project, Ideal Business Hub, in Kepala Batas, Penang. This business hub has 28 acres of freehold land and will feature 88 units, including bungalows and semi-detached and cluster-type factories with a column-free design factories layout. Ideal Business Hub is part of the 880-acre land of Penang Technology Park at Bertam under parcel 2.
- Comet Technologies Malaysia celebrated a significant milestone with groundbreaking the new facility in Batu Kawan, Penang. This investment will expand their presence in Asia and set the stage for innovation, collaboration and long-term growth in the semiconductor market.
- Amphenol DC Electronics Malaysia Sdn Bhd, a global provider of engineering, design and manufacturing services, has officially opened a new 70,000 sq. ft. facility area in Penang with plans for a potential Phase 2 expansion of an additional 60,000 sq. ft. of facility.
- Suling Hill Development Sdn Bhd, a joint venture between AME Elite Consortium Bhd and Majestic Gen Sdn Bhd, has officially launched Northern TechValley @ BKE in Seberang Jaya, Penang. The development spans around 176 acres with an RM1.3 billion investment equipped with high-speed fibre optic internet, recreational areas such as a sports hall and a managed worker's accommodation with the expected completion in 2029.

Others

- Cohu Inc., a global supplier of equipment and services, inaugurated a new 20,000 sq. ft. semiconductor test design centre in Penang. This project is built on a 0.5-acre land to develop next-generation high-speed digital and analogue instrumentation.
- MRT Corp will construct the Mutiara Line Light Rail Transit (LRT) project of 29km, starting at Penang Sentral on the mainland and extending to various key locations, including Lebuhraya Macallum, Komtar and Penang International Airport. The project will feature 20 stations, with completion anticipated by 2030.

3.2 Industrial Property Market

3.2.1 Overview

Penang: Industrial Property Volume and Value of Transactions, 2022 to Q3/2024^(p)

Industrial Property Type	2022		2023		Q3/2024 ^(p)	
	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
▶ Vacant Plot	104	522.21	232	791.26	108	308.12
▶ Terraced	183	141.73	178	159.34	129	133.52
▶ Semi-Detached	122	336.36	115	333.85	69	192.15
▶ Detached	68	603.07	71	698.88	56	592.32
▶ Industrial Complex	32	17.11	21	17.89	10	5.48
▶ Others	13	2.93	16	53.87	1	0.17
Total	522	1,623.42	633	2,055.10	373	1,231.75

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

PROPERTY MARKET OVERVIEW 2024

In Penang, the total value of industrial property transactions in 2023 amounted to RM2,055.10 million, showing a marginal increase of 26.6% compared to the RM1,623.43 million recorded in 2022. Conversely, the transaction volume experienced a notable growth of 21.3% from 522 units in 2022 to 633 units in 2023. Penang has secured more than RM22.6 billion of approved investment in the manufacturing sector as of Q3/2024, making them one of the five major states that contributed to Malaysia's Investment. The electrical and electronics (E&E) sector's recovery helps Penang's industrial market with the ongoing trade tensions between the US and China, which has prompted multinational corporations to expand the location of their manufacturing hubs and warehouses under the "China Plus One" strategy. Penang are also expected to benefit from the New Industrial Master Plan (NIMP) 2030.

373 industrial property transactions totaling RM1,231.75 million were recorded as of Q1-Q3/2024. Of these, terraced factories accounted for the most significant volume at 129 units, which contributed 34.6% of the share. The vacant plots came in second with 29.0% of the total volume with 108 units; meanwhile, semi-detached factories contributed 18.5% of the volume share with 69 units. Detached factories came in fourth with 56 units, 15.0%. The industrial complex represented 2.7% with 10 units; the "others" category had the smallest share of 0.3%, corresponding to 1 unit.

3.2.2 Supply: Existing and Future

Penang's cumulative supply of industrial properties stood at 9,953 units as of Q3/2024. Most of the current supply consists of terraced factories (5,268 units, 52.9% share), followed by semi-detached factories (2,084 units, 20.9% share) and detached factories (2,000 units, 20.0% share).

Penang: Supply of Industrial Properties by Type, 2022 to Q3/2024

Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2022	2023	Q3/2024	Incoming	Planned
▶ Terraced	5,157	5,223	5,268	0	0
▶ Semi-Detached	2,000	2,000	2,084	138	46
▶ Detached	1,957	1,965	2,000	18	4
▶ Flatted Factory	511	511	512	0	20
▶ Industrial Complex	72	72	72	0	0
▶ Cluster	17	17	17	0	0
Total	9,714	9,788	9,953	156	70

Source: National Property Information Centre (NAPIC)

On the other hand, the bulk of Penang's 226 units in the pipeline were mainly semi-detached factories (184 units, 81.4% share), followed by detached factories (22 units, 9.7% share) and flatted factories (20 units, 8.8% share).

In the context of the incoming supply, the 156 units in the pipeline were predominantly from semi-detached factories (138 units, 88.5% share) and followed by detached factories (18 units, 11.5% share). These incoming products are mainly located in Seberang Perai Utara (85 units), Seberang Perai Tengah (59 units) and Seberang Perai Selatan (12 units).

The 70 units under planned supply comprised semi-detached factories (46 units, 65.7% share), flatted factories (20 units, 28.6% share) and detached factories (4 units, 5.7% share). Likewise, 50 of these units are located in Seberang Perai Selatan; meanwhile, 20 units are in Barat Daya.

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Seberang Perai Tengah and its neighbouring districts of Seberang Perai Utara and Selatan collectively host 82.5% (8,215 units) of the state's total industrial properties as of Q3/2024. The Penang Development Corporation (PDC) is actively undergoing an 800-acre infrastructure development of industrial land in East Batu Kawan, with completion anticipated in 2028. Nevertheless, the 407-acre Batu Kawan Industrial Park III will serve more MNCs and local businesses. As such, the majority of the 226 units in the supply pipeline are located in Seberang Perai Utara (85 units, 37.6% share), followed by Seberang Perai Selatan (62 units, 27.4% share), Seberang Perai Tengah (59 units, 26.1% share) and Barat Daya (20 units, 8.9% share).

Penang: Supply of Industrial Properties by District, 2022 to Q3/2024

District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2022	2023	Q3/2024	Incoming	Planned
▶ Barat Daya	884	896	906	0	20
▶ Seberang Perai Selatan	1,075	1,137	1,187	12	50
▶ Seberang Perai Tengah	5,449	5,449	5,540	59	0
▶ Seberang Perai Utara	1,474	1,474	1,488	85	0
▶ Timur Laut	832	832	832	0	0
Total	9,714	9,788	9,953	156	70

Source: National Property Information Centre (NAPIC)

3.2.3 Capital Values

The table below lists selected industrial property transactions in Penang in 2024.

Penang: Selected Industrial Property Transaction, 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	HSD 38478, Plot 240, Mukim 01, District of Seberang Perai Tengah, Pulau Pinang	Industrial Land with Building	15.00	LH	14 th February 2024	39.8	Skygate Technology (KL) Sdn Bhd
2	Lorong PSPN 1, Penang Science Park North, Simpang Ampat, Penang	Industrial Land	5.38	LH	20 th June 2024	15.2	Ultimate Manufacturing Solutions (M) Sdn Bhd
3	Lot Plot 23B, Mukim 13, Penang Science Park North, District of Seberang Perai Selatan, Pulau Pinang	Industrial Land	7.84	LH	23 rd September 2024	22.5	Easy Pack Machinery Sdn Bhd
4	Parcel 1: PN No. Hakmilik 7151, Lot 6614, Mukim 13, District of Seberang Perai Tengah, Pulau Pinang Parcel 2: PN No. Hakmilik 7876, Lot 7088, Mukim 13, District of Seberang Perai Tengah, Pulau Pinang	Industrial Land with Building	2.87	LH	1 st November 2024	16.8	Rapid Growth Technology Sdn Bhd

Source: NAPIC & Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

PROPERTY MARKET OVERVIEW 2024

3.2.4 Rental Values

The monthly asking rental for detached factories in Bayan Lepas Industrial Park in 2024 ranged from RM2.30 per sq. ft. to RM4.50 per sq. ft.

The monthly asking rentals for detached premises in Bukit Tengah Industrial Park ranged from RM1.20 per sq. ft. to RM1.60 per sq. ft., whereas Prai Industrial Estate ranged from RM1.90 per sq. ft. to RM2.10 per sq. ft.

Rental Prices for comparable industrial properties in Bukit Minyak Industrial Park and Penang Science Park ranged from RM1.60 per sq. ft. to RM2.10 per sq. ft.

4.0 PAHANG

4.1 Industrial Sector

In 2023, Pahang approved 12 manufacturing projects, a slight reduction from the 13 projects approved in 2022. Despite this, the overall capital investment saw a significant decrease, dropping from RM2.54 billion in 2022 to RM1.38 billion in 2023. As of Q3/2024, the state has secured approximately RM1.2 billion in total capital investment, encompassing 22 approved manufacturing projects.

Pahang: Approved Manufacturing Projects, 2022 to Q3/2024

Pahang	2022	2023	Q3/2024
▶ Number of Approved Projects	13	15	22
▶ Total Capital Investment (RM Million)	2,537.3	1,380.2	1,224.1

Source: Malaysia Investment Development Authority (MIDA)

Notable industrial sector announcements in Pahang include:

Manufacturing

- Integrated palm oil milling services provider Ecoscience International Bhd is partnering with Dutch renewable energy company Maatschappij Wilhelmina NV to invest RM283 million to construct the world’s first TG2 black pallet plant that uses empty fruit bunches (EFB) from oil palms as feedstock to produce drop-in coal replacement fuel. The plant, with a production capacity of 15 tonnes an hour, will be located in Phase 3 of the Gebeng Industrial Area, Kuantan Pahang. The construction is targeted to be completed by the end of 2026.
- Nextgreen Global Berhad (NGGB) has partnered with IOI Corporation Berhad’s indirect unit, IOI Paper Pulp Sdn Bhd, to develop Malaysia’s first large-scale zero-waste paper pulp plant within Nextgreen’s 410-acre Green Technology Park in Pekan, Pahang. The project investment was RM600 million and will be targeted to be completed within a maximum of 2 years. The collaboration aims to transform agricultural waste like EFB into green and sustainable products such as woodfree paper, tissue paper, premium packaging paper and pulp moulding packaging.
- Elridge Energy Holdings Bhd, a company that specialises in manufacturing biomass fuel products, aimed to raise funds for their expansion in which RM47 million raised via an initial public offering will be channelled to land acquisition in Kuantan, Pahang for building a 105,000 sq. ft. factory that will raise their production capacity.
- An armoured vehicle manufacturing plant is set to be established in the Padang Tengku Industrial Estate (Phase II) to boost the development of the Lipis district as a defence city. MILDEF International Sdn Bhd is currently negotiating the investment. The investment is expected to be finalised by Q4/2024 when Ketech Asia Sdn Bhd’s phase one investment in the ammunition plant is fully operational.

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Industrial Park Development

- The Pahang State Development Corporation (PKNP) has signed a Memorandum of Understanding (MoU) with Nextgreen Global Berhad to develop the Green Technology Park on a site spanning over 2,590-acre in Paloh Hinai, Pahang. This project aims to attract local and international investors with a focus on developing green technology in Pahang to benefit the local population.
- Citaglobal Bhd has partnered with electric vehicle maker Tree Technologies Sdn Bhd to develop an eco-friendly industrial park on a 247-acre leasehold land acquired for RM90 million in Gebeng Industrial Estate, Pahang. The industrial park is estimated to have a gross development value (GDV) of between RM321 million and RM397 million.

Others

- FGV Holdings Bhd has inaugurated its new refinery plant at Kuantan Port named Fract750. This plant is the first on the East Coast to implement the Desmet iConFract System, which features advanced 30-bar filter press technology to improve efficiency, streamlining premium downstream product production and enabling precise separation of various fractions during the refining process.
- G Capital Bhd has partnered with Hong Kong-based CCIAM Logistic Company Limited, a fully owned company by CCIAM Future Energy Limited, a publicly listed company in Hong Kong, to raise RM325 million for its 26MWac hydropower projects in Pahang. They aim to develop clean energy solutions and enhance the renewable energy capacity in Malaysia.
- Pahang's Chief Minister announced that all 11 districts in the state will establish industrial zones to encourage more foreign investment, particularly from China. The plan includes identifying suitable locations for the industrial zones and the state's infrastructure upgrading, which is undergoing and will improve by early 2027 when the East Coast Rail Link (ECRL) is fully completed. Additionally, Kuantan Port will be expanded to facilitate export and import.
- Solarvest Holdings Bhd has secured an RM113 million contract from P Solar Sdn Bhd. This partnership is part of the Corporate Green Power Programme (CGPP), which will facilitate the development of a 45MWp solar farm in Mukim Pekan, Pahang. The solar farm will spread over 88 acres of land designed with monsoon-resistant features and incorporates top-tier panels and inverters, with the estimated completion by the end of 2025.
- Petroluxe Refinery (M) Sdn Bhd has made a purchase and agreement signed with Pasdec Holdings Bhd for a 99-year lease of land in Gebeng with a plan to invest RM3 billion to develop an integrated oil refinery and petrochemical complex. This land purpose emphasises the project's significance in boosting the local economy and creating job opportunities. The development is expected to attract further regional investments and enhance Pahang's industrial landscape.

PROPERTY MARKET OVERVIEW 2024

4.2 Industrial Property Market

4.2.1 Overview

Pahang: Industrial Property Volume and Value of Transactions, 2022 to Q3/2024^(p)

Industrial Property Type	2022		2023		Q3/2024 ^(p)	
	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
► Vacant Plot	103	58.36	69	375.68	113	278.77
► Terraced	58	24.21	58	25.21	51	24.18
► Semi-Detached	18	14.36	11	10.26	15	13.78
► Detached	21	74.17	14	35.98	14	71.36
► Industrial Complex	0	0.00	0	0.00	0	0.00
► Others	20	11.96	11	11.18	13	9.37
Total	220	183.05	163	458.31	206	397.47

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

In 2023, the aggregate value of industrial property transactions in Pahang registered a yearly increase to RM458.31 million from RM183.05 million in 2022. Relatively, the volume of transactions decreases by 25.9% from 220 to 163 transactions during the same period. The increase in aggregate transaction value was observable, especially vacant plots, with a tremendous increase in transaction value from RM58.36 million in 2022 to RM375.68 million in 2023.

206 transactions worth RM397.47 million were recorded as of Q3/2024, of which vacant plots recorded the highest share of volume at 113 units (54.9% share), followed by terraced factories at 51 units (24.8% share), semi-detached factories at 15 units (7.3% share), detached factories at 14 units (6.8% share) and “others” at 13 units (6.3% share).

In terms of transaction value by property types, vacant plots aggregated for the highest sum at RM278.77 million as of Q3/2024, followed by detached factories at RM71.36 million, terraced factories at RM24.18 million, semi-detached factories at RM13.78 million and “others” category of factories at RM9.37 million.

PROPERTY MARKET OVERVIEW 2024

4.2.2 Supply: Existing and Future

Pahang: Supply of Industrial Properties by Type, 2022 to Q3/2024

Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2022	2023	Q3/2024	Incoming	Planned
▶ Terraced	2,365	2,397	2,402	17	223
▶ Semi-Detached	412	412	412	12	14
▶ Detached	797	798	799	2	24
▶ Flatted Factory	0	0	0	0	0
▶ Industrial Complex	73	73	73	1	2
▶ Cluster	0	0	0	0	0
Total	3,647	3,680	3,686	32	263

Source: National Property Information Centre (NAPIC)

As of Q3/2024, the cumulative supply of industrial properties in Pahang reached 3,686 units, marking an increase of 5 units in Jerantut and 1 unit in Kuantan. The top 3 districts with the largest share of the existing supply were Kuantan with 1,901 units (51.6% share), followed by Temerloh with 755 units (20.5% share) and Rompin with 258 units (7.0% share). Likewise, the top three destinations for the 295 units of future supply are Raub with 96 units (32.5% share), followed by Kuantan with 94 units (31.9% share) and Jerantut with 47 units (15.9% share).

In terms of supply breakdown by property type, the bulk of the existing supply in Q3/2024 comprised 2,402 units of terraced factories, representing 65.2% of the total existing supply. This is followed by detached factories (799 units, 21.7% share), semi-detached factories (412 units, 11.2% share) and industrial complexes (73 units, 2.0% share).

Amongst the 295 units of future supply, 240 units were terraced factories, followed by semi-detached and detached factories with the same amount of supply at 26 units and 2 industrial complexes.

Pahang: Supply of Industrial Properties by District, 2022 to Q3/2024

District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2022	2023	Q3/2024	Incoming	Planned
▶ Bentong	118	150	150	0	0
▶ Bera	59	59	59	0	30
▶ Cameron Highlands	38	38	38	0	0
▶ Jerantut	206	206	211	0	47
▶ Kuantan	1,899	1,900	1,901	23	71
▶ Lipis	105	105	105	0	0
▶ Maran	67	67	67	0	1
▶ Pekan	61	61	61	8	2
▶ Raub	81	81	81	0	96
▶ Rompin	258	258	258	0	13
▶ Temerloh	755	755	755	1	3
Total	3,647	3,680	3,686	32	263

Source: National Property Information Centre (NAPIC)

PROPERTY MARKET OVERVIEW 2024

4.2.3 Capital Values

Listed below are selected transactions in 2024.

Pahang: Selected Industrial Property Transaction, 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	PT28164, Kawasan Perindustrian Gebeng, Mukim of Kecil Gebeng, District of Kuantan, Pahang	Industrial Land	78.13	LH	12 th July 2024	13.0	Tone Development Sdn Bhd
2	PT28163, Kawasan Perindustrian Gebeng, Mukim of Kecil Gebeng, District of Kuantan, Pahang	Industrial Land	76.60	LH	12 th July 2024	12.7	Tone Development Sdn Bhd
3	PN28963, Lot 110590, Mukim of Sungai Karang, District of Kuantan, Pahang	Industrial Land	59.20	LH	13 th November 2024	73.5	Petroluxe Refinery (M) Sdn Bhd

Source: Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

4.2.4 Rental Values

Monthly asking rentals for detached factories generally ranged from RM1.10 per sq. ft. to RM1.60 per sq. ft. within the Kuantan district. Likewise, monthly asking rentals in Semambu Industrial Park ranged from RM1.20 per sq. ft. to RM1.70 per sq. ft. In contrast, Kuantan Industrial Area commanded monthly asking rentals of RM1.20 per sq. ft. to RM1.60 per sq. ft.

5.0 NEGERI SEMBILAN

5.1 Industrial Sector

In 2023, Negeri Sembilan approved 38 manufacturing projects with a total investment of approximately RM7.60 billion, marking a 6.6% increase in capital investment compared to 2022. Furthermore, during the Q1-Q3/2024 period, the state recorded 38 approved manufacturing projects with a total capital investment of RM5.15 billion, a significant increase of 331.8% from the RM1.19 billion recorded in Q1-Q3/2023.

Negeri Sembilan: Approved Manufacturing Projects, 2022 to Q3/2024

Negeri Sembilan	2022	2023	Q3/2024
► Number of Approved Projects	33	38	38
► Total Capital Investment (RM Million)	7,132.0	7,601.7	5,150.9

Source: Malaysia Investment Development Authority (MIDA)

PROPERTY MARKET OVERVIEW 2024

Notable industrial sector announcements in 2024 include:

Manufacturing

- Sandvik, a Swedish multinational engineering company, has launched its new production facility, 8,000 sq. m., in Sendayan Techvalley Industrial Park, specialising in manufacturing underground load and haul equipment. The factory is designed to support the assembly and production of all Sandvik load and haul underground loaders and trucks, including battery electric vehicles (BEVs) while building a strong regional supplier network. Battery product manufacturing is expected to commence in the third quarter of 2024, with BEV unit assembly planned for 2025 to align with future electrification goals.
- Dutch Lady Milk Industries Bhd has inaugurated its new RM540 million state-of-the-art manufacturing facility in Bandar Enstek, Negeri Sembilan. The Halal manufacturing facility is integrated with Industry 4.0 technology and equipped with eight production lanes to meet both Malaysian and regional demand over the long-term. Additionally, the new manufacturing facility with export capacity will equip the next generation of Malaysians with relevant skills, fostering growth opportunities in innovation, improved efficiencies, and overall sustainability.
- Careplus Group Bhd intends to raise RM10.57 million via a private placement to finance the construction of a manufacturing hub in Chembong, Rembau, for its electric vehicle business. Completion is expected by 2028. Once operational, the hub is expected to have an annual capacity of 30,000 vehicles, with one-third allocated to assembling NETA models via the joint venture (JV) between Careplus and Intro Synergy Sdn Bhd, a Go Auto Group Sdn Bhd subsidiary.

Logistics/Warehousing

- A RM2 billion smart container port will be constructed in Dickson Bay, near Pasir Panjang, in Port Dickson, Negeri Sembilan. It will be the first in the country to use artificial intelligence systems and will be built on an existing golf course spanning 192 hectares. Once completed, the port can accommodate container ships ranging from first-generation to ultra-max.
- Midports Holdings Sdn Bhd (MHSB), a 79%-owned subsidiary of Tanco Holdings Bhd, has received approval from the Malaysian Marine Department (MMD) to construct a container port in Port Dickson, Negeri Sembilan. The port will be built on a 480-acre land bank owned by Tanco, featuring a 1.8 km jetty, a terminal, and a container handling area spanning 809,300 sq. m.
- The Ministry of Transport has proposed developing a dedicated logistics hub in Nilai or Enstek, Negeri Sembilan, to strengthen Malaysia's logistics sector. Additionally, the RM400 million Smart Regional Halal Distribution Centre (Smart RHDC) in Bandar Enstek will serve as a hub for consolidating halal products for export and import through KLIA, with completion expected in 18 months. It will also include Malaysia's first artificial intelligence-powered automated cold storage warehouse, which has a capacity of 84,000 pallets and 60 loading bays.

Industrial Park Development

- Seri Pajam Development Sdn Bhd hosted a groundbreaking ceremony for SPD Tech Valley, marking its first industrial development in Senawang, Negeri Sembilan. The 523.23-acre industrial park offers two types of factories — ready-built and built-to-suit. There will be 24 light industrial lots, 57 medium industrial lots — 33 of which will provide ready-built detached factories — and 21 heavy industrial lots. The project is expected to take 10 years to complete.
- Negeri Sembilan's Halal Malaysia Industrial Park (HALMAS) has garnered a positive response, including a recent request from a New Zealand pharmaceutical company expected to invest RM300 million in the state. Halal investment demand is strong, with no new industrial areas available, and the Techpark @ Enstek Phase 3 development in Bandar Enstek is nearly sold out.
- Matrix Concepts Holdings Bhd has signed a second joint venture (JV) agreement with NS Corp to develop 1,000 acres of prime land in the Malaysia Vision Valley 2.0 (MVV2.0). Under the terms of the land development agreement, NS Corp grants development rights to Megah Sedaya Sdn Bhd (MSSB), an 85:15 joint venture between Matrix Concepts and NS Corp, the master developer of the new land, for a total consideration of RM435.6 million.

PROPERTY MARKET OVERVIEW 2024

- GD Group has launched the Sikamat Industrial Park in Vision Valley 2.0, Negeri Sembilan. This development project focuses on Environmental, Social, and Governance (ESG) principles, advanced infrastructure, and a commitment to sustainability. It also seeks to promote international collaboration and drive economic growth through a strategic partnership with Foshan, China. The industrial park features 20 semi-detached factory units and 40 double-storey commercial shop lots.
- SD Guthrie Bhd has partnered with TH Properties Sdn Bhd to develop Malaysia's first halal-certified managed industrial park in Negeri Sembilan. The park will be built on SD Guthrie's 464-acre estate in Bukit Pelandok. It is also an extension of TH Properties' international halal hub, Techpark @ Enstek, which includes Techpark 1 and 2 in Bandar Enstek, Negeri Sembilan. The new industrial park will offer a variety of ready-built and built-to-suit factories, including linked, semi-detached, and detached options, as well as vacant industrial plots designed to meet various business needs.
- Sime Darby Property Berhad has announced a 100% take-up rate for XME Business Park 2 in Nilai Impian, Negeri Sembilan. XME Business Park 2 features 15 ready-built factories comprising detached and semi-detached units, with built-up areas ranging from 8,397 sq. ft. to 18,405 sq. ft. and prices ranging from RM4.5 million to RM9.3 million. The development is expected to be completed in 2027.
- Tanco Holdings Bhd established an 80:20 joint venture with Menteri Besar Negeri Sembilan (Inc) to develop an industrial park named Port Dickson Free Zone (PDFZ) in Port Dickson, Negeri Sembilan. The industrial park will be built on 575 acres of land owned by SD Guthrie Bhd. The industrial park will complement the proposed development of the smart AI container port project in Negeri Sembilan.
- MUI Group develops the 800-acre Springhill Industrial Park in the western part of Bandar Springhill, Negeri Sembilan. The project will be carried out in three phases, covering 160 acres, 120 acres, and 160 acres, respectively. The Springhill Industrial Park aims to attract businesses in the light and medium industrial sectors, strategically situated next to Malaysia Vision Valley 2.0.
- SD Guthrie Bhd, in partnership with Eco World Development Group and NS Corporation, will collaborate to develop a 1,166-acre industrial park in Bukit Pelanduk, Negeri Sembilan. The industrial park will be located within the Malaysia Vision Valley 2.0 (MVV2.0) and feature industrial lots, ready-built factories, and commercial properties designed to cater to high-growth sectors such as aerospace, electrical and electronics, logistics, and biotechnology. It will be developed over eight years.

Others

- Tron Bradbury Energy (Malaysia) Sdn Bhd (TBE) plans to set up a regional electric vehicle (EV) hub in the Malaysia Vision Valley (MVV). The hub will expand its capacity, transitioning from an EV assembly operation to encompass full-scale manufacturing, distribution capabilities, and a state-of-the-art battery research and development (R&D) facility.

PROPERTY MARKET OVERVIEW 2024

5.2 Industrial Property Market

5.2.1 Overview

Negeri Sembilan: Industrial Property Volume and Value of Transactions, 2022 to Q3/2024^(p)

Industrial Property Type	2022		2023		Q3/2024 ^(p)	
	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
▶ Vacant Plot	194	322.69	147	405.83	111	265.76
▶ Terraced	186	75.51	213	107.37	123	60.58
▶ Semi-Detached	114	255.66	92	221.99	40	58.22
▶ Detached	30	146.94	35	364.13	30	235.85
▶ Industrial Complex	1	23.90	1	16.21	3	85.20
▶ Others	4	1.40	4	16.16	7	5.65
Total	529	826.10	492	1,131.68	314	711.26

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

In Negeri Sembilan, 492 industrial properties valued at RM1,131.68 million were transacted in 2023. This represented a 37.0% increase in transaction value compared to the preceding year, which was recorded at RM826.10 million. Additionally, transaction volume decreased by 7.0%, from 529 units in 2022 to 492 units in 2023. Most categories experienced growth in transacted value over the specified period. The only exceptions were semi-detached factories and industrial complexes, which saw declines of 13.2% and 32.2%, respectively. Semi-detached factories decreased from RM255.66 million in 2022 to RM221.99 million in 2023, while industrial complexes dropped from RM23.90 million to RM16.21 million over the same period. Notably, vacant plots were the main contributor to this overall increase, with a recorded value of RM405.83 million, accounting for a substantial 35.9% of the total transacted value in 2023.

A total of 314 transactions were recorded, amounting to RM711.26 million in Q3/2024. Terraced factories accounted for the highest share of volume, with 123 units (39.2% share), followed by vacant plots (35.4% share, 111 units), semi-detached factories (12.7% share, 40 units), detached factories (9.6% share, 30 units), “other” category of factories (2.2% share, 7 units) and industrial complexes (1.0% share, 3 units).

In terms of transaction value, vacant plots aggregated the highest sum at RM265.76 million in Q3/2024, followed by detached factories at RM235.85 million, industrial complexes at RM85.20 million, terraced factories at RM60.58 million, semi-detached factories at RM58.22 million, and the “other” category of factories at just RM5.65 million.

PROPERTY MARKET OVERVIEW 2024

5.2.2 Supply: Existing and Future

Negeri Sembilan: Supply of Industrial Properties by Types, 2022 to Q3/2024

Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2022	2023	Q3/2024	Incoming	Planned
► Terraced	3,734	3,734	3,734	69	156
► Semi-Detached	872	872	872	136	126
► Detached	747	747	747	23	279
► Flatted Factory	0	0	0	0	0
► Industrial Complex	221	221	221	0	0
► Cluster	0	0	0	64	0
Total	5,574	5,574	5,574	292	561

Source: National Property Information Centre (NAPIC)

As of Q3/2024, the cumulative supply of existing industrial properties in Negeri Sembilan remained at 5,574, indicating no change compared to the previous year. The majority of the current supply was contributed by terraced factories (67.0% share, 3,734 units), followed by semi-detached factories (15.6% share, 872 units) and detached factories (13.4% share, 747 units). Meanwhile, the bulk of Negeri Sembilan's 853 units in the pipeline were mainly detached factories (35.4% share, 302 units), followed by semi-detached factories (30.7% share, 262 units) and terraced factories (26.4% share, 225 units).

In terms of geographical distribution, the top three districts that accounted for nearly 92% of Negeri Sembilan's existing industrial supply as of Q3/2024 were Seremban (81.0% share, 4,515 units), Jempol (5.6% share, 312 units) and Port Dickson (5.1% share, 282 units). Of the 853 units in the future supply pipeline, the majority of industrial supply is located in Seremban (95.3% share, 813 units) and Jempol (4.7% share, 40 units).

Negeri Sembilan: Supply of Industrial Properties by District, 2022 to Q3/2024

District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2022	2023	Q3/2024	Incoming	Planned
► Jelebu	5	5	5	0	0
► Jempol	312	312	312	25	15
► Kuala Pilah	159	159	159	0	0
► Port Dickson	282	282	282	0	0
► Rembau	35	35	35	0	0
► Seremban	4,515	4,515	4,515	267	546
► Tampin	266	266	266	0	0
Total	5,574	5,574	5,574	292	561

Source: National Property Information Centre (NAPIC)

PROPERTY MARKET OVERVIEW 2024

5.2.3 Capital Values

Notable industrial property transactions in Negeri Sembilan in 2024 are shown below.

Negeri Sembilan: Selected Industrial Property Transactions in 2024

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	Bandar Enstek, Negeri Sembilan	Industrial and Agricultural Lands	49.82	N/A	20 th February 2024	70.3	GoBuilders Netsoft Sdn Bhd, Educ8 Group Sdn Bhd, Malindo Airways Sdn Bhd and Meta Legends Sdn Bhd
2	Lot 76A and 76B, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	Industrial Land with Building	6.00	LH	13 th May 2024	14.0	Taehwa Engineering Sdn Bhd
3	GRN 159976 Lot 8322, Mukim of Jimah, District of Port Dickson, Negeri Sembilan	Agricultural Land	53.00	FH	10 th July 2024	80.8	Antmed Malaysia Sdn Bhd
4	GRN 270942, Lot 61328 and GRN 270943, Lot 61329, Bandar Baru Enstek, District of Seremban, Negeri Sembilan	Vacant Industrial Land	10.00	FH	13 th August 2024	25.7	Ms Loi Foon Kion
5	GRN 248843, Lot 60584; GRN 248844, Lot 60585; GRN 248845, Lot 60586; GRN 248846, Lot 60587 and GRN 248847, Lot 60588, Bandar Nilai Utama, District of Seremban, Negeri Sembilan	Industrial Land	13.89	FH	11 th September 2024	N/A	Widad Group Berhad
6	GRN 159967, Lot 8313; GRN 159968, Lot 8314; GRN 159969, Lot 8315 and GRN 159970 Lot 8316, Mukim of Jimah, District of Port Dickson, Negeri Sembilan	De Land	389.00	FH	30 th December 2024	424.4	Gamuda DC Infrastructure Sdn Bhd

Source: Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

PROPERTY MARKET OVERVIEW 2024

5.2.4 Rental Values

In 2024, the monthly asking rentals for detached factories in Senawang ranged between RM1.00 per sq. ft. and RM1.40 per sq. ft., whereas similar units in Nilai commanded a rental range of RM1.10 per sq. ft. to RM1.60 per sq. ft. per month.

6.0 INDUSTRIAL MARKET OUTLOOK

The industrial sector has demonstrated strong performance since the pandemic, fueled by robust investment sales, significant e-commerce penetration and consistent manufacturing output. The surge in e-commerce has also significantly boosted the logistics industry, driving a strong demand for warehouses, distribution hubs and logistics facilities. Demand for logistics and warehouse space is projected to remain positive, driven by sustained online retail growth, evolving consumer preferences, stable e-commerce market penetration and a favourable domestic business environment.

The Malaysian Data Centre market is witnessing robust growth, driven by increased demand from telecommunications and internet service providers. This expansion has been further fueled by the 2019 Singapore moratorium on new data centre construction due to environmental concerns, prompting numerous international players like Airtrunk, Keppel, Equinix, Singtel, GDS Holdings, MN Holdings etc, to invest in Malaysia. Furthermore, the recent implementation of Data Centre Planning Guidelines (GPP) has significantly streamlined the application and approval processes, enhancing business efficiency and fostering a more robust Data Centre ecosystem in the country.

Mega infrastructure projects are vital for enhancing connectivity and strengthening Malaysia's global competitiveness. Budget 2025 allocated RM107 million to improve roads around Pulau Indah Ring Road and North Port Klang, which is expected to boost the logistics sector significantly. Furthermore, major infrastructure developments in Penang, including the 2,300-acre Silicon Island (set for completion in 2032), the Mutiara LRT Line construction and the expansion of Penang International Airport, are poised to fuel industrial growth in the region.

Investor confidence has surged in Malaysia, driven by Budget 2025 initiatives prioritising high-value manufacturing, fostering high-skilled job creation and accelerating technological advancements. This has significantly stimulated property investment, particularly in the logistics sector. Budget 2025 introduced the Smart Logistics Complex (SLC) tax incentive, encouraging the adoption of advanced technologies like Artificial Intelligence (AI), The Internet of Things (IoT), and blockchain to enhance supply chain efficiency. This has shifted industry trends, leading developers to invest in modern, high-grade logistics facilities with value-added services such as improved security and asset management. Notable examples include Omega Bukit Raja, BRIIC by YTL, the upcoming SAILH by Global Vision Logistics, and E-Metro Logistics Park in Bandar Bukit Raja, showcasing this trend towards advanced logistics infrastructure.

OFFICE MARKET

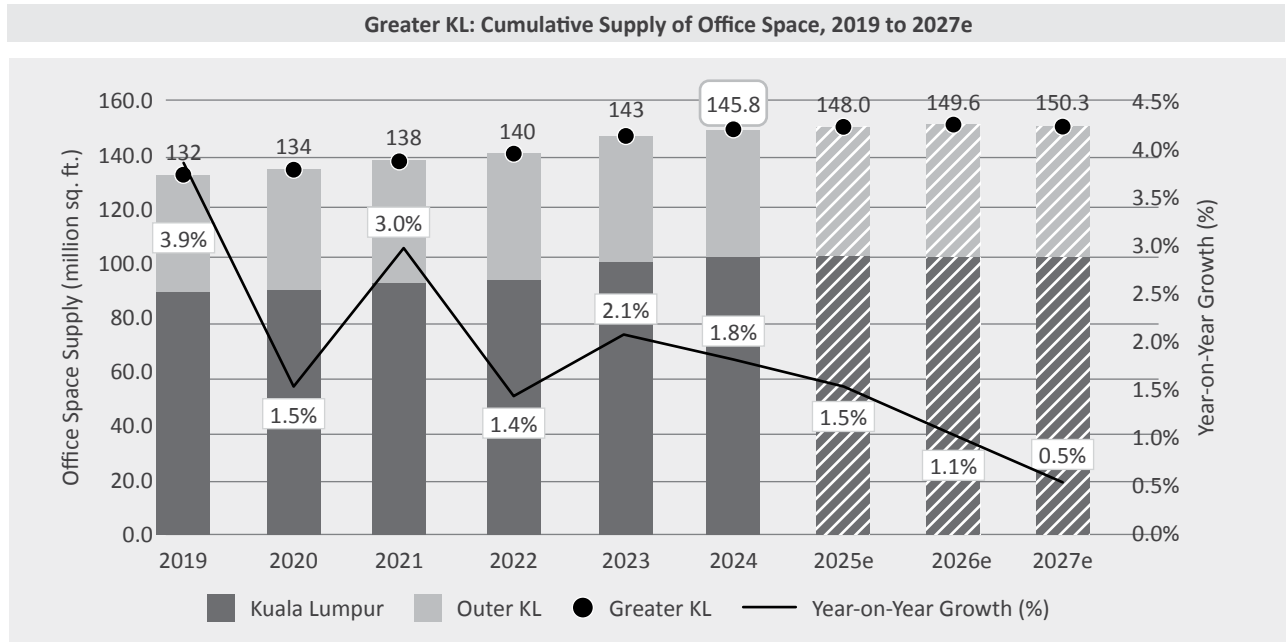
7.0 GREATER KUALA LUMPUR

7.1 Supply: Existing and Future

Greater KL's office market reached 145.8 million sq. ft. in 2024, reflecting an annual growth of 1.8% (2023: 143.2 million sq. ft.). The majority of Greater KL's office space is located in Kuala Lumpur, which accounts for 67.9% (99.0 million sq. ft.) of the total. Meanwhile, Outer KL comprises 46.8 million sq. ft. of office space, representing 32.1% of Greater KL's total supply.

In 2024, Greater KL added 2.6 million sq. ft. of new office space with the completion of six new developments. Kuala Lumpur contributed the majority of this new supply, with 86.0% (2.2 million sq. ft.) from five newly completed buildings. Notable additions include Merdeka 118 (1.7 million sq. ft.) on Jalan Hang Jebat and PNB 1194 (0.2 million sq. ft.) on Jalan Sultan Ismail. In Outer KL, one new office development was completed, Atwater Corporate Towers A & B (0.4 million sq. ft.) in Section 13, Petaling Jaya, which accounted for 14.0% of Greater KL's new office supply. Overall, most of the new completions in Greater KL are green-rated developments, incorporating sustainable building elements.

PROPERTY MARKET OVERVIEW 2024



Source: Savills Research

Note: e = estimate

Greater KL's office market is projected to add 4.5 million sq. ft. of new office space by 2027, bringing the total supply to 150.3 million sq. ft. at a compound annual growth rate (CAGR) of 1.0% from 2024. By 2027, the Outer KL region is expected to account for 51.1% (2.3 million sq. ft.) of this future supply, while Kuala Lumpur will contribute the remaining 48.9% (2.2 million sq. ft.).

Approximately 2.2 million sq. ft. of Greater KL's projected office supply is slated for completion in 2025, representing an annual growth of 1.5% from 2024. Notable developments expected in 2025 include Oxley Tower 3 at KLCC (0.3 million sq. ft.), The Exchange at TRX (0.2 million sq. ft.), Corporate Tower 2 at Sunway Square (0.5 million sq. ft.), and TNB Gold Bangsar at Jalan Pantai Baharu (0.5 million sq. ft.).

In 2026, an additional 1.6 million sq. ft. of new office space is expected, with the completion of Corporate Tower 1 at Sunway Square (0.4 million sq. ft.) and The Capitol Twin Office Towers (1.2 million sq. ft.) located in the Outer KL region. By 2027, another 0.7 million sq. ft. will be added, with the completion of Corporate Tower 10 at Pavilion Damansara Heights (0.2 million sq. ft.) and KL Midtown Signature Office Towers at KL Metropolis (0.5 million sq. ft.), both situated in Kuala Lumpur.

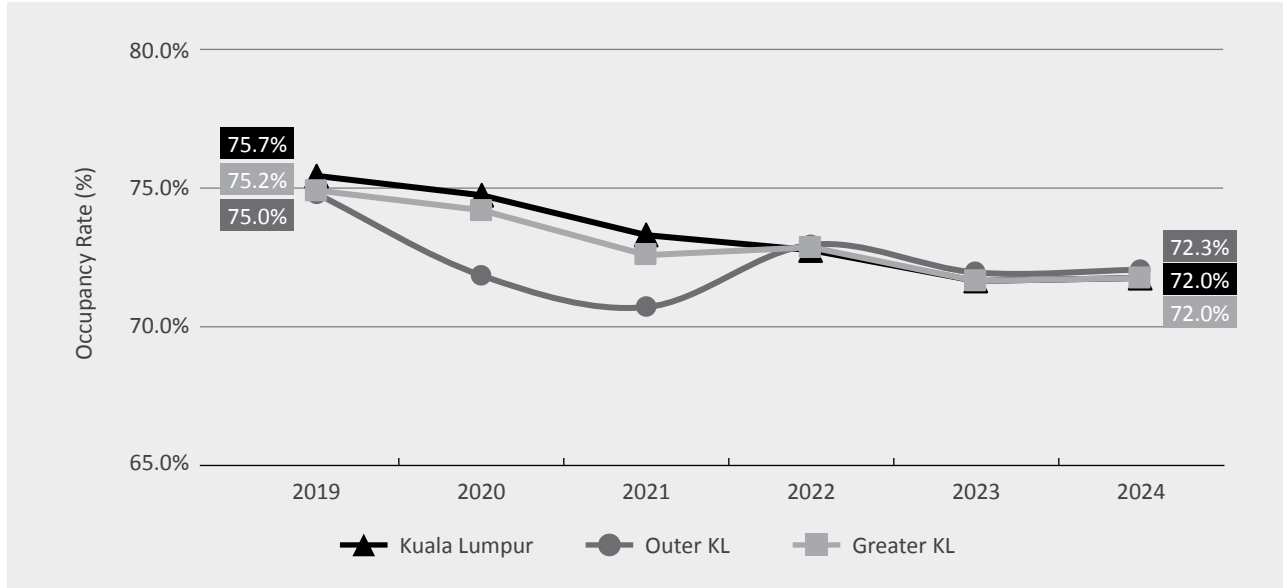
7.2 Occupancy Rates

Office demand in Greater KL remained positive in 2024, driven by leasing activities from organisations seeking higher-quality office spaces to support their business operations and meet corporate sustainability goals. Consequently, Greater KL's office market achieved an occupancy rate of 72.0% in 2024, reflecting a slight annual increase of 0.1% from the 71.9% occupancy rate recorded in 2023. Similarly, the Outer KL region saw marginal improvement, with an occupancy rate of 72.3% in 2024, up 0.1% from 72.2% in 2023.

The demand for office space in Greater KL was predominantly sustained by Grade A office buildings, as the flight-to-quality trend prompted many organisations to re-evaluate their office strategies to accommodate evolving working habits, especially in the post-pandemic era. Our leasing transactions survey in 2024 revealed that tenant movements in Greater KL were primarily driven by expansions, relocations, and new setups, with the Financial Services, IT, and Telecommunications sectors leading this activity. Notably, a significant number of organisations upgraded to newer, high-quality office spaces in line with the flight-to-quality trend. Developments such as Tun Razak Exchange (TRX) and Pavilion Damansara Heights have emerged as key destinations, offering future-proof office addresses that cater to these tenants' office space demands.

PROPERTY MARKET OVERVIEW 2024

Greater KL: Office Space Occupancy Trend, 2019 to 2024

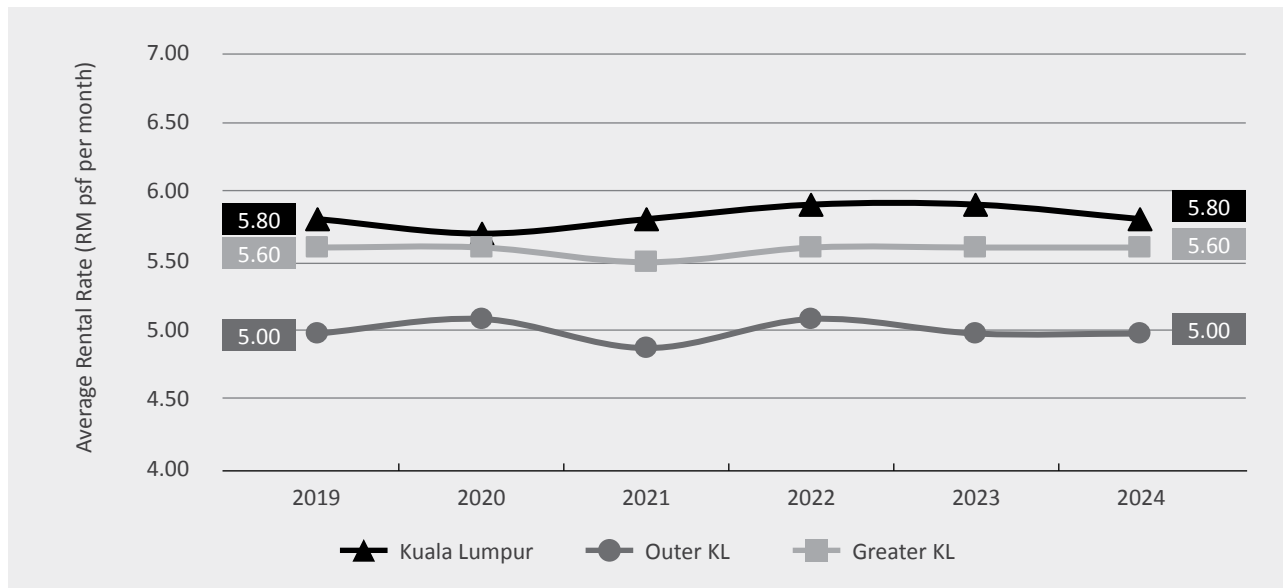


Source: Savills Research

7.3 Rental Rates

Office average gross asking rentals in Greater KL stood at RM5.60 psf in 2024, maintaining stability compared to 2023, with no annual changes noted. The sub-regions within Greater KL also saw stable gross asking rental averages, with minimal to no yearly changes. In 2024, the gross asking rental for Outer KL averaged RM5.00 psf, showing no annual growth. Meanwhile, Kuala Lumpur's average asking rental was RM5.80 psf, reflecting a 1.7% decline from RM5.90 psf in 2023. The decrease was primarily attributed to the lower asking rental averages observed in older buildings, particularly within the KL Central Business District.

Greater KL: Office Space Average Rental Rate, 2019 to 2024



Source: Savills Research

PROPERTY MARKET OVERVIEW 2024

As high-quality offices with sustainable features remain favourable in the market, landlords continue to offer various rental incentives—primarily in the form of rent-free periods and flexible lease terms—to accommodate the varying needs of office tenants and sustain office space demand. Furthermore, sustainable features, such as energy-efficient systems and eco-friendly building features, enhance a building's marketability. It also aligns with the growing emphasis on corporate social responsibility, making these office spaces significantly more appealing to businesses.

7.4 Capital Values

Greater KL's office transaction activity remained relatively active in 2024, with five major office transactions observed, two of which were related-party deals. A total of 0.3 million sq. ft. of net office space was transacted, with a combined market value of RM186.6 million.

Notable transactions include a related-party deal involving Levels 26-29 at Solarvest Tower, which was acquired by Solarvest Energy Sdn. Bhd. for RM958 psf. This deal also included some retail units and car parking bays. The strata office floors were purchased to establish the buyer's new headquarters. The off-plan property is expected to be completed in Q1/2028.

Another related-party sale occurred in November 2024, involving two office-suite parcels on Levels 8 and 9 of Menara Southpoint at Mid Valley City. IGB Commercial REIT acquired the property from IGB Berhad for RM681 psf. It is currently leased to a Financial Services tenant, with the tenancy set to expire on 31st March 2030. This acquisition marks the completion of IGB Commercial REIT's purchase of the Southpoint Office and Retail spaces, a transaction initiated in Q2/2021 for RM1,113 psf.

Greater KL: Major Office Transactions in 2024

Quarter/ Year	Buildings	Region	NLA (sq. ft.)	Price	Price (RM per sq. ft.)	Buyer
Q2/2024	Levels 26 – 29, Solarvest Towers*	KL Suburban	16,276	15.7	966	Solarvest Energy Sdn. Bhd.
Q2/2024	Contraves Building, Block 3502, Enterprise Building 2 (EB2)	Outer KL	75,014	42.5	567	4X Software Sdn. Bhd.
Q2/2024	Wisma Badan Peguan Malaysia	KL City	31,686	16.0	505	Medan Artes Sdn. Bhd.
Q4/2024	Levels 8 – 9, Menara Southpoint	KL Suburban	91,676	62.4	681	MTrustee Berhad (Trustee for IGB Commercial REIT)
Q4/2024	Tower 3, Avenue 5, The Horizon	KL Suburban	54,876	50.0	911	Apex Development Sdn. Bhd. (wholly owned sub of Apex Equity Holdings Bhd)

Source: Savills Research

Note: *Details of the sale exclude the 200 parking bays (14,369 sq. ft., RM22.6 million) on Levels 26 and 28, as well as the rooftop retail unit (8,730 sq. ft., RM10.4 million) on Level 31.

8.0 OFFICE MARKET OUTLOOK

Greater KL's tenant-led office market is expected to grow steadily, driven by the upcoming supply of high-quality office spaces and the strong demand performance observed in 2024. Moving forward, demand for office space will likely be influenced by hybrid working arrangements, rightsizing and relocation initiatives, and a growing emphasis on Environmental, Social, and Governance (ESG) considerations among organisations.

PROPERTY MARKET OVERVIEW 2024

One of the primary factors driving market demand is tenants' growing interest in upgrading to high-quality office spaces. The preference for superior office spaces is increasingly focused on office buildings prioritising sustainability, driven by a heightened emphasis on ESG values and stricter regulations from relevant authorities. Notably, Bursa Malaysia's mandatory sustainability disclosures and the recent amendment to the Employment Act 1955, which grants employees the right to flexible working arrangements, are expected to drive flight-to-quality tenant movements.

Greater KL's office market supply incorporates more future-proof building features—such as state-of-the-art specifications, sustainability, and wellness elements that promote environmental responsibility and employee well-being. These features are expected to influence tenants' office leasing decisions. Consequently, older office buildings face challenges retaining tenants, as high-quality office spaces remain the preferred choice. Landlords with strong financial capabilities may refurbish or redevelop their properties to enhance facilities and amenities, ensuring they stay competitive and can sustain office space demand.

Notably, Greater KL's relatively lower occupancy costs than other Asia Pacific office markets—such as Singapore, Hong Kong, Seoul, and Ho Chi Minh City—are expected to attract multinational companies seeking to establish regional headquarters or expand their operations in Malaysia. These affordable costs present a compelling incentive for businesses to seek premium office spaces while leveraging Malaysia's talent pool to support their global growth. Greater KL's office leasing market has already seen numerous new setups from international companies, particularly within the Financial Services, IT and Telecommunications sectors. These factors are expected to continue driving demand for office space in the region, attracting foreign and local organisations eager to capitalise on the available office supply to support their business operations.

HYPERMARKET SEGMENT

9.0 JOHOR

9.1 Supply: Existing

The cumulative supply of hypermarkets in Johor was 5.6 million sq. ft. as of Q3/2024. The supply has increased slightly compared to the previous year since more hypermarket supply was opened in Q1/2024.

Johor: Existing Supply of Hypermarkets, 2022 to Q3/2024

Locality	2022		2023		Q3/2024	
	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)
▶ Johor Bahru	28	3,782,610	28	3,782,610	28	3,782,610
▶ Kulaijaya	4	519,283	4	519,283	4	519,283
▶ Kota Tinggi	2	119,426	2	119,426	2	119,426
▶ Pontian	3	263,899	3	263,899	3	263,899
▶ Batu Pahat	2	178,767	2	178,767	2	178,767
▶ Muar	0	0	0	0	0	0
▶ Kluang	3	240,767	3	303,758	4	303,758
▶ Mersing	0	0	0	0	0	0
▶ Segamat	4	276,105	4	276,105	4	276,105
▶ Tangkak	1	157,035	1	157,035	1	157,035
Total	47	5,537,892	48	5,600,882	48	5,600,882

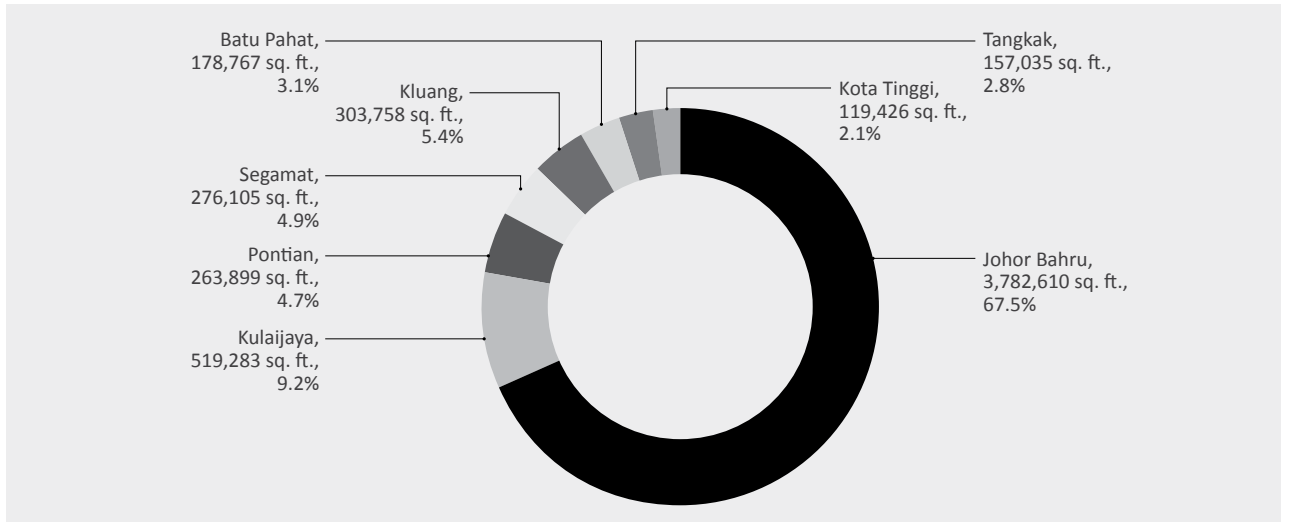
Source: NAPIC & Savills Research

More than half of the current hypermarkets are located within Johor Bahru, comprising about 28 hypermarkets with a total space of 3.78 million sq. ft., 67.5% of the total hypermarkets in Johor and followed by the locality of Kulaijaya with 4 hypermarkets, 9.2% of the total hypermarkets in Johor, with a total space of 519,283 sq. ft.

Meanwhile, the Segamat, Pontian and Kluang localities hold a 4.9%, 4.7%, and 5.4% share of the total hypermarket space, respectively. In a more suburban area, Kota Tinggi, Tangkak and Batu Pahat remained to have less than 4 hypermarkets within the locality.

PROPERTY MARKET OVERVIEW 2024

Johor: Existing Supply of Hypermarket Distributions by Locality

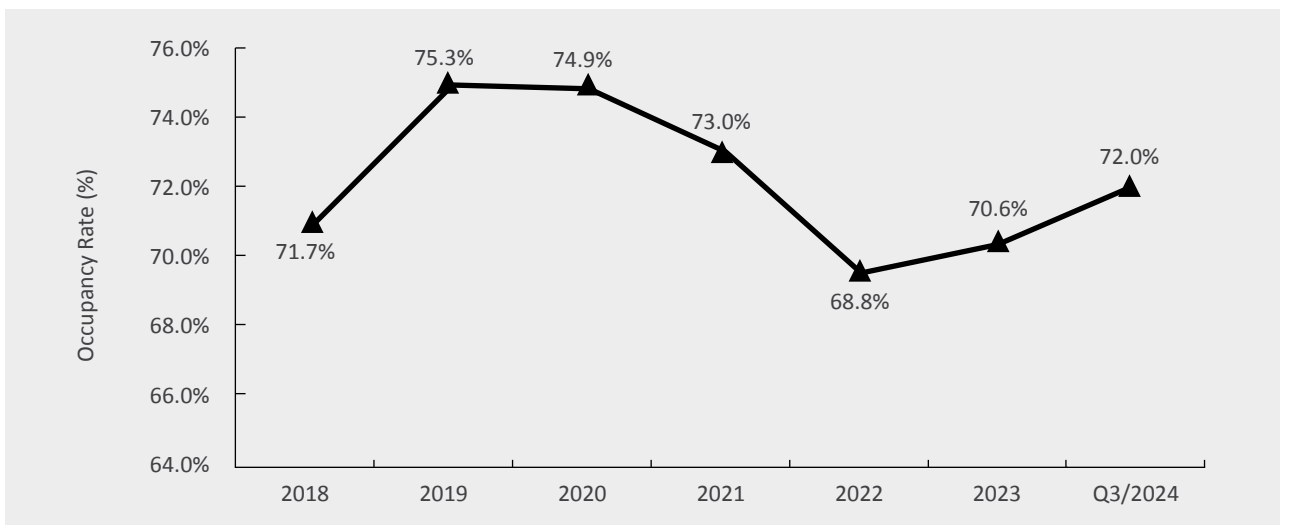


Source: NAPIC & Savills Research

9.2 Occupancy Rates

According to NAPIC, the average occupancy rates of shopping complexes (inclusive of shopping centres, arcades and hypermarkets) in Johor have improved from 70.6% in 2023 to 72.0% in Q3/2024. However, it remains below the levels observed before the pandemic. The increase was mainly attributed to the rise in occupancy rates in the locality of Johor Bahru, Segamat and Tangkak, which saw a substantial growth of occupancy rates ranging between 1.2% to 3.0% compared to the rates in 2023.

Johor: Average Occupancy Rate of Retail Spaces 2018 to Q3/2024



Sources: NAPIC & Savills Research

PROPERTY MARKET OVERVIEW 2024

9.3 Rental Rates

Johor: Rental Rates of Selected Hypermarkets, 2023 to 1H/2024

Hypermarket	Floor/Level	Average Floor Area (sq. ft.)	Rental (RM per sq. ft./month)	
			2023	1H/2024
► Central Town Prime Area				
AEON BiG	Ground	161 - 969	4.30 - 20.50	4.30 - 20.50
► Central Town Secondary Area				
Econsave Taman Kota Emas	Ground	280 - 388	8.60 - 14.30	8.60 - 14.30
Pasaraya Borong NSK	Ground	205 - 2,992	3.00 - 11.90	3.00 - 11.90
	First	474 - 2,723	5.00 - 7.50	5.00 - 7.50
► Suburban Prime Area				
Giant Southern City	Ground	226 - 248	8.70 - 20.50	8.70 - 20.50
Giant Tampoi	Ground	108 - 807	3.50 - 34.20	3.50 - 34.20
Aeon Big	Ground	269 - 1,453	4.10 - 13.00	4.30 - 11.20
► Suburban Secondary Area				
Mydin Pelangi Indah	Ground	258 - 1,496	3.90 - 15.90	3.90 - 15.90
	First	463 - 3,111	4.80 - 17.30	4.80 - 17.30
Lotus's Eco Tropic	Ground	183 - 6,254	2.20 - 18.00	2.20 - 18.00
Lotus's Desa Tebrau	Ground	118 - 1,905	2.40 - 23.90	2.40 - 23.90
	First	108 - 13,100	1.60 - 32.60	1.60 - 32.60
Lotus's Mutiara Rini	Ground	150 - 2,379	2.70 - 32.80	2.70 - 32.80
Lotus's Seri Alam	Ground	129 - 2,368	2.00 - 28.00	2.00 - 28.00
Lotus's Extra Plentong	Ground	334 - 1,195	2.60 - 5.40	2.60 - 5.40
	First	366 - 1,378	2.80 - 9.20	2.80 - 9.20
Lotus's Bukit Indah	Ground	108 - 1,959	4.70 - 15.50	4.70 - 15.50
	First	538 - 13,067	2.00 - 8.60	2.00 - 8.60
Lotus's Setia Tropika	Ground	194 - 1,292	1.80 - 21.80	1.80 - 21.80
Giant Plentong	Ground	140 - 2,454	7.80 - 53.90	7.80 - 53.90
	First	161 - 3,531	2.00 - 21.70	2.00 - 21.70
Lotus's Kulai	Mezzanine	97 - 2,153	2.00 - 26.80	2.00 - 26.80
	First	409 - 667	4.80 - 7.40	4.80 - 7.40
Econsave Taman Daiman Jaya	Ground	140 - 258	8.50 - 15.50	8.50 - 15.50
Lotus's Parit Raja	First	269 - 1,507	2.60 - 12.20	2.60 - 12.20

Source: NAPIC & Savills Research

Considering the lower unit size offered, Giant Plentong had the highest monthly rental rate in the suburban secondary area, at RM53.90 per sq. ft. At RM34.20 per sq. ft. per month and RM20.50 per sq. ft. per month, respectively, Giant Tampoi and Giant Southern City, situated in a prime suburban area, command considerably lower pricing.

As of 1H 2024, the ground floor rental prices at AEON Big, situated in the central town prime area, have stayed between RM4.30 and RM11.20 per sq. ft. per month. At RM14.30 per sq. ft., Econsave in the central town secondary area has the highest rental rate, while Pasaraya Borong NSK has the lowest.

Between 2023 and the first half of 2024, there is a slight increase in the rent growth across the hypermarkets.

PROPERTY MARKET OVERVIEW 2024

9.4 Hypermarket Transactions

Johor: Hypermarket Transactions, 2018 to 2023

Year	Hypermarkets	NLA (sq. ft.)	Price	Price (RM per sq. ft.)	Buyer
2018	Mydin Mutiara Rini	900,417	RM220 mil	RM244	KWAP
2019	Mydin Mall	260,000	RM60 mil	RM230	Mydin Mohamed Holdings Bhd
2022	Eonsave Hypermarket Taman Scientex	150,000	RM25 mil	RM166	Getro Sdn Bhd
2023	Giant Hypermarket Plentong	726,122	RM140 mil	RM192	Sunway REIT

Source: Savills Research

As of Q3/2024, the retail hypermarket sector had no recorded transactions according to the Johor region's current transaction history. The two most notable transactions were the Mydin Mutiara Rini, which sold for RM244 per sq. ft. (NLA: 900,417 sq. ft.) and the Giant Hypermarket Plentong, which sold for RM192 per sq. ft. (NLA: 726,000 sq. ft.).

10.0 KEDAH

10.1 Supply: Existing

As of Q3/2024, the cumulative space supply of hypermarkets in Kedah stands at 1.17 million sq. ft. The supply has remained muted, with no additional space added since 2022.

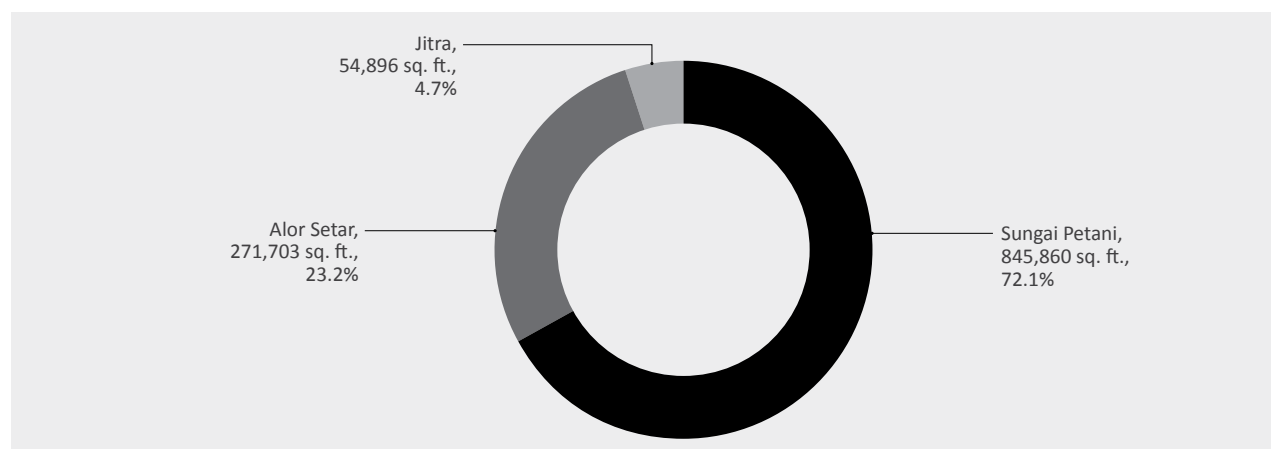
Kedah: Existing Supply of Hypermarkets, 2022 to Q3/2024

Locality	2022		2023		Q3/2024	
	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)
▶ Alor Setar	3	272,564	3	272,564	3	271,703
▶ Sungai Petani	7	845,860	7	845,860	7	845,860
▶ Jitra	1	54,896	1	54,896	1	54,896
Total	11	1,173,320	11	1,173,320	11	1,172,459

Source: NAPIC & Savills Research

Sungai Petani has the highest supply of hypermarkets in terms of space at 72.1% of the total supply. Alor Setar (23.2%, 271,703 sq. ft.) and Jitra (4.7%, 54,896 sq. ft.) have remained stable in the number of hypermarkets since 2022.

Kedah: Existing Supply of Hypermarket Distributions by Locality

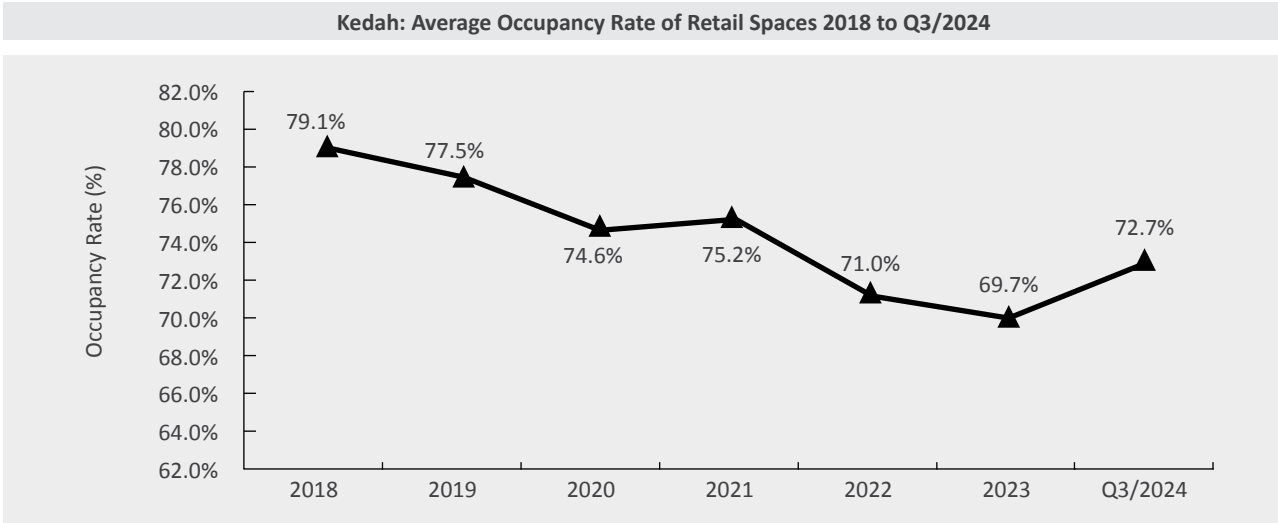


Source: NAPIC & Savills Research

PROPERTY MARKET OVERVIEW 2024

10.2 Occupancy Rates

As of Q3/2024, the average occupancy rate of shopping complexes in Kedah (including shopping centres, arcades, and hypermarkets) was 72.7%, showing an increase from 2023. This marks a slight recovery following a generally declining trend in occupancy rates from 2018 to 2023.



Source: NAPIC & Savills Research

10.3 Rental Rates

In the first half of 2024, rental rates for selected hypermarkets in prime areas of Kedah range from RM1.90 per sq. ft. to RM23.00 per sq. ft. per month.

In Kota Setar, ground floor units in Mydin hypermarket command rental rates ranging from RM7.00 per sq. ft. to RM20.00 per sq. ft. per month. Meanwhile, ground floor rental rates at Lotus’s hypermarket fall between RM2.00 per sq. ft. and RM23.00 per sq. ft. per month, with Lotus’s Mergong, situated in a more mature area with established residential neighbourhoods, achieving higher rental rates.

Kedah: Rental Rates of Selected Hypermarkets, 2023 to 1H/2024

Hypermarket	Floor/Level	Average Floor Area (sq. ft.)	Rental Range (RM per sq. ft./month)	
			2023	1H/2024
► Kota Setar				
Mydin	Ground	86 - 592	6.90 - 15.10	7.00 - 20.00
Lotus’s Mergong	Ground	226 - 2,260	6.20 - 18.50	2.00 - 23.00
	First	377 - 915	8.40 - 12.70	4.90 - 11.50
Lotus’s Stargate	Ground	226 - 861	1.50 - 5.00	6.50 - 13.50
► Kubang Pasu				
Lotus’s Jitra	Ground	592 - 2,260	1.90 - 7.50	1.90 - 7.50

Source: NAPIC & Savills Research

PROPERTY MARKET OVERVIEW 2024

11.0 PAHANG

11.1 Supply: Existing

As of Q3/2024, the cumulative space supply of hypermarkets in Pahang was 794,022 sq. ft. The supply increased in 2023, with no additional space added since then.

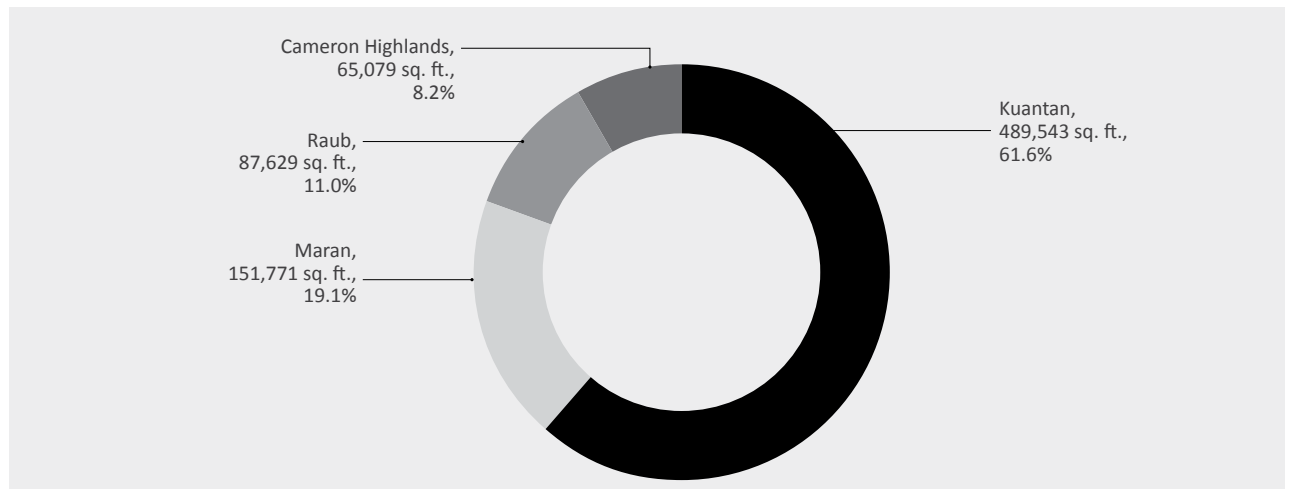
Pahang: Existing Supply of Hypermarkets, 2022 to Q3/2024

Locality	2022		2023		Q3/2024	
	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)
▶ Kuantan	5	383,045	6	489,543	6	489,543
▶ Maran	2	151,771	2	151,771	2	151,771
▶ Raub	1	87,629	1	87,629	1	87,629
▶ Cameron Highlands	1	65,079	1	65,079	1	65,079
Total	9	687,524	10	794,022	10	794,022

Source: NAPIC & Savills Research

Kuantan has the highest supply of hypermarket space at 61.6% of the total supply. Maran (19.1%, 151,771 sq. ft.), Raub (11.0%, 87,629 sq. ft.) and Cameron Highlands (8.2%, 65,079 sq. ft.) have remained stable in the number of hypermarkets since 2023.

Pahang: Existing Supply of Hypermarket Distributions by Locality

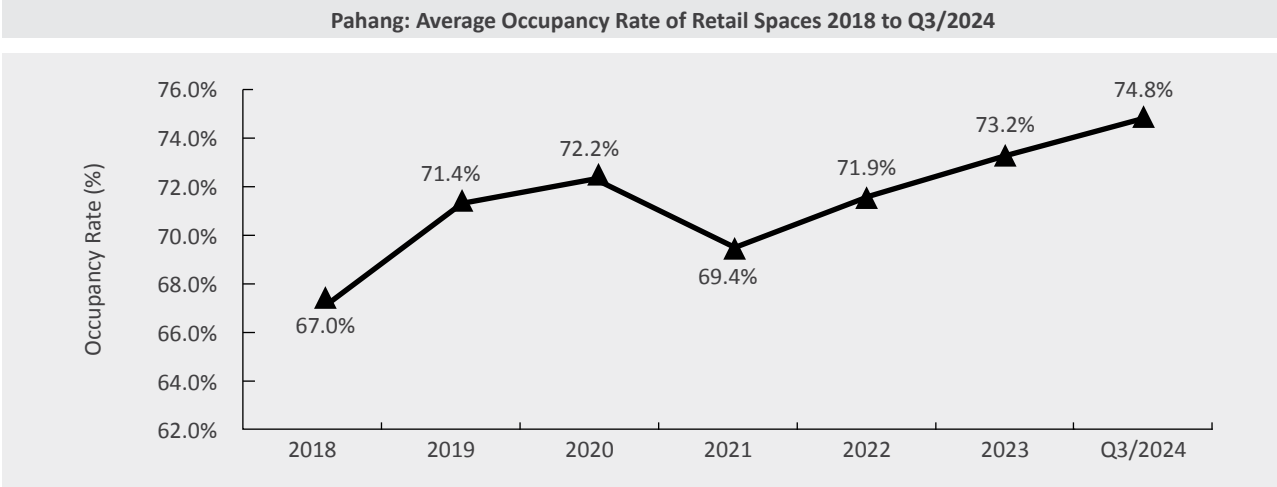


Source: NAPIC & Savills Research

PROPERTY MARKET OVERVIEW 2024

11.2 Occupancy Rates

As of Q3/2024, the average occupancy rate of the shopping complex in Pahang (inclusive of shopping centres, arcades and hypermarkets) is 74.8%, a slight increase from 2023. Pahang occupancy rates have steadily increased from 2018 to 2020, with a decline in 2021 and a recovery from 2022 till Q3/2024.



Source: NAPIC & Savills Research

11.3 Rental Rates

Selected hypermarkets in the prime area of Pahang see rental rates between RM1.47 per sq. ft. to RM40.00 per sq. ft. per month.

Located in Kuantan, ground floor units in the Berjaya Megamall hypermarket operate with a minimum rental rate of RM4.75 per sq. ft. up to RM12.65 per sq. ft. per month. Ground floor rental rates in Kuantan Parade hypermarket ranged between RM 2.00 per sq. ft. to RM33.22 per sq. ft. per month; East Coast Mall, located in a more mature area with residential neighbourhoods, commands a higher rental rate.

Pahang: Rental Rates of Selected Hypermarkets, 2023 to 1H 2024

Hypermarket	Floor/Level	Average Floor Area (sq. ft.)	Rental Range (RM per sq. ft./month)	
			2023	1H/2024
► Kuantan				
Kompleks Teruntum	Ground	301 - 4,327	1.40 - 3.30	1.40 - 3.30
	First	312 - 323	1.60 - 2.00	1.70 - 2.00
	Second	215 - 2,336	1.70 - 2.00	1.10 - 2.00
Berjaya Megamall	Ground	269 - 2,895	2.00 - 17.20	2.00 - 12.70
	First	388 - 10,473	1.30 - 3.10	1.30 - 3.10
	Second	872 - 7,029	1.00 - 5.00	1.00 - 5.00
Kuantan Parade	Ground	301 - 6,641	1.70 - 32.30	1.70 - 32.30
	First	237 - 807	0.70 - 4.10	0.70 - 4.10
	Second	797	1.30	1.30

PROPERTY MARKET OVERVIEW 2024

Hypermarket	Floor/Level	Average Floor Area (sq. ft.)	Rental Range (RM per sq. ft./month)	
			2023	1H/2024
► Kuantan				
East Coast Mall	Ground	334 - 3,531	7.00 - 38.10	7.00 - 38.10
	First	431 - 5,210	3.70 - 33.80	3.70 - 33.80
	Second	431 - 3,649	6.20 - 40.00	6.20 - 40.00
	Third	323 - 7,556	3.50 - 20.00	3.50 - 20.00
Plaza Gambut (MARA)	First	248 - 388	1.70	1.70
► Cameron Highlands				
Cameron Fair	Ground	161 - 1,012	8.50 - 10.50	8.50 - 10.50
	First	140 - 840	5.40 - 6.40	5.40 - 6.40
	Second	2,530 - 9,709	1.10 - 1.80	1.10 - 1.80
Cameron Square	Basement	570 - 1,711	8.00	8.00
	Ground	226 - 2,260	12.30	12.30
	First	570 - 3,832	8.00	8.00

Source: NAPIC & Savills Research

12.0 HYPERMARKET MARKET OUTLOOK

According to the Department of Statistics Malaysia (DOSM), total retail sales for the first nine months of 2024 reached RM569.3 billion, a 6.1% year-over-year (y-o-y) increase. Retail sales have shown steady growth in the second half of 2024, reflecting resilience and optimism in consumer spending. Inflation remains controlled at 1.8%. Government measures, such as the introduction of the Account Flexible (Account 3) by the EPF and civil servant pay raises, have helped stabilise consumer spending, supporting Retail Group Malaysia (RGM)'s forecast of a 3.9% retail sales growth for Q4/2024. Despite overall retail growth, the supermarket and hypermarket sub-sector experienced a y-o-y contraction of -0.5% in Q3/2024. However, RGM forecasts a recovery, with the supermarket and hypermarket sub-sector growth projected to turn positive in Q4/2024 at an estimated 4.2%. These figures suggest that while the hypermarket segment faces challenges, it continues to adapt and seek growth opportunities within Malaysia's evolving retail landscape.

The hypermarket segment remains resilient, albeit challenges faced by operators due to high operating costs, changing consumer preferences, competition from smaller retailers and e-commerce platforms. There has been a shift towards more convenience-based shopping, with consumers increasingly seeking value-for-money products and a wide selection of goods. In view of this, hypermarket continues to leverage on its economic scale of benefit to offer a wide range of goods at a competitive price. The shift towards e-commerce requires hypermarkets to enhance their online presence and delivery services to meet changing consumer preferences. Established players like AEON BiG, Lotus's, and Giant have undergone rebranding and store optimisation exercise via redesigning and remodeling existing stores. On the one hand, such strategic adaptation has enhanced customer in-store experience to sustain its existing stores operation, on the other hand, it supports the delivery services where the existing store will serve as distribution center within its catchment. In terms of its landscape expansion, hypermarket operators continue focusing on its niche market by offering convenience to residents in new township, particularly in sub-urban areas. In Q1/2024, the NSK Trade City in Skudai launched its first location in Johor. According to the NAPIC's database, there are about 28 hypermarkets in Johor Bahru and 57 in the Klang Valley as of Q3/2024.

PROPERTY MARKET OVERVIEW 2024

Notably, the retail market in Johor is poised for significant growth, driven by the upcoming Johor-Singapore Rapid Transit System (RTS) Link, providing better and faster access to and out of Johor from Singapore, and also the Johor-Singapore Special Economic Zone (JS-SEZ) will attract more investment and workers, expanding the consumer base for retail businesses and boosting spending in Johor. The increase in population density and workforce will drive higher demand for retail spaces and services, further enhancing the retail sector in the region. The continuous influx of Singaporeans in Johor, after another round of increase of GST from 8% to 9% by the Singapore government, effective 1st January 2024, will boost retail spending in Johor, especially in the hypermarket sector.

Several initiatives proposed for Pahang in 2024 are projected to help the city's population grow as job opportunities improve. The demand for consumables and household goods is then anticipated to rise, indicating strong retail demand. The anticipated increase in household spending could boost sales, particularly for essential goods. However, the burden of high debt servicing may lead consumers to be more price-sensitive, prompting hypermarkets to adopt competitive pricing strategies and promotions to attract cost-conscious shoppers. Nevertheless, due to its economic scale of benefits for having large minimum size and offering goods at competitive price, hypermarket will stay relevant and resilient in the retail market landscape.

Moving to the Northern of Peninsular Malaysia, Kedah is showing a positive trajectory for its hypermarket performance. Being the state leading in approved investments, the state has secured RM32.1 billion of foreign direct investment channeled to its manufacturing sector. This influx of investment is expected to boost local employment and spending, positively impacting the hypermarket segment.

ESG PERFORMANCE DATA

Economic Performance Data

Performance Indicators	2024	2023	2022
Tenant Satisfaction			
Overall 'Hello Axis' Tenant Satisfaction Ratings	4.25	4.31	4.22
'Hello Axis' Tenant Satisfaction Ratings by Building Type			
Multi-tenant	4.25	4.50	4.44
Single-tenant	4.24	4.12	4.00
Annual Tenant Satisfaction Survey Score	7.62	7.61	7.49
Occupancy Rate (%)	95	97	95
Quality Assets & Services - New Acquisitions			
Number of acquisitions and developments completed	9	1	4
Responsible Supply Chain Management			
Local Suppliers			
Total Procurement Spent on Local Suppliers (RM million)	72.7	196.2 ⁴	77.7 ⁴
Percentage Spent on Local Suppliers (%)	100	100	100
Supplier Training			
Total Number of Training Programmes Offered to Suppliers	32	48	34
Total Number of Attendees	592	884	450

Environmental Performance Data

Performance Indicators	2024	2023	2022
Total Common Areas (sq. ft.)	1,016,319.00	1,010,359.00	983,477.00
Energy & Carbon Footprint			
Energy Consumption			
Total Energy Consumption (MJ)	13,754,201.87 [#]	13,924,606.96	14,541,535.38
Fuel Consumption Genset (MJ)	42,048.84 [#]	47,099.19	44,068.98
Fuel Consumption Company Vehicle (MJ)	376,122.23 [#]	360,789.37	-
Purchased Electricity (MJ)	13,336,030.80 [#]	13,516,718.40	14,497,466.40
Building Energy Intensity (MJ/sq. ft.)	13.16 [#]	13.42	14.79
GHG Emissions			
Total GHG Emissions (tCO ₂ eq)	3,078.79	3,147.46 ¹	3,120.23 ¹
Scope 1 Emissions (tCO ₂ eq)	29.86 [#]	29.14	3.28
Scope 2 Emissions (tCO ₂ eq)	2,867.25 [#]	2,906.09 ²	3,116.96 ²
Scope 3 Emissions (tCO ₂ eq) Category 6: Business Travel	14.60	18.66 ³	-
Scope 3 Emissions (tCO ₂ eq) Category 7: Employee Commuting	167.08	193.57 ³	-
Building GHG Emissions Intensity (tCO ₂ eq/sq. ft.)	0.00282 [#]	0.00288 ²	0.00317 ²

¹ Data was restated due to the updated emission factors for Scope 1, 2 & 3.

² Data for Scope 2 GHG emissions and total building GHG emissions intensity for 2019 (Baseline), 2022 and 2023 were restated according to the updated grid emission factor (GEF) published by the EC.

³ Data for Scope 3 GHG emissions for 2023 has been restated according to the updated emission factors published by the Department for Environment, Food and Rural Affairs (DEFRA).

⁴ This data has been restated due to an update in the calculation methodology.

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

ESG PERFORMANCE DATA

Environmental Performance Data

Performance Indicators	2024	2023	2022
Water Management			
Total Water Withdrawal (m ³)	106,710 [#]	103,728	97,667
Water Intensity (m ³ /sq. ft.)	0.105 [#]	0.103	0.099
Waste Management			
Total Waste Disposed to Landfill (kg)	1,125,887	1,183,547	964,010
Total Waste Diverted from Disposal (kg)	44,920	42,710	35,754
Paper	25,050	24,090	19,768
Glass/Metal/Aluminium	8,990	8,795	7,421
Plastic	6,710	5,930	4,284
E-waste	4,170	3,895	4,281
Recycling Rate (%)	3.8	3.5	3.6
Total Construction Waste Reused and Recycled (kg)	N/A	88,150	5,301,650

Social Performance Data

Performance Indicators	2024	2023	2022
Occupational Health and Safety			
Workplace Injury Cases			
Fatalities	0 [#]	0	0
Lost Time Injuries	2 [#]	0	0
Restricted Work Cases/Medical Treatment	0 [#]	0	0
First Aid	0 [#]	0	0
Lost Time Incident Rate	2.45 [#]	0	0
Workplace Non-injury Cases			
Fire/Explosion	2 [#]	0	0
Property/Equipment Damage	0 [#]	0	0
Environmental Pollution	0 [#]	0	0
Summons Received	0 [#]	0	0
Non-compliance Incidents/Fines			
Non-compliance with HSE Policy	0 [#]	0	0
Non-compliance with applicable laws and regulations	0 [#]	0	0
Amount in fines incurred for regulatory non-compliance (RM)	0 [#]	0	0
Absentee Rate by Gender (%)			
Female	1.04 [#]	1.20	1.04
Male	1.64 [#]	1.12	2.50
Safe Days During the Year	364 [#]	365	365

Notes:

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

ESG PERFORMANCE DATA

Social Performance Data

Performance Indicators	2024	2023	2022
Talent Development			
Total Training Hours	891	957.5	657.7
Total Training Hours by Gender			
<i>Female</i>	414.5	519.5	289.1
<i>Male</i>	476.5	438.0	368.6
Total Training Hours by Employment Category			
<i>Senior Management</i>	292.5	440.5	236.5
<i>Middle Management</i>	197.0	135.0	83.0
<i>Executive</i>	335.5	257.0	277.0
<i>Non-Executive</i>	66.0	125.0	61.2
Average Training Hours per Employee	11.4	12.0	8.4
Average Training Hours by Gender			
<i>Female</i>	14.3	16.8	9.0
<i>Male</i>	9.7	8.9	8.0
Average Training Hours by Employment Category			
<i>Senior Management</i>	29.3	40.0	21.5
<i>Middle Management</i>	24.6	16.9	10.4
<i>Executive</i>	8.6	6.4	7.5
<i>Non-Executive</i>	3.1	6.0	2.8
Employees Receiving Performance and Career Development Reviews by Gender (%)			
<i>Female</i>	100	100	100
<i>Male</i>	100	100	100
Diversity & Inclusion			
Gender Composition by Employment Categories (%)			
<i>Senior Management</i>			
<i>Female</i>	10	10	10
<i>Male</i>	3	4	4
<i>Middle Management</i>			
<i>Female</i>	4	4	4
<i>Male</i>	6	6	6
<i>Executive</i>			
<i>Female</i>	19	21	22
<i>Male</i>	31	29	26
<i>Non-Executive</i>			
<i>Female</i>	4	4	5
<i>Male</i>	23	22	23

ESG PERFORMANCE DATA

Social Performance Data

Performance Indicators	2024	2023	2022
Diversity & Inclusion			
Age Group Composition by Employee Category (%)			
<i>Senior Management</i>			
<30	0	0	0
30-50	8	8	8
>50	5	6	6
<i>Middle Management</i>			
<30	0	0	0
30-50	8	8	8
>50	3	2	3
<i>Executive</i>			
<30	6	8	5
30-50	32	30	28
>50	11	12	14
<i>Non-Executive</i>			
<30	1	2	4
30-50	17	16	15
>50	9	8	9
Percentage of Employees Under Contract or Temporary Employees (%)	14	13	8
Total Number of New Hires by Employee Category			
<i>Senior Management</i>	0	0	0
<i>Middle Management</i>	0	0	1
<i>Executive</i>	2	4	4
<i>Non-Executive</i>	0	0	2
New Hires by Gender (%)			
<i>Female</i>	0	0	2.6
<i>Male</i>	2.5	5.1	6.5
New Hires by Age Group (%)			
<30	1.3	2.5	2.6
30-50	1.3	2.5	3.9
>50	0	0	2.6
Total Number of Employee Turnover by Employee Category			
<i>Senior Management</i>	1	0	0
<i>Middle Management</i>	0	1	1
<i>Executive</i>	3	1	2
<i>Non-Executive</i>	0	0	2
Employee Turnover Rate by Gender (%)			
<i>Female</i>	2.5	1.3	2.6
<i>Male</i>	2.5	1.3	3.9

ESG PERFORMANCE DATA

Social Performance Data

Performance Indicators	2024	2023	2022
Diversity & Inclusion			
Employee Turnover Rate by Age Group (%)			
<30	1.3	0	1.3
30-50	1.3	0	3.9
>50	2.5	2.5	1.3
Total Number of Parental Leave Taken by Gender			
Female	2	0	0
Male	2	1	0
Ratio of Basic Salary and Remuneration of Male to Female Employee by Employee Category			
Senior Management	1.0:1.3	1.0:1.1	1.0:1.0
Middle Management	1.0:1.1	1.0:1.1	1.0:1.1
Executive	1.0:0.9	1.0:0.8	1.0:0.8
Non-Executive	1.0:0.6	1.0:0.6	1.0:0.7
Human Rights & Labour Practices			
Number of substantiated complaints concerning human rights violations	0	0	0
Community Activity & Partnership			
Community Investment (RM'000)	201 [#]	181	193
Total number of beneficiaries of the investment in communities	978 [#]	85	12

Governance Performance Data

Performance Indicators	2024	2023	2022
Business Ethics			
Number of Compliance Breaches or Misconduct	0	0	0
Number of Whistleblowing Reports or Complaints Received	0	0	0
Percentage of Operations Assessed for Corruption-related Risks (%)	40	20	-
Percentage of Employees who Attended Anti-bribery and Corruption-related Training by Employee Category (%)			
Senior Management	100	100	100
Middle Management	100	100	100
Executive	100	100	100
Non-Executive	100	100	100
Cybersecurity and Data Protection			
Incidents of Cybersecurity Breaches	0	0	0
Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	0	0	0

Notes:

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

GRI CONTENT INDEX

Axis-REIT has reported the information with reference to the GRI Standards for the period covering the full calendar year from 1 January to 31 December 2024 as cited in this GRI content index.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Who We Are and What We Do - About Axis-REIT, pages 4 to 5
	2-2 Entities included in the organization's sustainability reporting	About Our Report, pages 2 to 3
	2-3 Reporting period, frequency and contact point	About Our Report, pages 2 to 3
	2-4 Restatements of information	About Our Report, pages 2 to 3
	2-5 External assurance	About Our Report, pages 2 to 3
	2-6 Activities, value chain and other business relationships	About Our Report, pages 2 to 3
	2-7 Employees	Diversity and Inclusion, pages 152 to 158
	2-8 Workers who are not employees	Diversity and Inclusion, pages 152 to 158
	2-9 Governance structure and composition	Corporate Governance Overview Statement, pages 171 to 185
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement, pages 171 to 185
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement, pages 171 to 185
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, pages 171 to 185
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Overview Statement, pages 171 to 185
	2-14 Role of the highest governance body in sustainability reporting	About Our Report, pages 2 to 3 Corporate Governance Overview Statement, pages 171 to 185
	2-15 Conflicts of interest	Audit Committee Report, pages 186 to 191
	2-16 Communication of critical concerns	Business Ethics, pages 125 to 128 Human Rights and Labour Practices, pages 159 to 160
	2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement, pages 171 to 185
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, pages 171 to 185
	2-19 Remuneration policies	Corporate Governance Overview Statement, pages 171 to 185
	2-20 Process to determine remuneration	Corporate Governance Overview Statement, pages 171 to 185
	2-22 Statement on sustainable development strategy	Letter to Unitholders from the Chairman & CEO, pages 32 to 36
	2-23 Policy commitments	Management of Material Sustainability Matters, pages 108 to 164
	2-24 Embedding policy commitments	Management of Material Sustainability Matters, pages 108 to 164

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Management of Material Sustainability Matters, pages 108 to 164
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics, pages 125 to 128 Human Rights and Labour Practices, pages 159 to 160
	2-27 Compliance with laws and regulations	Management of Material Sustainability Matters, pages 108 to 164
	2-28 Membership associations	Letter to Unitholders from the Chairman & CEO, pages 32 to 36
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, pages 82 to 85
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment, pages 86 to 88
	3-2 List of material topics	Materiality Assessment, pages 86 to 88
	3-3 Management of material topics	Management of Material Sustainability Matters, pages 108 to 164
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance, pages 108 to 110
	201-2 Financial implications and other risks and opportunities due to climate change	Our Climate Journey, pages 28 to 31 Risk and Opportunities, pages 89 to 98
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Diversity and Inclusion, pages 152 to 158
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Economic Performance, pages 108 to 110
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Responsible Supply Chain Management, pages 122 to 124
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics, pages 125 to 128
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics, pages 125 to 128
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics, pages 125 to 128
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Carbon Footprint, pages 131 to 135
	302-3 Energy intensity	Energy and Carbon Footprint, pages 131 to 135
	302-4 Reduction of energy consumption	Energy and Carbon Footprint, pages 131 to 135
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, pages 136 to 139
	303-3 Water withdrawal	Water Management, pages 136 to 139
	303-5 Water consumption	Water Management, pages 136 to 139
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Carbon Footprint, pages 131 to 135
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Carbon Footprint, pages 131 to 135
	305-3 Other indirect (Scope 3) GHG emissions	Energy and Carbon Footprint, pages 131 to 135
	305-4 GHG emissions intensity	Energy and Carbon Footprint, pages 131 to 135
	305-5 Reduction of GHG emissions	Energy and Carbon Footprint, pages 131 to 135

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, pages 140 to 143
	306-2 Management of significant waste-related impacts	Waste Management, pages 140 to 143
	306-3 Waste generated	Waste Management, pages 140 to 143
	306-4 Waste diverted from disposal	Waste Management, pages 140 to 143
	306-5 Waste directed to disposal	Waste Management, pages 140 to 143
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain Management, pages 122 to 124
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain Management, pages 122 to 124
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Diversity and Inclusion, pages 152 to 158
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity and Inclusion, pages 152 to 158
	401-3 Parental leave	Diversity and Inclusion, pages 152 to 158
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, pages 144 to 147
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, pages 144 to 147
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pages 144 to 147
	403-6 Promotion of worker health	Diversity and Inclusion, pages 152 to 158
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, pages 144 to 147
	403-9 Work-related injuries	Occupational Health and Safety, pages 144 to 147
	403-10 Work-related ill health	Occupational Health and Safety, pages 144 to 147
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Development, pages 148 to 151
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development, pages 148 to 151
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Development, pages 148 to 151
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and Inclusion, pages 152 to 158
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and Inclusion, pages 152 to 158
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights and Labour Practices, pages 159 to 160
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Supply Chain Management, pages 122 to 124 Human Rights and Labour Practices, pages 159 to 160

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible Supply Chain Management, pages 122 to 124 Human Rights and Labour Practices, pages 159 to 160
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Activity & Partnership, pages 161 to 164
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Activity & Partnership, pages 161 to 164
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain Management, pages 122 to 124
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain Management, pages 122 to 124
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity & Data Protection, pages 129 to 130

FREQUENTLY ASKED QUESTIONS (FAQ)

► How often does Axis-REIT make an income distribution?

Since 1 January 2009, Axis-REIT has changed its income distribution policy from semi-annual payments to quarterly payments that are payable within one month from the book closure date. In the event of an IDRPs being applied in conjunction with an income distribution, the income distribution will be paid no later than five market days after one month from the book closure date pursuant to the waiver granted by Bursa Securities dated 19 April 2012. However, in certain circumstances such as the issuance of new Units by Axis-REIT during the year, it may be necessary for a special income distribution to be declared and paid at a different period in order to attribute income distribution to existing Unitholders. This is to avoid any dilution as a result of the enlarged Unitholders' capital.

► How is this income distribution paid?

Payments are made via direct credit/cheques to each Unitholder with an attached Distribution Tax Voucher detailing the entitlement and the gross/net amount payable.

► Are there different types of income distributions?

Yes. At the Fund level, the source from which income is distributed could be derived from:

- The current year's realised income before taxation;
- The current year's tax-exempt income, if any;
- A portion of 'Accumulated Retained Earnings' that has been taxed;
- A portion of 'Accumulated Retained Earnings' that consists of tax-exempt income.

► What is the tax treatment of Unitholders?

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 the distribution of income which is tax-exempt at Axis-REIT's level:

Withholding tax will be deducted for distributions made to the following categories of Unitholders:

Type of Unitholder	Withholding tax rate		
	2024	2023	2022
► Resident corporate	Nil [^]	Nil [^]	Nil [^]
► Resident non-corporate	10%	10%	10%
► Non-resident individual	10%	10%	10%
► Non-resident corporate	24%	24%	24%
► Non-resident institution	10%	10%	10%

[^] Resident corporate Unitholders will enjoy tax transparency but will be subject to the prevailing corporate tax rate.

► How do I calculate my distribution?

The total income distribution for the financial year 2024, was 9.27 sen per Unit, of which 2.33 sen was derived from the utilisation of capital allowances, industrial building allowances and tax-exempt profit income, which is not subject to tax.

Assumption:
10,000 Axis-REIT Units

Type of Unitholder	Gross distribution (RM)	Net distribution to Unitholders after deduction of withholding tax (RM)
► Resident corporate*	927.00	927.00
► Resident non-corporate	927.00	857.60
► Non-resident individual	927.00	857.60
► Non-resident corporate	927.00	760.44
► Non-resident institution	927.00	857.60

* Resident corporate Unitholders will enjoy tax transparency but will be subject to the prevailing corporate tax rate.

► What is my net distribution yield for 2024?

For the financial year 2024, the total distribution was 9.27 sen per Unit.

Type of Unitholder	Net distribution yield based on IPO price of RM0.625*	Net distribution yield based on closing price of RM1.73 on 31 December 2024
► Resident corporate	14.83%	5.36%
► Resident non-corporate	13.72%	4.96%
► Non-resident individual	13.72%	4.96%
► Non-resident corporate	12.17%	4.40%
► Non-resident institution	13.72%	4.96%

* Restated from RM1.25 to reflect the Unit Split.

► Where can a Unitholder view the Deed of Axis-REIT?

The Deed is available for inspection during ordinary business hours at the principal place of business of the Manager and at the principal place of business of the Trustee.

FREQUENTLY ASKED QUESTIONS (FAQ)

► What is the total number of Axis-REIT Units currently in issue?

A total of 2,010,492,159 Units were in circulation as at 31 December 2024.

► How can new Units be issued?

The Manager may, from time to time, recommend an increase in the number of Units by way of a rights or bonus issue to existing Unitholders in proportion to their holdings of Units, or by way of private placement or such other methods as may be permitted under the SC's Guidelines on Listed REITs. The issuance of new Units is an avenue for Axis-REIT to finance acquisitions or to balance the financing-equity matrix of the Fund.

Any issuance of new Units in Axis-REIT will be subject to the prior approval of the Trustee and Unitholders in the manner stipulated in the Deed, and subject to the applicable laws and requirements.

► What are my rights as a Unitholder?

The key rights of Unitholders include rights to receive income and other distributions attributable to the Units held, receive the fund reports of Axis-REIT, and participate in the termination of Axis-REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of Axis-REIT less any liabilities, in accordance with their proportionate interests in Axis-REIT. Unitholders are also entitled to vote on resolutions tabled at meetings of Unitholders.

► How can the Deed be amended?

Any amendment to the Deed involving a material change to the investment objectives of Axis-REIT, or materially or adversely affecting the rights of the Unitholders, may only be approved by a resolution of not less than two-thirds (2/3) of the Unitholders passed at a meeting of Unitholders duly convened and held in accordance with the Deed. In cases where any amendment to the Deed does not require Unitholders' approval, no amendment may be made to the Deed unless the Trustee and the Manager certify, in their opinion, that the amendment does not materially prejudice the interests of Unitholders and does not operate to release (to any material extent) the Trustee or the Manager from any responsibility to the Unitholders.

► When does Axis-REIT need to hold its AGM?

The AGM of Axis-REIT shall be held once in every calendar year within 4 months of the Fund's financial year end, and not more than 15 months after the last preceding AGM was held. At the AGM, the Manager shall lay before the Unitholders, the annual audited

financial statements of Axis-REIT made up to a date not more than 4 months before the date of the AGM.

► Who may convene a meeting of Unitholders?

Either the Trustee or the Manager may convene a meeting of Unitholders at any time, subject to the provisions of the Deed. Unitholders may requisition for a meeting of Unitholders by submitting to the Manager an application to be made by not fewer than 50, or one tenth, whichever is lesser, of all Unitholders. Subject to the provisions of the Deed, the Manager will have to convene a meeting of Unitholders within 21 days after such requisition is submitted to the Manager at its registered office.

► Can the Manager vote at Unitholders' meetings of Axis-REIT?

No, unless it is a meeting held for the proposed removal of the Manager. However, related parties (as defined in the Deed) of the Manager may vote, provided that they have no interest in the outcome of the transaction laid before the meeting for approval.

► Why was Axis-REIT reclassified into an Islamic REIT?

Axis-REIT was reclassified into an Islamic REIT:

- To widen its investor base to include local Islamic funds and also to develop investor interest from foreign Islamic funds;
- To expedite its asset growth with new strategic partners; and
- To become the first Office/Industrial REIT on a global platform which complied with the SC's Guidelines on Islamic REITs at that time.

► What are the salient compliance requirements of an Islamic REIT pursuant to the SC's ICMPS Guidelines applicable to Axis-REIT?

The salient compliance requirements are as follows:

- Rental obtained from Shariah non-compliant activities must not exceed 5% of the total turnover of Axis-REIT;
- Axis-REIT is not permitted to own real estate in which all the tenants operate Shariah non-compliant activities even if the percentage of rental based on total turnover is below the 5% benchmark;
- Investments in non-real estate assets, deposits and money market instruments and financing facilities must comply with the Shariah principles; and
- Axis-REIT must use Takaful schemes to insure its real estate, unless Takaful is not available or commercially viable.

FREQUENTLY ASKED QUESTIONS (FAQ)

► What are Shariah non-compliant activities?

- (a) conventional banking and lending;
- (b) conventional insurance;
- (c) gambling;
- (d) liquor and liquor-related activities;
- (e) pork and pork-related activities;
- (f) non-halal food and beverages;
- (g) tobacco and tobacco-related activities;
- (h) stockbroking or share trading in Shariah non-compliant securities;
- (i) Shariah non-compliant entertainment; and
- (j) other activities deemed non-compliant according to Shariah principles, as determined by the SAC of the SC.

► Must Axis-REIT comply with additional requirements prescribed by the SC for Islamic REITs?

Yes. Previously, the SC's Guidelines on Listed REITs essentially provided Shariah guidance on the investment and business activities of Islamic REITs. On 28 November 2022, the SC consolidated all the existing Shariah requirements which were previously set out in various SC guidelines, into one single regulatory document i.e. the ICMPs Guidelines, to govern those offering Islamic capital market products and services. The Shariah requirements had been removed from the SC's Guidelines on Listed REITs and Axis-REIT must comply with the ICMPs Guidelines effective from 28 November 2022 onwards.

GLOSSARY

<IR>	Framework International <IR> Framework
AEIs	Asset Enhancement Initiatives
AFM	Axis Facilities Management Sdn Bhd
AGM	Annual General Meeting
ARMB or the Manager	Axis REIT Managers Berhad, being the Manager of Axis-REIT
Axis-REIT/the Fund/the Trust	Axis Real Estate Investment Trust
Bursa Securities	Bursa Malaysia Securities Berhad
Deed	The Fourth Principal Deed dated 17 January 2020 executed between the Trustee and the Manager constituting Axis-REIT
DPU	Distribution per Unit
ESG	Environmental, Social and Governance
FYE	Financial Year Ended/Ending
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
Financing ratio	Financing to Total Assets
IAR2024	Integrated Annual Report 2024
IDRP	Income Distribution Reinvestment Plan
MER	Management Expense Ratio
NAV	Net Asset Value
NLA	Net Lettable Area, which consists of the total gross floor area less the common areas, such as corridors, amenities area and management offices of the building
p.a.	Per annum
Property Manager	Axis Property Services
Q	Quarter
REIT(s)	Real Estate Investment Trust(s)
RM and sen	Ringgit Malaysia and sen, respectively
SAC	Shariah Advisory Council
SC	Securities Commission Malaysia
SC's Guidelines on Islamic Capital Market Products and Services/ICMPS Guidelines	Guidelines on Islamic Capital Market Products and Services issued by the SC on 28 November 2022, as may be amended from time to time
SC's Guidelines on Listed REITs	Guidelines on Listed Real Estate Investment Trusts issued by the SC on 15 March 2018, as may be amended from time to time
SPT	Specific Performance Target for Sustainability-linked financing
Trustee of Axis-REIT/the Trustee	RHB Trustees Berhad, being the Trustee of Axis-REIT
Unit(s)	Undivided interest(s) in Axis-REIT as constituted by the Deed
Unit Split	Subdivision of every one existing Unit into two Units that was completed on 9 September 2015
Unitholder(s)	Holder(s) of the Units
WALE	Weighted Average Lease Expiry

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth (13th) Annual General Meeting (AGM) of Axis Real Estate Investment Trust (Axis-REIT) will be convened and held at Ground Floor, Lobby 1 Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan on Thursday, 24 April 2025 at 10.00 a.m., for the following purposes:

ORDINARY BUSINESS

To receive the Audited Financial Statements for the financial year ended 31 December 2024 of Axis-REIT together with the Reports attached thereon.

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions of Axis-REIT:

ORDINARY RESOLUTION NO. 1

PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW UNITS IN AXIS-REIT (UNITS) OF UP TO 20% OF THE TOTAL NUMBER OF UNITS ISSUED IN AXIS-REIT, TO FACILITATE A PLACEMENT EXERCISE (PROPOSED RENEWAL OF AUTHORITY)

“**THAT** pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), and subject to requisite approvals being obtained, approval be and is hereby given to the Directors of Axis REIT Managers Berhad (Manager) to allot and issue new Units, to facilitate Axis-REIT in raising funds via a placement exercise (Proposed Placement), at any time to any such persons, upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the aggregate number of new Units to be issued pursuant to this resolution, when aggregated with the number of Units issued during the preceding 12 months, does not exceed 20% of the total number of Units issued in Axis-REIT;

THAT such authority, once renewed, shall continue to be in force until:

- (i) the conclusion of the next AGM of Axis-REIT following this AGM where the Proposed Renewal of Authority is passed, at which time the authority will lapse, unless by a resolution passed by the Unitholders at that AGM, such authority is renewed; or
- (ii) the Proposed Renewal of Authority is revoked or varied by a resolution passed by the Unitholders at a Unitholders' meeting,

whichever is the earliest;

THAT such new Units to be issued under the Proposed Placement (Placement Units) shall, upon allotment and issue, rank equally in all respects with the Units already in existence except that the Placement Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the Placement Units;

AND THAT authority be and is hereby given to the Directors of the Manager and RHB Trustees Berhad (Trustee) (acting for and on behalf of Axis-REIT), to give effect to the Proposed Renewal of Authority including but not limited to the creation of the requisite new Units and with full powers to assent to any condition, modification, variation, arrangement and/or amendment in relation to the Proposed Renewal of Authority as they may deem fit in the best interest of Axis-REIT and/or as may be imposed by the relevant authorities **AND FURTHER THAT** the Directors of the Manager and the Trustee (acting for and on behalf of Axis-REIT), are to implement, finalise, complete and do all such acts and things (including executing such documents as may be required) in relation to the Proposed Renewal of Authority.”

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION NO. 2

PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW UNITS FOR THE PURPOSE OF THE INCOME DISTRIBUTION REINVESTMENT PLAN (IDRP) THAT PROVIDES THE UNITHOLDERS OF AXIS-REIT THE OPTION TO REINVEST THEIR INCOME DISTRIBUTION INTO NEW UNITS (PROPOSED RENEWAL OF IDRP AUTHORITY)

“**THAT** pursuant to the IDRP as approved by the Unitholders at the Unitholders’ meeting convened and held on 26 July 2011 and subject to requisite approvals being obtained, approval be and is hereby given to the Directors of the Manager to allot and issue new Units from time to time pursuant to the IDRP upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the issue price of the said new Units, which will be fixed by the Directors of the Manager on the price-fixing date to be determined and announced (Price-Fixing Date), shall not be more than 10% discount to the 5-day volume weighted average market price (VWAMP) of the Units immediately prior to the Price-Fixing Date, of which the 5-day VWAMP shall be adjusted ex-income distribution before applying the aforementioned discount;

THAT such authority, once renewed, shall continue to be in force until:

- (i) the conclusion of the next AGM of Axis-REIT following this AGM where the Proposed Renewal of IDRP Authority is passed, at which time the authority will lapse, unless by a resolution passed by the Unitholders at that AGM, such authority is renewed; or
- (ii) the Proposed Renewal of IDRP Authority is revoked or varied by a resolution passed by the Unitholders at a Unitholders’ meeting,

whichever is the earliest;

THAT such new Units to be issued under the Proposed Renewal of IDRP Authority (IDRP Units) shall, upon allotment and issue, rank equally in all respects with the Units already in existence except that the IDRP Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distribution that may be declared, made or paid before the date of allotment and issue of such IDRP Units;

AND THAT authority be and is hereby given to the Directors of the Manager and the Trustee (acting for and on behalf of Axis-REIT), to give effect to the Proposed Renewal of IDRP Authority including but not limited to the creation of the requisite new Units and with full powers to assent to any condition, modification, variation, arrangement and/or amendment in relation to the Proposed Renewal of IDRP Authority as they may deem fit in the best interest of Axis-REIT and/or as may be imposed by the relevant authorities **AND FURTHER THAT** the Directors of the Manager and the Trustee (acting for and on behalf of Axis-REIT), are to implement, finalise, complete and do all such acts and things (including executing such documents as may be required) in relation to the Proposed Renewal of IDRP Authority.”

By Order of the Board of

AXIS REIT MANAGERS BERHAD (200401010947 (649450-W))

Management company of Axis Real Estate Investment Trust

Rebecca Leong Siew Kwan

Chartered Secretary

(SSM PC No. 202008000587) (MAICSA 7045547)

Petaling Jaya

14 March 2025

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

Notes:

- (1) A Unitholder shall be entitled to attend, speak and vote at any meeting of Unitholders and shall be entitled to appoint up to 2 persons, whether a Unitholder or not, as its proxy to attend, speak and vote on the Unitholder's behalf.
- (2) Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend, speak and vote at the meeting and shall be entitled to appoint up to 2 persons (whether a Unitholder or not) as its proxy to attend, speak and vote on the Unitholder's behalf.
- (3) If the Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (Authorised Nominee), it may appoint at least 1 proxy (but no more than 2) in respect of each securities account it holds with units of Axis-REIT (Units) standing to the credit of the said securities account.
- (4) If the Unitholder is an exempt Authorised Nominee which holds Units for multiple beneficial owners in 1 securities account (Omnibus Account), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- (5) But where 2 proxies are appointed, the appointment shall be invalid unless the proportions of holdings to be represented by each proxy are specified in the Instrument of Proxy.
- (6) Only a depositor whose name appears in the Record of Depositors of Axis-REIT as at 17 April 2025 shall be regarded as a Unitholder and entitled to attend and vote at the meeting or appoint proxy(ies) to attend and vote on his/her behalf.
- (7) The Instrument of Proxy shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if the appointor is a corporation, the Instrument of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- (8) To be valid, the original Instrument of Proxy duly completed and signed must be deposited at the office of the Registrars at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time appointed for holding the meeting (facsimile copy or soft copy of the Instrument of Proxy would be disregarded).

Additional Information:

Please refer to the Administrative Guide for Unitholders which is available on the corporate website of Axis-REIT at <https://www.axis-reit.com.my/investor/agm.php> for more details of this physical AGM. The Instrument of Proxy is also available for download from the same link.

EXPLANATORY NOTES ON:

Ordinary Business

There shall be no voting on the Ordinary Business of this AGM given that the laying of the Audited Financial Statements for the financial year ended 31 December 2024 of Axis-REIT together with the Reports attached thereon, before the Unitholders at this AGM, is meant for discussion only. This is in accordance with Paragraph 13.18(b) of the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia.

Other than the aforesaid Ordinary Business, there is no other ordinary business to be transacted at this AGM.

Special Business – Ordinary Resolution No. 1 : Proposed Renewal of Authority

- (a) The Manager proposes to renew the authority to allot and issue up to 20% of the total number of Units issued in Axis-REIT, to facilitate Axis-REIT in raising funds via the Proposed Placement. The Proposed Renewal of Authority will empower the Directors with the flexibility to allot and issue new Units at any time via the Proposed Placement to any such persons, upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the aggregate number of new Units to be issued pursuant to the Proposed Renewal of Authority, when aggregated with the number of Units issued during the preceding 12 months, does not exceed 20% of the total number of Units issued in Axis-REIT.
- (b) The Directors of the Manager had implemented a placement exercise pursuant to the general mandate, which was procured and approved by the Unitholders at the Twelfth AGM of Axis-REIT convened and held on 25 April 2024, where 263,000,000 new Placement Units were issued and listed on Bursa Securities on 18 November 2024. The proceeds raised from this placement exercise were utilised to partly repay Axis-REIT's existing bank financing (including finance cost payable), which were taken up to finance acquisitions of real estate and also to provide financial headroom for future investments.

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

- (c) With the Proposed Renewal of Authority, delays and further costs involved in convening separate Unitholders' meetings to approve such issue of new Units to raise funds can be avoided. The Manager will have the flexibility to raise funds via the Proposed Placement for Axis-REIT, as and when such need arises. The proceeds, after deducting the estimated expenses, to be raised from the issuance of the Placement Units, may be used, at the Directors' absolute discretion, for:
- (i) repayment of Axis-REIT's existing bank financing (including finance cost payable);
 - (ii) future investments;
 - (iii) capital expenditure, including development costs; and
 - (iv) working capital purposes.

Special Business – Ordinary Resolution No. 2 : Proposed Renewal of IDRP Authority

- (a) The Manager proposes to renew the authority to allot and issue new Units for the purpose of the IDRP. The Proposed Renewal of IDRP Authority will empower the Directors with the flexibility to allot and issue new Units from time to time pursuant to the IDRP upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the issue price of the said new Units, which will be fixed by the Directors of the Manager on the Price-Fixing Date, shall not be more than 10% discount to the 5-day VWAMP of the Units immediately prior to the Price-Fixing Date, of which the 5-day VWAMP shall be adjusted ex-income distribution before applying the aforementioned discount.
- (b) Axis-REIT had applied the IDRP to the final income distribution for the period from 13 November 2024 to 31 December 2024 (2024 Final Income Distribution) which was declared on 23 January 2025 (2024 IDRP). In the event that all Unitholders elect to reinvest their entire electable portion of the 2024 Final Income Distribution into new Units, the total number of Units to be issued under the 2024 IDRP will be up to 14,671,490 new Units. The new Units to be issued under the 2024 IDRP will be listed on the Main Market of Bursa Securities on 26 March 2025.
- (c) The proceeds to be raised from the new Units to be issued under the 2024 IDRP in conjunction with the 2024 Final Income Distribution (after deducting the related issuing expenses), will be utilised in the manner as provided in (d) below.
- (d) With the Proposed Renewal of IDRP Authority, delays and further costs involved in convening separate Unitholders' meetings to approve such issue of new Units can be avoided. Any proceeds to be raised from the issuance(s) of new Units pursuant to the Proposed Renewal of IDRP Authority, if such authority is renewed at the forthcoming AGM, shall be utilised for the following purposes:
- (i) asset enhancement initiatives, which include the refurbishment and/or renovation of properties as well as payment of premiums/considerations for the extension of lease periods of leasehold properties and leases in the portfolio of Axis-REIT; and/or
 - (ii) any other purpose that the Manager and the Trustee deem fit and in the best interest of the Unitholders.

Personal Data Notice

Axis REIT Managers Berhad, being the management company of Axis-REIT is committed to ensure the processing of personal data by us is in accordance with the Personal Data Protection Act 2010. The personal data processed by us may include your name, contact details, mailing address, any other personal data derived from any documentation and such other necessary data regarding yourself and/or your dealings with us. Your personal data may be collected from information you may have provided us, information from third parties and information in the public domain. We may use or disclose your personal data to any person we may engage for the purpose of the issuance of the Notice of AGM, processing of the Instrument of Proxy, convening of the AGM of Axis-REIT and for any other purposes that is required or permitted by any law, regulations, guidelines and/or relevant regulatory authorities.

For more information regarding the use of your personal data by us, please read our Privacy Notice which is available on Axis-REIT's website at www.axis-reit.com.my.

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REAL ESTATE INVESTMENT TRUST

(A real estate investment trust constituted under the laws of Malaysia)

INSTRUMENT OF PROXY

Central Depository System Account No.	No. of Units held in Axis-REIT

*I/We (full name of individual/corporation)

*MyKad/Passport No./Registration No. Contact No.

Email address

of (address)

being a Unitholder of **Axis Real Estate Investment Trust (Axis-REIT)** hereby appoint the following:

Full Name (In block letters):		MyKad/Passport No.:		Proportion of Unitholdings	
				No. of Units	Percentage (%)
Address:					
Email address:		Contact No.:			

***OR failing him/her/AND,**

Full Name (In block letters):		MyKad/Passport No.:		Proportion of Unitholdings	
				No. of Units	Percentage (%)
Address:					
Email address:		Contact No.:			

or failing him/her, *the Chairman of the meeting as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Thirteenth Annual General Meeting (13th AGM) of Axis-REIT to be convened and held at Ground Floor, Lobby 1 Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 24 April 2025, at 10.00 a.m.**, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following ordinary resolutions:

VOTING INSTRUCTIONS

NO.	RESOLUTION	FOR	AGAINST
Ordinary Resolution No. 1	Proposed Renewal of Authority		
Ordinary Resolution No. 2	Proposed Renewal of IDRP Authority		

Please indicate with an "X" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he/she thinks fit.

Dated this day of 2025

.....

Signature of Unitholder OR Common Seal

* Strike out whichever is not desired.

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**AFFIX
STAMP**

Management Company of Axis Real Estate Investment Trust
Axis REIT Managers Berhad
c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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www.axis-reit.com.my



Prepared by:

Axis REIT Managers Berhad (200401010947 (649450-W))

As the Manager of Axis-REIT

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