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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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REAL ESTATE INVESTMENT TRUST

(A real estate investment trust constituted under the laws of Malaysia)

CIRCULAR TO UNITHOLDERS IN RELATION TO THE PROPOSED ALLOTMENT TO EMPLOYEES PROVIDENT FUND BOARD AND/OR KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (BEING MAJOR UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST ("AXIS-REIT")) AND/OR PERSONS CONNECTED WITH THEM PURSUANT TO THE PROPOSED PLACEMENT OF UP TO 263,000,000 NEW UNITS IN AXIS-REIT, REPRESENTING UP TO APPROXIMATELY 15.05% OF THE TOTAL NUMBER OF UNITS ISSUED

AND

NOTICE OF UNITHOLDERS' MEETING

Principal Adviser and Placement Agent



Investment Bank

Company Registration No. 197301002412

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Placement Agent



CIMB Investment Bank Berhad

Registration No. 197401001266 (18417-M)

The Notice of Meeting of the Unitholders ("**Unitholders' Meeting**") and Instrument of Proxy are set out in this Circular and are available on Axis-REIT's corporate website at <https://www.axis-reit.com.my/investor/meeting.php>. The details of the Unitholders' Meeting, which will be convened on a virtual basis through live streaming and online remote voting from the broadcast venue, are as follows:

| | |
|--|--|
| Date and time of the Unitholders' Meeting | : Wednesday, 23 October 2024 at 10.00 am (Malaysia time) |
| Broadcast venue of the Unitholders' Meeting | : Boardroom, Penthouse, Menara Axis, No. 2, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia |
| Last date and time for lodging the Instrument of Proxy | : Monday, 21 October 2024 at 10.00 am (Malaysia time) |

Further information on how to attend the Unitholders' Meeting is set out in the Administrative Guide for Unitholders which can be viewed and downloaded from the corporate website of Axis-REIT at <https://www.axis-reit.com.my/investor/meeting.php>.

You are entitled to attend, speak (in the form of real-time submission of typed-texts) and vote remotely at the Unitholders' Meeting via the Remote Participation and Electronic Voting ("**RPEV**") facilities. Please refer to the Administrative Guide for Unitholders for the procedures to register, attend and vote remotely using the RPEV facilities at the Unitholders' Meeting. If you are unable to attend the Unitholders' Meeting, you shall be entitled to appoint a proxy or proxies to attend and vote on your behalf. Please refer to the notes to the Instrument of Proxy for the details.

This Circular is dated 27 September 2024

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:

| | |
|---------------------------------|---|
| 1Q | : First quarter |
| AGM | : Annual general meeting |
| Authority | : Authority granted to the Directors of the Manager to allot and issue new Units of up to 20% of the total number of Units issued to facilitate Axis-REIT in raising funds via a placement exercise, the approval of which was obtained from the Unitholders at the 12 th AGM of Axis-REIT held on 25 April 2024 |
| Axis-REIT or Fund | : Axis Real Estate Investment Trust |
| Axis REIT Managers or Manager | : Axis REIT Managers Berhad, being the management company of Axis-REIT |
| Board | : Board of Directors of the Manager |
| Bursa Depository | : Bursa Malaysia Depository Sdn Bhd |
| Bursa Securities | : Bursa Malaysia Securities Berhad |
| Circular | : This circular to Unitholders dated 27 September 2024 |
| CIMB | : CIMB Investment Bank Berhad |
| CMSA | : Capital Markets and Services Act, 2007 |
| Deed | : The Fourth Principal Deed dated 17 January 2020 executed between the Manager and the Trustee, constituting Axis-REIT |
| Director(s) | : Has the same meaning given in Section 2(1) of the CMSA and includes a director of a management company |
| EPF | : Employees Provident Fund Board |
| FYE | : Financial year ended |
| KWAP | : Kumpulan Wang Persaraan (Diperbadankan) |
| Listing Requirements | : Main Market Listing Requirements of Bursa Securities |
| LPD | : 13 September 2024, being the latest practicable date prior to the date of this Circular |
| LTH | : Lembaga Tabung Haji |
| Major Unitholder(s) | : Being a person who/which has a direct and/or indirect interest in Axis-REIT of 10.0% or more of the total number of Units issued or 5.0% or more of the total number of Units issued if such person is the largest Unitholder |
| Maybank IB or Principal Adviser | : Maybank Investment Bank Berhad |
| NAV | : Net asset value |

DEFINITIONS *(Cont'd)*

| | |
|---------------------------------------|---|
| Net Proceeds | : Entire proceeds after deducting the estimated expenses relating to the Proposed Placement |
| Person(s) connected | : In relation to any person (referred to as "said Person") means such person who falls under any one of the following categories: <ul style="list-style-type: none">(i) a family member of the said Person;(ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;(iii) a partner of the said Person;(iv) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;(v) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;(vi) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or(vii) a body corporate which is a related corporation of the said Person |
| Placement Agents | : Collectively, Maybank IB, CIMB and such other placement agent(s) as may be appointed and announced by Axis-REIT at a later date |
| Placement Units | : New Units to be issued pursuant to the Proposed Placement |
| Price-Fixing Date | : The date on which the issue price of the Placement Units will be fixed and announced by the Board |
| Proposed Allotment to EPF and/or KWAP | : Proposed Allotment to EPF and/or Proposed Allotment to KWAP |
| Proposed Allotment to EPF | : Proposed allotment of up to 174,749,215 Placement Units, being up to 10.00% of the total number of Units issued as at the LPD, to EPF and/or persons connected with EPF pursuant to the Proposed Placement |
| Proposed Allotment to KWAP | : Proposed allotment of up to 174,749,215 Placement Units, being up to 10.00% of the total number of Units issued as at the LPD, to KWAP and/or persons connected with KWAP pursuant to the Proposed Placement |
| Proposed Placement | : Proposed placement of up to 263,000,000 Placement Units, representing up to approximately 15.05% of the total number of Units issued as at the LPD (including the Proposed Allotment to EPF and/or KWAP) |
| Record of Depositors | : A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository |
| RPEV | : Remote Participation and Electronic Voting |

DEFINITIONS *(Cont'd)*

| | |
|---------------------------|--|
| Rules of Bursa Depository | : The rules of Bursa Depository as issued under the Securities Industry (Central Depositories) Act, 1991 |
| SPA | : Sale and purchase agreement |
| Trustee | : RHB Trustees Berhad, being the trustee for Axis-REIT |
| Unit(s) | : Undivided interest(s) in Axis-REIT as constituted by the Deed |
| Unitholder(s) | : Holder(s) of the Units |
| Unitholders' Meeting | : Meeting of the Unitholders |
| VWAMP | : Volume weighted average market price |

CURRENCY

| | |
|------------|----------------------------|
| RM and sen | : Ringgit Malaysia and sen |
|------------|----------------------------|

All references to “**you**” and “**your**” in this Circular are to the Unitholders, unless the context otherwise requires.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to any enactment, rules or guidelines in this Circular are references to those enactment, rules or guidelines as for the time being amended or re-enacted.

Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals are due to rounding differences.

Any reference to a time of day and date in this Circular is a reference to Malaysia time and date respectively, unless otherwise stated.

Any reference in this Circular to any provision of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits) be construed as a reference to provision of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

This Circular includes forward-looking statements. All statements other than statements of historical facts included in this Circular including, without limitation, those regarding the Fund's financial position, business strategies, prospects, plans and objectives of the Fund for future operations, are forward-looking statements. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED PLACEMENT (INCLUDING THE PROPOSED ALLOTMENT TO EPF AND/OR KWAP). YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED ALLOTMENT TO EPF AND PROPOSED ALLOTMENT TO KWAP RESPECTIVELY TO BE TABLED AT THE FORTHCOMING UNITHOLDERS' MEETING.

| Key Information | Summary | Reference to Circular |
|-----------------------------------|---|-----------------------|
| Details of the Proposed Placement | <ul style="list-style-type: none">The Proposed Placement involves an issuance of up to 263,000,000 Placement Units, representing up to approximately 15.05% of the total number of Units issued as at the LPD of 1,747,492,159 Units.Subject to the size of the Proposed Placement, the Proposed Allotment to EPF and/or KWAP will involve the allotment of the Placement Units in the following manner:<ul style="list-style-type: none">(i) up to 174,749,215 Placement Units, being up to 10.00% of the total number of Units issued as at the LPD, to EPF and/or persons connected with EPF; and/or(ii) up to 174,749,215 Placement Units, being up to 10.00% of the total number of Units issued as at the LPD, to KWAP and/or persons connected with KWAP.For avoidance of doubt, the allotment of the Placement Units (including the Proposed Allotment to EPF and/or KWAP) shall not exceed 263,000,000 Placement Units and the allotment to any single placee must not exceed 174,749,215 Placement Units.The actual number of Placement Units to be issued as well as the actual number of Placement Units to be allotted to EPF and/or KWAP and persons connected with them will be determined at a later stage by the Manager in consultation with the Placement Agents through the bookbuilding exercise.For illustrative purposes only, assuming the maximum number of Placement Units are issued at an issue price of RM1.73 per Unit, representing a discount of approximately 3.64% to the VWAMP of the Units for the 5 market days up to and including the LPD of RM1.7954, the gross proceeds to be raised from the Proposed Placement is approximately RM454.99 million to be utilised by Axis-REIT in the following manner: | Section 2 |

| Description | Estimated timeframe for use of proceeds from the date of listing of the Placement Units | Amount RM million |
|--|---|----------------------|
| Repayment of bank financing | Within 12 months | 449.76 |
| Defray estimated expenses relating to the Proposed Placement | Within 1 month | 5.23 |
| Total | | 454.99 |

| Key Information | Summary | Reference to Circular |
|---|--|---------------------------|
| Rationale and justification for the Proposed Placement | <ul style="list-style-type: none"> The Proposed Placement will enable Axis-REIT to raise funds expeditiously to be used to partly repay its existing bank financing (including finance cost payable), which were taken up to finance the acquisition of properties and carry out development projects. The Proposed Placement is in line with the Board's strategy to reduce Axis-REIT's financing ratio as part of prudent capital management. This will provide Axis-REIT with sufficient financial headroom to continue pursuing future acquisitions of new properties and carry out development projects via bank financing which is in line with its capital management and growth strategy. The Proposed Placement will involve the issuance of new Units, which will increase the number of Units in circulation and will improve the trading liquidity of the Units. EPF and KWAP are key investors in Axis-REIT and the real estate investment sector, who have supported Axis-REIT in previous placement exercises. As such, the Board wishes to provide EPF and KWAP with the opportunity to participate in the Proposed Placement through the Proposed Allotment to EPF and/or KWAP. | Section 3 |
| Parties involved and conflict of interests | <ul style="list-style-type: none"> EPF and KWAP are Major Unitholders with 17.65% and 10.03% direct and indirect interest in Axis-REIT respectively as at the LPD. As such, EPF and KWAP are deemed interested in the Proposed Allotment to EPF and Proposed Allotment to KWAP respectively. Accordingly, EPF and KWAP and/or persons connected with them will abstain from voting on the ordinary resolution pertaining to the Proposed Allotment to EPF and Proposed Allotment to KWAP respectively in respect of their direct and/or indirect unitholding (if any) in Axis-REIT at the forthcoming Unitholders' Meeting. Save for EPF and KWAP, none of the Directors and major shareholder of the Manager, Major Unitholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Placement. Maybank IB, being the Principal Adviser and Placement Agent for the Proposed Placement, and CIMB, being the Placement Agent for the Proposed Placement are independent parties who have no conflict of interest arising from their role as adviser and/or placement agent for the Proposed Placement. For other placement agent(s) as may be appointed, Axis-REIT and Maybank IB will ensure that the appointment of such placement agent(s) will be independent party(ies) with no conflict of interest arising from their role as placement agent(s) for the Proposed Placement. | Section 10 and Appendix I |
| Directors' recommendation | <ul style="list-style-type: none"> The Board recommends that you vote in favour of the ordinary resolutions relating to the Proposed Allotment to EPF and Proposed Allotment to KWAP respectively to be tabled at the forthcoming Unitholders' Meeting. | Section 12 |



REAL ESTATE INVESTMENT TRUST

AXIS REIT MANAGERS BERHAD

(Registration No. 200401010947 (649450-W))

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

Registered Office

802, 8th Floor
Block C, Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

27 September 2024

Board of Directors of the Manager

Dato' Carl Gunnar Myhre @ Dato' Abas Carl Gunnar Bin Abdullah (*Executive Chairman*)
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 Tew Peng Hwee @ Teoh Peng Hwee*)
Takim Khan Myhre (*Alternate Director to Dato' Carl Gunnar Myhre @ Dato' Abas Carl Gunnar Bin Abdullah*)

To: The Unitholders

Dear Sir/Madam,

PROPOSED ALLOTMENT TO EPF AND/OR KWAP

1. INTRODUCTION

On 30 August 2024, on behalf of the Board, Maybank IB announced that the Manager intends to undertake a placement of up to 263,000,000 Placement Units, representing up to approximately 15.05% of the total number of Units issued of 1,747,492,159 as at the LPD ("**Announcement**").

The Proposed Placement will be undertaken in accordance with the authority granted to the Directors of the Manager to allot and issue new Units of up to 20% of the total number of Units issued to facilitate Axis-REIT in raising funds via a placement exercise, the approval of which was obtained from the Unitholders at the 12th AGM of Axis-REIT held on 25 April 2024 which will continue to be in force until:

- (i) the conclusion of the next AGM of Axis-REIT following the 12th AGM of Axis-REIT ("**13th AGM**"), at which time the Authority will lapse, unless by a resolution passed by the Unitholders at the 13th AGM, such Authority is renewed; or

- (ii) the renewal of the Authority is revoked or varied by a resolution passed by the Unitholders at a Unitholders' meeting,

whichever is earlier.

Assuming that EPF and/or KWAP and/or persons connected with them participate in the bookbuilding exercise, the Placement Units may be placed out to Major Unitholder(s) and/or persons connected with them, subject to compliance with Paragraph 6.06(1) of the Listing Requirements where the Manager is required to seek the approval of the non-interested Unitholders at a Unitholders' Meeting to be convened for the Proposed Allotment to EPF and/or KWAP.

On 11 September 2024, on behalf of the Board, Maybank IB announced that Bursa Securities had, vide its letter dated 11 September 2024, approved the listing and quotation of the Placement Units subject to the conditions as set out in Section 7 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED ALLOTMENT TO EPF AND/OR KWAP AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED ALLOTMENT TO EPF AND PROPOSED ALLOTMENT TO KWAP RESPECTIVELY TO BE TABLED AT THE FORTHCOMING UNITHOLDERS' MEETING. THE NOTICE OF UNITHOLDERS' MEETING AND INSTRUMENT OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED ALLOTMENT TO EPF AND/OR PROPOSED ALLOTMENT TO KWAP RESPECTIVELY TO BE TABLED AT THE FORTHCOMING UNITHOLDERS' MEETING.

2. DETAILS OF THE PROPOSED PLACEMENT

2.1 Placement Size and Placement Arrangement

The Proposed Placement involves the issuance of up to 263,000,000 Placement Units.

The Placement Units are intended to be placed out through a bookbuilding exercise to investors to be identified later, where such investors shall fall under Schedules 6 and 7 of the CMSA.

Subject to the size of the Proposed Placement, the Proposed Allotment to EPF and/or KWAP will involve the allotment of the Placement Units in the following manner:

- (i) up to 174,749,215 Placement Units, being up to 10.00% of the total number of Units issued as at the LPD, to EPF and/or persons connected with EPF; and/or
- (ii) up to 174,749,215 Placement Units, being up to 10.00% of the total number of Units issued as at the LPD, to KWAP and/or persons connected with KWAP.

For avoidance of doubt, the allotment of the Placement Units (including the Proposed Allotment to EPF and/or KWAP) shall not exceed 263,000,000 Placement Units and the allotment to any single placee must not exceed 174,749,215 Placement Units.

The actual number of Placement Units to be issued as well as the actual number of Placement Units to be allotted to EPF and/or KWAP and persons connected with them will be determined at a later stage by the Manager in consultation with the Placement Agents through the bookbuilding exercise.

The Proposed Placement may be implemented in multiple tranches, depending on prevailing market conditions, within 6 months from the date of approval of Bursa Securities for the listing and quotation of the Placement Units on the Main Market of Bursa Securities or any extended period as may be approved by Bursa Securities, or until the conclusion of the 13th AGM to be convened in 2025 unless the Authority is renewed by the Unitholders at that AGM of Axis-REIT. This would provide Axis-REIT with the flexibility to procure interested investors to subscribe for the Placement Units expediently within the period as approved by Bursa Securities. For the avoidance of doubt, there could potentially be several price-fixing dates depending on the number of tranches for the implementation of the Proposed Placement.

Maybank IB and CIMB have been appointed as the Placement Agents for the Proposed Placement. Axis-REIT may appoint additional placement agent(s) to procure prospective placees for the Placement Units, and the appointment of additional placement agent(s), if any, will be announced accordingly.

2.2 Basis and justification for the issue price of the Placement Units

The issue price of the Placement Units will be determined by the Manager in consultation with the Placement Agents through the bookbuilding exercise on the Price-Fixing Date and will be based on a discount of not more than 10% to the VWAMP of the Units for the 5 market days immediately prior to the Price-Fixing Date.

2.3 Use of proceeds

The exact amount of proceeds to be raised from the Proposed Placement is dependent on the issue price and actual number of the Placement Units.

For illustrative purposes only, assuming the maximum number of Placement Units are issued at an issue price of RM1.73 per Unit, representing a discount of approximately 3.64% to the VWAMP of the Units for the 5 market days up to and including the LPD of RM1.7954, the gross proceeds to be raised from the Proposed Placement is approximately RM454.99 million to be utilised by Axis-REIT in the following manner:

| Description | Estimated timeframe for use of proceeds from the date of listing of the Placement Units | Amount RM million |
|---|---|-----------------------------|
| Repayment of bank financing ⁽¹⁾⁽²⁾ | Within 12 months | 449.76 |
| Defray estimated expenses relating to the Proposed Placement ⁽³⁾ | Within 1 month | 5.23 |
| Total | | ⁽²⁾454.99 |

Notes:

- (1) The total bank financing of Axis-REIT as at 30 June 2024 stood at approximately RM1.69 billion. The Manager expects to use the Net Proceeds to partly repay Axis-REIT's existing bank financing (including finance cost payable) which were taken up to finance the acquisition of properties and carry out development projects.

At this juncture, the Manager has not determined the specific bank financing facilities to be repaid. Nevertheless, the determination of the financing facilities to be repaid will be based on, among others, the maturity and cost of financing of each facility. Based on the average effective profit rate of 4.13% per annum for Axis-REIT's existing bank financing as at 30 June 2024, the partial repayment of the bank financing is expected to result in gross financing cost saving of approximately RM18.57 million per annum.

- (2) If the actual Net Proceeds differ from the amount illustrated above, the proceeds allocated for the partial repayment of bank financing will be adjusted accordingly.

(3) *The estimated expenses relating to the Proposed Placement comprise the following:*

| | <i>RM million</i> |
|--|--------------------------|
| <i>Placement agent fees⁽⁴⁾</i> | <i>4.42</i> |
| <i>Professional fees⁽⁵⁾</i> | <i>0.26</i> |
| <i>Fees payable to relevant authorities</i> | <i>0.03</i> |
| <i>Cost to convene the forthcoming Unitholders' Meeting and other ancillary expenses</i> | <i>0.52</i> |
| <i>Total</i> | <i>5.23</i> |

(4) *The placement agent fees are charged based on a fixed percentage of the total value of the Placement Units successfully placed out to identified placees by the Placement Agents.*

(5) *The professional fees include fees payable to the Principal Adviser and the solicitors.*

Pending the use of the Net Proceeds, such proceeds will be placed in Shariah-compliant bank deposits and/or money market instruments.

2.4 Ranking of the Placement Units

The Placement Units shall, upon allotment and issuance, rank equally in all respects with the existing Units, save and except that the Placement Units will not be entitled to the Advance Distribution (as defined in Section 2.6 of this Circular) and any distributable income, rights, benefits, entitlements and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Placement Units.

2.5 Listing and quotation of the Placement Units

The Placement Units will be listed and quoted on the Main Market of Bursa Securities.

Bursa Securities had, vide its letter dated 11 September 2024, approved the listing and quotation of the Placement Units on the Main Market of Bursa Securities.

2.6 Advance distribution

Pursuant to the terms of the Deed, the Manager shall, with the approval of the Trustee, distribute the distributable income of Axis-REIT at the quantum and intervals to be determined in its absolute discretion. The Board intends to declare an advance distribution of Axis-REIT's distributable income ("**Advance Distribution**") for the period commencing on the day immediately after the relevant distribution up to such date to be determined by the Board which is before the date on which the Placement Units are allotted to identified investors ("**Advance Distribution Period**"). The Placement Units will not be entitled to the Advance Distribution and hence, the entitlement date for the Advance Distribution will be prior to the date of allotment of the Placement Units.

The Advance Distribution is meant to ensure fairness to the existing Unitholders and is intended to be implemented to ensure that the distributable income accrued during the Advance Distribution Period is only distributed to the existing Unitholders.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED PLACEMENT

After due consideration of the various funding options available, the Board is of the view that the Proposed Placement is the most appropriate avenue of fund raising for the following reasons:

- (i) the Proposed Placement will enable Axis-REIT to raise funds expeditiously to be used to partly repay its existing bank financing (including finance cost payable), which were taken up to finance the acquisition of properties and carry out development projects as permitted under the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia. The Proposed Placement is in line with the Board's strategy to reduce Axis-REIT's financing ratio as part of prudent capital management.

The financing ratio of Axis-REIT based on the latest unaudited results of Axis-REIT for the six (6)-month period ended 30 June 2024 and following the completion of the acquisitions of Axis Vista 2, Axis Industrial Facility @ Batu Caves and Axis Industrial Facility @ Sendayan (as defined in Section 6.4 of this Circular) in July 2024 stood at 38.38%. The financing ratio of Axis-REIT upon the use of the Net Proceeds to partly repay Axis-REIT's existing bank financing is expected to be 29.13%. This will provide Axis-REIT with sufficient financial headroom to continue pursuing future acquisitions of new properties and carry out development projects via bank financing which is in line with its capital management and growth strategy.

The size of the Proposed Placement of up to approximately 15.05% of the total Units issued as at the LPD was determined after taking into consideration the sufficiency of Axis-REIT's financial headroom after the Proposed Placement to fund new acquisitions and development projects; and

- (ii) the Proposed Placement will involve the issuance of new Units, which will increase the number of Units in circulation and will improve the trading liquidity of the Units.

The Board is also of the view that EPF and KWAP are key investors in Axis-REIT and the real estate investment trust sector, who have supported Axis-REIT in previous placement exercises. As such, the Board wishes to provide EPF and KWAP with the opportunity to participate in the Proposed Placement through the Proposed Allotment to EPF and/or KWAP.

On 4 January 2023, Axis-REIT completed the placement of 100,000,000 new Units ("**2023 Placement**"), of which 38,894,200 new Units and 2,350,400 new Units were placed out to EPF and KWAP respectively. The 2023 Placement raised a gross proceeds of RM175.00 million that was fully used to pare down Axis-REIT's existing financing facilities and the expenses relating to the 2023 Placement.

4. EQUITY FUND RAISING EXERCISES UNDERTAKEN IN THE PAST 12 MONTHS

Axis-REIT has not undertaken any equity fund-raising exercises in the past 12 months prior to the Announcement.

5. INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (1Q 2024: 4.2%). The growth is driven by stronger domestic demand and further expansion in exports. Household spending increased amid sustained positive labour market conditions and larger policy support. Investment activity was underpinned by continued progress in multi-year projects and capacity expansion by firms. Exports improved amid higher external demand and positive spillovers from the global tech upcycle. Most supply-side sectors registered higher growth. The manufacturing sector was supported by broad-based improvement across all clusters, particularly in electrical and electronics (E&E). The services sector recorded strong growth, driven by consumer and business-related subsectors. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.9% (1Q 2024: 1.5%).

Headline and core inflation averaged 1.8% in the first half of 2024. During the quarter, both headline and core inflation edged higher to 1.9% (1Q 2024: 1.7% and 1.8% respectively). This was largely driven by higher housing and utilities inflation at 3.1% (1Q 2024: 2.6%). The share of Consumer Price Index (CPI) items recording monthly price increases was higher at 49.4% during the quarter (1Q 2024: 44.2%; second quarter average from 2011-2019: 43.9%), reflecting in part the price adjustments during the festive season and several policy measures by the Government during the period.

For the year until 13 August 2024, the ringgit has appreciated by 3.1% against the US dollar. On a nominal effective exchange rate (NEER) basis, the ringgit also appreciated by 5.3%. This was in part due to growing expectations among financial market participants on US policy rate cuts, which has alleviated pressure on regional currencies, including the ringgit.

The coordinated initiatives by the Government and BNM with the Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs) alongside engagements with corporates, exporters and investors continue to provide support to the ringgit. These efforts have resulted in greater and more consistent flows into the foreign exchange market. The daily average foreign exchange (FX) trading volume has risen to USD18.0 billion during the period of 26 February – 13 August 2024 (2 January – 23 February 2024: USD15 billion). The bid-ask spread is also narrower, indicating improved liquidity in the domestic FX market.

Credit growth to the private non-financial sector increased to 5.4% (1Q 2024: 5.2%), following higher growth in outstanding business loans (5.6%; 1Q 2024: 5.1%) and outstanding corporate bonds (3.4%; 1Q 2024: 3.2%). Outstanding business loan growth increased amid higher growth in both investment-related and working capital loans. By sector, the stronger growth was recorded in the construction and manufacturing sectors. For households, outstanding loan growth was sustained across most loan purposes (6.2%; 1Q 2024: 6.2%). Demand for household loans remained forthcoming, particularly for mortgages.

On the domestic front, household spending will be underpinned by continued employment and wage growth as well as policy measures. Investment activities will be driven by progress in multi-year projects across private and public sectors. Catalytic initiatives announced in national master plans and the higher realisation of approved investments are also key drivers for investment activities. Externally, the ongoing global tech upcycle and continued strong demand for non-electrical and electronics goods are expected to lift exports. Improvement in tourist arrivals and spending are expected to continue. Upside risks to growth include greater spillover from the tech upcycle, robust tourism activities, and faster implementation of existing and new investment projects. Downside risks to Malaysia's growth prospects stem from a downturn in external demand, an escalation in geopolitical conflicts and lower-than-expected commodity production.

Headline and core inflation are expected to edge higher in 2H 2024 mainly due to the rationalisation of diesel subsidies. However, the impact will remain manageable given mitigation measures by the Government to minimise cost impact to businesses. For the rest of the year, upside risks to inflation depend on the extent of the spillover effects from further domestic policy measures on subsidies and price controls to broader price trends, as well as global commodity prices and financial market developments. Overall, headline and core inflation for the year are projected to remain within the forecast ranges of 2.0% – 3.5% and 2.0% – 3.0% respectively.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2024, Bank Negara Malaysia)

5.2 Overview and prospects of property sector in Malaysia

Despite a challenging global financial and economic environment, the property market stayed resilient in 2023 supported by positive performance in all sub-sectors except agriculture compared to the previous year. In 2023, total transactions volume and value increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value

The industrial sub-sector recorded moderate growth in 2023, remained positive since Q3 2023 (increased by 10.7%), after experienced negative growth in first half 2023 (declined by 2.5%). It is in tandem to Department of Statistics Malaysia (DOSM), Malaysia's Industrial Production Index (IPI) for the year of 2023, which registered a marginal growth of 0.9% in 2023 as compared to 6.7% in 2022. All sectors posted positive growth namely electricity (2.5%); mining (0.8%) and manufacturing (0.7%).

Foreign Direct Investment (FDI) in Malaysia recorded a higher net inflow of RM926.30 billion in Q4 2023 as compared to Q3 2023 (RM914.90 billion). These investments were channelled mainly into the services sector with a value of RM468.40 billion (50.6%), followed by manufacturing (RM390.80 billion; 42.2%) and mining and quarrying (RM42.1 billion; 4.5%). The top three countries for FDI position were Singapore (RM207.70 billion; 22.4%), and Hong Kong (RM113.30 billion; 12.2%) and the United States of America (RM97.40 billion; 10.5%). Thus, the relaxation of Malaysia My Second Home (MM2H) program which was announced by the Government in December 2023 is on the right track to boost foreign investment in Malaysia particularly in real estate sector.

According to Malaysia Institute of Economic Research (MIER), the Consumer Sentiments Index (CSI) improved cautiously in Q4 2023, increased to 89.4 points (Q3 2023: 78.9 points), CSI still maintain in positive manner due to expected finances and employment improved, and expected inflation among consumers remains cautious and planned consumer spending bounce back. Correspondingly, Business Conditions Index (BSI) indicate similar trend, as the index increased to 89.0 points (Q3 2023: 79.7 points). The business confidence has increased in Q4 2023, mainly due to a rise in capital investment and Expected Index (EI) has improved. Contrarily, sales with both domestic and external orders reduced. Both CSI and BSI, on the same note, approaching the optimism 100 points threshold.

The growth in 2023 property market is highly supported by the implementation of various government initiatives and assistance and improving labour market conditions. Several initiatives which outlined under Budget 2023 by the government to a certain extent helped improve property market activities.

Overnight Policy Rate (OPR) was stagnant at 3.0% since May 2023, after an increase by 0.25 basis points from 2.75%, last increased in November 2022. The monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects, vigilant to ongoing developments to inform the assessment on the outlook of domestic inflation and growth as well as conducive to sustainable economic growth amid price stability. The current level of borrowing rate is seen heading to pre-pandemic rate at 3.00% in 2019, which the latest announced was in 24 January 2024.

On the demand side, mixed movements are shown in the indicators of residential and non-residential property demand. The loan applications for residential purchase indicate a slight decline of 0.7% as compared to 2022 (28.7%) whilst loan approvals increased marginally by 3.1%. Nevertheless, the situation differs for non-residential property where loan applications and approval managed to register an increase of 29.6% and 14.8% respectively

(Source: Property Market Report 2023, Valuation and Property Services Department, Ministry of Finance Malaysia)

5.3 Prospects of Axis-REIT

During the period from 1 January 2024 to 30 June 2024, the property portfolio size of Axis-REIT increased by 2 to a total of 64 properties, of which 51 properties are fully occupied. As at 30 June 2024, the investment properties of Axis-REIT are valued at RM4.56 billion with a cumulative net lettable area of more than 14.15 million square feet ("**sqft**"). Occupancy rate of Axis-REIT's property portfolio is approximately 89% with a weighted average lease expiry of approximately 4.9 years as at 30 June 2024¹. As at the LPD, the portfolio size has further increased to 67 properties following the completion of the acquisitions of Axis Vista 2, Axis Industrial Facility @ Batu Caves and Axis Industrial Facility @ Sendayan (as defined in Section 6.4 of this Circular) in July 2024.

Axis-REIT's focus remains very much in the industrial property segment. As at the LPD, 93% of Axis-REIT's portfolio are industrial properties. Axis-REIT's recent acquisitions included additions to its presence in the rapidly-growing key industrial hubs of Klang Valley and Negeri Sembilan. This geographical diversification is aimed at capturing the rapid growth of these burgeoning regional industrial hubs.

The Manager continuously reviews Axis-REIT's property portfolio, leveraging on its industry insights to re-assess and re-evaluate the portfolio, to ensure it remains well-positioned to meet the future needs of tenants and the broader market. The Manager believes that industrial properties will continue to generate stable and sustainable returns for the Unitholders.

The Manager also continues to work closely with existing and new tenants to deliver real estate solutions to match their growing needs, as demonstrated in the development of Axis Mega Distribution Centre (Phase 2) located in Telok Panglima Garang, Selangor Darul Ehsan with a net lettable area of approximately 509,040 sqft that was completed and its Certificate of Completion and Compliance was obtained on 27 March 2024.

The reduced financing ratio of Axis-REIT as a result of the partial repayment of its bank financing through the use of the Net Proceeds will provide Axis-REIT with sufficient financial headroom to continue pursuing acquisitions of new properties and development project opportunities which is in line with Axis-REIT's investment objectives of providing the Unitholders with a stable income distribution and to achieve growth in NAV per Unit by acquiring high quality accretive properties with strong recurring rental income.

¹ Includes Axis Steel Centre @ SiLC (as defined in Section 6.4 of this Circular) that is in the process of being disposed by the Trustee on behalf of Axis-REIT.

6. EFFECTS OF THE PROPOSED PLACEMENT

6.1 Unitholders' capital

The pro forma effect of the Proposed Placement on the Unitholders' capital of Axis-REIT is as follows:

| | No. of Units | RM |
|---|------------------|------------------------|
| | '000 | '000 |
| As at the LPD | 1,747,492 | 2,129,340 |
| To be issued pursuant to the Proposed Placement | 263,000 | ⁽¹⁾ 449,758 |
| Enlarged Unitholders' capital | 2,010,492 | 2,579,098 |

Note:

- (1) Assuming a maximum of 263,000,000 Placement Units, representing up to approximately 15.05% of the total number of Units issued as at the LPD, are issued at an issue price of RM1.73 per Unit (representing a discount of approximately 3.64% to the VWAMP of the Units for the 5 market days up to and including the LPD of RM1.7954) and after netting off the estimated expenses relating to the Proposed Placement of about RM5.23 million.

6.2 Substantial Unitholders' unitholding

The effect of the Proposed Placement on the substantial Unitholders' unitholding cannot be determined at this juncture as it will depend on the participation of the substantial Unitholders in the Proposed Placement which may increase if they are successful in the bookbuilding exercise.

Assuming the substantial Unitholders do not participate in the Proposed Placement, the pro forma effect of the Proposed Placement on the unitholding of the substantial Unitholders is as follows:

| Name | As at the LPD | | | | After the Proposed Placement | | | |
|------|---------------|-------|---------------------------|------|------------------------------|-------|---------------------------|------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Units | % | No. of Units | % | No. of Units | % | No. of Units | % |
| EPF | 308,434,229 | 17.65 | - | - | 308,434,229 | 15.34 | - | - |
| KWAP | 147,153,403 | 8.42 | ⁽¹⁾ 28,197,443 | 1.61 | 147,153,403 | 7.32 | ⁽¹⁾ 28,197,443 | 1.40 |
| LTH | 103,421,859 | 5.92 | - | - | 103,421,859 | 5.14 | - | - |

Notes:

- (1) Held by fund managers of KWAP.

- (2) For illustrative purposes only, assuming either EPF or KWAP (but not both) subscribes for the 174,749,215 Placement Units, being up to 10.00% of the total number of Units issued separately without the other party participating in the Proposed Placement ("**Proposed Maximum Placement Allotment**") and the remaining 88,250,785 Placement Units are placed out to other investors, their respective unitholding in Axis-REIT after the Proposed Placement will be as follows:

| After the Proposed Maximum Placement Allotment to EPF | | | | |
|--|---------------------|-------------|---------------------|-------------|
| Name | Direct | | Indirect | |
| | No. of Units | (3)% | No. of Units | (3)% |
| EPF | 483,183,444 | 24.03 | - | - |
| KWAP | 147,153,403 | 7.32 | 28,197,443 | 1.40 |

| After the Proposed Maximum Placement Allotment to KWAP | | | | |
|---|---------------------|-------------|---------------------|-------------|
| Name | Direct | | Indirect | |
| | No. of Units | (3)% | No. of Units | (3)% |
| EPF | 308,434,229 | 15.34 | - | - |
| KWAP | 321,902,618 | 16.01 | 28,197,443 | 1.40 |

- (3) Based on 2,010,492,159 Units in issue assuming the maximum 263,000,000 Placement Units are issued.

6.3 Earnings and distributable income

Any issuance of the Placement Units will dilute the earnings per Unit and distribution per Unit, the quantum of which would depend on the number of Placement Units to be issued.

Moving forward, the effect of the Proposed Placement on the earnings and distributable income of Axis-REIT will depend on the contribution from Axis-REIT's existing real estate properties, properties to be acquired in the future and the finance cost saving arising from the partial repayment of Axis-REIT's existing bank financing pursuant to the proposed use of the Net Proceeds as detailed in Section 2.3 of this Circular.

The Proposed Placement will not have any effect on Axis-REIT's distributable income policy as determined by the Board. The decision to declare and pay distributable income in the future would depend on the financial performance and cash flow position of Axis-REIT and prevailing economic conditions.

6.4 NAV per Unit and financing ratio

For illustrative purposes only, based on the audited statement of financial position of Axis-REIT as at 31 December 2023 and on the assumption that the Proposed Placement had been effected on that date, the pro forma effect of the Proposed Placement on the NAV per Unit and financing ratio of Axis-REIT are as follows:

| | Audited as at 31 December 2023 | ⁽¹⁾ After subsequent events | After the Proposed Placement |
|---------------------------------------|-----------------------------------|---|---------------------------------|
| | RM'000 | RM'000 | RM'000 |
| Unitholders' capital | 2,129,340 | 2,129,340 | ⁽⁵⁾ 2,579,098 |
| Undistributed distributable income | 31,290 | ⁽²⁾ 31,888 | 31,888 |
| Non-distributable reserve | 665,372 | ⁽²⁾ 655,585 | 655,585 |
| NAV | 2,826,002 | 2,816,813 | 3,266,571 |
| Number of Units in circulation ('000) | 1,747,492 | 1,747,492 | ⁽⁶⁾ 2,010,492 |
| NAV per Unit (RM) | 1.62 | 1.61 | 1.62 |
| Total financing | 1,554,974 | ⁽³⁾ 2,167,463 | ⁽⁷⁾ 1,717,705 |
| Total assets | 4,522,893 | ⁽⁴⁾ 5,126,193 | 5,126,193 |
| Financing ratio (%) ⁽⁸⁾ | 34.38 | 42.28 | 33.51 |

Notes:

- (1) Being adjustments arising from the following subsequent events from 1 January 2024 up to and including the LPD:
- (i) acquisition of a hypermarket presently built upon a freehold land bearing the postal address Temerloh Mall, Jalan Jaya 28000 Temerloh, Pahang Darul Makmur completed on 16 January 2024 pursuant to the SPA dated 8 December 2023 ("**Axis Hypermarket @ Temerloh**");
 - (ii) acquisition of an industrial complex presently built upon a leasehold land bearing the postal address Lot 1, Solok Waja 2, Kawasan Industri Bukit Raja, 41050 Klang, Selangor Darul Ehsan completed on 31 May 2024 pursuant to the SPA dated 23 February 2024 ("**Axis Facility 1 @ Bukit Raja**");
 - (iii) acquisition of an industrial facility built upon a leasehold land bearing postal address Lot 19, Jalan 51A/219, Federal Highway, 46100 Petaling Jaya, Selangor Darul Ehsan completed on 15 July 2024 pursuant to the SPA dated 23 May 2024 ("**Axis Vista 2**");
 - (iv) acquisition of an industrial facility built upon a leasehold land bearing the postal address Lot 5, Jalan Perusahaan 1, Kawasan Perindustrian PKNS, 68100 Batu Caves, Selangor Darul Ehsan completed on 15 July 2024 pursuant to the SPA dated 23 May 2024 ("**Axis Industrial Facility @ Batu Caves**");
 - (v) acquisition of a manufacturing facility built upon a freehold land bearing the postal address PT11653, Jalan Techvalley 1/2, Kawasan Perindustrian Sendayan Techvalley, 71950 Seremban, Negeri Sembilan Darul Khusus completed on 23 July 2024 pursuant to the SPA dated 25 October 2023 ("**Axis Industrial Facility @ Sendayan**");
 - (vi) on 22 April 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed acquisition of a manufacturing facility located in Kawasan Perindustrian Bukit Raja, Selangor Darul Ehsan from Amsteel Mills Sdn Bhd ("**Manufacturing Facility @ Bukit Raja**");

- (vii) on 22 April 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed acquisition of a storage yard located in Kawasan Perindustrian Bukit Raja, Selangor Darul Ehsan from Amsteel Mills Sdn Bhd ("**Storage Yard @ Bukit Raja**");
 - (viii) on 24 April 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed disposal of Axis Steel Centre @ SiLC located in Kawasan Perindustrian SiLC, Johor Darul Ta'zim ("**Axis Steel Centre @ SiLC**");
 - (ix) on 28 August 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed acquisition of a warehouse located in Taman Perindustrian Pulau Indah, Selangor Darul Ehsan from Malconrep Depot (M) Sdn Bhd ("**Warehouse 1 @ Pulau Indah**"); and
 - (x) on 28 August 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed acquisition of a warehouse located in Taman Perindustrian Pulau Indah, Selangor Darul Ehsan from Dayang Mewah Sdn Bhd ("**Warehouse 2 @ Pulau Indah**").
- (2) After taking into account the following:
- (i) unrealised net fair value gain arising from the acquisition of Axis Hypermarket @ Temerloh of RM0.72 million, which was calculated based on the market value of Axis Hypermarket @ Temerloh of RM27.00 million less purchase consideration of RM25.75 million and transaction costs of approximately RM0.53 million;
 - (ii) unrealised net fair value gain arising from the acquisition of Axis Facility 1 @ Bukit Raja of RM0.13 million, which was calculated based on the market value of Axis Facility 1 @ Bukit Raja of RM50.00 million less purchase consideration of RM49.00 million and transaction costs of approximately RM0.87 million;
 - (iii) unrealised net fair value loss arising from the acquisition of Axis Vista 2 of RM0.75 million, which was calculated based on the market value of Axis Vista 2 of RM69.00 million less purchase consideration of RM69.00 million and transaction costs of approximately RM0.75 million;
 - (iv) unrealised net fair value loss arising from the acquisition of Axis Industrial Facility @ Batu Caves of RM0.51 million, which was calculated based on the market value of Axis Industrial Facility @ Batu Caves of RM56.10 million less purchase consideration of RM56.00 million and transaction costs of approximately RM0.61 million;
 - (v) unrealised net fair value loss arising from the acquisition of Axis Industrial Facility @ Sendayan of RM0.98 million, which was calculated based on the market value of Axis Industrial Facility @ Sendayan of RM48.00 million less purchase consideration of RM48.00 million and transaction costs of approximately RM0.98 million;
 - (vi) estimated unrealised net fair value loss arising from the acquisition of Manufacturing Facility @ Bukit Raja of RM3.15 million, which was calculated based on the market value of Manufacturing Facility @ Bukit Raja of RM314.00 million less purchase consideration of RM313.00 million and estimated transaction costs of approximately RM4.15 million;
 - (vii) estimated unrealised net fair value loss arising from the acquisition of Storage Yard @ Bukit Raja of RM0.42 million, which was calculated based on the market value of Storage Yard @ Bukit Raja of RM39.00 million less purchase consideration of RM38.80 million and estimated transaction costs of approximately RM0.62 million;
 - (viii) estimated net gain on disposal of RM0.60 million which was calculated based on the disposal price of RM162.00 million less book value of Axis Steel Centre @ SiLC as at 31 December 2024 of RM159.00 million, realisation of previously recognised fair value gain arising from the disposal of RM3.05 and estimated transaction costs of RM5.45 million;
 - (ix) estimated unrealised net fair value loss arising from the acquisition of Warehouse 1 @ Pulau Indah of RM1.31 million, which was calculated based on the market value of Warehouse 1 @ Pulau Indah of RM110.40 million less purchase consideration of RM110.08 million and estimated transaction costs of approximately RM1.63 million; and

- (x) *estimated unrealised net fair value loss arising from the acquisition of Warehouse 2 @ Pulau Indah of RM0.47 million, which was calculated based on the market value of Warehouse 2 @ Pulau Indah of RM48.80 million less purchase consideration of RM48.57 million and estimated transaction costs of approximately RM0.70 million.*
- (3) *After incorporating the following:*
- (i) *bank financing of RM769.04 million used to satisfy the purchase consideration and transaction costs for the acquisitions of Axis Hypermarket @ Temerloh, Axis Facility 1 @ Bukit Raja, Axis Vista 2, Axis Industrial Facility @ Batu Caves, Axis Industrial Facility @ Sendayan, Manufacturing Facility @ Bukit Raja, Storage Yard @ Bukit Raja, Warehouse 1 @ Pulau Indah and Warehouse 2 @ Pulau Indah; and*
- (ii) *estimated net proceeds of RM156.55 million from the disposal of Axis Steel Centre @ SiLC is used for the repayment of part of Axis-REIT's bank financings.*
- (4) *After incorporating the impact on the total assets based on the market values of Axis Hypermarket @ Temerloh, Axis Facility 1 @ Bukit Raja, Axis Vista 2, Axis Industrial Facility @ Batu Caves and Axis Industrial Facility @ Sendayan, Manufacturing Facility @ Bukit Raja, Storage Yard @ Bukit Raja, Axis Steel Centre @ SiLC, Warehouse 1 @ Pulau Indah and Warehouse 2 @ Pulau Indah as set out in Note (2) above.*
- (5) *Assuming the maximum of 263,000,000 Placement Units are issued at an issue price of RM1.73 per Unit, and after netting off the estimated expenses relating to the Proposed Placement of about RM449.76 million.*
- (6) *Assuming the maximum 263,000,000 Placement Units are issued.*
- (7) *Assuming the entire Net Proceeds are used for the partial repayment of Axis-REIT's existing bank financing (including finance cost payable) which were taken up to finance the acquisition of properties and carry out development projects.*
- (8) *Financing ratio is calculated based on total financing divided by total assets multiplied by 100%.*

6.5 Convertible securities

As at the LPD, Axis-REIT does not have any convertible securities in issue.

7. APPROVALS REQUIRED

The Proposed Placement is subject to the following approvals being obtained:

- (i) the Trustee, which was obtained on 30 August 2024;
- (ii) Bursa Securities for the listing and quotation of up to 263,000,000 Placement Units on the Main Market of Bursa Securities, which was obtained vide its letter dated 11 September 2024, subject to the following conditions:

| No. | Condition | Status of compliance |
|-----|--|----------------------|
| 1. | Axis-REIT and Maybank IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Placement. | To be complied. |
| 2. | Maybank IB to inform Bursa Securities upon the completion of the Proposed Placement. | To be complied. |
| 3. | Axis-REIT and Maybank IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Placement is completed. | To be complied. |

| No. | Condition | Status of compliance |
|------------|--|-----------------------------|
| 4. | Axis-REIT or Maybank IB to furnish Bursa Securities with a certified true copy of the resolution passed by the non-interested Unitholders approving the Proposed Allotment to EPF and/or KWAP. | To be complied. |

- (iii) the non-interested Unitholders at the forthcoming Unitholders' Meeting for the Proposed Allotment to EPF and/or KWAP.

In the event that the approval of the non-interested Unitholders at the forthcoming Unitholders' Meeting for the Proposed Allotment to EPF and/or KWAP are not obtained, the Manager intends to proceed with the Proposed Placement to investors other than EPF and/or KWAP and persons connected with them in accordance with the Authority.

In the event the Proposed Placement (including the Proposed Allotment to EPF and/or KWAP) is not completed before the Authority lapses, the Proposed Placement (including the Proposed Allotment to EPF and/or KWAP) will be conditional upon the Authority being renewed by a resolution passed by the Unitholders at the 13th AGM.

In the event the Proposed Placement (including the Proposed Allotment to EPF and/or KWAP) is not fully implemented/completed within 6 months from the date of Bursa Securities' approval for the listing and quotation of the Placement Units on the Main Market of Bursa Securities, an application for an extension of time for the listing and quotation of the Placement Units on the Main Market of Bursa Securities may be sought from Bursa Securities for the implementation/completion of the Proposed Placement (including the Proposed Allotment to EPF and/or KWAP). If the application for an extension of time is not approved by Bursa Securities, a new application for the listing and quotation of the Placement Units on the Main Market of Bursa Securities will be submitted to Bursa Securities.

The Proposed Placement is not conditional upon any other corporate exercise or scheme of Axis-REIT.

The Proposed Allotment to EPF is not conditional upon the Proposed Allotment to KWAP, and vice versa. The Proposed Allotment to EPF and/or KWAP is not conditional upon any other corporate exercise or scheme of Axis-REIT.

8. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Placement and the corporate exercise/scheme disclosed below, there are no other corporate exercise/scheme which have been announced but pending completion as at the LPD:

- (i) on 22 April 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed acquisition of Manufacturing Facility @ Bukit Raja for a cash consideration of RM313.00 million. The proposed acquisition is expected to be completed by the 4th quarter of 2024;
- (ii) on 22 April 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed acquisition of Storage Yard @ Bukit Raja for a cash consideration of RM38.80 million. The proposed acquisition is expected to be completed by the 4th quarter of 2026;
- (iii) on 24 April 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed disposal of Axis Steel Centre @ SiLC for a cash consideration of RM162.00 million. The proposed disposal is expected to be completed by the 4th quarter of 2024;
- (iv) on 28 August 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed acquisition of Warehouse 1 @ Pulau Indah for a cash consideration of RM110.08 million. The proposed acquisition is expected to be completed by the 4th quarter of 2024; and

- (v) on 28 August 2024, the Trustee had, on behalf of Axis-REIT, entered into a SPA for the proposed acquisition of Warehouse 2 @ Pulau Indah for a cash consideration of RM48.57 million. The proposed acquisition is expected to be completed by the 4th quarter of 2024.

9. HISTORICAL UNIT PRICES

The monthly high and low market prices of the Units as traded on the Main Market of Bursa Securities for the past twelve (12) months preceding the date of this Circular are as follows:

| | <u>Low</u> | <u>High</u> |
|--|------------|-------------|
| | RM | RM |
| 2023 | | |
| September | 1.79 | 1.85 |
| October | 1.79 | 1.85 |
| November | 1.77 | 1.86 |
| December | 1.77 | 1.84 |
| 2024 | | |
| January | 1.75 | 1.82 |
| February | 1.74 | 1.80 |
| March | 1.77 | 1.83 |
| April | 1.81 | 1.96 |
| May | 1.83 | 1.93 |
| June | 1.81 | 1.86 |
| July | 1.78 | 1.88 |
| August | 1.74 | 1.85 |
| Last transacted market price of the Units on 29 August 2024, being the last full trading day prior to the Announcement | | 1.80 |
| Last transacted market price of the Units as at the LPD | | 1.80 |

(Source: Bloomberg)

10. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDER OF THE MANAGER, MAJOR UNITHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the following, none of the Directors and major shareholder of the Manager, Major Unitholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Placement:

- (i) EPF is a Major Unitholder with 17.65% direct interest in Axis-REIT as at the LPD. As such, EPF is deemed interested in the Proposed Allotment to EPF. Accordingly, EPF will abstain from voting on the ordinary resolution pertaining to the Proposed Allotment to EPF in respect of its direct and/or indirect unitholding (if any) in Axis-REIT at the forthcoming Unitholders' Meeting. In addition, EPF will also ensure that persons connected with it will abstain from voting on the ordinary resolution pertaining to the Proposed Allotment to EPF at the forthcoming Unitholders' Meeting.

EPF is one of the world's oldest provident funds. Established in 1951, EPF helps the Malaysian workforce to save for their retirement in accordance to the Employees Provident Fund Act 1991. For further details on EPF, please refer to www.kwsp.gov.my.

- (ii) KWAP is a Major Unitholder with 10.03% direct and indirect interest in Axis-REIT as at the LPD. As such, KWAP is deemed interested in the Proposed Allotment to KWAP. Accordingly, KWAP will abstain from voting on the ordinary resolution pertaining to the Proposed Allotment to KWAP in respect of its direct and/or indirect unitholding in Axis-REIT at the forthcoming Unitholders' Meeting. In addition, KWAP will also ensure that persons connected with it will abstain from voting on the ordinary resolution pertaining to the Proposed Allotment to KWAP at the forthcoming Unitholders' Meeting.

KWAP was established on 1 March 2007 under the Retirement Fund Act 2007, replacing the repealed Pensions Trust Fund Act 1991. With the incorporation of KWAP, all the powers, functions, activities, assets and liabilities of the Pensions Trust Fund were taken over in totality by KWAP. For further details on KWAP, please refer to www.kwap.gov.my.

As at the LPD, EPF and KWAP do not have any nominee directors on the Board.

11. ESTIMATED TIMEFRAME FOR THE COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Placement is expected to be completed by the 4th quarter of 2024.

12. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Allotment to EPF and/or KWAP (including the rationale and effects of the Proposed Allotment to EPF and/or KWAP) is of the opinion that the Proposed Allotment to EPF and/or KWAP is in the best interest of Axis-REIT.

Accordingly, the Board recommends that you vote in favour of the ordinary resolutions relating to the Proposed Allotment to EPF and Proposed Allotment to KWAP respectively to be tabled at the forthcoming Unitholders' Meeting.

13. UNITHOLDERS' MEETING

The Unitholders' Meeting, the Notice of which is enclosed with this Circular, will be convened on a virtual basis through live streaming and online remote voting from the broadcast venue at Boardroom, Penthouse, Menara Axis, No. 2, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 23 October 2024 at 10.00 am (Malaysia time) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions to give effect to the Proposed Allotment to EPF and Proposed Allotment to KWAP. The Notice of Unitholders' Meeting together with the Instrument of Proxy are enclosed in this Circular.

You are entitled to attend, speak (in the form of real-time submission of typed-texts) and vote remotely at the Unitholders' Meeting via the RPEV facilities. Please refer to the Administrative Guide for Unitholders for the procedures to register, attend and vote remotely using the RPEV facilities at the Unitholders' Meeting. If you are unable to attend the Unitholders' Meeting, you shall be entitled to appoint a proxy or proxies to attend and vote on your behalf. In such event, you should complete, sign and deposit the original Instrument of Proxy 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 date and time fixed for the Unitholders' Meeting (facsimile or soft copy of the Instrument of Proxy would be disregarded). The lodging of the original Instrument of Proxy shall not preclude you from participating in the Unitholders' Meeting should you subsequently wish to do so.

14. FURTHER INFORMATION

You are requested to refer to the attached appendix for further information.

Yours faithfully,
For and on behalf of the Board of
AXIS REIT MANAGERS BERHAD

LEONG KIT MAY
Chief Executive Officer/Executive Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statements in this Circular misleading.

2. CONSENTS AND CONFLICT OF INTEREST

(i) Maybank IB

Maybank IB, being the Principal Adviser and Placement Agent for the Proposed Placement, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

Maybank IB and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for the Fund and/or the Manager, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with the Fund and/or the Manager, and/or its affiliates and/or any other entity or person, hold long or short positions in securities issued by the Fund and/or its affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans. This is a result of the business of the Maybank Group generally acting independent of each other and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of the Fund and/or the Manager. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, the Maybank Group has extended credit facilities to the Fund and part of the proceeds from the Proposed Placement will be used to partly repay the existing lenders of the Fund, which may include the Maybank Group.

Notwithstanding this, Maybank IB is of the view that the aforesaid lending relationship will not give rise to a conflict of interest situation in its capacity as Principal Adviser and Placement Agent for the Proposed Placement as:

- (i) the extension of credit facilities arose in the ordinary course of business of the Maybank Group;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013 and the Maybank Group's own internal controls and checks; and
- (iii) the total outstanding amount owed by the Fund is not material when compared to the audited net assets of the Maybank Group as at 31 December 2023 of RM94.64 billion.

Save as disclosed above, Maybank IB confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Principal Adviser and Placement Agent for the Proposed Placement.

FURTHER INFORMATION (Cont'd)

(ii) CIMB

CIMB, being the Placement Agent for the Proposed Placement, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

CIMB, as well as its holding company, CIMB Group Holdings Berhad, and its subsidiaries, related and associated companies, (collectively, the “**CIMB Group**”) form a diversified financial group and are engaged in a wide range of businesses relating to among others, retail banking, investment banking, commercial banking, brokerage, securities trading, asset and funds management and credit transaction services business. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for the Fund and/or the Manager, in addition to its role as the Placement Agent for the Proposed Placement as set out in this Circular.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with the Fund and/or the Manager, and/or its affiliates and/or any other entity or person, hold long or short positions in securities issued by the Fund and/or its affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans. This is a result of the business of the CIMB Group generally acting independent of each other and accordingly, there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of the Fund and/or the Manager. As at the LPD, the CIMB Group has, as part of its ordinary course of business, on an arm's length basis extended credit facilities to the Fund and part of the proceeds from the Proposed Placement will be used to partly repay the existing lenders of the Fund, which may include the CIMB Group.

Notwithstanding the above, CIMB is of the view that the aforesaid lending relationship will not give rise to a conflict of interest situation in its capacity as the Placement Agent for the Proposed Placement as:

- (i) the CIMB Group is a licensed financial institution and the extension of credit facilities arose in the ordinary course of business of the CIMB Group;
- (ii) the conduct of the CIMB Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013 and the CIMB Group's own internal controls and checks, among others, the segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees;
- (iii) the total outstanding amount owed by the Fund is not material when compared to the audited net assets of the CIMB Group as at 31 December 2023 of RM68.33 billion;
- (iv) CIMB is a licensed investment bank and its appointment as the Placement Agent for the Proposed Placement is in the ordinary course of its business and CIMB does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Placement Agent for the Proposed Placement; and
- (v) the relevant divisions of CIMB are required under CIMB's investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia. These guidelines require, among others, the establishment of “Chinese Wall” policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations.

FURTHER INFORMATION (Cont'd)

Accordingly, CIMB confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Placement Agent for the Proposed Placement.

3. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, Axis-REIT is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material and adverse effect on the business or financial position of Axis-REIT and the Board has no knowledge of any proceedings pending or threatened against Axis-REIT, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of Axis-REIT:

(i) **Johor Bahru High Court Civil Suit No: JA-22NCC-59-08/2023 between the Trustee against Yongnam Engineering Sdn Bhd and Yongnam Holdings Limited (collectively, "Defendants")**

The Trustee commenced an action against the Defendants for unpaid rental, compensation charges, liquidated ascertained damages and costs in respect of a lease agreement dated 26 November 2014 ("**Lease Agreement**"), in which the Trustee agreed to lease Axis Steel Centre @ SiLC to Yongnam Engineering Sdn Bhd ("**YESB**") based on the terms and conditions therein. Yongnam Holdings Limited ("**YHL**") stood as the guarantor for YESB in respect of its obligations under the Lease Agreement.

On 3 October 2023, the Trustee obtained Judgement in Default ("**Judgment**") against the Defendants jointly and severally. Pursuant to the Judgment, the Defendants are required to pay to the Trustee the following:

- (a) the unpaid rental for the period of March 2023 to 7 June 2023 of RM3,792,276.43;
- (b) the compensation charges of RM703,966.14 as at 7 June 2023 and continuing on the sum of RM3,792,276.43 at the rate of 1.5% per month on daily basis from 8 June 2023 until the date of full and final realisation;
- (c) the amount equivalent to the rental for the whole unexpired period of the lease term from 8 June 2023 until 29 December 2029 as agreed liquidated damages of RM105,396,516.60;
- (d) the compensation charges on the sum of RM105,396,516.60 at the rate of 1.5% per month from 8 June 2023 until the date of full and final realisation; and
- (e) the legal charges and reimbursements as at the date of filing of the writ in the sum of RM236,954.77.

In respect of YESB, there are no execution proceedings commenced against them. The Trustee has submitted a proof of debt to the judicial managers of YHL in Singapore, and recovery is subject to the availability of liquidated assets in the company. On 23 August 2024, liquidators were appointed for YHL by way of an order made by the High Court of Singapore.

FURTHER INFORMATION (Cont'd)

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**(i) Material commitments**

Save as disclosed below, as at the LPD, the Board is not aware of any other material commitments incurred or known to be incurred by Axis-REIT, which may have a material impact on the income or NAV of Axis-REIT:

| | <u>RM'000</u> |
|---|-----------------------|
| Contracted but not provided for: | |
| - Development of properties | 1,106 |
| - Proposed acquisition of the Manufacturing Facility @ Bukit Raja, Storage Yard @ Bukit Raja, Warehouse 1 @ Pulau Indah and Warehouse 2 @ Pulau Indah | 459,400 |
| - Enhancement of properties | 9,062 |
| Total | <u>469,568</u> |

(ii) Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by Axis-REIT which, upon becoming enforceable, may affect the ability of Axis-REIT to meet its obligations as and when they fall due.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Manager at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours between Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming Unitholders' Meeting:

- (i) the Deed;
- (ii) the audited financial statements of Axis-REIT for the past two (2) FYEs 31 December 2022 and 31 December 2023 and the latest unaudited results of Axis-REIT for the six (6)-month period ended 30 June 2024;
- (iii) the approval letter from the Trustee dated 30 August 2024;
- (iv) the letter of consent referred to in Section 2 above; and
- (v) the relevant cause papers in respect of the material litigation referred to in Section 3 of Appendix I.



REAL ESTATE INVESTMENT TRUST

(A real estate investment trust constituted under the laws of Malaysia)

NOTICE OF UNITHOLDERS' MEETING

NOTICE IS HEREBY GIVEN THAT a meeting of the unitholders of Axis Real Estate Investment Trust ("**Axis-REIT**" or "**Fund**") ("**Unitholders**") which will be convened on a virtual basis through live streaming and online remote voting from the broadcast venue at Boardroom, Penthouse, Menara Axis, No. 2, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 23 October 2024 at 10.00 am (Malaysia time) for the purpose of considering and if thought fit, passing with or without modifications the following ordinary resolutions:

ORDINARY RESOLUTION 1

PROPOSED ALLOTMENT OF UP TO 174,749,215 NEW UNITS IN AXIS-REIT ("PLACEMENT UNITS") TO BE ISSUED, BEING UP TO 10.00% OF THE TOTAL NUMBER OF UNITS IN AXIS-REIT ("UNITS") ISSUED, PURSUANT TO THE PROPOSED PLACEMENT OF UP TO 263,000,000 NEW UNITS REPRESENTING UP TO APPROXIMATELY 15.05% OF THE TOTAL NUMBER OF UNITS ISSUED ("PROPOSED PLACEMENT") TO EMPLOYEES PROVIDENT FUND BOARD ("EPF") AND/OR PERSONS CONNECTED WITH EPF ("PROPOSED ALLOTMENT TO EPF")

"THAT subject to the approvals of all relevant authorities and/or parties (if required) being obtained for the Proposed Allotment to EPF:

- (a) approval be and is hereby given to Axis REIT Managers Berhad ("**Manager**") to place, and pursuant thereto for the board of directors of the Manager ("**Board**") to allot and issue up to 174,749,215 Placement Units, representing up to 10.00% of the total number of Units issued of 1,747,492,159, to EPF and/or persons connected with EPF at an issue price to be determined and fixed by the Board. The actual allotment of the Placement Units pursuant to the Proposed Allotment to EPF shall be at the Manager's absolute discretion provided that the aggregate number of Units to be issued pursuant to the Proposed Placement shall not exceed 263,000,000 Units (including the Proposed Allotment to EPF) and the allotment to any single placee must not exceed 174,749,215 Units or 10% of the total number of Units issued;
- (b) the Placement Units shall, upon allotment and issue, rank equally in all respects with the existing Units except that the Placement Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared, made or paid on the existing Units before the date of allotment and issue of such Placement Units; and
- (c) approval and authority be and are hereby given to the Board and RHB Trustees Berhad ("**Trustee**") (acting for and on behalf of Axis-REIT) to do all such acts and things as they may consider necessary or expedient in the best interests of the Fund with full power to assent to any condition, modification, variation and/or amendment that may be required, or that may be imposed by any regulatory authority, and to issue and execute all declarations, confirmations, agreements, instruments and such other documents and arrangements as may be necessary or expedient to give full effect to, implement and complete the Proposed Allotment to EPF."

ORDINARY RESOLUTION 2

PROPOSED ALLOTMENT OF UP TO 174,749,215 NEW UNITS IN AXIS-REIT (“PLACEMENT UNITS”) TO BE ISSUED, BEING UP TO 10.00% OF THE TOTAL NUMBER OF UNITS IN AXIS-REIT (“UNITS”) ISSUED, PURSUANT TO THE PROPOSED PLACEMENT OF UP TO 263,000,000 NEW UNITS REPRESENTING UP TO APPROXIMATELY 15.05% OF THE TOTAL NUMBER OF UNITS ISSUED (“PROPOSED PLACEMENT”) TO KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (“KWAP”) AND/OR PERSONS CONNECTED WITH KWAP (“PROPOSED ALLOTMENT TO KWAP”)

“THAT subject to the approvals of all relevant authorities and/or parties (if required) being obtained for the Proposed Allotment to KWAP:

- (a) approval be and is hereby given to the Manager to place, and pursuant thereto for the Board to allot and issue up to 174,749,215 Placement Units, representing up to 10.00% of the total number of Units issued of 1,747,492,159, to KWAP and/or persons connected with KWAP at an issue price to be determined and fixed by the Board. The actual allotment of the Placement Units pursuant to the Proposed Allotment to KWAP shall be at the Manager’s absolute discretion provided that the aggregate number of Units to be issued pursuant to the Proposed Placement shall not exceed 263,000,000 Units (including the Proposed Allotment to KWAP) and the allotment to any single placee must not exceed 174,749,215 Units or 10% of the total number of Units issued;
- (b) the Placement Units shall, upon allotment and issue, rank equally in all respects with the existing Units except that the Placement Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared, made or paid on the existing Units before the date of allotment and issue of such Placement Units; and
- (c) approval and authority be and are hereby given to the Board and the Trustee (acting for and on behalf of Axis-REIT) to do all such acts and things as they may consider necessary or expedient in the best interests of the Fund with full power to assent to any condition, modification, variation and/or amendment that may be required, or that may be imposed by any regulatory authority, and to issue and execute all declarations, confirmations, agreements, instruments and such other documents and arrangements as may be necessary or expedient to give full effect to, implement and complete the Proposed Allotment to KWAP.”

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

27 September 2024

Notes:

- 1. *A Unitholder shall be entitled to attend, speak (in the form of real-time submission of typed-texts) and vote at the Unitholders’ Meeting and shall be entitled to appoint up to 2 persons, whether a Unitholder or not, as its proxy to attend and vote. As the Unitholders’ Meeting will be conducted on a virtual basis, an individual Unitholder who is unable to attend and vote via the Remote Participation and Electronic Voting facilities, at the Unitholders’ Meeting, can appoint the Chairman of the meeting as his/her proxy.*
- 2. *Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend, speak (in the form of real-time submission of typed-texts) and vote at the Unitholders’ Meeting and shall be entitled to appoint up to 2 persons (whether a Unitholder or not) as its proxy to attend and vote.*
- 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. *The proxy(ies) so appointed by a corporate Unitholder, an Authorised Nominee or an exempt Authorised Nominee need not be the Chairman of the meeting.*
6. *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.*
7. *Only a depositor whose name appears in the Record of Depositors of Axis-REIT as at 16 October 2024 shall be regarded as a Unitholder and entitled to attend, speak (in the form of real-time submission of typed-texts) and vote at this Unitholders' Meeting or appoint proxy(ies) in the manner as indicated above.*
8. *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 seal or under the hand of an officer or attorney duly authorised.*
9. *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 or soft copy of Instrument of Proxy would be disregarded).*

Additional Information:

1. *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/meeting.php> for more details of the virtual Unitholders' Meeting. The Instrument of Proxy is also available for download from the same link.*



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 <i>(In block letters)</i> : | MyKad/Passport No.: | Proportion of unitholdings | |
|---------------------------------------|---------------------|----------------------------|----------------|
| | | No. of Units | Percentage (%) |
| Address: | | | |
| Email address: | Contact No.: | | |

*OR failing him/her / AND,

| Full Name <i>(In block letters)</i> : | 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 (in the form of real-time submission of typed-texts) and vote for me/us on my/our behalf at the Unitholders' Meeting of Axis-REIT to be convened on a virtual basis through live streaming and online remote voting at the broadcast venue at Boardroom, Penthouse, Menara Axis, No. 2, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Wednesday, 23 October 2024, at 10.00 am (Malaysia time)**, 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 1 | Proposed Allotment to EPF | | |
| Ordinary Resolution 2 | Proposed Allotment to KWAP | | |

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 of2024

.....
Signature of Unitholder OR Common Seal

* Strike out whichever is not desired



Notes:

1. A Unitholder shall be entitled to attend, speak (in the form of real-time submission of typed-texts) and vote at the Unitholders' Meeting and shall be entitled to appoint up to 2 persons, whether a Unitholder or not, as its proxy to attend and vote. As the Unitholders' Meeting will be conducted on a virtual basis, an individual Unitholder who is unable to attend and vote via the Remote Participation and Electronic Voting facilities, at the Unitholders' Meeting, can appoint the Chairman of the meeting as his/her proxy.
2. Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend, speak (in the form of real-time submission of typed-texts) and vote at the Unitholders' Meeting and shall be entitled to appoint up to 2 persons (whether a Unitholder or not) as its proxy to attend and vote.
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.

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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

2nd Fold Here

5. The proxy(ies) so appointed by a corporate Unitholder, an Authorised Nominee or an exempt Authorised Nominee need not be the Chairman of the meeting.
6. 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.
7. Only a depositor whose name appears in the Record of Depositors of Axis-REIT as at 16 October 2024 shall be regarded as a Unitholder and entitled to attend, speak (in the form of real-time submission of typed-texts) and vote at this Unitholders' Meeting or appoint proxy(ies) to attend and vote on his/her behalf in the manner as indicated above.
8. 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 seal or under the hand of an officer or attorney duly authorised.
9. 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 or soft copy of the Instrument of Proxy would be disregarded).

Additional Information:

1. 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/meeting.php> for more details of the virtual Unitholders' Meeting. The Instrument of Proxy is also available for download from the same link.

Fold This Flap For Sealing