

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30.9.2025 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2024 RM'000
ASSETS		
Non-Current Assets		
Investment properties	5,109,845	5,090,820
Equipment	1,199	1,112
Total Non-Current Assets	5,111,044	5,091,932
Current Assets		
Receivables, deposits and prepayments	48,298	22,937
Islamic deposits placed with licensed banks (pledged)	25,564	19,484
Cash and cash equivalents	45,099	101,205
	118,961	143,626
Asset classified as held for sale	-	23,000
Total Current Assets	118,961	166,626
TOTAL ASSETS	5,230,005	5,258,558
LIABILITIES		
Non-Current Liabilities		
Tenants' deposits	75,672	71,870
Deferred tax liability	19,638	20,283
Financing	935,710	934,944
Total Non-Current Liabilities	1,031,020	1,027,097
Current Liabilities		
Payables and accruals	76,351	116,865
Financing	787,684	815,500
Total Current Liabilities	864,035	932,365
TOTAL LIABILITIES	1,895,055	1,959,462
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUNDS</u>		
Unitholders' capital	2,591,420	2,574,166
Distributable income	46,799	14,269
Non-distributable reserves	696,731	710,661
	3,334,950	3,299,096
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	5,230,005	5,258,558
NET ASSET VALUE	3,334,950	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	1.6503	1.6409
- After income distribution	1.6238 (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 third interim income distribution of 2.65 sen per unit.

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2025 RM'000	Preceding Year Corresponding Quarter 30.9.2024 RM'000	Current Year To date 30.9.2025 RM'000	Preceding Year To date 30.9.2024 RM'000
TOTAL TRUST INCOME *	92,767	80,270	272,889	232,340
Property income	92,379	80,365	271,540	231,607
Lease incentive adjustment (non-distributable) **	(257)	(348)	(35)	(52)
Unbilled lease income receivable ***	850	734	2,550	2,492
	92,972	80,751	274,055	234,047
Less : Assessment	(2,106)	(1,922)	(6,338)	(5,761)
Quit rent	(482)	(477)	(1,409)	(1,432)
Other property operating expenditure	(10,153)	(8,999)	(28,743)	(26,583)
Net property income	80,231	69,353	237,565	200,271
Profit income	645	253	1,384	785
Net gain on disposal of investment property #	-	-	867	-
Unbilled lease income ***	(850)	(734)	(2,550)	(2,492)
Fair value change on derivatives	(118)	(4,734)	(6,075)	(4,654)
Net gain on financial liabilities measured at amortised cost	148	1,692	660	3,284
NET PROPERTY AND INVESTMENT INCOME	80,056	65,830	231,851	197,194
Manager's fees	8,334	7,061	24,994	21,178
Trustee's fees	268	227	798	681
Depreciation	67	89	220	277
Auditors' fees	59	42	139	120
Tax agent's fee	5	4	15	13
Reversal of provision for doubtful debts	-	14	(7)	14
Administrative expenses	994	1,099	3,229	2,978
Islamic financing cost ##	18,207	19,524	53,702	52,940
NON-PROPERTY EXPENSES	27,934	28,060	83,090	78,201
NET TRUST INCOME	52,122	37,770	148,761	118,993
INCOME TAX EXPENSES				
- RPGT on disposal of investment property (realised) #	-	-	(1,202)	-
- Reversal of deferred tax provision	-	-	645	-
NET INCOME FOR THE QUARTER /PERIOD	52,122	37,770	148,204	118,993

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 30.9.2025 RM'000	Preceding Year Corresponding Quarter 30.9.2024 RM'000	Current Year To date 30.9.2025 RM'000	Preceding Year To date 30.9.2024 RM'000
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	52,122	37,770	148,204	118,993
EARNINGS PER UNIT (EPU) (sen) ###	2.58	2.16	7.34	6.81
NET INCOME FOR THE QUARTER /PERIOD IS MADE UP AS FOLLOWS:				
Realised				
- property income	52,349	41,160	154,211	120,415
- lease incentive adjustment (non-distributable) **	(257)	(348)	(35)	(52)
- RPGT on disposal of investment properties #	-	-	(1,202)	-
Unrealised - Net gain on financial liabilities measured at amortised cost	148	1,692	660	3,284
Unrealised - Fair value change on derivatives	(118)	(4,734)	(6,075)	(4,654)
Unrealised - reversal of deferred tax provision	-	-	645	-
	52,122	37,770	148,204	118,993

(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 2,017,610,483 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 SEPTEMBER 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	-	120,363	(1,370)	118,993
<i>Total comprehensive income for the period</i>	-	120,363	(1,370)	118,993
Contributions by and distributions to unitholders				
Distribution to unitholders	-	(121,450)	-	(121,450)
<i>Total transactions with unitholders</i>	-	(121,450)	-	(121,450)
At 30 September 2024	2,129,340	30,203	664,002	2,823,545

AXIS REAL ESTATE INVESTMENT TRUST

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

FROM 1 JANUARY 2025 TO 30 SEPTEMBER 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	-	152,974	(4,770)	148,204
Realisation of unrealised income	-	9,160	(9,160)	-
<i>Total comprehensive income for the period</i>	-	162,134	(13,930)	148,204
Contributions by and distributions to unitholders				
Issuance and placement of units	17,479	-	-	17,479
Issuing expenses	(225)	-	-	(225)
Distribution to unitholders #	-	(129,604)	-	(129,604)
<i>Total transactions with unitholders</i>	17,254	(129,604)	-	(112,350)
At 30 September 2025	2,591,420	46,799	696,731	3,334,950

(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 and second interim income distributions for financial year 2025 of 2.50 sen per unit and 2.65 sen per unit, which were paid on 25 March 2025, 30 May 2025 and 29 August 2025 respectively.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025 (UNAUDITED)

	Current Year To Date 30.9.2025 RM'000	Preceding Year To Date 30.9.2024 RM'000
Cash flows from operating activities		
Net income before taxation	148,761	118,993
Adjustments for :-		
Islamic financing cost	53,702	52,940
Profit income	(1,384)	(785)
Gain on disposal of investment property	(867)	-
Depreciation of equipment	220	277
Gain on financial liabilities measured at amortised cost	(660)	(3,284)
Reversal of impairment losses on trade receivables	(7)	14
Fair value change on Islamic derivatives	6,075	4,654
Operating income before changes in working capital	205,840	172,809
Changes in working capital		
Receivables, deposits and prepayments	(25,354)	(48,427)
Payables and accruals	(43,627)	16,899
Tenants' deposits	1,500	9,666
Cash generated from operations	138,359	150,947
Cash flows from investing activities		
Profit income received	1,384	785
Enhancement of investment properties	(19,025)	(47,142)
Acquisition of investment property	-	(252,017)
Acquisition of equipment	(307)	(80)
Net proceeds from disposal of investment property	23,867	-
RPGT on the gain on disposal of investment property	(1,202)	-
Pledged deposits	(6,080)	-
Net cash used in investing activities	(1,363)	(298,454)
Cash flows from financing activities		
Islamic financing cost paid	(52,665)	(52,133)
(Repayment of) / proceeds from financing, net	(28,087)	319,524
Income distribution paid to unitholders	(129,604)	(121,450)
Proceeds from issuance of units	17,479	-
Issuing expenses	(225)	-
Net cash (used in)/from financing activities	(193,102)	145,941

AXIS REAL ESTATE INVESTMENT TRUST

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

	Current Year	Preceding Year
	To Date	To Date
	30.9.2025	30.9.2024
	RM'000	RM'000
Net decrease in cash and cash equivalents	(56,106)	(1,566)
Cash and cash equivalents at beginning of period	101,205	32,232
Cash and cash equivalents at end of period	45,099	30,666

(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 second interim income distribution of 2.65 sen per unit, totaling RM53,551,000 in respect of the period from 1 April 2025 to 30 June 2025 was paid on 29 August 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 July 2025 to 30 September 2025 of 2.65 sen per unit, which includes a non-taxable portion of approximately 0.17 sen per unit derived from tax-exempt profit income and the partial distribution of net gain on disposal of The Annex which is not subject to tax, as the 2025 third interim income distribution.

The Board has determined that the recurrent and optional income distribution reinvestment plan (“IDRP”) that allows the unitholders of Axis-REIT to reinvest their income distribution into new units in Axis-REIT, shall apply to the payment of the 2025 third interim income distribution. The book closure date and the payment date of income distribution will only be announced upon approval by Bursa Securities in relation to the application for the listing and quotation of the new units to be issued pursuant to the IDRP applicable to the 2025 third interim income distribution.

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.
- c) A SPA has been executed on 1 August 2025 for the proposed acquisition by Axis-REIT of a warehouse facility in Telok Gong, Port Klang, Selangor for a proposed purchase consideration of RM80,000,000.
- d) A SPA has been executed on 4 September 2025 for the proposed acquisition by Axis-REIT of a industrial property in Kawasan Industri Bandar Sultan Suleiman, Port Klang, Selangor for a proposed purchase consideration of RM50,000,000.

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 September 2025 ("3Q2025"), Axis-REIT registered a total trust income of RM92,767,000. The realised net income from operations was RM52,092,000 after deducting total expenditure of RM40,675,000, of which RM12,741,000 were attributable to property expenses and RM27,934,000 to non-property expenses.

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

The total net asset value stood at RM3,334,950,000 and the net asset value per unit (before 2025 third interim income distribution) was RM1.6503.

Nine Months Results

For the nine months ended 30 September 2025, Axis-REIT recorded a total revenue of RM272,889,000. The realised net income generated from operations was RM152,974,000 after deducting total expenditure of RM119,580,000, of which RM36,490,000 were attributable to property expenses and RM83,090,000 to non-property expenses, and RPGT effect on the gain on disposal of investment property.

A total of RM104,070,000 was declared as the 2025 first and second interim income distributions which translated to 5.15 sen per unit, which were paid on 30 May 2025 and 29 August 2025 respectively.

Axis-REIT has further set aside RM53,550,000 (approximately 99% of total income available for distribution in respect of the period from 1 July 2025 to 30 September 2025) as the 2025 third interim income distribution which translates to 2.65 sen per unit.

Maintenance costs & major capital expenditure

During the financial period ended 30 September 2025, a total of RM19,025,000 has been incurred, of which RM12.4 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 30.9.2025 RM'000	Immediate Preceding Quarter 30.6.2025 RM'000	%
Property income	92,379	89,616	+3.1%
Less : Property expenses	(12,741)	(11,659)	+9.3%
Net property income	79,638	77,957	+2.2%
Profit income	645	350	+84.3%
Gain on disposal of investment property	-	867	
Less: Non-property expenses (including financing cost)	(27,934)	(27,570)	+1.3%
Net income before lease incentive adjustment (non-distributable)	52,349	51,604	+1.4%
Lease incentive adjustment, net (Note 1)	(257)	286	
Net income before tax (Realised)	52,092	51,890	+0.4%

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 3Q2025, Axis-REIT's property income was RM92,379,000, 3.1% higher compared to the immediate preceding quarter ("2Q2025") of RM89,616,000 mainly due to new tenancies and positive rental reversion from the existing portfolio.

Property expenses was RM12,741,000, 9.3% higher compared to 2Q2025 of RM11,659,000 mainly due to higher one-off repair costs and non-property expenses was 1.3% slightly higher compared to 2Q2025.

During the quarter under review, net income before lease incentive adjustment was RM52,349,000, 1.4% higher compared to 2Q2025 of RM51,604,000, mainly due to higher property income.

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, the property portfolio size of Axis-REIT remains at 68 as at 30 September 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 30.9.2025 RM'000	Preceding Year Corresponding Quarter 30.9.2024 RM'000	Current Year To date 30.9.2025 RM'000	Preceding Year To date 30.9.2024 RM'000
Gross rental income	92,122	80,017	271,505	231,555
Profit income	645	253	1,384	785
	92,767	80,270	272,889	232,340
Add: Gain on disposal of investment property	-	-	867	-
Less: Expenses	(40,675)	(39,458)	(119,580)	(111,977)
Less: RPGT on disposal of investment property	-	-	(1,202)	-
	52,092	40,812	152,974	120,363
Realised income for the period	52,092	40,812	152,974	120,363
Add: Realisation of unrealised income (upon disposal of investment property)	-	-	9,160	-
Less: Non-cash items	324	451	248	343
Total realised income available for the period	52,416	41,263	162,382	120,706
Add: Brought forward undistributed realised income available for distribution	6,518	304	622	372
Total realised income available for distribution	58,934	41,567	163,004	121,078
Less: Proposed/declared income distribution for the quarter/period	(53,550)	(41,066)	(157,620)	(120,577)
	5,384	501	5,384	501
Balance undistributed realised income available for distribution	5,384	501	5,384	501
Distribution per unit (sen)	2.65	2.35	7.80	6.90

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 nine-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 30.9.2025 (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	787,684	815,500
Long term financing		
- Secured Islamic Medium Term Notes/ Islamic Term Financings denominated in MYR	935,710	934,944

B12. DERIVATIVES

As at 30 September 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	(9,565)	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
	30.9.2025	30.9.2024	30.9.2025	30.9.2024
	RM'000	RM'000	RM'000	RM'000
Profit for the quarter/period is arrived at after crediting / (charging):				
Profit income	645	253	1,384	785
Gain on disposal of investment property	-	-	867	-
Islamic financing costs	(18,207)	(19,524)	(53,702)	(52,940)
Depreciation of equipment	(67)	(89)	(220)	(277)
Reversal of doubtful debts	-	(14)	7	(14)
Fair value change on derivatives	(118)	(4,734)	(6,075)	(4,654)

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 30.9.2025	Immediate Preceding Quarter Ended 30.6.2025
Number of units in issue (units)	2,020,774,182	2,020,774,182
EPU (realised) (sen)	2.58	2.51
EPU (include unrealised income) (sen)	2.58	2.32
Net realised income for the period (RM'000)	52,092	50,688
Distribution per unit (DPU) (sen)	2.65	2.65
Net Asset Value (NAV) (RM'000)	3,334,950	3,336,379
NAV Per Unit (RM)	1.6503	1.6510
Market Value Per Unit (RM)	2.05	1.95

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 September 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 23 October 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

23 October 2025