

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30.6.2025 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2024 RM'000
ASSETS		
Non-Current Assets		
Investment properties	5,103,813	5,090,820
Equipment	1,118	1,112
Total Non-Current Assets	5,104,931	5,091,932
Current Assets		
Receivables, deposits and prepayments	32,374	22,937
Islamic deposits placed with licensed banks (pledged)	19,484	19,484
Cash and cash equivalents	57,348	101,205
	109,206	143,626
Asset classified as held for sale	-	23,000
Total Current Assets	109,206	166,626
TOTAL ASSETS	5,214,137	5,258,558
LIABILITIES		
Non-Current Liabilities		
Tenants' deposits	74,479	71,870
Deferred tax liability	19,638	20,283
Financing	636,053	934,944
Total Non-Current Liabilities	730,170	1,027,097
Current Liabilities		
Payables and accruals	79,947	116,865
Financing	1,067,641	815,500
Total Current Liabilities	1,147,588	932,365
TOTAL LIABILITIES	1,877,758	1,959,462
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUNDS</u>		
Unitholders' capital	2,591,420	2,574,166
Distributable income	48,258	14,269
Non-distributable reserves	696,701	710,661
	3,336,379	3,299,096
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	5,214,137	5,258,558
NET ASSET VALUE	3,336,379	3,299,096
NUMBER OF UNITS IN CIRCULATION	2,020,774,182	2,010,492,159
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	1.6510	1.6409
- After income distribution	1.6245 (Note 1)	1.6282

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements.)

Note 1 – Being Net Asset Value Per Unit after reflecting the realised income to be distributed as 2025 second interim income distribution of 2.65 sen per unit payable on 29 August 2025.

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2025 RM'000	Preceding Year Corresponding Quarter 30.6.2024 RM'000	Current Year To date 30.6.2025 RM'000	Preceding Year To date 30.6.2024 RM'000
TOTAL TRUST INCOME *	90,252	76,530	180,122	152,070
Property income	89,616	76,064	179,161	151,242
Lease incentive adjustment (non-distributable) **	286	197	222	296
Unbilled lease income receivable ***	850	979	1,700	1,758
	90,752	77,240	181,083	153,296
Less : Assessment	(2,114)	(1,983)	(4,232)	(3,839)
Quit rent	(441)	(478)	(927)	(955)
Other property operating expenditure	(9,104)	(8,827)	(18,590)	(17,584)
Net property income	79,093	65,952	157,334	130,918
Profit income	350	269	739	532
Net gain on disposal of investment property #	867	-	867	-
Unbilled lease income ***	(850)	(979)	(1,700)	(1,758)
Fair value change on derivatives	(4,532)	(1,253)	(5,957)	80
Net gain on financial liabilities measured at amortised cost	150	652	512	1,592
NET PROPERTY AND INVESTMENT INCOME	75,078	64,641	151,795	131,364
Manager's fees	8,343	7,067	16,660	14,117
Trustee's fees	266	227	530	454
Depreciation	72	93	153	188
Auditors' fees	40	38	80	78
Tax agent's fee	6	5	10	9
Reversal of provision for doubtful debts	-	(79)	(7)	-
Administrative expenses	1,102	888	2,235	1,879
Islamic financing cost ##	17,741	17,447	35,495	33,416
NON-PROPERTY EXPENSES	27,570	25,686	55,156	50,141
NET TRUST INCOME	47,508	38,955	96,639	81,223
INCOME TAX EXPENSES				
- RPGT on disposal of investment property (realised) #	(1,202)	-	(1,202)	-
- Reversal of deferred tax provision	645	-	645	-
NET INCOME FOR THE QUARTER /PERIOD	46,951	38,955	96,082	81,223

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED) CONT'D

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2025 RM'000	Preceding Year Corresponding Quarter 30.6.2024 RM'000	Current Year To date 30.6.2025 RM'000	Preceding Year To date 30.6.2024 RM'000
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	46,951	38,955	96,082	81,223
EARNINGS PER UNIT (EPU) (sen) ###	2.32	2.23	4.76	4.65
NET INCOME FOR THE QUARTER /PERIOD IS MADE UP AS FOLLOWS:				
Realised				
- property income	51,604	39,359	101,862	79,255
- lease incentive adjustment (non-distributable) **	286	197	222	296
- RPGT on disposal of investment properties #	(1,202)	-	(1,202)	-
Unrealised - Net gain on financial liabilities measured at amortised cost	150	652	512	1,592
Unrealised - Fair value change on derivatives	(4,532)	(1,253)	(5,957)	80
Unrealised - reversal of deferred tax provision	645	-	645	-
	46,951	38,955	96,082	81,223

(The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements)

* The total trust income is for performance review purposes, it comprises property income (including lease incentive adjustment) and profit income. The unbilled lease income receivable is not included in this line as it is not distributable.

** Lease incentive adjustment which is non-distributable, had been recognised pursuant to the requirements of MFRS 16 where revenue is recognised on a straight-line basis and subsequently amortised to P&L throughout the tenancy period.

*** Recognition of unbilled lease income receivable pursuant to requirements of MFRS 16, to recognise income from operating lease on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the lease.

The disposal of The Annex completed on 30 April 2025 resulted in a total realised net gain on disposal of RM8,825,000 that is available for distribution to the unitholders (comprising the realisation of prior years' unrealised fair value gain of RM9,160,000 and the gain on disposal of RM867,000 less the tax effect of Real Property Gains Tax ("RPGT") of RM1,202,000).

- ## Islamic financing cost is the profit charged by the financier on the Islamic financing facilities taken by Axis-REIT.
- ### EPU for the current quarter/period is computed based on net income for the quarter/period divided by units in issue of 2,020,774,182 units and the weighted average number of units of 2,016,002,414 units, respectively. EPU for preceding year corresponding quarter/period is based on units in issue of 1,747,492,159 units.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FROM 1 JANUARY 2024 TO 30 JUNE 2024 (UNAUDITED)

		<i>Distributable</i>	<i>Non-Distributable</i>	
	Total Unitholders' Capital RM'000	Realised Income RM'000	Unrealised Income RM'000	Total Unitholders' Funds RM'000
At 1 January 2024	2,129,340	31,290	665,372	2,826,002
Net Income for the period	-	79,551	1,672	81,223
<i>Total comprehensive income for the period</i>	-	79,551	1,672	81,223
Contributions by and distributions to unitholders				
Distribution to unitholders	-	(82,131)	-	(82,131)
<i>Total transactions with unitholders</i>	-	(82,131)	-	(82,131)
At 30 June 2024	2,129,340	28,710	667,044	2,825,094

AXIS REAL ESTATE INVESTMENT TRUST

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

FROM 1 JANUARY 2025 TO 30 JUNE 2025 (UNAUDITED)

		<i>Distributable</i>	<i>Non-Distributable</i>	
	Total Unitholders' Capital RM'000	Realised Income RM'000	Unrealised Income RM'000	Total Unitholders' Funds RM'000
At 1 January 2025	2,574,166	14,269	710,661	3,299,096
Net Income for the period	-	100,882	(4,800)	96,082
Realisation of unrealised income	-	9,160	(9,160)	-
<i>Total comprehensive income for the period</i>	-	110,042	(13,960)	96,082
Contributions by and distributions to unitholders				
Issuance and placement of units	17,479	-	-	17,479
Issuing expenses	(225)	-	-	(225)
Distribution to unitholders #	-	(76,053)	-	(76,053)
<i>Total transactions with unitholders</i>	17,254	(76,053)	-	(58,799)
At 30 June 2025	2,591,420	48,258	696,701	3,336,379

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements.)

Includes the payment of final income distribution amounting to 1.27 sen per unit for the financial year 2024 and the first interim income distribution for financial year 2025 of 2.50 sen per unit, which were paid on 25 March 2025 and 30 May 2025 respectively.

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

	Current Year To Date 30.6.2025 RM'000	Preceding Year To Date 30.6.2024 RM'000
Cash flows from operating activities		
Net income before taxation	96,639	81,223
Adjustments for :-		
Islamic financing cost	35,495	33,416
Profit income	(739)	(532)
Gain on disposal of investment property	(867)	-
Depreciation of equipment	153	188
Gain on financial liabilities measured at amortised cost	(512)	(1,592)
Reversal of impairment losses on trade receivables	(7)	-
Fair value change on Islamic derivatives	5,957	(80)
Operating income before changes in working capital	136,119	112,623
Changes in working capital		
Receivables, deposits and prepayments	(9,430)	(53,741)
Payables and accruals	(41,091)	25,377
Tenants' deposits	1,337	7,059
Cash generated from operations	86,935	91,318
Cash flows from investing activities		
Profit income received	739	532
Enhancement of investment properties	(12,993)	(44,087)
Acquisition of investment property	-	(76,148)
Acquisition of equipment	(159)	(80)
Net proceeds from disposal of investment property	23,867	-
RPGT on the gain on disposal of investment property	(1,202)	-
Net cash from/(used in) investing activities	11,454	(119,783)
Cash flows from financing activities		
Islamic financing cost paid	(34,772)	(32,902)
(Repayment of) / proceeds from financing, net	(47,473)	134,722
Income distribution paid to unitholders	(76,053)	(82,131)
Proceeds from issuance of units	17,479	-
Issuing expenses	(225)	-
Net cash (used in)/from financing activities	(141,044)	19,689

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2025 (UNAUDITED) (CONT'D)

	Current Year To Date 30.6.2025 RM'000	Preceding Year To Date 30.6.2024 RM'000
Net decrease in cash and cash equivalents	(43,857)	(8,776)
Cash and cash equivalents at beginning of period	101,205	32,232
Cash and cash equivalents at end of period	57,348	23,456

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the financial statements.)

NOTES TO THE QUARTERLY REPORT

A. DISCLOSURE REQUIREMENTS AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial statements of Axis Real Estate Investment Trust (“Axis-REIT” or “Trust” or “Fund”) for year ended 31 December 2024.

A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2024

The audit report of the financial statements of Axis-REIT for the preceding financial year ended 31 December 2024 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of Axis-REIT are not affected by material seasonal or cyclical factors.

A4. UNUSUAL ITEMS

There were no unusual items to be disclosed for the quarter under review.

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. DEBT AND SHARIAH-COMPLIANT EQUITY SECURITIES

There were no issuances, cancellation, repurchase, resale and payment of debt and Shariah-compliant equity securities for the current quarter.

A7. INCOME DISTRIBUTION

During the quarter under review, the 2025 first interim income distribution of 2.50 sen per unit, totaling RM50,519,000 in respect of the period from 1 January 2025 to 31 March 2025 was paid on 30 May 2025.

Axis REIT Managers Berhad, the management company of Axis-REIT (“Manager”) has proposed to distribute 99% from realised income available for distribution generated from operations for the period from 1 April 2025 to 30 June 2025 of 2.65 sen per unit, which includes a non-taxable portion of approximately 0.15 sen per unit derived from tax-exempt profit income and the distribution on part of net gain on disposal of The Annex which is not subject to tax, as the 2025 second interim income distribution.

The 2025 second interim income distribution will be payable on 29 August 2025 and the book closure date is 13 August 2025.

A8. SEGMENTAL REPORTING

No segment information is prepared as Axis-REIT's activities are in one industry segment in Malaysia.

A9. VALUATIONS OF INVESTMENT PROPERTIES

The investment properties are valued based on valuations performed by independent registered valuers.

A10. MATERIAL EVENTS

There was no material event as at the latest practicable date from the date of the last annual reporting period except for the following:

- a) A sale and purchase agreement ("SPA") had been executed on 22 April 2024 for the proposed acquisition by Axis-REIT of a storage yard in Kawasan Perindustrian Bukit Raja, Selangor for a proposed purchase consideration of RM38,800,000. This proposed acquisition is still pending completion.
- b) A SPA has been executed on 26 February 2025 for the proposed disposal by Axis-REIT of The Annex in Petaling Jaya, Selangor for a proposed disposal consideration of RM24,200,000. The disposal was completed on 30 April 2025.

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

There was no change in the composition of the fund size of Axis-REIT for the current quarter under review and the fund size stands at 2,020,774,182 units.

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Manager is pleased to report the following financial results:

Quarter Results

For the quarter ended 30 June 2025 ("2Q2025"), Axis-REIT registered a total trust income of RM90,252,000. The realised net income from operations was RM50,688,000 after deducting total expenditure of RM39,229,000, of which RM11,659,000 were attributable to property expenses and RM27,570,000 to non-property expenses, and RPGT effect on the gains of disposal of investment property.

The disposal of The Annex completed on 30 April 2025 had resulted in a total net gain on disposal of RM8,825,000 which comprised the realisation of previous years' fair value gains.

The Manager has proposed to distribute 99% from realised income available for distribution generated from operations for the second quarter of 2025.

The total net asset value stood at RM3,336,379,000 and the net asset value per unit (before 2025 second interim income distribution) was RM1.6510.

Six Months Results

For the six months ended 30 June 2025, Axis-REIT recorded a total revenue of RM180,122,000. The realised net income generated from operations was RM100,882,000 after deducting total expenditure of RM78,905,000, of which RM23,749,000 were attributable to property expenses and RM55,156,000 to non-property expenses, and RPGT effect on the gain on disposal of investment property.

A total of RM50,519,000 was declared as the 2025 first interim income distribution which translated to 2.50 sen per unit, and paid on 30 May 2025.

Axis-REIT has further set aside RM53,551,000 (approximately 99% of total income available for distribution in respect of the period from 1 April 2025 to 30 June 2025) as the 2025 second interim income distribution which translates to 2.65 sen per unit payable on 29 August 2025.

Maintenance costs & major capital expenditure

During the financial period ended 30 June 2025, a total of RM12,993,000 has been incurred, of which RM6.4 million was incurred for enhancement of the properties of Axis-REIT and RM6.6 million was incurred for the extension of leasehold period of the property.

B2. MATERIAL CHANGES IN INCOME BEFORE TAXATION FOR THE QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

	Current Year Quarter 30.6.2025 RM'000	Immediate Preceding Quarter 31.3.2025 RM'000	%
Property income	89,616	89,545	+0.1%
Less : Property expenses	(11,659)	(12,090)	-3.6%
Net property income	77,957	77,455	+0.6%
Profit income	350	389	-10.0%
Gain on disposal of investment property	867	-	
Less: Non-property expenses (including financing cost)	(27,570)	(27,586)	-0.1%
Net income before lease incentive adjustment (non-distributable)	51,604	50,258	+2.7%
Lease incentive adjustment, net (Note 1)	286	(64)	
Net income before tax (Realised)	51,890	50,194	+3.4%

Note 1 - Lease incentive adjustment which is non-distributable, had been recognised pursuant to the requirements of MFRS 16 where revenue is recognised on a straight-line basis and subsequently amortised to P&L throughout the tenancy period.

For 2Q2025, Axis-REIT's property income was RM89,616,000, 0.1% higher compared to the immediate preceding quarter ("1Q2025") of RM89,545,000. Property expenses was 3.6% lower compared to 1Q2025 and non-property expenses was 0.1% lower compared to 1Q2025.

During the quarter under review, net income before lease incentive adjustment was RM51,604,000, 2.7% higher compared to 1Q2025 of RM50,258,000, mainly due to the net gain on disposal of The Annex and lower expenses.

B3. PROSPECTS

The Manager is optimistic that in view of the satisfactory performance of Axis-REIT's existing property portfolio and its growth strategy to actively pursue quality investments, it will be able to maintain its current performance for the financial year ending 31 December 2025.

B4. INVESTMENT OBJECTIVES

The Manager is pleased to report that since the listing of Axis-REIT, the Trust has been successful in achieving the investment objectives where the Trust has set out to provide the unitholders with a stable income distribution and to achieve growth in net asset value per unit of the Trust by acquiring high quality accretive properties with strong recurring rental income. There was no change in the investment objectives of Axis-REIT as at the date of this report.

B5. STRATEGIES AND POLICIES

There was no change in the strategies and policies employed since the issuance of the 2024 Integrated Annual Report of Axis-REIT.

B6. PORTFOLIO COMPOSITION

During the quarter under review, Axis-REIT completed the disposal of The Annex on 30 April 2025. The property portfolio size of Axis-REIT reduced from 69 to 68 as at 30 June 2025.

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

This is not applicable as there was no issuance of new units by Axis-REIT during the current financial quarter.

B8. INCOME DISTRIBUTION

Distribution to unitholders is from the following sources:

	Current Year Quarter 30.6.2025 RM'000	Preceding Year Corresponding Quarter 30.6.2024 RM'000	Current Year To date 30.6.2025 RM'000	Preceding Year To date 30.6.2024 RM'000
Gross rental income	89,902	76,261	179,383	151,538
Profit income	350	269	739	532
	90,252	76,530	180,122	152,070
Add: Gain on disposal of investment property	867	-	867	-
Less: Expenses	(39,229)	(36,974)	(78,905)	(72,519)
Less: RPGT on disposal of investment property	(1,202)	-	(1,202)	-
Realised income for the period	50,688	39,556	100,882	79,551
Add: Realisation of unrealised income (upon disposal of investment property)	9,160	-	9,160	-
Less: Non-cash items	(214)	(183)	(76)	(108)
Total realised income available for the period	59,634	39,373	109,966	79,443
Add: Brought forward undistributed realised income available for distribution	435	250	622	372
Total realised income available for distribution	60,069	39,623	110,588	79,815
Less: Proposed/declared income distribution for the quarter/period	(53,551)	(39,319)	(104,070)	(79,511)
Balance undistributed realised income available for distribution	6,518	304	6,518	304
Distribution per unit (sen)	2.65	2.25	5.15	4.55

B9. TAXATION

Trust Level

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967 under the Finance Act 2006 which was gazetted on 31 December 2006, where in the basis period for a year of assessment, 90% or more of the total income of the trust is distributed to unitholders, the total income of the trust for that year of assessment shall be exempted from tax.

Thus, based on the income distribution for the six-month period to date of approximately 99% of the realised income before tax, Axis-REIT should not incur any tax expense for the financial year.

Unitholders' Level

Pursuant to the amended Section 109D(2) of the Income Tax Act, 1967 under the Finance Act 2009 which was gazetted on 8 January 2009, the following withholding tax rates would be applicable on distribution of income which is tax exempt at Axis-REIT's level:

Resident unitholder:

- | | | |
|----|---|---|
| a) | Resident company: | Tax flow through; thus no withholding tax |
| b) | Unitholder other than a resident company: | Withholding tax at 10% |

Non-resident unitholder:

- | | | |
|----|--|------------------------|
| a) | Non-resident company: | Withholding tax at 24% |
| b) | Non-resident institutional investor: | Withholding tax at 10% |
| c) | Non-resident other than company and institutional investors: | Withholding tax at 10% |

B10. STATUS OF CORPORATE PROPOSALS

- a) The unitholders of Axis-REIT had at the Unitholders' Meeting convened and held on 30 April 2013, approved the authority to allot and issue up to 2,000,000 new units for the purpose of the payment of management fee to the Manager in the form of new units ("Payment of Management Fee Authority") and its corresponding increase in fund size of Axis-REIT pursuant to the Payment of Management Fee Authority.

Following the completion of the unit split exercise of Axis-REIT and the partial implementation of the Payment of Management Fee Authority, the number of new units permitted to be issued pursuant to the Payment of Management Fee Authority is up to a maximum of 3,044,000 new units.

Axis-REIT had obtained approval from Bursa Securities on 1 October 2015 for an extension of time to complete the Payment of Management Fee Authority from 4 October 2015 until full issuance of the new units permitted to be issued pursuant to the Payment of Management Fee Authority. There is no issuance pursuant to the Payment of Management Fee Authority during the quarter under review.

- b) Axis-REIT had obtained the approval for the proposed renewal of the authority to allot and issue new units in Axis-REIT of up to 20% of the issued fund size of Axis-REIT to facilitate a placement exercise from the unitholders at the 13th annual general meeting of Axis-REIT convened and held on 24 April 2025.

B11. FINANCING

	Current Financial Period Ended 30.6.2025 (RM'000)	Preceding Financial Year Ended 31.12.2024 (RM'000)
Short term financing		
- Secured Islamic revolving credit/ Secured Islamic Medium Term Notes/ Islamic Term Financing denominated in MYR	1,067,641	815,500
Long term financing		
- Secured Islamic Medium Term Notes/ Islamic Term Financings denominated in MYR	636,053	934,944

B12. DERIVATIVES

As at 30 June 2025, the Trust has the following Islamic Profit Rate Swap (“IPRS”) to hedge against the fluctuation of future movement in profit rate on its financings. Axis-REIT is currently using the said IPRS to hedge against its financings and the unrealised loss of the derivatives had been recognised in the profit or loss:

	Notional Value RM'000	Fair Value RM'000	Maturity
IPRS – derivative liabilities	310,000	(9,447)	More than 3 years

B13. MATERIAL LITIGATION

There was no pending material litigation as at the latest practicable date from the date of issuance of this report, except for the following:

Axis-REIT, vide an announcement dated 5 September 2023, announced that the Trustee of Axis-REIT, RHB Trustees Berhad as plaintiff, has on 5 September 2023 served on Yongnam Engineering Sdn Bhd (a former tenant of Axis-REIT at Axis Steel Centre @ SiLC) (“YESB”) and Yongnam Holdings Limited (corporate guarantor or YHL) (“the Defendants”) a Writ of Summons and Statement of Claim both dated 25 August 2023 regarding a legal proceeding claiming for:

- unpaid rental due and owing under the lease agreement for the period of March 2023 to 7 June 2023 of RM3,792,276.43;
- 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;
- amount equivalent to the rental for the whole unexpired period of the lease term from 8 June 2023 until 29 December 2029 as agreed liquidated damages of RM105,396,516.60 and its related compensation charges at the rate of 1.5% per month on daily basis from 8 June 2023 until the date of full and final realisation;
- legal charges and reimbursements as at the date of filing of the writ in the sum of RM236,954.77;
- costs on a solicitor-client basis; and
- such further and/or other relief which the Court deems fit and proper.

Subsequently, Axis-REIT has vide an announcement dated 20 October 2023, announced that the Trustee has on 19 October 2023 and 20 October 2023, served on the Defendants a Judgement in Default dated 3 October 2023 (“Judgment”). Pursuant to the Judgment, the Defendants are required to pay to the Trustee, the claimed sum listed as items (a) to (d) above.

The Trustee had on 20 December 2023 filed a proof of debts to the judicial managers of YHL for the total outstanding sum (including the compensation charges and the claimed sum as listed as items (a) to (d) above).

B13. MATERIAL LITIGATION (continued)

A joint and several liquidators for the creditors' voluntary winding-up had been appointed at the creditors meeting of YESB held on 21 February 2024. The case is pending next creditors meeting.

On 23 August 2024, liquidators were appointed for YHL by way of an order made by the High Court of Singapore. On 11 November 2024, a creditors' meeting was held and a committee of inspection was appointed.

B14. SOFT COMMISSION RECEIVED

There was no soft commission received by the Manager or its delegates during the quarter under review.

B15. PROFIT FOR THE QUARTER/PERIOD

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To date	To date
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Profit for the quarter/period is arrived at after crediting / (charging):				
Profit income	350	269	739	532
Gain on disposal of investment property	867	-	867	-
Islamic financing costs	(17,741)	(17,447)	(35,495)	(33,416)
Depreciation of equipment	(72)	(93)	(153)	(188)
Reversal of doubtful debts	-	79	7	-
Fair value change on derivatives	(4,532)	(1,253)	(5,957)	80

Save for the above, the other items listed under Appendix 9B (Note 16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

B16. SUMMARY OF DPU, EPU, NAV AND MARKET PRICE

	Current Quarter Ended 30.6.2025	Immediate Preceding Quarter Ended 31.3.2025
Number of units in issue (units)	2,020,774,182	2,020,774,182
EPU (realised) (sen)	2.51 ⁽¹⁾	2.50 ⁽²⁾
EPU (include unrealised income) (sen)	2.32 ⁽¹⁾	2.44 ⁽²⁾
Net realised income for the period (RM'000)	50,688	50,194
Distribution per unit (DPU) (sen)	2.65	2.50
Net Asset Value (NAV) (RM'000)	3,336,379	3,339,947
NAV Per Unit (RM)	1.6510	1.6528
Market Value Per Unit (RM)	1.95	1.80

⁽¹⁾ Based on total units in issue of 2,020,774,182 units.

⁽²⁾ Based on average number of units in issue. The total number of units issued is increased from 2,010,492,159 units to 2,020,774,182 units with the successful issuance and listing of 10,282,023 new units arising from IDRP completed on 26 March 2025.

B17. RESPONSIBILITY STATEMENT

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Securities so as to give a true and fair view of the financial position of Axis-REIT as at 30 June 2025 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of the Manager on 30 July 2025.

BY ORDER OF THE BOARD

REBECCA LEONG SIEW KWAN

Chartered Secretary

AXIS REIT MANAGERS BERHAD

(200401010947 (649450-W))

(As the Manager of AXIS REAL ESTATE INVESTMENT TRUST)

Petaling Jaya

30 July 2025