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

MINUTES OF ELEVENTH 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, 20 APRIL 2023 AT 10.00 A.M. (MALAYSIA TIME)

Present:

Directors* (at the broadcast venue):
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin
Chairman of the Meeting
(Independent Non-Executive Chairman)
Dato' Abas Carl Gunnar Bin Abdullah *(Executive Deputy Chairman)*
Leong Kit May *(Chief Executive Officer/ Executive Director)*
Lim Keng Hwee *(Independent Non-Executive Director)*
Devika A/P K Sothinathan *(Independent Non-Executive Director)*

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

Directors* (Remote attendance via the RPEV facilities):
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

YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin, the Independent Non-Executive Chairman of Axis REIT Managers Berhad ("ARMB" or "Manager"), the management company of Axis Real Estate Investment Trust ("Axis-REIT" or "Fund") presided as Chairman at the Eleventh 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 and thanked them for their participation.

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. He reminded the participants that no audio or video recording was allowed for the live streamed meeting.

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 panel attendees who were physically present at the broadcast venue. They were the Executive Deputy Chairman, the 2 newly appointed Independent Non-Executive Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Company Secretary. The representatives of the Auditors from KPMG PLT and the Scrutineers from KPMG Management and Risk Consulting Sdn Bhd were also present at the broadcast venue.

The other Directors who were attending the AGM remotely, gave their greetings to the Meeting via the broadcast.

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 2023 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 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 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 Management and Risk Consulting Sdn Bhd as the Independent Scrutineers to verify the poll results.

The electronic voting procedures 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 virtual Meeting 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 messaging facility to transmit their questions in real time during the Meeting. The questions to be answered will be published in the messaging facility for Unitholders' and proxies' reference.

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 grouped and combined 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 2022 ("FYE2022") and the financial results for the first quarter of 2023, investment and development activities, as well as Axis-REIT's stock information. The presentation ended with a video on the on-going development of Bukit Raja Distribution Centre 2 screened at the Meeting.

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 FYE2022 TOGETHER WITH THE REPORTS ATTACHED THEREON

The Audited Financial Statements ("AFS") of Axis-REIT for FYE2022 and the Reports attached thereon were tabled and laid before the Meeting.

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 FYE2022 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 informed 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 120,664,323 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 120,664,323 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 120,664,323 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 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 in response to the following questions received:

(i) What is the acquisition target for the year 2023?

Axis-REIT is in the midst of acquiring a warehouse facility in Kulim, Kedah for RM92 million and it is currently undergoing a due diligence process.

The Fund has also set an acquisition target of RM140 million to be achieved in 2023.

(ii) What is the impact to Axis-REIT following the increase in the electricity surcharge?

There was a slight increase in electricity bill in the first quarter of 2023, impact of which is minimal to Axis-REIT. This was because most of the tenancies/leases are on triple-net basis where the tenants of the single-tenanted buildings are responsible to pay for their own electricity consumption.

(iii) With the imposition of the minimum wage in May 2022, what is the impact on the business?

The increase in the minimum wage has affected the multi-tenanted office buildings and business parks where labour intensive services are involved such as security, cleaning and landscaping services. This has resulted in an increase in cost by 38% in the first quarter of 2023 as compared to the corresponding quarter of last year. However, the impact of the increased wages is only 4% of the total property expenses of Axis-REIT.

(iv) How has the increase in overnight policy rate ("OPR")/interest rate affected the business of Axis-REIT?

The interest rate factor is one of the many components that impacts earnings and the Manager monitors this under its capital management strategy. The capital management strategy adopted by the Manager is to strike a balance between the fixed and floating rates and Axis-REIT's exposure to fixed rate has improved from last year of 47% to 64% as at end of March 2023.

Assuming there is a hike in the OPR by another 25% basis point this year, there will be an impact of approximately 0.5% to Axis-REIT 2023 revenue.

(v) Is the Manager confident to achieve higher tenancy renewal rate with positive rental reversion in 2023?

As of April 2023, 64% of Axis-REIT's portfolio which are due to expire in 2023 has been renewed and the Manager is actively engaging tenants who have yet to renew their tenancies to understand their requirements. The Manager is confident to achieve a positive rental reversion in 2023.

(vi) Why is there an increase in the property operating expenses in the first quarter of 2023?

The overall property expenses were affected by the implementation of the minimum wage and increase in electricity tariff, with both giving minimal impact to Axis-REIT. In the first quarter of 2023, there were higher one-off building expenses which resulted in the increase of the property operating expenses.

(vii) What is the rationale for the general mandate to allot and issue new units in Axis-REIT ("units") to undertake placement exercise which will dilute the existing Unitholders?

The Manager seeks the renewal of the general mandate at every AGM of Axis-REIT where authority to allot new units is given up to a size of 20% on the unit capital of Axis-REIT (as allowed under the regulatory requirements). The Manager undertakes such placement only when the need arises to lower the financing ratio of Axis-REIT and to provide headroom for future acquisitions. In the last placement exercise which took place in January 2023, only 6.09% of the total number of units was placed out in line with the acquisition and growth strategy of Axis-REIT. Axis-REIT had implemented a total of 9 placement exercises thus far and this exercise has enabled the portfolio to grow from the value of RM300 million to the current RM4.3 billion.

(viii) It was reported in the 2022 Annual Report of Axis-REIT that the Fund has locked in RM200 million in fixed rate financing bringing the total fixed financing rate to 60%. What is the preferred portion of fixed rate financing in longer term?

The preferred portion for fixed rate is 60% while the floating rate is 40%; and Axis-REIT would prefer to maintain a higher portion of fixed rate financing. Notwithstanding that, it is important to keep a balance between the financing rates and take consideration of the current market conditions and the right timing before locking in the fixed rate.

(ix) There was a negative 2.71% of annual total return recorded in the 2022 Annual Report of Axis-REIT. What is the cause of the negative annual total return?

Total return is a factor between income distribution and movement in unit price. In 2021, the unit price closed at RM1.94 per unit and RM1.79 per unit in 2022 thus resulting in the negative 2.71% of annual total return. Currently, the unit price of Axis-REIT is at RM1.90 per unit and when compared to RM1.79 in the preceding year, Axis-REIT is registering a positive capital return of 6% based on unit price.

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 of Axis-REIT 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 10.51 a.m. for the verification of the poll results by the Scrutineers.

13. <u>ANNOUNCEMENT OF POLL RESULTS</u>

The Meeting resumed and the Chairman called the Meeting to order for the declaration of the poll results at 11.03 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	1,079,490,834	93.3848	76,469,285	6.6152
Ordinary Resolution No. 2 Proposed Renewal of IDRP Authority	1,155,018,011	99.9182	945,108	0.0818

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 11.05 a.m. with a vote of thanks to the Chairman.

[END]