REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted under the laws of Malaysia)

MINUTES OF TENTH ANNUAL GENERAL MEETING OF AXIS REAL ESTATE INVESTMENT TRUST HELD ON A VIRTUAL BASIS FROM THE BROADCAST VENUE AT BOARDROOM, PENTHOUSE, MENARA AXIS, NO. 2, JALAN 51A/223, 46100 PETALING JAYA, SELANGOR DARUL EHSAN ON THURSDAY, 28 APRIL 2022 AT 10.00 A.M. (MALAYSIA TIME)

Present:

Directors* (at the broadcast venue):
Tew Peng Hwee @ Teoh Peng Hwee (Chairman of the Meeting)
(Non-Independent Non-Executive Director)
Leong Kit May *(Chief Executive Officer/ Executive Director)*

Company Secretary* (at the broadcast venue):
Rebecca Leong Siew Kwan *(Company Secretary & Head of Compliance)*

Directors* (Remote attendance via the RPEV facilities):
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin
(Independent Non-Executive Chairman)
Dato' Abas Carl Gunnar Bin Abdullah *(Executive Deputy Chairman)*
Datuk Seri Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor
(Independent Non-Executive Director)
Mohd Sharif Bin Haji Yusof *(Senior Independent Non-Executive Director)*
Alvin Dim Lao *(Non-Independent Non-Executive Director)*
Alex Lee Lao *(Alternate Director)*
Maxine Teoh Sui Vern *(Alternate Director)*

Others as per attendance records

** Referring to Directors and Company Secretary of Axis REIT Managers Berhad, the management company of Axis-REIT*

1. CHAIRMAN OF MEETING

Mr Tew Peng Hwee @ Teoh Peng Hwee was elected by the Board of Directors ("Board") of Axis REIT Managers Berhad ("ARMB" or "Manager"), the management company of Axis Real Estate Investment Trust ("Axis-REIT" or "Fund") to preside as Chairman at the Tenth Annual General Meeting ("AGM" or "Meeting") of Axis-REIT, in accordance with the provisions of Axis-REIT's trust deed ("Trust Deed").

On behalf of the Board of ARMB, the Chairman welcomed the Unitholders and proxies who participated in the AGM remotely from various locations through live streaming.

The Chairman informed the Meeting that in line with the Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia ("SC"), the Board of the Manager, had decided that the AGM be held virtually without physical attendance by Unitholders, corporate representatives and proxies at the broadcast venue.

The Chairman also thanked the Unitholders and investors for their trust in Axis-REIT as the Fund had seen a significant increase in the total number of Unitholders since the pre-movement control order ("MCO") period in 2020, where it had doubled up from 5,500 Unitholders to more than 11,000.

2. QUORUM

Before proceeding to the meeting proper, the Secretary being called upon by the Chairman, confirmed that there was a quorum present for the Meeting.

The Chairman then called the Meeting to order and declared the Meeting duly convened.

3. INTRODUCTION

The Chairman introduced the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Company Secretary, the Auditors and the Scrutineers, both from KPMG PLT, who were present at the broadcast venue as well as Directors who were attending the AGM remotely.

The Chairman of the Meeting informed that YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin, the Chairman of the Board, was unable to physically chair the AGM as he was unwell.

4. NOTICE OF MEETING

The Chairman informed the Meeting that the Notice convening the AGM was issued and made electronically available to all Unitholders of Axis-REIT on 28 February 2022 in accordance with the mode prescribed in the Trust Deed of Axis-REIT.

With the permission of the Meeting, the Notice of the AGM having been circulated to all Unitholders in accordance with the prescribed requirements and period, was taken as read.

5. POLLING AND ADMINISTRATIVE DETAILS

The Chairman advised the Meeting that the voting at the AGM would be by poll in line with the requirements of Bursa Malaysia Securities Berhad.

As there was no legal requirement for a proposed resolution to be seconded, the Chairman explained that he would take the Meeting through each item on the Agenda accordingly and propose the resolution for the Unitholders' consideration. He then invited the Secretary to explain the voting procedures.

6. VOTING PROCEDURES

The Secretary gave an overview of the voting procedures and informed the Unitholders and proxies present virtually at the Meeting of their rights to participate and vote remotely at the AGM.

The Secretary highlighted that the Manager had taken all efforts and tried their best to ensure a smooth live streaming, however the quality of the broadcast may be affected by the participants' own internet bandwidth connection and stability.

Axis-REIT had appointed Boardroom Share Registrars Sdn. Bhd. as the Poll Administrator to conduct the polling process and KPMG PLT as the Independent Scrutineers to verify the poll results.

The electronic voting guidelines were then screened to demonstrate the electronic voting process via the remote participation and electronic voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn. Bhd.

After the screening, the Chairman proceeded to inform that there were Unitholders who were unable to participate in the Meeting via the online platform and had appointed him to vote on their behalf. Accordingly, the Chairman said he would be voting in his capacity as proxy in accordance with their instructions.

The Chairman also informed that the Unitholders and proxies may use the message box function under the RPEV facilities to transmit their questions in real time during the Meeting.

The Chairman informed that for the smooth running of the AGM's proceedings, the question and answer session ("Q&A Session") would be conducted after all items on the Agenda had been dealt with.

He highlighted that in the interest of time, the Board of the Manager may not be able to address all questions received. The questions received would be moderated to avoid repetition and may also be summarised for expediency.

7. CORPORATE PRESENTATION

The Chairman invited the CEO to share with the Meeting the corporate presentation on the overall performance of Axis-REIT.

The CEO briefed the Meeting with a slide presentation on the highlights and overview of the financial and business performance of Axis-REIT and its portfolio of properties, financial results for the financial year ended ("FYE") 31 December 2021 ("FYE2021") and the financial results for the first quarter of 2022, investment and development activities, as well as Axis-REIT's stock information.

After the presentation had concluded, the Chairman took over from the CEO and continued with the proceedings of the Meeting.

8. AUDITED FINANCIAL STATEMENTS FOR FYE2021 TOGETHER WITH THE REPORTS ATTACHED THEREON

The Audited Financial Statements ("AFS") of Axis-REIT for FYE2021 and the Reports attached thereon were tabled and laid before the Meeting. He reiterated that questions on the AFS would be attended to after all the motions had been moved.

In view that the first Agenda on the AFS was only meant for discussion and shall not be put forward for voting, the Chairman declared that the AFS of Axis-REIT for FYE2021 together with the Reports of the Directors and Auditors thereon, be received.

The Chairman then proceeded to the next 2 items on the Agenda under Special Business.

9. 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")

The Chairman advised the Meeting that the motion under the Ordinary Resolution No. 1 was to seek the Unitholders' approval to renew the authority for the Board to allot and issue new Units in Axis-REIT of up to 20% of the total number of Units issued in Axis-REIT, to facilitate a placement exercise.

The Chairman then proposed the Ordinary Resolution No. 1 as follows to be put to vote by poll:

"**THAT** pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and subject to requisite approvals being obtained, approval be 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."

The Chairman informed the Meeting that questions relating to the above resolution would be dealt with at the Q&A Session later. He then informed the Meeting that the e-voting session would commence and the Unitholders and proxies may proceed to cast and submit their votes via the portal, until the closure of the voting session to be announced later.

The Chairman then proceeded to the final special business on the Agenda.

10. ORDINARY RESOLUTION NO. 2
PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE UP TO 127,194,246 NEW UNITS IN AXIS-REIT FOR THE PURPOSE OF THE INCOME DISTRIBUTION REINVESTMENT PLAN ("IDRP") THAT PROVIDES THE UNITHOLDERS OF AXIS-REIT THE OPTION TO REINVEST THEIR INCOME DISTRIBUTION IN NEW UNITS ("PROPOSED RENEWAL OF IDRP AUTHORITY")

The Chairman informed that Ordinary Resolution No. 2 was to seek the Unitholders' approval to renew the authority for the Board to allot and issue up to 127,194,246 new Units in Axis-REIT for the purpose of the IDRP.

The Chairman then proposed the Ordinary Resolution No. 2 as follows to be put to vote by poll:

"**THAT** pursuant to the approval from the Unitholders obtained on 21 August 2015 for, among others, the renewal of the authority to allot and issue new Units for the purpose of the IDRP, approval be and is hereby given for the renewal of the authority for the Board 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 aggregate number of the new Units to be issued pursuant to this resolution does not exceed 127,194,246 new Units;

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 shall, upon allotment and issue, rank equally in all respects with the Units already in existence except that the 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 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."

11. QUESTION AND ANSWER SESSION

After tabling all the resolutions, the Chairman announced that the Meeting was opened for Q&A Session. The Chairman then invited the CEO to assist the Board by guiding the Meeting through the Q&A Session.

The CEO took over and informed that most questions relating to the financial and property performance of Axis-REIT had already been answered in her presentation earlier. She then addressed the questions received by Axis-REIT prior to the Meeting and the questions submitted by the Unitholders and proxies during the Meeting.

The answers and clarifications were provided by the CEO and the CFO accordingly, in response to the following questions received:

(i) Reason for the non-audit fees being higher than audit fees

The higher non-audit fee incurred is in respect of the consultancy fee for services rendered in connection with the integrated reporting requirement under the best practice applicable to a large company.

(ii) Diversification into non-industrial properties

Axis-REIT's portfolio is diversified but predominantly industrial focused. In the past few years, the acquisition drive has been focusing on industrial properties which are more resilient with long lease periods. As such, the Fund will continue to focus on industrial properties. The demand for logistics warehouses is strong and sustainable mainly due to the surge in e-commerce and disruptions in the supply chain over the last 2 years.

(iii) Have Axis REIT tenants experienced significant payment difficulties due to COVID-19 and has this had an impact on the Fund?

In the last 2 years of 2020 and 2021, the rental collection had not been significantly affected by the MCO periods and the pandemic, as evident from the provision for doubtful debts for the last 2 years which was only around 0.03% of total revenue.

(iv) Increasing the number of data centre properties within Axis-REIT's portfolio

Axis-REIT is open to adding data centre properties into its portfolio and it already owned one data centre in Petaling Jaya. Currently, the number of data centres that have been built in Malaysia is limited. However, this sector has been growing and Axis-REIT do review and keep a lookout for such opportunities.

(v) Future plans to explore green financing

The Fund is looking into green financing to further enhance its environmental, social and governance ("ESG") initiatives.

The Fund will be exploring with banks on the viability to develop green/sustainable financing as part of the Business Plan and key performance indicators established for FYE2022 – FYE2023.

(vi) Cost of ESG compliance to the Fund

ESG initiatives have been an ongoing effort for the last few years. There was no absolute amount that is directly attributed to ESG compliance because ESG initiatives are improvements that the Manager has gradually adopted into the daily operations in managing the portfolio of Axis-REIT. This ESG journey is to ensure that the portfolio and the Fund continue to be sustainable in generating returns to the Unitholders.

(vii) Acquisitions planned for the financial year 2022

As of the announcement made to Bursa Securities on 25 April 2022, Axis-REIT had completed one more acquisition of property known as DW1 Logistics Warehouse in Johor for RM390 million. The Fund now owns a total of 61 properties. Axis-REIT is continuously on the lookout for the right assets to be added into its portfolio.

Following the completion of the placement exercise in December 2021, Axis-REIT was able to raise funds to grow the portfolio and with the recently completed DW1 Logistics Warehouse, the financing ratio went up to 37%. At this level, the Fund still has sufficient headroom to finance future acquisitions and grow.

(viii) Does Axis-REIT have a capital recycling policy? Does Axis-REIT plan to divest older and lower yielding assets to raise capital to acquire higher yielding assets?

The Fund's investment strategy is to expand the property portfolio through an active and responsible acquisition pipeline while leveraging on industry insights and the Fund's strong balance sheet.

On divestments, Axis-REIT had divested 4 properties over the last 17 years, which then were due to strategic reasons and not purely looking at the yield level of those properties upon disposal.

(ix) The recent acquisition of property in Pelabuhan Tanjung Pelepas ("PTP") relates to a leasehold land with an unexpired term of 33 years. What happen when the lease expires and whether is there a renewal option?

Yes. The Manager, on behalf of Axis-REIT, will discuss with the Main Lessee, Pelabuhan Tanjung Pelepas Sdn. Bhd., on the extension of the lease nearer to the expiry of the term. In fact, the Fund had, in year 2021, extended the lease of D21 Logistics Warehouse located in PTP for a further 30 years. Based on the foregoing, the Manager believes the same will apply to this property and will work closely with the Main Lessee accordingly.

(x) Will income distribution rate return to that in pre-pandemic era?

Income distribution payouts for the last 2 years had not been significantly impacted by the pandemic and the Fund recognized an increase of 8% in the income distribution payout in FYE2021.

(xi) Breakdown of the portfolio between freehold and leasehold. Which property has the shortest lease?

The breakdown details are disclosed in the 2021 Integrated Annual Report and the portfolio comprises: 38% freehold, 53% leasehold and 9% registered leases. The leasehold properties in the portfolio have an average of 48 years to expiry with the shortest remaining lease period at 28 years.

(xii) Will Axis-REIT be affected by the imposition of the minimum wage?

The minimum wage coming into effect on 1 May 2022 will have a minimal impact on Axis-REIT's business. It may affect to certain extent the multi-tenanted buildings and offices where there are labour services involved such as security and landscaping services. 76% of the portfolio comprises of single tenants and the tenants operate and manage the properties at their end. The expenses to be incurred by Axis-REIT as landlord for single tenanted properties are quit rent, assessment and insurance of which are not affected by minimum wage.

(xiii) Management plans for properties with low occupancy rates such as Crystal Plaza, Axis Business Campus and Axis Technology Centre

The Manager has been working very hard to ensure occupancy rates are managed well and will continue to do so. Crystal Plaza which has a low occupancy rate at end of March 2022 will see its occupancy rate improves to 91% by 1 May 2022. Even during the pandemic periods, Quattro West which was having a low occupancy rate of about 40% before MCO, saw an improvement in its occupancy rate to over 90% in end 2020 and it is now almost 100% occupied.

(xiv) There was a tax expense of RM3.675 million in the FYE2021 audited accounts compared to RM507,000 in FYE2020. What is this tax expense?

Listed REITs in Malaysia are exempted from paying tax provided that they distribute at least 90% of their chargeable income.

The RM3.675 million tax expense was a provision for deferred tax on real property gain tax (RPGT) exposure on the fair value gain on the investment properties. This was to comply with the accounting standards. The said provision is unrealized and would not affect the income distribution as it is non-cash in nature. Higher provision has been made in FYE2021 because Axis-REIT recorded higher unrealized fair value gain of RM68 million compared to RM19 million recognized in FYE2020.

(xv) Impact of rising interest rates on Axis-REIT. Will Axis-REIT lock in more current rates to mitigate higher financing cost in the future?

As at 31 March 2022, 68% of the Fund's total financing was under fixed rate with only 32% under floating rate. Based on the current financing structure, for every 25 basis points increase in the interest rate, the Fund will incur an additional interest cost of RM900,000 per annum, equivalent to an impact of 0.05 sen to the distribution per unit. Being a responsible Fund Manager and to maintain good capital management for Axis-REIT, the Manager always strive to strike a balance between the fixed and floating rates i.e. to maintain at least 50% on fixed rate. The Fund has also benefited from the lower interest rate for the floating rate portion.

The Chairman then announced the closure of the Q&A Session and informed that Unitholders' whose questions were not addressed at the Meeting would receive electronic mail response from the Manager soonest as practicable. He also added that the Minutes of the AGM containing the key matters discussed will be made available on the corporate website as required by the SC.

12. <u>POLL VOTING</u>

The Chairman then announced that the voting session would continue for another 5 minutes to allow the Unitholders and proxies to complete their voting via the RPEV facilities.

After 5 minutes, the Chairman announced the closure of the voting session and the Meeting was adjourned at 10.54 a.m. for the verification of the poll results by the Scrutineers.

13. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed and the Chairman called the Meeting to order for the declaration of the poll results at 10.59 a.m..

The Chairman informed that he had received the poll results verified by the Scrutineers and invited the Scrutineers to read out the poll results.

The Scrutineers announced the finalised and verified poll results in respect of all the Ordinary Resolutions tabled, for and on behalf of the Chairman, as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Ordinary Resolution No. 1 Proposed Renewal of Authority	1,041,168,429	88.4274	136,259,580	11.5726
Ordinary Resolution No. 2 Proposed Renewal of IDRP Authority	1,176,530,095	99.9237	897,914	0.0763

With a majority of votes in favour of both resolutions, the Chairman declared that both the Ordinary Resolution No. 1 and Ordinary Resolution No. 2 were duly carried.

14. CLOSURE

There being no further business to be discussed, the Meeting concluded at 11.00 a.m. with a vote of thanks to the Chairman.

[END]